

EXCEL INDUSTRIES LIMITED

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50th Annual General Meeting

*on Friday 22-07-2011 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 2010-11. 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. B. PAREKH
N. B. SATHE

COMPANY SECRETARY

S. K. SINGHVI

AUDITORS

S. R. BATLIBOI & CO.
Chartered Accountants

BANKERS

Bank of India
State Bank of India
Axis Bank Limited

REGISTRARS & TRANSFER AGENTS

Link Intime India Pvt. Ltd.,
C-13, Pannalal Silk Mills Compound,
Bhandup (W), 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 50TH ANNUAL GENERAL MEETING of the Members of EXCEL INDUSTRIES LIMITED will be held at Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai-400 020 on Friday, the 22nd July, 2011 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account of the Company for the financial year ended 31st March, 2011, the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To declare a dividend on Equity Shares of the Company for the year ended 31st March, 2011.
3. To appoint a director in place of Mr. R. N. Bhogale who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. D. K. Shroff who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
“RESOLVED THAT pursuant to 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 (“the Act”) (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the resolutions passed by the Remuneration Committee of the Directors of the Company and by the Board of Directors at their meetings held on 20th May, 2011 consent and approval of the Members of the Company be and is hereby accorded to the re-appointment of and payment of remuneration to Mr. S. R. Potdar as Executive Director of the Company for a period of three years with effect from 3rd September, 2011 on the terms and conditions as set out in the draft Agreement to be entered into between the Company and Mr. S. R. Potdar, placed before this meeting and duly initialled by the Chairman & Managing Director of the Company for the purpose of identification which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall include the Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of appointment in such manner as may be agreed to between the Board and Mr. S. R. Potdar, but so as not to exceed the remuneration set out in the draft agreement.”

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. PROXY TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. An Explanatory Statement relating to the Special Business under Item No. 6 as required under Section 173(2) of the Companies Act, 1956, is annexed hereto.
3. Additional information pursuant to Clause 49 of the Listing Agreement with Stock Exchanges in respect of Directors appointed/re-appointed is appearing in the Corporate Governance Report forming part of this Annual Report.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, the 16th July, 2011 to Friday, the 22nd July, 2011 (both days inclusive).
5. Members are requested to notify immediately any change in their addresses to their Depository Participants (DPs) in respect of their electronic share accounts quoting Client ID No. and to the Company in respect of their physical shares, quoting Folio No.
6. Payment of dividend as recommended by the Directors, if declared at the Meeting, will be made on or after 26th July, 2011 to the Members whose names stand on the Company’s Register of Members on Friday, the 22nd July, 2011 and to the Beneficiary Holders under Demat Category as per the Beneficiary List on the close of business hours on Friday, the 15th July, 2011 provided by National Securities and Depository Limited and Central Depository Services (India) Limited.

7. Payment of 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. 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. Members holding shares in electronic form may furnish the information to their Depository Participants in order to receive dividend through ECS mechanism.
8. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the amounts of dividends remaining unclaimed for a period of seven years are to be transferred to the Investor Education and Protection Fund.

The details of dividend declared/paid for the financial year 2003-2004 onwards are given below:

| Date of Declaration | Dividend for the year | Dividend ₹ Per Share | Due date of the proposed transfer to the Investor Education & Protection Fund |
|---------------------|-----------------------|----------------------|---|
| 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 |
| 24.08.2009 | 2008-09 | 0.50 | 29.09.2016 |
| 19.07.2010 | 2009-10 | 2.00 | 24.08.2017 |

Members who have not encashed the dividend warrants for the year 2003-2004 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.

9. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the companies and has issued Circulars stating that service of notice/document including Annual Report can be sent by e-mail to its members.

To support this green initiative of the Government, members who have not registered their e-mail addresses so far are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with the Registrar of the Company i.e. M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai-400 078.

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, 20th May, 2011.

EXCEL INDUSTRIES LIMITED

ANNEXURE TO THE NOTICE

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

Item No. 6.

Mr. S. R. Potdar was reappointed as Executive Director of the Company for a period of three years with effect from 3rd September, 2008. The term of his office expires on 2nd September, 2011. The Board of Directors in its meeting held on 20th May, 2011, on the recommendation of the Remuneration Committee has proposed to reappoint him as the Executive Director of the Company for a further period of three years with effect from 3rd September, 2011 on the terms and conditions including remuneration as set out in the draft Agreement to be executed subject to approval of the members.

The draft Agreement between the Company and Mr. S. R. Potdar contains, *inter alia*, the following terms and conditions:

I. SALARY

₹ 1,70,000 per month in the scale of ₹ 1,70,000 – 20,000 – 2,10,000.

The annual increments will be effective from 3rd September each year and will be decided by the Board.

II. PERQUISITES

- (a) Perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance, special allowance, etc. in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and Mr. S. R. Potdar, such perquisites for each year not to exceed his annual salary.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

Provision of the Company's car and telephone at residence for official duties shall not be included in the computation of perquisites for the purpose of calculating the said ceilings.

- (b) Company's contribution to Provident Fund, Superannuation or Annuity Fund, Gratuity and Leave Encashment at the end of his tenure, as per the Rules of the Company applicable to senior executives and the same shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

III. COMMISSION

A sum calculated with reference to the net profits of the Company in a particular financial year, as may be decided by the Board of Directors, not exceeding 24 months of his salary, within the overall ceilings stipulated as per the provisions of the Companies Act, 1956.

IV. MINIMUM REMUNERATION

If, in any financial year, the Company has no profits or its profits are inadequate, then in such an event, subject to the approval of the Central Government as may be required, the remuneration by way of salary and perquisites as specified in paragraphs I and II above will be paid as minimum remuneration.

V. OTHER TERMS

- (a) Leave: On full pay and allowance, as per the Rules of the Company but not exceeding one month's leave for every 11 months of service.
- (b) Reimbursement of entertainment and/or travelling, hotel and other expenses actually incurred by him in performance of duties.
- (c) The appointment may be terminated by either party giving to the other party ninety days' notice in writing.
- (d) In the event of any dispute or difference arising at any time between Mr. S. R. Potdar and the Company in respect of the terms of his appointment or the construction thereof, the same will be submitted to and be decided by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

EXCEL INDUSTRIES LIMITED

THE REQUIRED DISCLOSURE AS PER SCHEDULE XIII, PART II, SECTION II, CLAUSE 1(B) IS AS STATED BELOW:

I. General Information

| | | | |
|-----|--|---|--|
| (1) | Nature of Industry | : | Manufacture of industrial chemicals, speciality chemicals, pesticides, intermediates, soil enricher, biotech products and Organic Waste Converter. |
| (2) | Date or expected date of commencement of commercial production | : | In production since 1960 |
| (3) | In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | : | N.A. |
| (4) | Financial performance based on given indicators | : | 2010-11 (₹ lacs) |
| | | | 1. Sales Turnover |
| | | | (a) Domestic 19188.82 |
| | | | (b) Export 6223.09 |
| | | | 2. Profit Before Tax 2035.25 |
| | | | 3. Profit After Tax 1430.90 |
| | | | 4. Gross Block 21251.31 |
| | | | 5. Net Block 9799.58 |
| | | | 6. Paid-up Capital 545.28 |
| | | | 7. Reserves & Surplus 10536.63 |
| | | | 8. Net worth 11081.91 |
| | | | 9. EPS 12.30 |
| | | | 10. Return on Net worth 12.91% |
| (5) | Export performance and net foreign exchange collaborations | : | Exports 6223.09 Net Foreign Exchange Earnings (0.66) |
| (6) | Foreign investments or collaborators, if any. | : | The Company holds 4,68,000 Equity Shares of Hong Kong \$1 each fully paid-up in Wexsam Limited, Hong Kong. |

II. Information about the appointee

| | | | |
|-----|--------------------|---|---|
| (1) | Background details | : | <p>Mr. S. R. Potdar was re-appointed as Executive Director of the Company for a period of three years with effect from 3rd September, 2008 and his term of office as the Executive Director expires on 2nd September, 2011.</p> <p>Mr. S. R. Potdar (58 Years) holds a degree in Bachelor of Technology in Chemical Engineering from the Indian Institute of Technology and a Post Graduate Diploma in Industrial Engineering from NITIE, Mumbai. He joined the Company in 1974 and has been associated with various functions like Process Development, Project Engineering, Materials Management and has been a member of the senior management team of the Company. He was the President in charge of the Chemicals Business Division of the Company prior to being appointed as the Executive Director. He has been responsible for Business Development, Organization Development and Corporate Management. He has made valuable contributions to the business and organization during his long professional association with the Company.</p> |
|-----|--------------------|---|---|

| | | | |
|-----|--|---|---|
| (2) | Past Remuneration | : | ₹ 1,50,000/- p.m. as salary and equivalent amount of perquisites. |
| (3) | Job Profile and his suitability | : | Mr. S. R. Potdar is a qualified professional and his qualifications are very relevant to the business of the Company. He has acquired relevant experience and expertise during his long tenure with the Company to contribute in the areas of Organization Development, Business Development and Corporate Management. |
| (4) | Remuneration proposed | : | As stated above in the Explanatory Statement. |
| (5) | Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (In case of expatriates, the relevant details would be w.e.f. the country of his origin). | : | The proposed remuneration compares favorably with that being offered to similarly experienced persons from industry and the professionals with an entrepreneurial background. The remuneration being proposed is considered to be appropriate, having regard to factors such as past experience, position held, present contribution to the Company, age and merits of the appointee. |
| (6) | Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any. | : | The appointee has the pecuniary relationship with the Company only to the extent of the amount of remuneration being proposed to be paid to him. |

III. Other Information

| | | | |
|-----|--|---|----------------|
| (1) | Reasons of loss or Inadequate profits | : | Not Applicable |
| (2) | Steps taken or proposed to be taken for improvement | : | Not Applicable |
| (3) | Expected increase in productivity and profits in measurable terms. | : | Not Applicable |

IV. Disclosures:

- (1) Apart from him, Mr. A. C. Shroff, Chairman and Managing Director and Mrs. Usha A. Shroff, Executive Vice Chairperson, draw the remuneration from the Company.
- (2) The required disclosures have been given in the Directors' Report under the heading "Corporate Governance", attached to this Annual Report, under the sub head 'Remuneration of Directors'.

The draft Agreement referred to in the resolution under Item No. 6 of the Notice will remain open for inspection by the members at the Registered Office of the Company on any working day between 2.00 p.m. and 4.00 p.m. up to the date of Annual General Meeting.

The Board commends the resolution for acceptance 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, 20th May, 2011.

EXCEL INDUSTRIES LIMITED

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting the 50th Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2011.

1. FINANCIAL RESULTS

The salient features of the Company's working are:

| | 2010-11 | 2009-10 | (₹ in Lacs) |
|--|-----------------|----------|-------------|
| Gross Profit for the year was | 3009.45 | 2132.57 | |
| Less: Depreciation/Amortisation | 974.20 | 992.96 | |
| Leaving a net profit before Tax | 2035.25 | | 1139.61 |
| Provision for Taxation: | | | |
| Current Tax | (703.00) | (126.00) | |
| In respect of earlier year | 16.07 | (136.27) | |
| Minimum Alternate Tax (Entitlement) | — | 178.75 | |
| Deferred Tax | 98.65 | (449.03) | 532.55 |
| | 1446.97 | | 607.06 |
| Add thereto/(reduce therefrom): | | | |
| Adjustment in respect of earlier years (net) | (105.25) | | 189.53 |
| | 1341.72 | | 796.59 |
| Add thereto: | | | |
| Balance brought forward from the previous year | 1365.05 | | 1122.80 |
| Leaving a balance available for Appropriation | 2706.77 | | 1919.39 |
| Appropriations: | | | |
| Proposed Dividend | 408.96 | | 218.11 |
| Tax on Dividend | 66.34 | | 36.23 |
| Transfer to General Reserve | 1100.00 | | 300.00 |
| | 1575.30 | | 554.34 |
| Carried forward to next year | 1131.47 | | 1365.05 |

2. DIVIDEND

Your Directors have recommended a Dividend of 75% amounting to ₹ 3.75 per equity share of ₹ 5/- each, including a special dividend of 25% (₹ 1.25 per equity share) on the occasion of 50th year as compared to a dividend of 40% (₹ 2/- per share) in the previous year.

3. OPERATIONS

During the year under review, the net sales increased from ₹ 222.32 crores to ₹ 254.12 crores, registering a growth of 14% and exports increased from ₹ 54 crores to ₹ 60 crores registering an increase of 11%. During the year under review, the Company had a profit before tax of ₹ 20.35 crores compared to ₹ 11.40 crores in the previous year, and had a profit after tax of ₹ 13.42 crores compared to ₹ 7.97 crores in the previous year.

4. NEW PROJECTS/EXPANSIONS/IMPROVEMENTS

Capacity for producing Pharma intermediates is being enhanced and certain balancing equipments are being installed to expand the capacity of existing products and to manufacture new range of products.

5. OUTLOOK

The Company's chemical products are sold in different market segments like, Agrochemicals, Polymers, Pharma Intermediates, sequesterants, Mining Chemicals and Biocides, etc. While majority of the products enjoy reasonable market share and capacity utilization, some products are experiencing maturation, low growth and attrition in market share and competition and inadequate profitability. The Company is examining ways to add value, improve costs and profitability and, if better replacement products are possible, to phase these out.

With revival of economy in India and elsewhere, the prices of several raw materials have gone up. Along with rise in price of crude oil, both the chemicals and energy products derived out of crude oil have started rising. These will need to be carefully monitored and their impact minimized through techno commercial efforts, and ultimately, wherever feasible, passed on to consumers.

Govt. of India vide its Notification No. 74/2010 dated 7th July, 2010 had levied anti-dumping duty on the product Diethyl Thiophosphoryl Chloride originating in or exported from People's Republic of China. The said notification was challenged by one of the importers in the Gujarat High Court.

The hearing in respect of the said petition took place on 5th May, 2011. We have been advised by our Solicitor that the said petition was allowed and judgement is stayed till 10th July, 2011. In the said petition, one of the pleas of the petitioner was to quash the said notification on the basis of judgement rendered by the Hon'ble Supreme Court in another case.

The Environment & Biotech Division is expected to do better, both in terms of Ahmedabad Plant's performance, as also the OWC Machine sales.

6. 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 systems.

7. 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.

8. EDUCATION, LEARNING AND HUMAN DEVELOPMENT

The Company has continued the emphasis on development of people with full commitment and has taken steps to provide the opportunities to learn relevant skills and acquire knowledge. The top management of the Company has taken keen interest in the training and development activities.

9. 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.

10. SUBSIDIARY COMPANY

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other statements of the Subsidiary Company are not being attached with the Annual Report of the Company. The Company will make available the Annual Accounts of the Subsidiary Company and the related detailed information to any member of the Company who may be interested in obtaining the same. The Annual Accounts of the Subsidiary Company will

also be kept open for inspection at the Registered Office of the Company and are also being posted on the Company's website: <http://www.excelind.co.in>. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary company.

11. 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 ₹ 18,49.80 lacs. 42 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, 2011, was ₹ 9.79 lacs. It has come down to ₹ 8.54 lacs as on the date of this Report.

12. DIRECTORS

Mr. R. N. Bhogale and Mr. Dipesh K. Shroff, Directors, will retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer themselves for re-appointment. The Board of Directors recommends their re-appointment.

13. SOCIAL RESPONSIBILITY

The Company has been supporting and helping activities and organizations contributing the rural development, children welfare and various social projects. The Company continues to discharge its social responsibilities with the spirit of duty towards the community.

14. 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.

15. CORPORATE GOVERNANCE

Your Company continues to practice 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.

16. HUMAN RESOURCES

Human Resource Management has always been the focus area for the Company.

The Company continuously strives to upgrade the knowledge and skills of the employees for better performance.

Measures for safety, training and development and welfare of employees receive highest priority.

Human Resource policies and practices are regularly reviewed and revised to suit the employee and organization needs.

Employee relations continue to be cordial and harmonious.

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

17. 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 Annexure to this Report and forms part of this Report.

18. AUDITORS

M/s. S. R. Batliboi & Co., Chartered Accountants, Mumbai will retire at the conclusion of the ensuing Annual General Meeting of the Company, who, being eligible, offer themselves for reappointment as Auditors of the Company.

19. COST AUDITORS

As per the requirements of the Central Government and pursuant to the provisions of Section 233B of the Companies Act, 1956, the audit of the Cost Accounts relating to group of products "Insecticides" is being carried out every year. The Company had appointed Mr. Kishore Bhatia, Cost Auditor, Mumbai to audit the cost accounts for the year 2010-11 i.e. from 1st April, 2010 to 31st March, 2011 for which necessary approval of the Central Government has been received vide their letter No. 52/184/CAB/1995 dated 19th February, 2010. The Cost Audit Report in respect of Financial Year 2009-10 which was due to be filed with the Ministry of Corporate Affairs on 27th September, 2010, was filed on 12th August, 2010. The Cost Audit Report in respect of Financial Year 2010-2011 will be filed on or before the due date i.e. 27th September, 2011.

20. ACKNOWLEDGEMENTS

Your Directors acknowledge with gratitude the support of the shareholders, government authorities, other investors, customers and suppliers, for the faith reposed in the Company and its management.

For and on behalf of the Board of Directors

A. C. SHROFF

Chairman & Managing Director

Mumbai, 20th May, 2011.

EXCEL INDUSTRIES LIMITED

ANNEXURE TO DIRECTORS' REPORT

(UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956)

Disclosures

(A) CONSERVATION OF ENERGY

(a) Energy Conservation Measures implemented in recent past:

- Replacement of 175 TR VAR Machine by 300 TR energy efficient VAR Machine.
- Installation of VFD (Variable Frequency Drives) for Blowers and Cooling water circulation pumps.
- Replacement of low efficiency pumps with high efficiency pumps.
- Installation of Steam Control Valves with Temperature Controller on HOT water tanks for energy efficiency.
- Replacement of Water-ring Vacuum Pumps with Oil Ring Vacuum Pump.
- Replacement of conventional gear boxes by energy efficient Helical Gear Boxes.

(b) Additional Investments and proposals, if any, being implemented for reduction in consumption of energy:

- Replacement of reciprocating Brine Compressor System (130 TR) by energy efficient Screw Compressor System (204 TR).
- Modification in Steam distribution set up to minimize transmission losses.
- Installation of Anaerobic Digesters in ETP system to get BIO GAS and to help reduce net energy consumption.

(c) Impact of Measures at (a) and (b)

The above measures have resulted into reduction in energy consumption:

- Reduction in steam consumption by 1 Kg/TR in chilled water generation.
- Reduction in electricity consumption by 1kW/TR in brine generation.

(d) Total energy consumption and energy consumption per unit of production as per prescribed Form A:

| | Current Year (2010-11) | Previous Year (2009-10) |
|--|-----------------------------------|----------------------------|
| A. Power and Fuel Consumption | | |
| 1. Electricity | | |
| (a) Purchased | | |
| Unit ('000 KWH) | 20,620 | 18,084 |
| Total Amount (₹ in lacs) | 11,75.90 | 9,44.51 |
| Rate/Unit (₹) | 5.70 | 5.22 |
| (b) Own Generation | | |
| (i) Through Diesel | | |
| Generated Unit ('000 KWH) | 90 | 149 |
| Units per Ltr. of Diesel Oil | 3.19 | 3.21 |
| Cost/Unit (₹) | 12.71 | 11.41 |
| (ii) Through Steam Turbine/Generator Units | | |
| Cost/Unit (₹) | Nil | Nil |

| | Current Year (2010-11) | Previous Year (2009-10) |
|--------------------------|-----------------------------------|----------------------------|
| 2. Coal | | |
| Qty. (MT) | 14,668 | 13,650 |
| Total Amount (₹ in lacs) | 6,99.32 | 651.78 |
| Avg. Rate (₹/Kg.) | 4.77 | 4.77 |
| 3. Fuel | | |
| Qty. (MT) | 670 | 374 |
| Total Amount (₹ in lacs) | 1,89.28 | 79.45 |
| Avg. Rate (₹/Kg.) | 28.25 | 21.25 |
| 4. Steam Purchased | | |
| Qty. (MT) | Nil | Nil |
| Total Amount (₹ in lacs) | Nil | Nil |
| Avg. Rate (₹/Kg.) | N.A. | Nil |

B. Consumption per ton of production

| | Current Year (2010-11) | | | | Previous Year (2009-10) | | | |
|--------------------------|-------------------------------|-------------|--------------------|-------------|-------------------------|------|-------------|------|
| | Fuel | | Electricity | | Fuel | | Electricity | |
| | Kg. | ₹ | kwh | ₹ | Kg. | ₹ | kwh | ₹ |
| 1. Phosphorous compounds | 150 | 2536 | 379 | 2171 | 153 | 2437 | 364 | 1941 |
| 2. Chemicals | 267 | 4596 | 867 | 4949 | 291 | 4578 | 956 | 4992 |
| 3. Organic Manure | Nil | Nil | 64 | 390 | Nil | Nil | 57 | 343 |

(B) TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R & D)

1. *Specific areas in which R & D is carried out by the Company:*

Process optimization and analytical method development have successfully been accomplished for one specialty additive in polyester and plastic segment. We expect the commercial supplies for this upcoming product to start in current year.

A high value phosphorous based intermediate for multiple applications has been developed and approved by one of the overseas customers. Initial campaign will be taken up for the commercial production in second quarter of the year.

As a part of our ongoing activities towards high value-low volume product range, several new complex entities for an electronic application have been developed and will be sold in the market in the near future.

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

The Company keeps an eye to continuously improve the processes for current products which will improve the raw material and energy efficiency and reduce the environmental pollution.

3. *Future plan of action:*

The Company is determined to put more emphasis on widening the product range thereby enhancing the competitiveness in new and high price specialty molecules. The development of new molecules in pharma/Agro intermediates, chemicals for plastics, electronic and mining is one of the principal objectives to boost business and to be in competition with global players.

4. *Expenditure on R & D for the year 2010-2011:*

| | (₹ in Lacs) |
|---|-------------|
| (a) Capital | 57.14 |
| (b) Recurring | 252.35 |
| (c) Total | 309.49 |
| (d) Total R & D expenditure as a percentage of total turnover | 1.22% |

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

With Extensive efforts on conservation of material and energy inputs, significant results were obtained in the area of effluent management, enabling the Company to retain its competitiveness.

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

The Company has expanded the range of specialty chemicals with new entry in areas like electronic materials and polymer additives.

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

During the stated five year period, 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:*

- The Company has completed the process of registration under REACH for some of its products. This will help in ensuring that the existing exports to Europe continue without any hindrance as well as give access to new customers.
- Efforts are being made for geographical diversification for the existing product range. Initiatives are being taken to extend the range of polymer inputs and other specialty chemicals manufactured by the Company.

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

| | (₹ in Crores) |
|--------|---------------|
| Used | 64.59 |
| Earned | 63.93 |

For and on behalf of the Board of Directors

A. C. SHROFF

Chairman & Managing Director

Mumbai, 20th May, 2011.

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, 2011.

| Name of the Employee | Designation/ Nature of duties | Remuneration ₹ | 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 | 75,60,706/- | B.Sc. | 45 | 01.09.1965 | 66 | — |
| Usha A. Shroff | Executive Vice Chairperson | 70,71,287/- | M.Com | 43 | 01.11.1968 | 64 | — |
| S. R. Potdar | Executive Director | 60,58,586/- | B.Tech (Chem), PG.D.I.E | 36 | 12.10.1974 | 58 | — |

- Notes:
1. Remuneration mentioned above includes salary, allowances, commission, taxable value of perquisites, Company's contribution to Provident Fund and Superannuation Fund but does not include contribution/provision towards Gratuity Fund.
 2. 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.
 3. 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: 20th May, 2011

EXCEL INDUSTRIES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

1. BUSINESS REVIEW

1.1 Business Segment – Chemicals Business Division

(a) Industry structure and development:

Company's products are the inputs to various big and small industries in the areas of Agrochemicals, Pharmaceuticals, Commodity and Specialty Engineering polymers, Water Treatment Chemicals, Mining Chemicals, Soaps and Detergents and Dyes. The Indian Industry which was not too badly impacted in the first place by the recession set in 2009 in Europe and the USA certainly reasserted its strength and continued to grow. There are very few companies in India manufacturing the products of the Company in competition and the Company, like in the past, continues to pioneer and introduce new specialty chemicals. However, the real competition comes from the continuously increasing cheaper imports from China. Besides in the domestic market, the Company encounters stiff competition in the third countries also.

The Indian industry is dependant on China for the supply of various basic raw materials and after importing and processing them, has to sell the end products in competition with Chinese producers of the same end use products. This results in an inherent vulnerability owing to the difference in the prices of the raw materials to the Indian Industry as against to the Chinese producers and to the ability and practice of the Chinese Government to influence by imposing export restrictions and fiscal duties on export. In several areas, the cost of production is not transparent and hence the Chinese system is considered as a "non-market economy". Citing these factors and proving, with large amount of data and analysis, that large scale dumped imports of the Agrochemical intermediates and one of Company's main products, DETPC were indeed hurting the Indian Industry, the Company was successful in getting the Government of India to impose Anti Dumping Duty on the import of DETPC from China. The Company acknowledges that this move from the Government has helped it increase the capacity utilization compared to the previous few years.

Generally, the Indian producers have had to match the prices with the low priced Chinese suppliers in order to retain the customers. Whereas the prices in the Water Treatment Chemicals area continue to be low, there is a marginal increase seen as a trend in the prices of Agrochemical intermediates. There is a sharp increase in the prices of crude oil and hence petrochemical derivatives and in the cost of electricity. The Company thus operates in an environment which continuously challenges its cost and price management.

(b) Opportunities and Threats:

The positive trend in the agricultural production is the real opportunity for the Company. Near complete recovery of the western markets from the recession and increased production and consumption levels will call for increased supplies of intermediates. The Company also has several new products emerging out of its R & D laboratories and looks to commercializing the same.

The consumers of DETPC have appealed to the appropriate authorities and in Courts against the imposition of Anti Dumping Duty (ADD) on the product imported from China. The Company has taken appropriate steps to represent its case for defending the ADD. In the event of a decision adverse to the Company's interests, dumping imports from China may once again recommence affecting Company's Capacity utilization.

(c) Segment wise performance and outlook:

The country experienced a good monsoon this year and attained new records in agricultural production. The Agrochemicals Industry accordingly saw healthy demand growth and the Company was able to support with its intermediates. The Polymer industry too recovered well from the effects of recession and achieved improved productions over the previous year. In the Water Treatment Chemicals area, both capacity utilization and the price realization

suffered during the year. There is a sustained demand for the export of the Mining Chemical that the Company has developed. There was price reduction gained in Company's few major raw materials but the compulsion to reduce end product prices took away a lot more than the advantage that accrued. The main advantage was derived out of the improved volumes of production which also helped the Company to achieve improved specific consumptions of raw materials and energy. The production volumes mainly helped the Company present better financial results.

The monsoon forecast for the season 2011 is also one of normal and the positive trends in the growth of agricultural production is likely to continue. The Company is well equipped to meet the growing demands thanks to its existing capacities and is also experiencing sustained demands from its export customers. The Company is endeavoring to expand its product range in the Pharma intermediates sector and is receiving encouraging response from the potential customers. The severe competition in the Water Treatment Chemicals range continues to be a cause of concern. Riding on the high price of crude oil and based on other market conditions, prices of many of Company's raw materials like Phenol, Acetic Acid, Chlorine and Caustic Soda, Sulphur etc. have all been rising sharply in the first quarter of this financial year and it may not be possible for the Company to pass on the increases to the customers. Overall, the outlook is one of cautious optimism and the Company, barring unforeseen circumstances, hopes to retain its position in the financial year 2011-12.

(d) Risks and concerns:

Prices of major basic raw materials like Caustic Soda and Chlorine, Sulphur, Acetic Acid, Phenol have all been rising very sharply since the beginning of this financial year. Despite the bountiful Sugar cane crop, the prices of Ethanol are ruling higher than in the previous year. Coal and electricity have also become costlier. The production of Chlorpyrifos, the major crop protection chemical manufactured both in India and overseas and which consumes DETPC is seriously affected due to the reduced availability over a long period of its other intermediate. This might affect the total off take of our intermediate. Maximizing capacity utilization is the key to the profitability for the Company and these extraneous factors have to be monitored and addressed suitably.

1.2 Business Segment – Environment & Biotech Division

(a) Industry structure and Development:

The Division is engaged in the Business of Organic Solid Waste Management. The Company's core competence is to provide waste treatment solution for the organic component of the Solid Waste. There is increasing awareness of the problem created because of the improper management of the Municipal and other Solid Waste especially with respect to its adverse environment impact.

The Company has developed good technology for organic waste composting. It operates its own plant at Ahmedabad and has also licensed its technology to several organizations.

Several new private sector players are entering the business to offer integrated solutions like collection, transportation, treatment and final disposal of the Municipal Solid Waste (MSW) but not all of them are in possession of technology appropriate for large scale composting and they would look to associate with the Company for this part of the project.

(b) Opportunities and Threats:

Running out of capacity of the existing dumping sites for MSW and inability to find and set up newer sites because of unavailability of land or stiff opposition from people at large, the civic bodies are compelled to look at newer and more comprehensive solutions and this provides challenging opportunity for private sector players to provide appropriate solutions since the "Public Private Partnership" (PPP) models are now gaining wide acceptance.

The integrated treatment facility aiming to provide treatment & recycle solution for most of the components of Municipal Solid Waste (MSW) invariably requires a large capital cost outlay and needs financial support & incentives and conducive policies which have been very slow in coming.

The division is exploring the possibility of recovering Energy out of Municipal Solid Waste in the form of bio-gas and fuel pellets.

The Company is also looking to the extension of the business to other waste treatment streams like industrial wastes and other wastes.

Although inter ministerial task forces have recommended use of compost along with synthetic fertilizers since long, it is only recently that as per the Government directives, some fertilizer companies are coming forward for marketing the compost. This will help in achieving better volume of sales for better capacity utilization.

The Division is developing its strategy to explore the export market for the product and its value added formulations to fetch better price.

The Organic Waste Converter (OWC), the equipment developed by the Company for 'at source treatment' offers major advantage to the bulk generators of organic waste and is receiving encouraging response from various sectors. The Company is working to grow this business in coming years and is attending to issues in manufacturing, marketing and after sales service and strengthening the organization and resources accordingly.

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

The tie up with the fertilizer companies has resulted in increase of sales of the compost. Quantity of the compost sold from Ahmedabad Celrich plant is substantially more than previous year. Improved capacity utilization and sale of bio-cultures has improved the performance of the Ahmedabad compost plant.

In case of Organic Waste Converter business, efforts were taken to standardize the components and the process of manufacturing. Internal control system to review and control the expenditure and improve cash flow and sales has resulted in better sales and contribution of the product. The sales of the product improved in a healthy manner over the previous year.

In the previous year, the Company had entered into an agreement with a Mauritian company for Technology Transfer and Project Management Services. The project will be completed by the 2nd quarter of this year. We are fulfilling our commitments as per their requirements and the client has paid the fees accordingly.

(d) **Risks and Concerns:**

Compost: The production of the compost is all over the year whereas the demand is seasonal. Also the market for compost is far away in rural areas, necessitating large transport cost. Hence large inventory has to be carried till the season. However, we are trying to explore the export market to smoothen the demand and supply fluctuation.

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 of three Whole-time Directors and seven 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 2010-11 | 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 | 7 | 2 |
| Mrs. Usha A. Shroff Executive Vice Chairperson | Promoter — Executive | 7 | Yes | 7 | 3 |
| Mr. S. R. Potdar Executive Director | Executive | 7 | Yes | 2 | Nil |
| Mr. Atul G. Shroff | Promoter — Non-Executive | 4 | Yes | 4 | 5 |
| Mr. R. N. Bhogale | Independent — Non-Executive | 6 | Yes | 1 | Nil |
| Mr. H. N. Motiwalla | Independent — Non-Executive | 7 | Yes | 5 | 1 |
| Mr. P. S. Jhaveri | Independent — Non-Executive | 5 | Yes | 4 | 4 |
| Mr. Dipesh K. Shroff | Promoter — Non-Executive | 7 | Yes | 11 | 1 |
| Mr. M. B. Parekh | Independent — Non-Executive | 5 | Yes | 4 | Nil |
| Mr. N. B. Sathe | Independent — Non-Executive | 4 | No | Nil | Nil |

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

| | | | |
|--------------------|--------------------|------------------|---------------------|
| 21st May, 2010 | 25th June, 2010 | 19th July, 2010 | 8th September, 2010 |
| 29th October, 2010 | 21st January, 2011 | 25th March, 2011 | |

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

| | |
|--|---|
| NAME OF THE DIRECTOR | MR. R. N. BHOGALE |
| Date of Birth | 08-02-1955 |
| Date of Appointment | 06-12-2001 |
| Expertise in specific functional areas | Engineer entrepreneur with wide experience in auto components and kitchenware industry. |
| Qualifications | B.E (Mech) |
| Other Public Companies in which Directorship held | Nirlep Appliances Ltd. |
| Other Public Companies in which membership of Committees of Directors held | Nil |
| No. of Shares held on 31st March, 2011 | Nil |

| | |
|--|---|
| NAME OF THE DIRECTOR | MR. DIPESH K. SHROFF |
| 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. |
| 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 Limited Excel Industries Limited(Australia) Pty. Ltd., Australia Excel Industries Euro N.V. Belgium Excel Bio Resources Ltd. Hyderabad Chemical Limited Hyderabad Chemicals Product Limited Kutch Crop Services Limited Neo Seeds India Ltd. Oasis Agritech Limited Shroff Engineering Limited Transpek Industry Limited TML Industries Ltd. |
| Other Public Companies in which membership of Committees of Directors held | Member of Audit Committee of Transpek Industries Ltd. |
| No. of Shares held on 31st March, 2011 | 8597 |

4. **No. of Shares held by Non-Executive Directors as on 31st March, 2011**

| 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, 2011.

5. **Audit Committee**

The role of the Audit Committee is to supervise the Company's reporting process and disclosure of its financial information, to approve appointment of CFO, 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 comprised of the following four Members as on 31st March, 2011:

| | |
|-------------------------------|--------------------------------------|
| 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 |

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.

21st May, 2010, 19th July, 2010, 29th October, 2010 and 21st January, 2011.

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 | 4 | 4 |
| Mrs. Usha A. Shroff | 4 | 4 |
| Mr. P. S. Jhaveri | 4 | 3 |
| Mr. R. N. Bhogale | 4 | 4 |

Audit Committee meetings are also attended by senior Finance and Accounts Executives and Internal Auditors, as and 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 of the Company, the 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 comprised of the following three Members as on March 31, 2011:

| | |
|-------------------------------|-------------------------------------|
| Mr. H. N. Motiwalla, Chairman | Independent, Non-Executive Director |
| Mr. R. N. Bhogale, Member | Independent, Non-Executive Director |
| Mr. P. S. Jhaveri, Member | Independent, Non-Executive Director |

Meetings of the Remuneration Committee were held on 19th July, 2010 and 21st January, 2011. Attendance at the Remuneration 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 | 2 | 2 |
| Mr. R. N. Bhogale | 2 | 2 |
| Mr. P. S. Jhaveri | 2 | 1 |

7. 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 2010-11.

| DIRECTORS | SITTING FEES FOR BOARD/ COMMITTEE MEETINGS (₹) | SALARIES AND OTHER PERQUISITES (₹) | COMMISSION (₹) | TOTAL (₹) |
|----------------------|--|--|-------------------|--------------|
| Mr. A. C. Shroff | N. A. | 46,35,706 | 29,25,000 | 75,60,706 |
| Mrs. Usha A. Shroff | N. A. | 43,71,287 | 27,00,000 | 70,71,287 |
| Mr. S. R. Potdar | N. A. | 38,08,586 | 22,50,000 | 60,58,586 |
| Mr. Atul G. Shroff | 20,000 | N. A. | N.A. | 20,000 |
| Mr. R. N. Bhogale | 60,000 | N. A. | N.A. | 60,000 |
| Mr. H. N. Motiwalla | 95,000 | N. A. | N.A. | 95,000 |
| Mr. P. S. Jhaveri | 45,000 | N. A. | N.A. | 45,000 |
| Mr. Dipesh K. Shroff | 65,000 | N. A. | N.A. | 65,000 |
| Mr. M. B. Parekh | 25,000 | N. A. | N.A. | 25,000 |
| Mr. N. B. Sathe | 20,000 | N. A. | N.A. | 20,000 |

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.

8. Shareholders'/Investors' Grievance Committee

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

The Shareholders'/Investors' Grievance Committee comprised of the following four Members as on 31st March, 2011:

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

Mr. S. K. Singhvi, Company Secretary, is also designated as the Compliance Officer.

The Shareholders'/Investors' Grievance Committee met on the following dates during the last financial year.

21st May, 2010, 19th July, 2010, 29th October, 2010, 1st December, 2010, 21st January, 2011 and 25th March, 2011.

Attendance at the Shareholders'/Investors' Grievance Committee Meeting during the last financial year was as follows:

| NAME OF DIRECTORS | NO. OF MEETINGS HELD | NO. OF MEETINGS ATTENDED |
|----------------------|----------------------|--------------------------|
| Mr. Dipesh K. Shroff | 6 | 6 |
| Mrs. Usha A. Shroff | 6 | 6 |
| Mr. S. R. Potdar | 6 | 6 |
| Mr. H. N. Motiwalla | 6 | 6 |

During the year, 14 complaints were received from the investors, all of which were replied/resolved. There are no pending share transfers as on 31st March, 2011.

9. General Meetings

Location and time of the last three Annual General Meetings

| YEAR | LOCATION | DAY/DATE | TIME | NO. OF SPECIAL RESOLUTIONS |
|---------|---|----------------------------------|-----------|----------------------------|
| 2007-08 | Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020. | Thursday, 4th September, 2008 | 3.00 p.m. | 2 |
| 2008-09 | -do- | Monday, 24th August, 2009 | 3.00 p.m. | 1 |
| 2009-10 | -do- | Monday, 19th July, 2010 | 3.00 p.m. | Nil |

During the year the Company has passed a Special Resolution through Postal Ballot.

Special Resolution under Section 314(1B) of the Companies Act, 1956 for seeking consent of the Members of the Company to the appointment of M.r Ravi A. Shroff, a relative of Directors of the Company to hold an office or a place of profit in the Company as Senior Vice President (Business Development) subject to approval of the Central Government was passed through Postal Ballot Process. Mr. Prashant Diwan, Practicing Company Secretary, was appointed Scrutinizer to conduct the Postal Ballot Voting Process. For the Postal Ballot, the procedure laid down by Section 192A of the Companies Act, 1956, and the rules made thereunder was followed. The Special Resolution was approved by the shareholders with requisite majority. The Particulars of Postal Ballot Voting are as follows:

| | REPRESENTINGFACE VALUE OF SHARES (₹) | % OF VALID VOTES |
|-----------------------------------|--|---------------------|
| Votes in favour of the Resolution | 2,44,11,310 | 99.85 |
| Votes against the Resolution | 37,645 | 0.15 |
| | 2,44,48,955 | 100.00 |

10. 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 2010-11 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.

11. 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 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 : Friday, the 22nd July, 2011 at 3.00 p.m.
 Venue : Rama Watumull Auditorium,
 Kishinchand Chellaram College,
 Dinshaw Wacha Road, Churchgate,
 Mumbai-400 020.

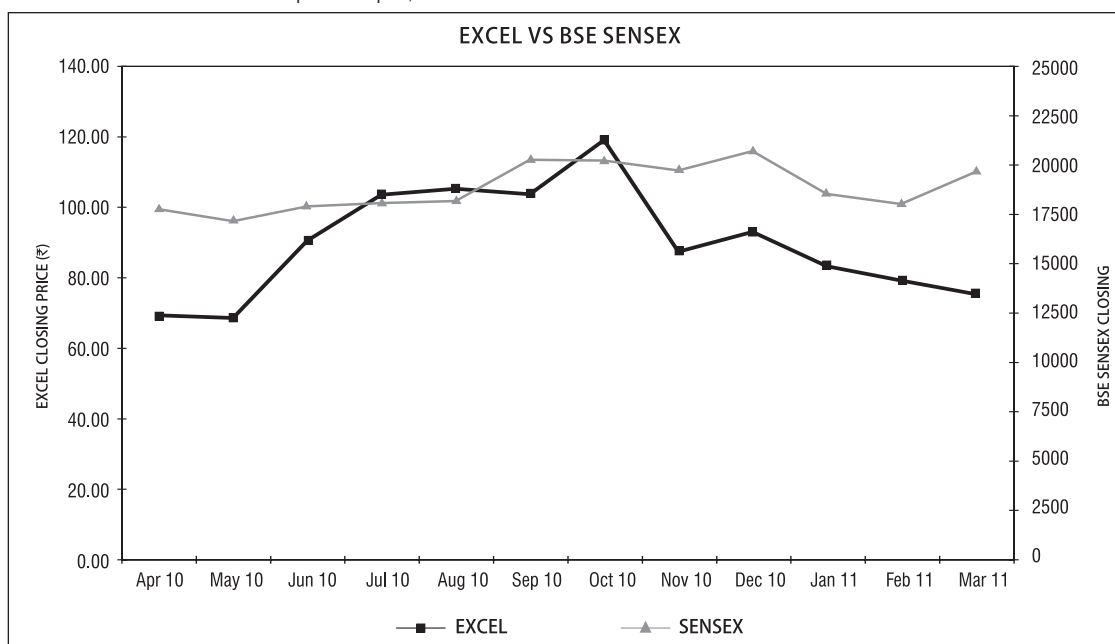
- Financial Year : Year ending March 31
- Dates of Book Closure : Saturday, 16th July, 2011 to Friday, 22nd July, 2011 (both days inclusive).
- Listing on Stock Exchanges : The Company's shares are listed on The Bombay Stock Exchange Ltd., (BSE) and The National Stock Exchange of India Ltd. (NSE)
- Dividend payment date : On or after 26th July, 2011
- **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 :**

| | Bombay Stock Exchange (in ₹) | |
|------------|------------------------------|--------|
| | High | Low |
| April-2010 | 79.00 | 58.00 |
| May-2010 | 71.95 | 63.10 |
| June-2010 | 96.50 | 65.50 |
| July-2010 | 110.90 | 86.00 |
| Aug-2010 | 119.65 | 96.00 |
| Sept-2010 | 118.00 | 101.10 |
| Oct-2010 | 127.80 | 102.00 |
| Nov-2010 | 118.50 | 85.00 |
| Dec-2010 | 92.95 | 78.00 |
| Jan-2011 | 97.00 | 75.20 |
| Feb-2011 | 88.95 | 68.00 |
| Mar-2011 | 81.95 | 72.30 |

• **Share Price Movements :**

Share Price Movement for the period April, 2010 to March 2011 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. 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 & 25946970) 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, 2011**

| CATEGORY | NO. OF SHAREHOLDERS | PERCENTAGE | NO. OF SHARES | PERCENTAGE |
|--------------|---------------------|------------|---------------|------------|
| 1 - 500 | 12444 | 88.80 | 1732279 | 15.88 |
| 501 - 1000 | 824 | 5.88 | 612826 | 5.62 |
| 1001 - 2000 | 383 | 2.73 | 561963 | 5.15 |
| 2001 - 3000 | 129 | 0.92 | 326792 | 3.01 |
| 3001 - 4000 | 47 | 0.34 | 165088 | 1.51 |
| 4001 - 5000 | 44 | 0.31 | 205635 | 1.89 |
| 5001 - 10000 | 60 | 0.43 | 447494 | 4.10 |
| Above 10000 | 83 | 0.59 | 6853553 | 62.84 |
| Total | 14014 | 100.00 | 10905630 | 100.00 |

- **Categories of Shareholders as on 31st March, 2011**

| CATEGORY | NO. OF SHAREHOLDERS | VOTING STRENGTH % | NO. OF SHARES |
|---|---------------------|-------------------|---------------|
| Promoters | 55 | 40.39 | 4404608 |
| Life Insurance Corporation of India | 1 | 9.29 | 1012799 |
| Other Insurance Companies | 0 | 0.00 | 0 |
| Individuals | 13592 | 46.11 | 5027469 |
| Companies | 230 | 3.56 | 388428 |
| Non-Resident Individuals | 108 | 0.61 | 66937 |
| Indian Banks and Mutual Funds | 15 | 0.03 | 3780 |
| Foreign Institutional Investors & Foreign Banks | 13 | 0.01 | 1609 |
| Total | 14014 | 100.00 | 10905630 |

- **Dematerialisation of Shares and Liquidity:**

93.29% of the Company's share capital is held in dematerialised form as on 31st March, 2011. 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.
- (b) D-9, M.I.D.C., Lote Parshuram, Tal: Khed, Dist. Ratnagiri-415 722.
- (c) Near Sewage Farm, Narol Sarkhej Octroi Naka, Baherampura, Ahmedabad-380 022.

- **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.,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai 400 078.
Tel: 91 22 2596 3838, 91 22 25946970

Help Desk contact

E-mail: rnt.helpdesk@linkintime.co.in

- **E-mail Address for Investor Grievances:**

grievance@excelind.com

12. **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, 20th May, 2011.

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 31 March 2011, 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.R. BATLIBOI & CO.

Firm registration number: 301003E

Chartered Accountants.

per Vijay Maniar

Partner.

Membership No. 36738

Mumbai, 20th May, 2011.

EXCEL INDUSTRIES LIMITED

TEN-YEAR HIGHLIGHTS

| | | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 | 2004-05 | 2003-04 | 2002-03 | 2001-02 |
|--|---|-----------------|----------|----------|----------|----------|----------|----------|----------|----------|-------------|
| | | | | | | | | | | | (₹ in lacs) |
| I. CAPITAL ACCOUNTS | | | | | | | | | | | |
| A. Share Capital | | 545.28 | 545.28 | 545.28 | 545.28 | 545.28 | 545.28 | 545.28 | 545.28 | 545.28 | 1090.56 |
| B. Reserves | | 10536.63 | 9670.21 | 9127.96 | 9147.61 | 9007.41 | 8936.96 | 8906.39 | 9049.67 | 9122.35 | 13635.45 |
| C. Shareholders' Funds (A+B) | | 11081.91 | 10215.49 | 9673.24 | 9692.89 | 9552.69 | 9482.24 | 9451.67 | 9594.95 | 9667.63 | 14726.01 |
| D. Deferred Government Grants | | — | — | — | — | — | — | — | — | — | 105.29 |
| E. Borrowings | | 5181.78 | 6011.05 | 7523.50 | 7358.85 | 7280.99 | 10622.07 | 10035.26 | 10295.44 | 11092.37 | 21230.43 |
| F. Deferred Tax Liability (Net) | | 1369.61 | 1468.26 | 1019.22 | 993.70 | 919.55 | 886.31 | 1045.36 | 1836.60 | 1811.33 | 2670.22 |
| G. Capital Employed (C+D+E+F) | | 17633.30 | 17694.80 | 18215.96 | 18045.44 | 17753.23 | 20990.62 | 20532.29 | 21726.99 | 22571.33 | 38731.95 |
| H. Gross Block | | 21251.31 | 21507.89 | 21474.10 | 20721.74 | 19127.27 | 19014.61 | 17857.91 | 18192.06 | 17759.12 | 24672.04 |
| I. Net Block | | 10096.98 | 10440.01 | 10650.45 | 10975.93 | 10408.27 | 10459.51 | 10641.02 | 11109.25 | 11607.68 | 16640.15 |
| J. Debt-Equity Ratio | | 0.47:1 | 0.59:1 | 0.78:1 | 0.76:1 | 0.76:1 | 1.12:1 | 1.06:1 | 1.07:1 | 1.15:1 | 1.44:1 |
| II. REVENUE ACCOUNTS | | | | | | | | | | | |
| A. Gross Revenue | | 29647.53 | 25497.38 | 26963.53 | 25412.91 | 22717.31 | 23543.59 | 25698.01 | 21102.42 | 21458.25 | 48828.95 |
| B. Profit/(Loss) before Taxes | | 2035.25 | 1139.61 | 137.08 | 593.50 | 198.04 | (280.13) | (487.44) | 64.62 | 419.47 | 1090.11 |
| % of Gross Revenue | | 6.86% | 4.46% | 0.51% | 2.34% | 0.87% | -1.19% | -1.90% | 0.31% | 1.95% | 2.23% |
| C. Profit/(Loss) after Taxes | | 1430.90 | 743.33 | 74.49 | 421.73 | 131.80 | (172.08) | (79.39) | 31.95 | 316.37 | 725.11 |
| % of Gross Revenue | | 4.82% | 2.91% | 0.28% | 1.66% | 0.58% | -0.73% | -0.31% | 0.15% | 1.47% | 1.49% |
| D. Return on Shareholders' Funds % | | 12.91% | 7.27% | 0.77% | 4.35% | 1.38% | -1.81% | -0.84% | 0.33% | 3.27% | 4.92% |
| III. EQUITY SHAREHOLDERS' EARNINGS | | | | | | | | | | | |
| A. Earning per Equity Share* | ₹ | 12.30 | 7.30 | 0.40 | 3.62 | 1.23 | (0.28) | (0.10) | 0.46 | 1.59 | 5.38 |
| B. Dividend per Equity Share* | ₹ | 3.75 | 2.00 | 0.50 | 1.00 | 0.50 | — | 0.50 | 1.00 | 1.50 | 3.00 |
| C. Equity Dividend | ₹ | 408.96 | 218.11 | 54.53 | 109.06 | 54.53 | — | 54.53 | 109.06 | 163.58 | 327.17 |
| D. Net Worth per Equity Share* | ₹ | 101.62 | 93.67 | 88.70 | 88.88 | 87.59 | 86.95 | 86.87 | 87.98 | 88.65 | 135.03 |
| E. Market Rate as on 31st March | ₹ | 74.15 | 58.25 | 26.45 | 53.15 | 41.17 | 58.90 | 60.05 | 74.10 | 64.45 | 65.90 |
| * Face Value of Equity Share - ₹ 5/- for FY 2002-03 and subsequent years, ₹ 10/- for earlier year. | | | | | | | | | | | |

EXCEL INDUSTRIES LIMITED

| SUMMARISED BALANCE SHEET | | 2011 | | 2010 | |
|---|-------------------------------------|-----------------|------------------------|-----------------|-----------------|
| As at 31st March | | ₹ | ₹ | ₹ | ₹ |
| | | (in lacs) | (in lacs) | (in lacs) | (in lacs) |
| WHAT THE COMPANY OWNED | | | | | |
| 1. | FIXED ASSETS | | | | |
| | Gross Block | 21548.71 | | 21852.77 | |
| | Less: Depreciation | <u>11451.73</u> | | <u>11412.76</u> | |
| | | | 10096.98 | | 10440.01 |
| 2. | INTANGIBLE ASSETS | | 88.45 | | 85.52 |
| 3. | INVESTMENTS | | 1362.01 | | 996.15 |
| 4. | NET CURRENT ASSETS | | 6085.86 | | 6173.12 |
| | | | <u>17633.30</u> | | <u>17694.80</u> |
| WHAT THE COMPANY OWED | | | | | |
| 1. | BORROWINGS | | 5181.78 | | 6011.05 |
| 2. | NET WORTH (Shareholders' Equity) | | | | |
| | Represented by | | | | |
| | (i) Share Capital | 545.28 | | 545.28 | |
| | (ii) Reserves | <u>10536.63</u> | | <u>9670.21</u> | |
| | | | 11081.91 | | 10215.49 |
| 3. | DEFERRED TAX LIABILITY (NET) | | 1369.61 | | 1468.26 |
| | | | <u>17633.30</u> | | <u>17694.80</u> |
| SUMMARISED PROFIT AND LOSS ACCOUNT | | | | | |
| For the year ended 31st March | | | | | |
| | | ₹ | ₹ | ₹ | ₹ |
| | | (in lacs) | (in lacs) | (in lacs) | (in lacs) |
| WHAT THE COMPANY EARNED | | | | | |
| | From Sales | | 27254.14 | | 23554.46 |
| | From Export Earnings | 194.06 | | 156.18 | |
| | From Other Sources | <u>2199.33</u> | | <u>1786.74</u> | |
| | | | 2393.39 | | 1942.92 |
| | | | <u>29647.53</u> | | <u>25497.38</u> |
| WHAT THE COMPANY SPENT | | | | | |
| | On Manufacturing Costs | | 22133.57 | | 19335.71 |
| | On Employees | | 3939.29 | | 3311.67 |
| | Interest on Loans | | 565.22 | | 717.43 |
| | Depreciation | | 974.20 | | 992.96 |
| | | | <u>27612.28</u> | | <u>24357.77</u> |
| | OPERATING PROFIT | | <u>2035.25</u> | | <u>1139.61</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 ('the Company') as at 31 March 2011 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) ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), 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. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - v. On the basis of the written representations received from the directors, as on 31 March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.
 - 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 Act, 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 31 March 2011;
 - (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. R. BATLIBOI & CO.

Firm registration number: 301003E
Chartered Accountants

per Vijay Maniar

Partner
Membership No.: 36738

Place : Mumbai
Date : 20 May 2011

EXCEL INDUSTRIES LIMITED

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

Re: Excel Industries Limited ('the Company')

- (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 under a phased programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. *Material discrepancies were identified* on such verification which have been properly dealt with in the books of accounts.
 - (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)
 - (a) As informed, the Company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act. Hence clauses 4(iii)(b) to 4(iii)(g) of the Order are not applicable to the Company and hence not commented upon.
- (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. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- (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 ₹ 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) 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 Act 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 Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

Further, since the Central Government has till date not prescribed the amount of cess payable under Section 441A of the Act, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

- (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 income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, except as follows:

| Name of the statute | Nature of dues | Amount (₹ in lacs) | Period to which amount pertains | Forum where dispute is pending |
|----------------------------|-----------------------|-------------------------------|--|---|
| Central Excise | Excise Duty Demand | 0.25 | 2003-04 | Revision Application Unit, New Delhi |
| Central Excise | Excise Duty Demand | 14.39 | 2002-05 | Additional Commissioner, Raigad |
| State Excise Act | Excise Duty Demand | 150.81 | 2002-11 | Commissioner of State Excise |
| Central Excise | Excise Duty Demand | 14.07 | 2007-08 | Additional Commissioner of Central Excise, Raigad |
| Central Excise | Excise Duty Demand | 0.01 | 2009 | Assistant Commissioner of Central Excise, Alibag Division |
| Service Tax | Service Tax Demand | 1.86 | 2005-09 | Commissioner of Service Tax, Raigad |
| Service Tax | Service Tax Demand | 0.63 | 2010 | Commissioner of Central Excise, Alibag |
| Central Sales Tax | Sales Tax Demand | 19.96 | 2006-07 | Commissioner of Sales Tax (Appeals) |
| Central Sales Tax | Sales Tax Demand | 14.13 | 2003-05 | Deputy Commissioner of Sales Tax, Kolhapur. |

- (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 Order 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 Order 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 Act.
- (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 year.

For S. R. BATLIBOI & CO.

Firm registration number: 301003E
Chartered Accountants

per Vijay Maniar

Partner
Membership No.: 36738

Place : Mumbai
Date : 20 May 2011

EXCEL INDUSTRIES LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2011

| | Schedule | (₹ in lacs) | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
|--|----------|------------------|--|--|
| SOURCES OF FUNDS | | | | |
| 1. SHAREHOLDERS' FUNDS: | | | | |
| (a) Share Capital | 'A' | 5,45.28 | | 5,45.28 |
| (b) Reserves and Surplus | 'B' | <u>105,36.63</u> | | <u>96,70.21</u> |
| | | | 110,81.91 | 102,15.49 |
| 2. LOAN FUNDS: | | | | |
| (a) Secured Loans | 'C' | 27,25.43 | | 34,18.00 |
| (b) Unsecured Loans | 'D' | <u>24,56.35</u> | | <u>25,93.05</u> |
| | | | 51,81.78 | 60,11.05 |
| 3. DEFERRED TAX LIABILITY (NET) (Refer Note No. 10 of Schedule 'T') | | | <u>13,69.61</u> | <u>14,68.26</u> |
| TOTAL | | | <u>176,33.30</u> | <u>176,94.80</u> |
| APPLICATION OF FUNDS | | | | |
| 1. FIXED ASSETS: | 'E' | | | |
| (a) Gross Block | | 212,51.31 | | 215,07.89 |
| (b) Less: Accumulated Depreciation | | <u>114,51.73</u> | | <u>114,12.76</u> |
| (c) Net Block | | 97,99.58 | | 100,95.13 |
| (d) Capital Work-in-Progress including capital advances | | <u>2,97.40</u> | | <u>3,44.88</u> |
| | | | 100,96.98 | 104,40.01 |
| 2. INTANGIBLE ASSETS | 'F' | | 88.45 | 85.52 |
| 3. INVESTMENTS | 'G' | | 13,62.01 | 9,96.15 |
| 4. CURRENT ASSETS, LOANS AND ADVANCES: | | | | |
| (a) Inventories | 'H' | 38,54.07 | | 33,81.71 |
| (b) Sundry Debtors | 'I' | 59,51.30 | | 56,36.90 |
| (c) Cash and Bank Balances | 'J' | 4,14.95 | | 2,55.27 |
| (d) Other Current Assets | 'K' | 2,99.27 | | 2,98.38 |
| (e) Loans and Advances | 'L' | <u>16,98.06</u> | | <u>19,34.71</u> |
| | (A) | <u>122,17.65</u> | | <u>115,06.97</u> |
| LESS: CURRENT LIABILITIES AND PROVISIONS: | | | | |
| (a) Current Liabilities | 'M' | 45,74.36 | | 38,91.87 |
| (b) Provisions | 'N' | <u>15,57.43</u> | | <u>14,41.98</u> |
| | (B) | <u>61,31.79</u> | | <u>53,33.85</u> |
| NET CURRENT ASSETS | (A-B) | | 60,85.86 | 61,73.12 |
| TOTAL | | | <u>176,33.30</u> | <u>176,94.80</u> |
| NOTES TO 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. R. BATLIBOI & CO.
Firm Registration No.: 301003E
Chartered Accountants

per Vijay Maniar
Partner
Membership No. 36738

Place : Mumbai
Date: 20 May 2011

For and on behalf of the Board of Directors of Excel Industries Limited

A. C. SHROFF
Chairman and Managing Director

KAILAS DABHOLKAR
Vice President – Finance and Taxation

Place : Mumbai
Date: 20 May 2011

U. A. SHROFF
Executive Vice Chairperson

S. K. SINGHVI
Company Secretary

EXCEL INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

| | Schedule | (₹ in lacs) | Current Year (₹ in lacs) | Previous Year (₹ in lacs) |
|--|----------|-------------|-----------------------------|------------------------------|
| INCOME | | | | |
| Sale of Products (Gross) | | 272,54.14 | | 235,54.46 |
| Less: Excise Duty (Refer Note No. 16 of Schedule 'T') | | 18,42.23 | | 13,22.76 |
| Sale of Products (Net) | | | 254,11.91 | 222,31.70 |
| Processing Charges [Tax deducted at source: ₹ 28.68 lacs (Previous Year: ₹ 27.45 lacs)] | | | 14,33.93 | 13,07.21 |
| Other Income from operations | 'O' | | 7,48.42 | 4,34.26 |
| Other Income | 'P' | | 2,11.04 | 2,01.45 |
| | | | 278,05.30 | 241,74.62 |
| EXPENDITURE | | | | |
| Manufacturing and Other Expenses | 'Q' | 247,11.86 | | 207,75.49 |
| (Increase)/Decrease in Stocks | 'R' | (4,81.23) | | 5,49.13 |
| Depreciation/Amortisation | | 9,74.20 | | 9,92.96 |
| Interest | 'S' | 5,65.22 | | 7,17.43 |
| | | | 257,70.05 | 230,35.01 |
| PROFIT BEFORE TAXATION AND PRIOR PERIOD ADJUSTMENTS | | | 20,35.25 | 11,39.61 |
| Less: Provision for Taxation: | | | | |
| Current Tax | | 7,03.00 | | 1,26.00 |
| Minimum Alternative Tax (Entitlement) [Including Nil (Previous Year: ₹ 96.75 lacs) in respect of earlier years] | | — | | (1,78.75) |
| Deferred Tax | | (98.65) | | 4,49.03 |
| | | | 6,04.35 | 3,96.28 |
| PROFIT AFTER TAXATION BUT BEFORE PRIOR PERIOD ADJUSTMENTS | | | 14,30.90 | 7,43.33 |
| Add/(Less): (a) Prior Period Adjustments [Net of Tax ₹ 24.36 lacs (Previous Year: ₹ 1,57.32 lacs)] | | | | |
| | | | (1,05.25) | 1,89.53 |
| (b) Provision for Taxation in respect of earlier years | | | | |
| | | | 16.07 | (1,36.27) |
| NET PROFIT | | | 13,41.72 | 7,96.59 |
| Balance brought forward from previous year | | | 13,65.05 | 11,22.80 |
| PROFIT AVAILABLE FOR APPROPRIATION | | | 27,06.77 | 19,19.39 |
| Less: Appropriations | | | | |
| (a) Proposed Dividend | | 4,08.96 | | 2,18.11 |
| (b) Tax on Distributed Profits | | 66.34 | | 36.23 |
| (c) Transfer to General Reserve | | 11,00.00 | | 3,00.00 |
| | | | 15,75.30 | 5,54.34 |
| Surplus carried to Balance Sheet | | | 11,31.47 | 13,65.05 |
| EARNINGS PER SHARE (Refer Note No. 11 of Schedule 'T') | | | | |
| Basic and Diluted Earnings Per Share (₹) | | | 12.30 | 7.30 |
| Face Value Per Share (₹) | | | 5.00 | 5.00 |
| NOTES TO ACCOUNTS | | | | |

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. R. BATLIBOI & CO.
Firm Registration No.: 301003E
Chartered Accountants

per Vijay Maniar
Partner
Membership No. 36738

Place : Mumbai
Date: 20 May 2011

For and on behalf of the Board of Directors of Excel Industries Limited

A. C. SHROFF
Chairman and Managing Director

KAILAS DABHOLKAR
Vice President – Finance and Taxation

Place : Mumbai
Date: 20 May 2011

U. A. SHROFF
Executive Vice Chairperson

S. K. SINGHVI
Company Secretary

EXCEL INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

| | For the year ended 31st March, 2011 (₹ in lacs) | For the year ended 31st March, 2010 (₹ in lacs) | For the year ended 31st March, 2010 (₹ in lacs) |
|---|---|---|---|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit before Tax and Extraordinary Items | 20,35.25 | | 11,39.61 |
| Adjustments for: | | | |
| Depreciation | 9,23.11 | | 9,46.37 |
| Amortisation of Intangible Assets | 51.09 | | 46.59 |
| Assets written off | 1,86.11 | | 5,01.26 |
| Investments written off | — | | 1.34 |
| Provision for Doubtful Debts/Advances | 10.50 | | 3.50 |
| Sundry Credit Balances written back | (41.84) | | (0.50) |
| Bad Debts/Sundry Debit Balances Written Off (Net) | 1,17.91 | | 91.81 |
| Loss/(Profit) on sale of Fixed Assets | 7.70 | | (1.56) |
| Provision for Gratuity/Leave Encashments | 3,05.10 | | 3,60.56 |
| Interest received | (24.07) | | (23.92) |
| Interest paid | 5,65.22 | | 7,17.43 |
| Dividend Received | (1,34.48) | | (1,33.74) |
| Manufacturing Expenses Capitalised | — | | (2,68.65) |
| Unrealised Exchange Loss | 9.71 | | 55.56 |
| Excess Provision for depreciation | — | | (9.85) |
| Short Provision for depreciation | — | | 0.25 |
| Short/(Excess) Provision for other items (Net) | 8.51 | | 5.35 |
| | 19,84.57 | | 22,91.80 |
| Operating Profit before working capital changes | 40,19.82 | | 34,31.41 |
| Adjustments for: | | | |
| Decrease/(Increase) in Sundry Debtors | (4,00.98) | | (1,75.80) |
| Decrease/(Increase) in Inventories | (4,72.36) | | 2,36.56 |
| Decrease/(Increase) in Other Current Assets | 6.04 | | 99.87 |
| Decrease/(Increase) in Loans & Advances | 38.90 | | 74.51 |
| Increase/(Decrease) in Current Liabilities & Provisions | 6,02.37 | | (7,58.29) |
| | (2,26.03) | | (5,23.15) |
| Cash generated from Operations | 37,93.79 | | 29,08.26 |
| Interest paid | 5,29.21 | | 7,28.52 |
| Direct taxes paid | 5,10.21 | | 1,23.22 |
| | 10,39.42 | | 8,51.74 |
| Cash flow before extraordinary items | 27,54.37 | | 20,56.52 |
| Prior Period Adjustments (Other than Taxation) | (1,05.25) | | 1,89.53 |
| Net cash from/(used in) Operating Activities (A) | 26,49.12 | | 22,46.05 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of fixed assets | (11,86.95) | | (6,72.17) |
| Purchase of intangible assets | (54.02) | | — |
| Sale of fixed assets | 1,13.06 | | 14.79 |
| Purchase of Investments | (3,65.86) | | — |
| Sale of Investments | — | | 0.01 |
| Interest received | 26.46 | | 22.94 |
| Dividend received | 1,34.48 | | 1,33.74 |
| Sundry Loans (given)/returned | (65.00) | | (40.00) |
| Net Cash from/(used in) Investing Activities (B) | (13,97.83) | | (5,40.69) |

EXCEL INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 (Contd.)

| | For the year ended 31st March, 2011 (₹ in lacs) | For the year ended 31st March, 2010 (₹ in lacs) |
|--|---|---|
| C. CASH FLOW FROM FINANCIAL ACTIVITIES | | |
| Proceeds from borrowings | 10,26.95 | 16,25.40 |
| Repayment of borrowings | (18,65.93) | (31,93.41) |
| Dividend Paid | (2,16.40) | (58.47) |
| Tax on distributed Profits | (36.23) | (9.27) |
| Net cash from/(used in) Financing Activities (C) | (10,91.61) | (16,35.75) |
| Net increase in cash and cash equivalents (A+B+C) | 1,59.68 | 69.61 |
| Cash and cash equivalents at the beginning of the year | 2,55.27 | 1,85.66 |
| Cash and cash equivalents at the end of the year* | 4,14.95 | 2,55.27 |
| Break-up: | | |
| Cash on hand | — | — |
| Balance with Scheduled Banks: | | |
| (i) In Unclaimed Dividend Accounts | 8.87 | 7.39 |
| (ii) In Current Accounts | 1,63.91 | 63.15 |
| (iii) In Deposits | 73.00 | 73.00 |
| (iv) In Margin Money Accounts | 1,69.17 | 1,11.73 |
| | 4,14.95 | 2,55.27 |

Note: Cash and cash equivalents at the end of the year are after adjustment of unrealised exchange loss/(gain) of ₹ 0.16 lac (Previous Year: ₹ 2.17 lacs).

* Cash and cash equivalents include ₹ 8.87 lacs (Previous Year: ₹ 7.39 lacs) in respect of unclaimed dividend, the balance of which is not available to the Company.

As per our report of even date

For S. R. BATLIBOI & CO.
Firm Registration No.: 301003E
Chartered Accountants

per Vijay Maniar
Partner
Membership No. 36738

Place : Mumbai
Date: 20 May 2011

For and on behalf of the Board of Directors of Excel Industries Limited

A. C. SHROFF
Chairman and Managing Director

KAILAS DABHOLKAR
Vice President – Finance and Taxation

Place : Mumbai
Date: 20 May 2011

U. A. SHROFF
Executive Vice Chairperson

S. K. SINGHVI
Company Secretary

EXCEL INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

| SCHEDULE 'A' | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
|---|--|---|
| SHARE CAPITAL | | |
| Authorised: | | |
| 3,80,00,000 (Previous Year: 3,80,00,000) Equity Shares of ₹ 5/- each | 19,00.00 | 19,00.00 |
| 8,50,000 (Previous Year: 8,50,000) 11% Cumulative Redeemable Preference Shares of ₹ 10/- each | 85.00 | 85.00 |
| 3,00,000 (Previous Year: 3,00,000) Unclassified Shares of ₹ 5/- each | 15.00 | 15.00 |
| | <u>20,00.00</u> | <u>20,00.00</u> |
| Issued, Subscribed and Paid-up: | | |
| 1,09,05,630 (Previous Year: 1,09,05,630) Equity Shares of ₹ 5/- each fully Paid-up | 5,45.28 | 5,45.28 |
| <i>Note:</i> [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 without payment being received in cash.] | | |
| TOTAL | <u>5,45.28</u> | <u>5,45.28</u> |
| | | |
| SCHEDULE 'B' | | |
| RESERVES AND SURPLUS | (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
| 1. Capital Reserve: | | |
| (a) Profit on repurchase of Debentures | 0.01 | 0.01 |
| (b) Government Grants/Subsidies | 70.00 | 70.00 |
| | <u>70.01</u> | <u>70.01</u> |
| 2. Securities Premium Account | 1,81.08 | 1,81.08 |
| 3. General Reserve: | | |
| Balance as per last Balance Sheet | 80,54.07 | 77,54.07 |
| <i>Add:</i> Transferred from Profit and Loss Account | 11,00.00 | 3,00.00 |
| | <u>91,54.07</u> | <u>80,54.07</u> |
| 4. Profit and Loss Account | 11,31.47 | 13,65.05 |
| TOTAL | <u>105,36.63</u> | <u>96,70.21</u> |

EXCEL INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

| SCHEDULE 'C' | (₹ in lacs) | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
|--|-------------|--|--|
| SECURED LOANS | | | |
| 1. From Banks: | | | |
| (a) On Working Capital Demand Loan Accounts (Refer Note No. 1 given below) | 9,99.97 | | 9,99.97 |
| (b) On Cash Credit and Packing Credit Accounts (Refer Note No. 1 given below) | 16,83.77 | | 23,31.83 |
| (c) On Term Loan Accounts | — | | 62.50 |
| (d) Under Vehicle Finance Scheme (Refer Note No. 2 given below) | 0.46 | | 1.31 |
| | _____ | 26,84.20 | _____ |
| 2. From Others: | | | |
| Under Vehicle Finance (Refer Note No. 2 given below) | | 41.23 | 22.39 |
| TOTAL | | 27,25.43 | 34,18.00 |
| <i>Notes:</i> | | | |
| 1. Loans from Banks on Cash Credit and Packing 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. 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. | | | |
| 2. Term Loan under Vehicle Finance from HDFC Bank Limited amounting to ₹ 0.46 lac (Previous Year: ₹ 1.31 lacs) and from Kotak Mahindra Prime Limited amounting to ₹ 41.23 lacs (Previous Year: ₹ 22.39 lacs) respectively are secured by hypothecation of the vehicles acquired by utilising the said loans. | | | |
| | | | |
| SCHEDULE 'D' | | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
| UNSECURED LOANS | | | |
| 1. Fixed Deposits [Due within one year: ₹ 4,03.47 lacs (Previous Year: ₹ 2,36.07 lacs)] | | 18,40.01 | 17,91.82 |
| 2. Short Term Loans | | | |
| From Banks [Due within one year: ₹ 4,16.34 lacs (Previous Year: ₹ 7,51.23 lacs)] | | 4,16.34 | 7,51.23 |
| 3. Inter Corporate Deposits [Due within one year: ₹ 2,00.00 lacs (Previous Year: ₹ 50.00 lacs)] | | 2,00.00 | 50.00 |
| TOTAL | | 24,56.35 | 25,93.05 |

EXCEL INDUSTRIES LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 'E'

FIXED ASSETS

(₹ in lacs)

| Sr. No. | Description of Assets | GROSS BLOCK (AT COST OR VALUATION) | | | | DEPRECIATION/AMORTISATION | | | | NET BLOCK | |
|---------|--|------------------------------------|---------------------------|----------------------------|------------------------|---------------------------|-------------------------|--------------------------|------------------------|------------------------|------------------------|
| | | I | II | III | IV | V | VI | VII | VIII | IX | X |
| | | As at 1st April, 2010 | Additions during the year | Deductions during the year | As at 31st March, 2011 | As at 1st April, 2010 | Deductions/ Adjustments | Provided during the year | As at 31st March, 2011 | As at 31st March, 2011 | As at 31st March, 2010 |
| I. | LAND — FREEHOLD | 1,72.91 | — | — | 1,72.91 | — | — | — | — | 1,72.91 | 1,72.91 |
| II. | LAND — LEASEHOLD | 2,82.71 | — | — | 2,82.71 | 42.50 | — | 4.65* | 47.15 | 2,35.56 | 2,40.21 |
| III. | LEASEHOLD IMPROVEMENTS | 23.43 | — | — | 23.43 | 3.55 | — | 8.52 | 12.07 | 11.36 | 19.88 |
| IV. | BUILDINGS (Refer Note No. 2 below) | 22,11.96 | 83.11 | 4.19 | 22,90.88 | 6,55.43 | 1.15 | 94.86 | 7,49.14 | 15,41.74 | 15,56.53 |
| V. | PLANT AND MACHINERY | 163,19.65 | 9,79.25 | 12,92.80 | 160,06.10 | 87,96.17 | 8,39.02@ | 7,80.53** | 87,37.68 | 72,68.42 | 75,23.48 |
| VI. | DATA PROCESSING EQUIPMENT | 8,51.47 | 57.28 | 70.52 | 8,38.23 | 6,69.25 | (0.20) | 40.17 | 7,09.62 | 1,28.61 | 1,82.22 |
| VII. | ELECTRICAL INSTALLATION | 4,88.35 | 38.01 | 1.46 | 5,24.90 | 3,34.31 | 24.31 | 26.23 | 3,36.23 | 1,88.67 | 1,54.04 |
| VIII. | LABORATORY EQUIPMENTS | 2,30.88 | 16.01 | 35.05 | 2,11.84 | 2,17.63 | 34.27@ | 6.00 | 1,89.36 | 22.48 | 13.25 |
| IX. | FURNITURE, FIXTURES AND OFFICE EQUIPMENTS | 6,54.46 | 15.88 | 53.87 | 6,16.47 | 5,11.00 | 49.16@ | 25.84** | 4,87.68 | 1,28.79 | 1,43.46 |
| X. | VEHICLES | 2,63.97 | 43.75 | 33.12 | 2,74.60 | 1,77.34 | 29.37@ | 28.64** | 1,76.61 | 97.99 | 86.63 |
| XI. | TECHNICAL BOOKS | 8.10 | 1.14 | — | 9.24 | 5.58 | — | 0.61 | 6.19 | 3.05 | 2.52 |
| | TOTAL | 215,07.89 | 12,34.43 | 14,91.01 | 212,51.31 | 114,12.76 | 9,77.08 | 10,16.05 | 114,51.73 | 97,99.58 | 100,95.13 |
| | PREVIOUS YEAR | 214,74.10 | 7,18.00 | 6,84.21 | 215,07.89 | 109,45.71 | 4,79.57@ | 9,46.62** | 114,12.76 | | |
| | CAPITAL WORK-IN-PROGRESS (Refer Note No. 3 below) | | | | | | | | | 2,97.40 | 3,44.88 |
| | | | | | | | | | TOTAL | 100,96.98 | 104,40.01 |

NOTES:

- * Amount written off in respect of Leasehold Land.
- Buildings include cost of shares in Co-operative Housing Societies ₹ 0.01 lac (Previous Year: ₹ 0.01 lac).
- Capital Work-in-Progress includes Advance for Capital Expenditure ₹ 1,62.48 lacs (Previous Year: ₹ 11,94.24 lacs).
- ** Includes Short Provision for Depreciation for earlier years ₹ 92.94 lacs (Previous Year: ₹ 0.25 lac).
- @ Includes Excess Provision for Depreciation for earlier years written back ₹ 24.60 lacs (Previous Year: ₹ 9.85 lacs).
- Buildings include Buildings given on operating lease:
Gross Book value ₹ 1,99.70 lacs (Previous Year: ₹ 1,40.92 lacs)
Accumulated depreciation ₹ 77.36 lacs (Previous Year: ₹ 75.45 lacs)
Depreciation for the year ₹ 1.30 lacs (Previous Year: ₹ 1.92 lacs)
Net Block ₹ 1,21.04 lacs (Previous Year: ₹ 63.55 lacs)

SCHEDULE 'F'

INTANGIBLE ASSETS

(₹ in lacs)

| SR. NO. | DESCRIPTION OF INTANGIBLE ASSETS | GROSS AMOUNT | | | | AMORTISATION | | | | NET AMOUNT | |
|---------|----------------------------------|-----------------------|---------------------------|----------------------------|------------------------|-----------------------|-------------------------|--------------------------|------------------------|------------------------|------------------------|
| | | As at 1st April, 2010 | Additions during the year | Deductions during the year | As at 31st March, 2011 | As at 1st April, 2010 | Deductions/ Adjustments | Provided during the year | As at 31st March, 2011 | As at 31st March, 2011 | As at 31st March, 2010 |
| 1. | Computer Software | 1,86.34 | — | — | 1,86.34 | 1,00.82 | — | 46.59 | 1,47.41 | 38.93 | 85.52 |
| 2. | Trademarks | 7.00 | — | — | 7.00 | 7.00 | — | — | 7.00 | — | — |
| 3. | Export Product Registration | — | 54.02 | — | 54.02 | — | — | 4.50 | 4.50 | 49.52 | — |
| | TOTAL | 1,93.34 | 54.02 | — | 2,47.36 | 1,07.82 | — | 51.09 | 1,58.91 | 88.45 | 85.52 |
| | Previous Year | 1,93.34 | — | — | 1,93.34 | 61.23 | — | 46.59 | 1,07.82 | | |

EXCEL INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET

| SCHEDULE 'G' | (₹ in lacs) | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
|--|----------------|--|--|
| INVESTMENTS | | | |
| LONG-TERM (AT COST) | | | |
| 1. IN SUBSIDIARY COMPANY (Unquoted) (Trade Investments): | | | |
| 1,99,982 (Previous Year: 1,99,982) Equity Shares of ₹ 100/- each fully paid-up in Kamaljiyot Investments Limited | | 1,99.98 | 1,99.98 |
| 2. TRADE INVESTMENTS : | | | |
| Quoted | | | |
| (a) 2,45,760 (Previous Year: 1,00,000) Equity Shares of ₹ 5/- each fully paid-up in Excel Crop Care Limited | 3,66.26 | | 0.40 |
| (b) 5,84,977 (Previous Year: 5,84,977) Equity Shares of ₹ 10/- each fully paid-up in Punjab Chemicals and Crop Protection Limited | 3,09.00 | | 3,09.00 |
| Unquoted | | | |
| (a) 8,88,750 (Previous Year: 8,88,750) Equity Shares of ₹ 10/- each fully paid-up in TML Industries Limited | 1,77.75 | | 1,77.75 |
| (b) 10,67,450 (Previous Year: 10,67,450) Equity Shares of ₹ 10/- each fully paid-up in Transpek-Silox Industry Limited | 2,86.08 | | 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 | 27.26 | | 27.26 |
| | | 11,66.35 | 8,00.49 |
| 3. OTHER THAN TRADE: | | | |
| Quoted | | | |
| (a) 4,285 (Previous Year: 4,285) Equity Shares of ₹ 10/- each fully paid-up in TIL Limited | 1.53 | | 1.53 |
| (b) 35,900 (Previous Year: 35,900) Equity Shares of ₹ 10/- each fully paid-up in Bank of India | 16.16 | | 16.16 |
| Unquoted | | | |
| (a) 2,500 (Previous Year: 2,500) Equity Shares of ₹ 10/- each fully paid-up in The Saraswat Co-operative Bank Limited | 0.25 | | 0.25 |
| (b) 50,000 (Previous Year: 50,000) Equity Shares of ₹ 10/- each fully paid-up in Biotech Consortium India Limited | 5.00 | | 5.00 |
| | | 22.94 | 22.94 |
| | | 13,89.27 | 10,23.41 |
| Less: Provision for Diminution in value of long-term Investments (Refer Note No. 17 of Schedule 'T') | | 27.26 | 27.26 |
| TOTAL | | 13,62.01 | 9,96.15 |
| Notes: | | | |
| 1. Aggregate amount of Quoted Investments: | | | |
| Cost (Net of provision for diminution) | | 6,92.95 | 3,27.09 |
| Market Value | | 13,13.32 | 12,93.06 |
| 2. Aggregate amount of Unquoted Investments: | | | |
| Cost (Net of provision for diminution) | | 6,69.06 | 6,69.06 |

EXCEL INDUSTRIES LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET

| | | | |
|---|-----------------|---|--|
| SCHEDULE 'H' | | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
| INVENTORIES | (₹ in lacs) | | |
| (at lower of cost or net realisable value) | | | |
| 1. Stores and Spares (including Fuel) | | 3,64.17 | 2,85.91 |
| 2. Packing Materials | | 1,13.10 | 83.28 |
| 3. Stock-in-Trade: | | | |
| (a) Finished Products | 16,61.21 | | 12,83.53 |
| (b) Semi-finished Products | 3,31.09 | | 2,36.20 |
| (c) Traded Goods | 1,21.34 | | 1,12.68 |
| (d) Raw Materials [Including Stock-in-Transit ₹ 2,59.22 lacs (Previous Year: ₹ 9,00.00 lacs)] | 12,63.16 | | 13,80.11 |
| | | 33,76.80 | 30,12.52 |
| TOTAL | | 38,54.07 | 33,81.71 |
| SCHEDULE 'I' | | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
| SUNDRY DEBTORS | (₹ in lacs) | | |
| Unsecured | | | |
| (a) Debts outstanding for a period exceeding six months: | | | |
| Considered Good | 1,14.80 | | 2,02.87 |
| Considered Doubtful | — | | — |
| | 1,14.80 | | 2,02.87 |
| Less: Provision for Doubtful Debts | — | | — |
| | | 1,14.80 | 2,02.87 |
| (b) Other Debts: | | | |
| Considered Good | | 58,36.50 | 54,34.03 |
| TOTAL | | 59,51.30 | 56,36.90 |
| SCHEDULE 'J' | | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
| CASH AND BANK BALANCES | | | |
| Balances With Scheduled Banks: | | | |
| (i) In Unclaimed Dividend Accounts* | | 8.87 | 7.39 |
| (ii) In Current Accounts | | 1,63.91 | 63.15 |
| (iii) In Deposits | | 73.00 | 73.00 |
| (iv) In Margin Money Accounts | | 1,69.17 | 1,11.73 |
| TOTAL | | 4,14.95 | 2,55.27 |
| * The balance is not available to the Company. | | | |
| SCHEDULE 'K' | | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
| OTHER CURRENT ASSETS | | | |
| 1. Interest Receivable | | 6.98 | 5.56 |
| 2. Export Benefits Receivable | | 1,65.57 | 1,94.27 |
| 3. Income Tax Refund Receivable | | 91.44 | 85.94 |
| 4. Miscellaneous Receivable | | 31.24 | 5.18 |
| 5. Unamortised Premium on Forward Contract | | 4.04 | 7.43 |
| TOTAL | | 2,99.27 | 2,98.38 |

EXCEL INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

| SCHEDULE 'L' | (₹ in lacs) | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
|--|-----------------|--|--|
| LOANS AND ADVANCES | | | |
| Unsecured and Considered Good, unless otherwise stated | | | |
| 1. Loan to Subsidiary Company (Refer Note No. 18 of Schedule 'T') | | 3,20.00 | 2,55.00 |
| 2. Advances recoverable in cash or in kind or for value to be received | | | |
| — Considered Good | 10,13.35 | | 10,06.30 |
| — Considered Doubtful | 35.00 | | 24.50 |
| | 10,48.35 | | 10,30.80 |
| <i>Less:</i> Provision for Doubtful Advances | 35.00 | | 24.50 |
| | | 10,13.35 | 10,06.30 |
| 3. Minimum Alternative Tax Credit Entitlement | | — | 2,62.75 |
| 4. Balance with Excise Authorities | | 1,72.86 | 2,38.83 |
| 5. VAT Credit (Input) Receivable | | 1.65 | 12.28 |
| 6. Sundry Deposits | | 1,90.20 | 1,59.55 |
| TOTAL | | 16,98.06 | 19,34.71 |
| SCHEDULE 'M' | | | |
| CURRENT LIABILITIES | | | |
| 1. Acceptances | | 5,46.07 | 3,05.94 |
| 2. Sundry Creditors | | | |
| — total outstanding dues of Micro and Small Enterprises (Refer Note No. 5 of Schedule 'T') | | — | — |
| — total outstanding dues of creditors other than Micro and Small Enterprises | | 32,42.80 | 25,94.15 |
| 3. Other Liabilities | | 1,06.06 | 4,00.29 |
| 4. Other Payables | | 3,65.98 | 2,69.58 |
| 5. Advances from Customers | | 1,17.24 | 1,57.54 |
| 6. Overdrawn Bank Balances | | — | 58.85 |
| 7. Investor Education and Protection Fund shall be credited by the following amounts, as and when due: | | | |
| (a) Unclaimed Dividend | 8.87 | | 7.16 |
| (b) Unclaimed Matured Deposits | 9.79 | | 16.66 |
| | | 18.66 | 23.82 |
| 8. Sundry Deposits | | 1,00.00 | 40.16 |
| 9. Interest accrued but not due on Loans | | 77.55 | 41.54 |
| TOTAL | | 45,74.36 | 38,91.87 |
| SCHEDULE 'N' | | | |
| PROVISIONS | | | |
| 1. Provision for Taxation [net of Advance tax ₹ 21,29.92 lacs (Previous Year: ₹ 21,69.93 lacs)] | | 4,24.84 | 4,97.26 |
| 2. Provision for Fringe Benefit Tax [net of Advance tax ₹ 28.25 lacs (Previous Year: ₹ 84.95 lacs)] | | 0.25 | 4.55 |
| 3. Proposed Dividend on Equity Shares | | 4,08.96 | 2,18.11 |
| 4. Provision for Tax on Distributed Profits | | 66.34 | 36.23 |
| 5. Provision for Gratuity (Refer Note No. 12 of Schedule 'T') | | 1,39.14 | 2,16.67 |
| 6. Provision for Other Retirement Benefits | | 5,17.90 | 4,69.16 |
| TOTAL | | 15,57.43 | 14,41.98 |

EXCEL INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

| | | | |
|----------------------------------|---|---------------------|--------------------|
| SCHEDULE 'O' | | Current Year | Previous Year |
| | | (₹ in lacs) | (₹ in lacs) |
| OTHER INCOME FROM OPERATIONS | | | |
| 1. | Incentives on Exports | 1,94.06 | 1,56.18 |
| 2. | Sales-tax/VAT Refund | 15.80 | 8.95 |
| 3. | (Short)/Excess Accruals written back (Net) (Refer Note No. 9 of Schedule 'T') | — | 4.25 |
| 4. | Commission Received | 55.07 | 15.18 |
| 5. | Royalty Income | 2,14.99 | 72.50 |
| | [Tax deducted at source: ₹ 11.35 lacs (Previous Year: ₹ 8.00 lacs)] | | |
| 6. | Sundry Credit Balances written back (Net) | 41.84 | 0.50 |
| 7. | Miscellaneous Income | 2,26.66 | 1,76.70 |
| | TOTAL | 7,48.42 | 4,34.26 |
| | | | |
| SCHEDULE 'P' | | Current Year | Previous Year |
| | | (₹ in lacs) | (₹ in lacs) |
| OTHER INCOME | | | |
| 1. | Income from Long-Term Investments (Gross): | | |
| (a) | Dividend on Trade Investments | 1,31.66 | 1,31.72 |
| (b) | Dividend on Other than Trade Investments | 2.82 | 2.02 |
| | | 1,34.48 | 1,33.74 |
| 2. | Interest on Loans, Deposits, etc (Gross) | 24.07 | 23.92 |
| | [Tax deducted at source: ₹ 1.54 lacs (Previous Year: ₹ 2.82 lacs)] | | |
| 3. | Rent | 44.79 | 43.79 |
| | [Tax deducted at source: ₹ 4.08 lacs (Previous Year: ₹ 4.29 lacs)] | | |
| 4. | Interest on Income Tax Refund | 7.70 | — |
| | TOTAL | 2,11.04 | 2,01.45 |
| | | | |
| SCHEDULE 'Q' | | Current Year | Previous Year |
| | | (₹ in lacs) | (₹ in lacs) |
| MANUFACTURING AND OTHER EXPENSES | | | |
| 1. | RAW MATERIALS CONSUMED: | | |
| | Opening Stock | 13,80.11 | 10,55.49 |
| | Add: Purchases | 125,02.93 | 106,14.91 |
| | | 138,83.04 | 116,70.40 |
| | Less: Closing Stock | 12,63.16 | 13,80.11 |
| | | 126,19.88 | 102,90.29 |
| 2. | PURCHASES OF TRADED GOODS | 6,19.77 | 5,22.07 |
| 3. | CONTAINERS AND PACKING MATERIALS CONSUMED | 7,68.16 | 6,65.16 |
| 4. | PERSONNEL EXPENSES | | |
| (a) | Salaries, Wages, Bonus and Other Benefits | 31,45.52 | 24,98.64 |
| (b) | Contribution to Provident Fund and Other Funds | 2,79.73 | 2,58.42 |
| (c) | Provision/Payment of Gratuity (Refer Note No.12 of Schedule 'T') | 1,89.23 | 1,85.64 |
| (d) | Provision for Other Retirement Benefits | 1,15.87 | 1,74.92 |
| (e) | Welfare Expenses | 2,08.94 | 1,94.05 |
| | Total Carried Forward | 179,47.10 | 147,89.19 |

EXCEL INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

| SCHEDULE 'Q' (Contd.) | (₹ in lacs) | (₹ in lacs) | Current Year (₹ in lacs) | Previous Year (₹ in lacs) |
|---|----------------|-----------------|--------------------------------|---------------------------------|
| MANUFACTURING AND OTHER EXPENSES | | | | |
| 5. OPERATING AND OTHER EXPENSES: | | | | |
| Total Brought Forward | | | 179,47.10 | 147,89.19 |
| (a) Stores and Spares Consumed | | 46.02 | | 46.53 |
| (b) Power and Fuel | | 22,47.06 | | 18,64.99 |
| (c) Repairs to Buildings | | 48.59 | | 38.75 |
| (d) Repairs to Machinery | | 10,07.71 | | 6,90.74 |
| (e) Other Repairs | | 63.23 | | 82.23 |
| (f) Processing Charges | | 2,10.97 | | 1,52.50 |
| (g) Rent | | 28.75 | | 31.38 |
| (h) Rates and Taxes | | 63.17 | | 64.24 |
| (i) Insurance Charges | | 50.56 | | 37.55 |
| (j) Commission on Sales (Other than sole selling agents) | | 73.00 | | 87.97 |
| (k) Discount on Sales | | 22.80 | | 24.19 |
| (l) Travelling and Conveyance | | 1,53.50 | | 1,25.91 |
| (m) Charity and Donations | | 29.71 | | 15.23 |
| (n) Bad Debts/Sundry Debit Balances written off | 1,17.91 | | | 11,07.62 |
| Less : Provision for doubtful debts written back | <u>—</u> | | | <u>10,15.81</u> |
| | | 1,17.91 | | 91.81 |
| (o) Provision for Doubtful Debts/Advances | | 10.50 | | 3.50 |
| (p) Excess Short Provision (Refer Note No. 9 of Schedule 'T') | | 8.51 | | — |
| (q) Assets written off | | 1,86.11 | | 5,02.60 |
| (r) Excise Duty Paid (Refer Note No. 16 of Schedule 'T') | | 34.19 | | 29.32 |
| (s) Exchange Difference (Net) | | 32.53 | | 45.27 |
| (t) Freight Outwards and Forwarding expenses | | 7,26.41 | | 5,28.49 |
| (u) Directors' Fees | | 3.30 | | 3.20 |
| (v) Loss on sale of Assets (Net) | | 9.96 | | 0.12 |
| (w) Other Expenses (Refer Note No. 7.1 of Schedule 'T') | | 15,90.27 | | 15,19.78 |
| | | | 67,64.76 | <u>59,86.30</u> |
| TOTAL | | | 247,11.86 | <u>207,75.49</u> |
| SCHEDULE 'R' | | | | |
| (INCREASE)/DECREASE IN STOCKS | | (₹ in lacs) | Current Year (₹ in lacs) | Previous Year (₹ in lacs) |
| (a) Opening Stocks : | | | | |
| Finished Products | | 12,83.53 | | 17,33.19 |
| Semi-finished Products | | 2,36.20 | | 3,61.74 |
| Traded Goods | | 1,12.68 | | 86.61 |
| | | | 16,32.41 | <u>21,81.54</u> |
| (b) Less: Closing Stocks | | | | |
| Finished Products | | 16,61.21 | | 12,83.53 |
| Semi-finished Products | | 3,31.09 | | 2,36.20 |
| Traded Goods | | 1,21.34 | | 1,12.68 |
| | | | 21,13.64 | <u>16,32.41</u> |
| | | | (4,81.23) | <u>5,49.13</u> |
| SCHEDULE 'S' | | | | |
| INTEREST | | | Current Year (₹ in lacs) | Previous Year (₹ in lacs) |
| 1. On Intercompany/Fixed deposits | | | 2,01.18 | 1,96.42 |
| 2. On Term loans with banks | | | 0.91 | 50.07 |
| 3. On Cash Credit/Working Capital Demand Loan Accounts | | | 3,23.17 | 3,99.16 |
| 4. Others | | | 39.96 | 71.78 |
| TOTAL | | | 5,65.22 | <u>7,17.43</u> |

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T'

NOTES TO ACCOUNTS

1. NATURE OF OPERATIONS:

Excel Industries Limited is engaged in manufacturing of Chemicals and Environmental products. Chemicals comprise of Industrial/Specialty 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. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of Preparation:

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) 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 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 accumulated depreciation/amortisation and provision for impairment, if any, except for the following:

(a) Land, Buildings, Plant and Machinery and Electrical Installations situated at Roha have been revalued as on 30 September, 2001 on the basis of valuation report of Government approved valuers at their depreciated replacement value and stated at their revalued amounts.

(b) Assets at Mumbai installed up to 31 March, 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 69 Years and 95 Years for Roha and Lote Parashuram site respectively.

(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 TO ACCOUNTS

2. In respect of Buildings, Plant and Machinery and Electrical Installations, except additions to the aforesaid Fixed Assets at Mumbai upto 30 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 ₹ 5,000 are entirely depreciated in the year of acquisition.
- (d) Impairment:
- (i) 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 recognized 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 using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.
 - (ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
 - (iii) A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.
- (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.
 - (c) Product Registration expenses are amortised on a straight line basis over a period of four years.
- (f) Inventories:
- (i) Raw materials, containers, stores and spares
Lower of cost and net realisable 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 realisable 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 realisable value. Cost is determined on a moving weighted average basis.
 - (iv) Work-in-progress in respect of Turnkey Projects is valued at lower of cost and net realisable value.
Net realisable 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.

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T'— (Contd.)

NOTES TO ACCOUNTS

(g) Investments:

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. 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'.

(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. The scheme is funded with insurance Company in the form of a qualifying insurance policies.

(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. The scheme is funded with insurance Company in the form of a qualifying insurance policies.

(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:

Foreign currency transactions:

(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.

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T'— (Contd.)

NOTES TO ACCOUNTS

(iv) Forward Exchange Contracts not intended for trading or speculation purpose:
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 accounts. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised over the period of expected future sales from the related project, not exceeding ten years. The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

(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 recognized 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:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Interest and other costs incurred for acquisition and construction of qualifying assets, upto 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 recognized 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 recognized 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.

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T'— (Contd.)

NOTES TO ACCOUNTS

Interest

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

Dividend

Revenue is recognized 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, commission income, 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 Cash flow statement 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.

Inter segment Transfers :

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

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. Common allocable costs are allocated to cash segment according to the relative contribution of each segment.

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T'— (Contd.)

NOTES TO ACCOUNTS

(u) Taxation:

Tax expense comprises of current and deferred tax. Current income tax 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 reflects 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 and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. 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.

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.

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.

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 recognized 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, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
|---|---|--|
| 3. Contingent Liabilities: | | |
| (a) Bills discounted | — | 67.25 |
| (b) Disputed income-tax liability | 9,09.74 | 6,67.42 |
| (c) Disputed excise duty liability | 1,79.52 | 1,42.69 |
| (d) Disputed sales tax liability | 34.09 | 5.14 |
| (e) Disputed service tax liability | 2.49 | 14.57 |
| (f) Guarantees given by Company's Bankers on behalf of the Company to third parties | 36.20 | 55.16 |
| (g) (i) Claims against the Company not acknowledged as debts | 13.46 | 23.96 |
| (ii) Liability in respect of claim made by workers and contract labourers | Amount not ascertainable | Amount not ascertainable |
| 4. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 2,29.50 | 3,05.81 |

EXCEL INDUSTRIES LIMITED

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

| SCHEDULE 'T'— (Contd.) | | |
|--|-------------------------------------|------------------------------|
| NOTES TO ACCOUNTS | | |
| 5. The identification of Micro, Small and Medium enterprises is based on the management's knowledge of their status. The Company has not received any intimation from suppliers regarding their status under "The Micro, Small and Medium Enterprises Development Act, 2006". | | |
| 6. The Company has executed a Deed of Conveyance on 6th May, 2011 in respect of its plot of land at Jogeshwari for which the Company had entered into an agreement on 27th December 2005 to develop the said plot of land. Pursuant to the said conveyance deed, the Company has secured 41% of the constructed area in return for the transfer of 59% of its rights in the said land. The profit arising on the said transaction will be accounted in the year 2011-12 in which the transaction is completed. | | |
| 7. Supplementary Statutory Information | Current Year (₹ in lacs) | Previous Year (₹ in lacs) |
| 7.1 Auditors' Remuneration: | | |
| As an Auditor: | | |
| (i) Audit fees | 10.00 | 8.00 |
| (ii) Tax audit fees | 4.00 | 3.50 |
| (iii) Limited Review | 1.75 | 1.50 |
| In other Capacity: | | |
| (iv) Fees for taxation matters | 7.45 | 7.56 |
| (v) Fees for certification and other matters | 1.30 | 1.00 |
| (vi) Out of pocket expenses | 0.40 | 0.40 |
| 7.2 (a) Managerial Remuneration to Chairman & Managing Director, Executive Vice-Chairperson and Executive Director: | | |
| (1) To Chairman & Managing Director, Executive Vice-Chairperson and Executive Director: | | |
| (i) Salaries | 59.04 | 53.14 |
| (ii) Contribution to Provident and Other Funds | 15.94 | 14.05 |
| (iii) Perquisites and other allowance | 53.17 | 16.47 |
| (iv) Commission | 78.75 | — |
| | 2,06.90 | 83.66 |
| <i>Note:</i> | | |
| As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the directors are not included above. | | |
| (2) To other Directors: | | |
| Commission (included in 'Other Expenses') | 15.00 | — |
| (b) Computation of commission payable to Chairman & Managing Director, Executive Vice-Chairperson and Executive Director. | | |
| Profit before taxation and prior period adjustments: | 20,35.25 | 11,39.61 |
| <i>Add:</i> | | |
| Depreciation charged in Accounts | 9,23.11 | 9,46.37 |
| Managerial Remuneration (including Commission) | 2,06.90 | 83.66 |
| Directors' Fees | 3.30 | 3.20 |
| Provision for doubtful debts advances | 10.50 | 3.50 |
| Commission to other Directors | 15.00 | — |
| Prior Period Adjustments (Net) | (1,05.25) | 1,89.53 |
| Assets written off as per Accounts | 1,86.11 | 5,02.60 |
| Loss on sale of fixed assets as per Accounts (Net) | 7.70 | — |
| | 12,47.37 | 17,28.86 |
| <i>Less:</i> | | |
| Depreciation as per the Companies Act, 1956 | 9,23.11 | 9,46.37 |
| Profit on sale of fixed assets as per Accounts (Net) | — | 1.56 |
| | 9,23.11 | 9,47.93 |

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T'— (Contd.)

NOTES TO ACCOUNTS

| | Current Year (₹ in lacs) | Previous Year (₹ in lacs) |
|--|-----------------------------|------------------------------|
| Net Profit as per Section 309(5) of the Companies Act, 1956 | 23,59.51 | 19,20.54 |
| Commission to Chairman & Managing Director, Executive Vice-Chairperson, Executive Director in terms of Agreement | 1,26.00 | * |
| Restricted to | 78.75 | * |
| Commission to other Directors @ 1% thereof, ₹ 23.59 lacs (Previous Year: Nil) which the Directors have agreed to restrict to | 15.00 | * |

* No Commission was payable in the previous year to the Chairman & Managing Director, Executive Vice-Chairperson, Executive Director and other Directors on account of inadequacy of profit.

7.3 Licensed Capacity, Installed Capacity and Actual Production:

| Product | Year ended March 31, 2011 | | | Year ended March 31, 2010 | | |
|---------------------------|-------------------------------|--------------------------------|-------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | Licensed Capacity (Tonnes) | Installed Capacity (Tonnes) | Actual Production (Tonnes) | Licensed Capacity (Tonnes) | Installed Capacity (Tonnes) | Actual Production (Tonnes) |
| I. Phosphorous Compounds: | 45,700 | 35,000 | 29,023 | 45,700 | 35,000 | 24,558 |
| II. Chemicals: | 10,800 | 10,400 | 7,285 | 10,800 | 10,400 | 6,968 |
| III. Organic Manure: | *31,700 | 12,000 | 3,300 | *31,700 | 12,000 | 3,765 |

Notes:

- (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.

7.4 The Company has availed the exemption for export oriented Company (whose export is more than 20% of the turnover) as per the notification dated February 8, 2011 issued by Ministry of Corporate Affairs and accordingly the additional information pursuant to the provisions of paragraphs 3(i)(a), 3(ii)(a), 3(ii)(b) and 3(ii)(d) of part II of Schedule VI to the Companies Act, 1956 has not been disclosed in the financial statements.

7.5 Consumption of Raw Materials, Components and Spare Parts:

| | Current Year | | Previous Year | |
|-------------------|------------------|---------------|---------------|------------|
| | (₹ in lacs) | Percentage | (₹ in lacs) | Percentage |
| 1. Raw Materials: | | | | |
| Imported: | 61,60.50 | 48.82 | 54,96.44 | 53.41 |
| Indigenous: | 64,59.38 | 51.18 | 47,93.85 | 46.59 |
| | 126,19.88 | 100.00 | 102,90.29 | 100.00 |
| 2. Components: | | | | |
| Imported | Nil | — | Nil | — |
| Indigenous | Nil | — | Nil | — |
| 3. 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 TO ACCOUNTS | | |
| | Current Year (₹ in lacs) | Previous Year (₹ in lacs) |
| 7.6. Value of Imports on C.I.F. basis: | | |
| 1. Raw Materials | 58,00.11 | 62,02.15 |
| 2. Components and Spare Parts* | — | 1.43 |
| 3. Capital Goods | 54.02 | 39.40 |
| 4. Purchase of Traded Goods | 2,65.50 | 1,99.03 |
| *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. | | |
| 7.7. Expenditure in Foreign Currency (on accrual basis): | | |
| (a) Interest | 10.95 | 19.27 |
| (b) Container Rental Charges | 84.92 | 57.68 |
| (c) Freight Outwards | 37.87 | 66.62 |
| (d) Travelling and Conveyance | 71.67 | 30.59 |
| (e) Discount on Sales | 17.89 | 23.32 |
| (f) Bank Charges | 1.77 | 1.96 |
| (g) Commission on Export Sales | 2.46 | 8.58 |
| (h) Export Product Registration | 72.54 | 27.39 |
| (i) Others | 4.78 | 7.13 |
| 7.8. Earnings in Foreign Exchange (on accrual basis): | | |
| (a) Exports of Goods on F.O.B. basis | 60,34.90 | 53,77.11 |
| (b) Commission | 57.61 | 15.18 |
| (c) Technical Fees | 1,12.16 | — |
| 7.9. Remittance in Foreign Currency on account of Dividend: | | |
| During the year, the Company has not remitted any amount in foreign currency on account of dividend. 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 | 107 | 114 |
| (b) Number of Equity Shares held by them | 73,305 | 56,459 |
| (c) (i) Amount of dividend paid (₹ in lacs) | 1.47 | 0.28 |
| (ii) Year to which dividend relates | 2009-10 | 2008-09 |
| 8. (a) 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 | 2,07.59 | 1,97.37 |
| (b) Depreciation on Research and Development Equipment | 44.76 | 41.35 |
| | 2,52.35 | 2,38.72 |
| * includes ₹ 64.94 lacs, ₹ 38.33 lacs and ₹ 72.91 lacs (Previous Year: ₹ 73.80 lacs, ₹ 41.90 lacs and ₹ 55.45 lacs) in respect of Research and Development units at Roha, Lote and Mumbai respectively for which application for approval is made to Department of Science & Industrial Research, Ministry of Science & Technology. | | |
| (b) Capital Expenditure incurred during the year on Research and Development [including capital expenditure on qualifying assets of ₹ 23.82 lacs, ₹ 10.78 lacs and ₹ 20.76 lacs (Previous Year: ₹ 0.72 lac, ₹ 0.09 lac and ₹ 25.28 lacs) in respect of Research and Development Units at Roha, Lote and Mumbai respectively for which application for approval is made to Department of Science & Industrial Research, Ministry of Science & Technology). | 57.14 | 26.10 |

EXCEL INDUSTRIES LIMITED

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

| SCHEDULE 'T'— (Contd.) | | |
|---|---|--|
| NOTES TO ACCOUNTS | | |
| | Current Year (₹ in lacs) | Previous Year (₹ in lacs) |
| 9. (Short)/Excess Accruals written back (Net) comprises of the following: | | |
| (1) Raw Materials | 0.70 | (2.01) |
| (2) Export Incentives | 2.63 | 0.63 |
| (3) Excise Duty | 13.41 | — |
| (4) Depreciation | — | 9.60 |
| (5) Personnel Expenses | (25.93) | (2.60) |
| (6) Discount | — | (0.77) |
| (7) Others | 0.68 | (0.60) |
| | 8.51 | 4.25 |
| | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
| 10. Break up of Deferred Tax Assets and Deferred Tax Liabilities: | | |
| (a) Deferred Tax Assets | | |
| (i) Liabilities Allowable on Payment basis | 1,97.68 | 2,35.18 |
| (ii) Provision for Doubtful Debts/Advances | 11.36 | 8.33 |
| (iii) Unabsorbed Capital Loss | 35.13 | 36.80 |
| | 2,44.17 | 2,80.31 |
| (b) Deferred Tax Liabilities | | |
| Depreciation | 16,13.78 | 17,48.57 |
| | 16,13.78 | 17,48.57 |
| DEFERRED TAX LIABILITY (NET) | 13,69.61 | 14,68.26 |
| 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. 6 above) | | |
| | Current Year (₹ in lacs) | Previous Year (₹ in lacs) |
| 11. Earnings Per Share: | | |
| (1) Profit after Tax | 14,30.90 | 7,43.33 |
| Less: Prior Period Adjustments (Net) | 1,05.25 | (1,89.53) |
| Add: Excess/(Short) provision for taxation for earlier years | 16.07 | (1,36.27) |
| Profit attributable to Equity Shareholders (A) | 13,41.72 | 7,96.59 |
| (2) Weighted average number of Equity Shares outstanding (B) | 10,905,630 | 10,905,630 |
| | ₹ | ₹ |
| (3) Earning per Share (A)/(B):(Basic and Diluted) | 12.30 | 7.30 |
| (4) Nominal Value of Equity Share: | 5.00 | 5.00 |

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T'— (Contd.)

NOTES TO ACCOUNTS

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 insurance company in the form of qualifying insurance policies.

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

(i) Defined Benefit Plan

| | Current Year Gratuity (₹ in lacs) | Previous Year Gratuity (₹ in lacs) |
|---|--|--|
| Current Service cost | 87.07 | 79.11 |
| Interest cost on benefit obligation | 1,24.70 | 1,07.10 |
| Expected return on plan assets | (1,24.40) | (97.52) |
| Net actuarial (gain)/loss recognised during the year | 1,01.86 | 96.95 |
| Amount included under the head personnel expenses in Schedule 'Q' Manufacturing and Other Expenses. | <u>1,89.23</u> | <u>1,85.64</u> |
| Actual return on plan assets | <u>1,19.11</u> | <u>89.96</u> |

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

| | As at 31st March, 2011 Defined Benefit Plan - Gratuity (Funded) (₹ in lacs) | As at 31st March, 2010 Defined Benefit Plan - Gratuity (Funded) (₹ in lacs) |
|--|--|--|
| Present value of funded obligation | 17,26.61 | 15,11.46 |
| Less: Fair value of plan assets | 15,87.47 | 12,94.79 |
| Net Liability included under the head Provision for Gratuity, in Schedule 'N'-Provisions | <u>1,39.14</u> | <u>2,16.67</u> |

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

| | As at 31st March, 2011 Gratuity (₹ in lacs) | As at 31st March, 2010 Gratuity (₹ in lacs) |
|--|--|--|
| Opening defined benefit obligation | 15,11.45 | 12,98.21 |
| Interest cost | 1,24.70 | 1,07.10 |
| Current service cost | 87.07 | 79.11 |
| Benefits paid | (91.80) | (62.71) |
| Actuarial (gains) / loss on obligation | 95.18 | 89.74 |
| Closing defined benefit obligation | <u>17,26.60</u> | <u>15,11.45</u> |

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

| | As at 31st March, 2011 Gratuity (₹ in lacs) | As at 31st March, 2010 Gratuity (₹ in lacs) |
|--|--|--|
| Opening fair value of plan assets | 12,94.79 | 9,62.65 |
| Expected return | 1,24.40 | 97.52 |
| Contributions made by employer during the year | 2,66.76 | 3,04.54 |
| Benefits paid | (91.80) | (62.71) |
| Actuarial gains/(loss) | (6.68) | (7.21) |
| Closing fair value of plan assets | <u>15,87.47</u> | <u>12,94.79</u> |

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T'— (Contd.)

NOTES TO ACCOUNTS

| | As at 31st March, 2011 Gratuity (₹ in lacs) | As at 31st March, 2010 Gratuity (₹ in lacs) |
|--|--|--|
| (e) Expected contribution to defined benefit plan for the year 2011-12 | 1,50.00 | 2,25.00 |
| (f) The major categories of plan assets as a percentage of fair value of total plan assets are as follows: | Current Year | Previous Year |
| Insurer Managed Funds (Life Insurance Corporation of India) | 85.28% | 83.55% |
| Insurer Managed Funds (Aviva Life Insurance Company India Limited) | 14.72% | 16.45% |
| | 100.00% | 100.00% |

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

| | Gratuity Current Year | Gratuity Previous Year |
|--|-----------------------------------|---------------------------|
| (g) The principal actuarial assumptions at the Balance Sheet date. | | |
| Discount rate | 8.25% | 8.25% |
| Expected rate of return on plan assets | 9% | 9% |
| Expected rate of salary increase | 5% | 5% |
| Mortality table | LIC (1994-96) Ultimate | LIC (1994-96) Ultimate |
| Proportion of employees opting for early retirement | 5% to 1% | 5% to 1% |

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. Amounts for the current and previous four periods are as follows: [AS15 Para 120(n)] [1]

| | Gratuity | | | | |
|--|------------------|------|------|------|------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Defined benefit obligation | 17,26.60 | * | * | * | * |
| Plan assets | 15,87.47 | * | * | * | * |
| Surplus / (deficit) | (1,39.14) | * | * | * | * |
| Experience adjustments on plan liabilities | 2,03.59 | * | * | * | * |
| Experience adjustments on plan assets | 6.68 | * | * | * | * |

* The disclosure required under Para 120(n)(ii) of Accounting Standard 15 Employee Benefits (Revised, 2003) pertaining to experience adjustments on plan assets and plan liabilities is not given for previous four years on the ground that such information is not available with the Company.

| | | |
|---|-------------------------------------|------------------------------|
| (II) Defined Contribution Plans | | |
| (i) Provident Fund is a defined contribution scheme established under a State Plan. | | |
| (ii) Superannuation Fund is a defined contribution scheme. The scheme is funded with an insurance company in the form of a qualifying insurance policy. | | |
| (iii) Defined Contribution Plan | Current Year (₹ in lacs) | Previous Year (₹ in lacs) |
| Current service cost included under the head Personnel Expense in Schedule 'Q' Manufacturing and Other Expenses: | | |
| Provident Fund | 1,40.57 | 1,25.29 |
| Family Pension Fund | 62.62 | 63.71 |
| Superannuation Fund | 70.41 | 65.24 |

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T'— (Contd.)

NOTES TO ACCOUNTS

13. Segment Information

| 1. Information About Primary Business Segments: | Current Year (₹ in lacs) | | | Previous Year (₹ in lacs) | | |
|--|-----------------------------|----------------|--------------|------------------------------|----------------|--------------|
| | Chemicals | Environment | Total | Chemicals | Environment | Total |
| Particulars | | | | | | |
| REVENUE: | | | | | | |
| External Revenue: | 263,90.79 | 12,14.49 | 276,05.28 | 231,64.76 | 8,27.03 | 239,91.79 |
| Un-allocated revenue : | | | 2,00.02 | | | 1,82.83 |
| Total Revenue: | | | 278,05.30 | | | 241,74.62 |
| RESULT: | | | | | | |
| Segment result: | 34,23.61 | 2,70.57 | 36,94.18 | 28,23.32 | 1,26.41 | 29,49.73 |
| Un-allocated expenditure net of un-allocated income: | | | 11,98.96 | | | 9,03.16 |
| Interest Expenses: | | | 5,65.22 | | | 7,17.43 |
| Profit before taxation but after prior period adjustments: | | | 19,30.00 | | | 13,29.14 |
| Provision for Taxation: | | | | | | |
| Current: | | | 7,03.00 | | | 1,26.00 |
| In respect of earlier years : | | | (16.07) | | | 1,36.27 |
| Minimum Alternative Tax Entitlement | | | — | | | (1,78.75) |
| Deferred: | | | (98.65) | | | 4,49.03 |
| Profit/(Loss) after tax: | | | 13,41.72 | | | 7,96.59 |
| OTHER INFORMATION: | | | | | | |
| Segment Assets: | 197,60.28 | 8,74.74 | 206,35.02 | 193,68.42 | 9,34.05 | 203,02.47 |
| Un-allocated Assets: | | | 31,30.08 | | | 27,26.18 |
| Total Assets: | | | 237,65.10 | | | 230,28.65 |
| Segment Liabilities: | (42,40.21) | (2,57.35) | (44,97.56) | (33,72.35) | (1,63.60) | (35,35.95) |
| Un-allocated Liabilities: | | | (81,85.62) | | | (92,77.21) |
| Total Liabilities: | | | (126,83.18) | | | (128,13.16) |
| Segment Capital expenditure: | 11,00.35 | 13.41 | 11,13.76 | 6,76.34 | 15.29 | 6,91.63 |
| Un-allocated Capital expenditure: | | | 1,74.69 | | | 26.37 |
| Segment Depreciation and Amortisation: | 7,99.82 | 81.19 | 8,81.01 | 8,51.70 | 45.12 | 8,96.82 |
| Un-allocated Depreciation and Amortisation: | | | 93.19 | | | 96.14 |
| Segment Non-cash expenses other than Depreciation and Amortisation: | 2,82.65 | 31.87 | 3,14.52 | 5,88.08 | 4.38 | 5,92.46 |
| Un-allocated Non-cash expenses other than Depreciation and Amortisation: | | | — | | | 5.45 |
| 2. Information About Secondary Business Segments: | | | | | | |
| | Domestic | Exports | Total | Domestic | Exports | Total |
| Revenue: | 215,82.21 | 62,23.09 | 278,05.30 | 186,97.39 | 54,77.23 | 241,74.62 |
| Carrying amount of Assets: | 226,48.86 | 11,16.24 | 237,65.10 | 221,81.08 | 8,47.57 | 230,28.65 |
| Capital Expenditure: | 12,34.43 | 54.02 | 12,88.45 | 7,18.00 | — | 7,18.00 |

3. Notes:

- The Company is organised into two business segments namely :
 - Chemicals - Comprising of Industrial and Specialty 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 TO ACCOUNTS

14. Related Party disclosures as required by Accounting Standard (AS) -18 "Related Party Disclosures", notified by Companies (Accounting Standards) Rules, 2006 (as amended) are given below:

(a) Relationships:

1. Subsidiary Company:

Kamaljiyot Investments Limited

2. Associate Companies:

RomVijay Bioo Tech Private Limited

Excel Bio Resources 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

Good Rasayan Limited

Hyderabad Chemical Supplies Limited

Hyderabad Chemical Products Limited

Mumukshu Finance & Services Private Limited

Parul Chemicals Limited

Pritami Investments Private Limited

Samarth Gram Vikas Trust

Shrodip Investments Private Limited

Transpek Industry Limited

Transpek-Silox Industry Limited

Transpek Industry (Europe) Limited

TML Industries Limited

Utkarsh Chemicals Private Limited

5. Key Management Personnel and their Relatives:

(a) Key Management Personnel:

Shri Ashwin C. Shroff (Chairman and Managing Director)

Smt. Usha A. Shroff (Executive Vice Chairperson)

Shri Dipesh K. Shroff (Director)

Shri Atul G. Shroff (Director)

Shri Ravi Ashwin Shroff (Son of Shri Ashwin C. Shroff)

Shri S.R.Potdar (Executive Director)

(b) Relatives:

Shri Kantisen C. Shroff (Father of Shri Dipesh K. Shroff)

Smt. Shruti Atul Shroff (Wife of Shri Atul G. Shroff)

Kum. Vishwa Atul Shroff (Daughter of Shri Atul G. Shroff)

Smt. Chanda Kantisen Shroff (Mother of Shri Dipesh K. Shroff)

Smt. Preeti Dipesh Shroff (Wife of Shri Dipesh K. Shroff)

Shri Hrishit Ashwin Shroff (Son of Shri Ashwin C. Shroff)

Smt. Chetna Praful Saraiya (Sister of Shri Atul G. Shroff)

Shri Praful Manilal Saraiya (Brother in law of Shri Atul G. Shroff)

Smt. Hiral Tushar Dayal (Sister of Shri Atul G. Shroff)

Shri Tushar Charandas Dayal (Brother in law of Shri Atul G. Shroff)

Smt. Anshul Amrish Bhatia (Daughter of Shri Ashwin C. Shroff)

Shri Dilip G. Bhatia (Brother in law of Shri Ashwin C. Shroff)

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T'— (Contd.)

NOTES TO ACCOUNTS

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

(₹ in lacs)

| Sr. No. | Nature of Transactions | Subsidiary Company | Associate Companies | Other Enterprises | Key Mgmt. Personnel | Relatives of Key Mgmt. Personnel | Total |
|------------|--|--------------------|---------------------|-------------------------------|---------------------|----------------------------------|-------------------------------|
| (1) | INCOME | | | | | | |
| (a) | Sale of Goods (Net of Excise Duty) | | | | | | |
| | Excel Crop Care Limited | — (—) | — (—) | 26,32.07 (24,54.57) | — (—) | — (—) | 26,32.07 (24,54.57) |
| | Others | — (—) | — (—) | 3,51.87 (3,33.54) | — (—) | — (—) | 3,51.87 (3,33.54) |
| | Total | — (—) | — (—) | 29,83.94 (27,88.11) | — (—) | — (—) | 29,83.94 (27,88.11) |
| (b) | Rent Received | | | | | | |
| | Excel Crop Care Limited | — (—) | — (—) | 38.40 (38.40) | — (—) | — (—) | 38.40 (38.40) |
| | Total | — (—) | — (—) | 38.40 (38.40) | — (—) | — (—) | 38.40 (38.40) |
| (c) | Processing Charges | | | | | | |
| | Excel Crop Care Limited | — (—) | — (—) | 11,59.01 (10,65.22) | — (—) | — (—) | 11,59.01 (10,65.22) |
| | Transpek Industry Limited | — (—) | — (—) | 3.18 | — (45.81) | — (—) | 3.18 (45.81) |
| | Total | — (—) | — (—) | 11,62.19 (11,11.03) | — (—) | — (—) | 11,62.19 (11,11.03) |
| (d) | Royalty | | | | | | |
| | Excel Crop Care Limited | — (—) | — (—) | 1,02.83 (72.50) | — (—) | — (—) | 1,02.83 (72.50) |
| | Total | — (—) | — (—) | 1,02.83 (72.50) | — (—) | — (—) | 1,02.83 (72.50) |
| (e) | Dividend Received | | | | | | |
| | TML Industries Limited | — (—) | — (—) | 13.33 (13.33) | — (—) | — (—) | 13.33 (13.33) |
| | Transpek -Silox Industry Limited | — (—) | — (—) | 1,12.08 (1,04.61) | — (—) | — (—) | 1,12.08 (1,04.61) |
| | Others | — (—) | — (—) | 6.51 (5.17) | — (—) | — (—) | 6.51 (5.17) |
| | Total | — (—) | — (—) | 1,31.92 (1,23.11) | — (—) | — (—) | 1,31.92 (1,23.11) |
| (f) | Reimbursement of expense/salary incurred on behalf of | | | | | | |
| | Excel Crop Care Limited | — (—) | — (—) | — (26.68) | — (—) | — (—) | — (26.68) |
| | Total | — (—) | — (—) | — (26.68) | — (—) | — (—) | — (26.68) |

(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 TO ACCOUNTS

(₹ in lacs)

| Sr. No. | Nature of Transactions | Subsidiary Company | Associate Companies | Other Enterprises | Key Mgmt. Personnel | Relatives of Key Mgmt. Personnel | Total |
|------------|--------------------------------|--------------------|---------------------|-----------------------------|---------------------------|----------------------------------|-----------------------------|
| 2. | EXPENSES | | | | | | |
| (a) | Purchase of Goods | | | | | | |
| | Excel Crop Care Limited | — (—) | — (—) | — (1,99.56) | — (—) | — (—) | — (1,99.56) |
| | Transpek Industry Limited | — (—) | — (—) | — | (28.05) (—) | — (—) | — (28.05) |
| | Agrocel Industries Limited | — (—) | — (—) | 1,54.69 (—) | (—) (—) | (—) (—) | 1,54.69 (—) |
| | Others | — (—) | — (—) | 5.29 (7.76) | — (—) | — (—) | 5.29 (7.76) |
| | Total | — (—) | — (—) | 1,59.98 (2,35.37) | — (—) | — (—) | 1,59.98 (2,35.37) |
| (b) | Processing Charges | | | | | | |
| | Good Rasayan Limited | — (—) | — (—) | 48.77 (39.64) | — (—) | — (—) | 48.77 (39.64) |
| | Total | — (—) | — (—) | 48.77 (39.64) | — (—) | — (—) | 48.77 (39.64) |
| (c) | Remuneration | | | | | | |
| | Shri Ashwin C. Shroff | — (—) | — (—) | — (—) | 75.61 (24.26) | — (—) | 75.61 (24.26) |
| | Smt. Usha A. Shroff | — (—) | — (—) | — (—) | 70.71 (24.24) | — (—) | 70.71 (24.24) |
| | Shri S. R. Potdar | — (—) | — (—) | — (—) | 60.59 (35.16) | — (—) | 60.59 (35.16) |
| | Total | — (—) | — (—) | — (—) | 2,06.91 (83.66) | — (—) | 2,06.91 (83.66) |
| (d) | Directors' Sitting Fees | | | | | | |
| | Dipesh K. Shroff | — (—) | — (—) | — (—) | 0.65 (0.45) | — (—) | 0.65 (0.45) |
| | Atul G. Shroff | — (—) | — (—) | — (—) | 0.20 (0.10) | — (—) | 0.20 (0.10) |
| | Total | — (—) | — (—) | — (—) | 0.85 (0.55) | — (—) | 0.85 (0.55) |
| (e) | Technical Fees | | | | | | |
| | Excel Bio Resources Limited | — (—) | — (—) | 2.50 | — (—) | — (—) (—) | 2.50 (—) |
| | Total | — (—) | — (—) | 2.50 | — (—) | — (—) (—) | 2.50 (—) |

(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 TO ACCOUNTS

(₹ in lacs)

| Sr. No. | Nature of Transactions | Subsidiary Company | Associate Companies | Other Enterprises | Key Mgmt. Personnel | Relatives of Key Mgmt. Personnel | Total |
|------------|--|-------------------------|---------------------|-------------------------|---------------------|----------------------------------|-----------------------------|
| (f) | Charity & Donation | | | | | | |
| | Shroff Foundation Trust | — (—) | — (—) | 4.00 (—) | — (—) | — (—) | 4.00 (—) |
| | Rashtriya Seva Trust | — (—) | — (—) | 1.50 (—) | — (—) | — (—) | 1.50 (—) |
| | Shri Seetha Rama Seva Sadan | — (—) | — (—) | 1.00 (—) | — (—) | — (—) | 1.00 (—) |
| | Total | — (—) | — (—) | 6.50 (—) | — (—) | — (—) | 6.50 (—) |
| (g) | Retirement Benefits | | | | | | |
| | Shri K.C. Shroff | — (—) | — (—) | — (—) | — (—) | 8.42 | 8.42 (3.60)(3.60) |
| | Total | — (—) | — (—) | — (—) | — (—) | 8.42 | 8.42 (3.60)(3.60) |
| (h) | Reimbursement of expense/salary incurred on behalf of | | | | | | |
| | Transpek Industry (Europe) Limited | — (—) | — (—) | 28.08 (27.39) | — (—) | — (—) | 28.08 (27.39) |
| | Excel Bio Resources Limited | — (—) | — (—) | 31.09 (—) | — (—) | — (—) | 31.09 (—) |
| | Total | — (—) | — (—) | 59.17 (27.39) | — (—) | — (—) | 59.17 (27.39) |
| (i) | Rent Paid | | | | | | |
| | Excel Crop Care Limited | — (—) | — (—) | 21.86 | — (20.04) | — (—) | 21.86 (20.04) |
| | Total | — (—) | — (—) | 21.86 (20.04) | — (—) | — (—) | 21.86 (20.04) |
| (j) | Intangible Assets | | | | | | |
| | Transpek Industry (Europe) Limited (Product Registration Expenses) | — (—) | — (—) | 54.02 (—) | — (—) | — (—) | 54.02 (—) |
| | Total | — (—) | — (—) | 54.02 (—) | — (—) | — (—) | 54.02 (—) |
| 3. | FINANCE / OTHERS | | | | | | |
| (a) | Loans / Advance given | | | | | | |
| | Kamaljyot Investments Ltd. | 65.00 (40.00) | — (—) | — (—) | — (—) | — (—) | 65.00 (40.00) |
| | Transpek Industry (Europe) Limited | — (—) | — (—) | 81.80 (34.65) | — (—) | — (—) | 81.80 (34.65) |
| | Total | 65.00 (40.00) | — (—) | 81.80 (34.65) | — (—) | — (—) | 1,46.80 (74.65) |

(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 TO ACCOUNTS

(₹ in lacs)

| Sr. No. | Nature of Transactions | Subsidiary Company | Associate Companies | Other Enterprises | Key Mgmt. Personnel | Relatives of Key Mgmt. Personnel | Total |
|------------|--|-----------------------------|---------------------|-------------------------------|-----------------------|----------------------------------|-------------------------------|
| (b) | Dividend Paid | | | | | | |
| | Ashwin C Shroff | — (—) | — (—) | — (—) | 1.66 (0.42) | — (—) | 1.66 (0.42) |
| | Atul G Shroff | — (—) | — (—) | — (—) | 1.20 (0.30) | — (—) | 1.20 (0.30) |
| | Kantisen C Shroff | — (—) | — (—) | — (—) | — (—) | 1.14 (0.27) | 1.14 (0.27) |
| | Ravi A Shroff | — (—) | — (—) | — (—) | 0.95 (0.24) | — (—) | 0.95 (0.24) |
| | Dilip G Bhatia | — (—) | — (—) | — (—) | — (—) | 2.08 (0.52) | 2.08 (0.52) |
| | Anshul Specialty Molecules Ltd | — (—) | — (—) | 37.80 (9.45) | — (—) | — (—) | 37.80 (9.45) |
| | Utkarsh Chemicals Private Limited | — (—) | — (—) | 23.67 (5.55) | — (—) | — (—) | 23.67 (5.55) |
| | Others | — (—) | — (—) | 13.12 (3.28) | 0.36 (0.09) | 3.22 (0.81) | 16.70 (4.18) |
| | Total | — (—) | — (—) | 74.59 (18.28) | 4.17 (1.05) | 6.44 (1.60) | 85.20 (20.93) |
| (c) | Sale of Fixed Assets | | | | | | |
| | Excel Crop Care Limited | — (—) | — (—) | — (1.12) | — (—) | — (—) | — (1.12) |
| | Total | — (—) | — (—) | — (1.12) | — (—) | — (—) | — (1.12) |
| 4. | OUTSTANDINGS AS AT THE BALANCE SHEET DATE | | | | | | |
| (a) | Amounts Receivable/ Recoverable | | | | | | |
| | Excel Crop Care Limited | — (—) | — (—) | 9,83.02 (11,91.33) | — (—) | — (—) | 9,83.02 (11,91.33) |
| | Others | — (—) | — (—) | 60.05 (48.71) | — (—) | — (—) | 60.05 (48.71) |
| | Total | — (—) | — (—) | 10,43.07 (12,40.04) | — (—) | — (—) | 10,43.07 (12,40.04) |
| (b) | Advance / Loans Recoverable | | | | | | |
| | Kamaljyot Investments Limited | 3,20.00 (2,55.00) | — (—) | — (—) | — (—) | — (—) | 3,20.00 (2,55.00) |
| | Transpek Industry (Europe) Limited | — (—) | — (—) | 4.25 (7.26) | — (—) | — (—) | 4.25 (7.26) |
| | Total | 3,20.00 (2,55.00) | — (—) | 4.25 (7.26) | — (—) | — (—) | 3,24.25 (2,62.26) |

(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 TO ACCOUNTS

(₹ in lacs)

| Sr. No. | Nature of Transactions | Subsidiary Company | Associate Companies | Other Enterprises | Key Mgmt. Personnel | Relatives of Key Mgmt. Personnel | Total |
|------------|------------------------------------|--------------------|---------------------|--------------------|---------------------|----------------------------------|--------------------|
| (c) | Amount Payable (Net) | | | | | | |
| | Anshul Specialty Molecules Limited | — (—) | — (—) | 4.89 (—) | — (—) | — (—) | 4.89 (—) |
| | Good Rasayan Limited | — (—) | — (—) | 7.85 (18.67) | — (—) | — (—) | 7.85 (18.67) |
| | Transpek Industry Limited | — (—) | — (—) | — (13.48) | — (—) | — (—) | — (13.48) |
| | Agrocel Industries Limited | — (—) | — (—) | 1,28.99 (—) | — (—) | — (—) | 1,28.99 (—) |
| | Others | — (—) | — (—) | — (4.10) | — (—) | — (—) | — (4.10) |
| | Total | — (—) | — (—) | 1,41.73 (36.25) | — (—) | — (—) | 1,41.73 (36.25) |

(Figures in brackets relate to the Previous Year)

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

| Nature of Instrument | Currency | As at 31st | As at 31st | As at 31st | As at 31st |
|--|----------|-------------|------------------------------------|-------------|------------------------------------|
| | | March, 2011 | March, 2011 | March, 2010 | March, 2010 |
| | | (₹ in lacs) | Foreign Currency Value (₹ in lacs) | (₹ in lacs) | Foreign Currency Value (₹ in lacs) |
| (a) Forward contract – Buy for Hedging Purpose | | | | | |
| (i) Loans | USD | 4,20.90 | 9.41 | 7,70.71 | 16.64 |
| (ii) Interest/Other Expenses | USD | — | — | 2.92 | 0.06 |
| (b) Un-hedged Foreign Currency Exposure on: | | | | | |
| (i) Import Creditors | GBP | 81.40 | 1.13 | 11.26 | 0.17 |
| | USD | 4,69.73 | 9.26 | 3,68.52 | 8.16 |
| (ii) Export Debtors | EUR | 41.41 | 0.66 | 92.09 | 1.52 |
| | USD | 9,77.39 | 21.86 | 7,26.20 | 16.09 |
| (iii) Commission receivable | GBP | 31.24 | 0.43 | 5.18 | 0.08 |
| (iv) Loans taken | USD | 4,20.90 | 9.41 | — | — |
| (v) Loans given | GBP | — | — | 7.26 | 0.10 |
| (vi) Bank Balances | USD | 16.68 | 0.38 | 16.84 | 0.37 |

16. Excise duty on sales amounting to ₹ 18,42.23 lacs (Previous Year: ₹ 13,22.76 lacs) has been reduced from sales in Profit & Loss Account and excise duty on increase/(decrease) in stocks amounting to ₹ 34.19 lacs (Previous Year: ₹ 29.32 lacs) has been considered as expense in Schedule 'Q'.
17. The Company has 33.33% interest in jointly controlled entity Wexsam Limited, Hong Kong. The Company had initiated discussion with other stakeholders for the closure of this Company. Since there were no activities in the said jointly controlled entity for the past three years, the financials are not available. Accordingly, the proportionate interest of the Company in the said jointly controlled entity has not been disclosed. Further, the Company has made provision for diminution in value of this investment amounting to ₹ 27.26 lacs.

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T'— (Contd.)

NOTES TO ACCOUNTS

**As at 31st
March, 2011
(₹ in lacs)**

18. Details of Loan given to Subsidiary Company:

Kamaliyot Investments Limited

3,20.00

Balance as at 31st March, 2011

(Previous Year: ₹ 2,55.00 lacs)

Maximum amount outstanding during the year ₹ 3,20.00 lacs (Previous Year: ₹ 2,55.00 lacs)

There is no repayment schedule in respect of this loan.

19. Operating Leases

Office premises and godowns are obtained on operating leases for various tenors. Except for the Office premises, none of the operating leases are renewable. In respect of Office premises, the operating lease are renewable for further period of two years, with an escalation clause of 15% over the existing lease rent. There are no restrictions imposed by lease agreements/arrangements. All the aforesaid leases are cancellable as per terms and condition mentioned in the agreement.

| | 2010-11 (₹ in lacs) | 2009-10 (₹ in lacs) |
|---|------------------------|------------------------|
| (i) Lease payments for the year | 28.06 | 30.36 |
| (ii) Sub-lease payments received during the year | Nil | Nil |
| (iii) Minimum lease payments as at 31st March | | |
| (a) Not later than one year | 26.72 | 25.34 |
| (b) Later than one year but not later than five years | 42.61 | 68.50 |
| (c) Later than five years | Nil | Nil |

The company has leased out its office premises 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.

| | 2010-11 (₹ in lacs) | 2009-10 (₹ 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 | 38.40 | 38.40 |
| (b) Later than one year but not later than five years | 1,31.20 | 54.40 |
| (c) Later than five years | Nil | Nil |

20. Previous year's figures have been regrouped/rearranged wherever necessary to conform to this year's classification.

As per our report of even date

For S. R. BATLIBOI & CO.
Firm Registration No: 301003E
Chartered Accountants

per Vijay Maniar
Partner
Membership No. 36738

Place : Mumbai
Date: 20 May 2011

For and on behalf of the Board of Directors of Excel Industries Limited

A. C. SHROFF
Chairman and Managing Director

KAILAS DABHOLKAR
Vice President – Finance and Taxation

Place : Mumbai
Date: 20 May 2011

U. A. SHROFF
Executive Vice Chairperson

S. K. SINGHVI
Company 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: | | 31-03-2011 |
| II. Capital raised during the year: | | (₹ in Thousands) |
| | Public Issue | Rights Issue |
| | Nil | Nil |
| | Bonus Issue | Private Placement |
| | Nil | Nil |
| III. Position of Mobilisation and Deployment of Funds: | | (₹ in Thousands) |
| (a) Total Liabilities | | 1,763,330 |
| (b) Total Assets | | 1,763,330 |
| (c) Sources of Funds: | | |
| (i) Paid-up Capital | | 54,528 |
| (ii) Reserves and Surplus | | 1,053,663 |
| (iii) Secured Loans | | 272,543 |
| (iv) Unsecured Loans and Deferred Payment Liabilities | | 245,635 |
| (v) Deferred Tax Liability (Net) | | 136,961 |
| (d) Application of Funds: | | |
| (i) Net Fixed Assets | | 1,009,698 |
| (ii) Intangible Assets | | 8,845 |
| (iii) Investments | | 136,201 |
| (iv) Net Current Assets | | 608,586 |
| (v) Miscellaneous Expenditure | | Nil |
| (vi) Accumulated Losses | | Nil |
| IV. Performance of the Company: | | |
| (a) Turnover (Gross Revenue) | | 2,780,530 |
| (b) Total Expenditure | | 2,577,005 |
| (c) Profit Before Tax | | 203,525 |
| (d) Profit After Tax | | 143,090 |
| (e) Earning Per Share: (₹) | | 12.30 |
| (f) Dividend Rate % | | 75% |
| 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 | |
| For and on behalf of the Board of Directors of Excel Industries Limited | | |
| A. C. SHROFF <i>Chairman & Managing Director</i> | | U. A. SHROFF <i>Executive Vice Chairperson</i> |
| KAILAS DABHOLKAR <i>Vice President – Finance and Taxation</i> | | S. K. SINGHVI <i>Company Secretary</i> |
| Place : Mumbai, Date : 20 May 2011 | | |

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 Limited ('the Company') and its subsidiary, associates and the joint venture (together referred to as 'the Group'), as at 31 March 2011, 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 Company's 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 report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards ('AS') 21, Consolidated Financial Statements, AS 23, Accounting for Investments in Associates in Consolidated Financial Statements and AS 27, Financial Reporting of Interests in Joint Ventures, notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).
4. In our opinion and to the best of our information and according to the explanations given to us, the 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 Group as at 31 March 2011;
 - (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. R. BATLIBOI & CO.

Firm registration number: 301003E

Chartered Accountants

per VIJAY MANIAR

Partner

Membership No. 36738

Place: Mumbai,

Date : 20 May 2011

EXCEL INDUSTRIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

| | Schedule | (₹ in lacs) | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
|---|----------|------------------|--|--|
| SOURCES OF FUNDS | | | | |
| 1. SHAREHOLDERS' FUNDS: | | | | |
| (a) Share Capital | 'A' | 5,45.28 | | 5,45.28 |
| (b) Reserves and Surplus | 'B' | <u>106,14.86</u> | | <u>96,91.70</u> |
| | | | 111,60.14 | <u>102,36.98</u> |
| 2. LOAN FUNDS: | | | | |
| (a) Secured Loans | 'C' | 27,25.43 | | 34,18.00 |
| (b) Unsecured Loans | 'D' | <u>24,56.35</u> | | <u>25,93.05</u> |
| | | | 51,81.78 | <u>60,11.05</u> |
| 3. DEFERRED TAX LIABILITY (NET) (Refer Note No. 14 of Schedule 'T'). | | | <u>13,69.64</u> | <u>14,68.31</u> |
| TOTAL | | | <u>177,11.56</u> | <u>177,16.34</u> |
| APPLICATION OF FUNDS | | | | |
| 1. FIXED ASSETS: | 'E' | | | |
| (a) Gross Block | | 212,53.77 | | 215,10.35 |
| (b) Less: Depreciation | | <u>114,52.11</u> | | <u>114,13.06</u> |
| (c) Net Block | | 98,01.66 | | 100,97.29 |
| (d) Capital Work-in-Progress including capital advances | | <u>2,97.40</u> | | <u>3,44.87</u> |
| | | | 100,99.06 | <u>104,42.16</u> |
| 2. INTANGIBLE ASSETS | 'F' | | 88.45 | 85.52 |
| 3. INVESTMENTS | 'G' | | 17,53.16 | 12,12.96 |
| 4. CURRENT ASSETS, LOANS AND ADVANCES: | | | | |
| (a) Inventories | 'H' | 38,54.07 | | 33,81.71 |
| (b) Sundry Debtors | 'I' | 59,51.30 | | 56,36.90 |
| (c) Cash and Bank Balances | 'J' | 4,17.53 | | 2,80.87 |
| (d) Other Current Assets | 'K' | 2,99.27 | | 2,98.66 |
| (e) Loans and Advances | 'L' | <u>13,81.46</u> | | <u>17,12.18</u> |
| | | 119,03.63 | | <u>113,10.32</u> |
| LESS: CURRENT LIABILITIES AND PROVISIONS: | | | | |
| (a) Liabilities | 'M' | 45,75.31 | | 38,92.64 |
| (b) Provisions | 'N' | <u>15,57.43</u> | | <u>14,41.98</u> |
| | | 61,32.74 | | <u>53,34.62</u> |
| NET CURRENT ASSETS | | | 57,70.89 | <u>59,75.70</u> |
| TOTAL | | | <u>177,11.56</u> | <u>177,16.34</u> |
| NOTES ON ACCOUNTS | 'T' | | | |

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

As per our report of even date

For S. R. BATLIBOI & CO.
Firm Registration No: 301003E
Chartered Accountants

per Vijay Maniar
Partner
Membership No. 36738

Place : Mumbai
Date : 20 May 2011

For and on behalf of the Board of Directors of
Excel Industries Limited

A. C. SHROFF
Chairman and Managing Director

KAILAS DABHOLKAR
Vice President – Finance and Taxation

Place : Mumbai
Date : 20 May 2011

U. A. SHROFF
Executive Vice Chairperson

S. K. SINGHVI
Company Secretary

EXCEL INDUSTRIES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

| | Schedule | (₹ in lacs) | Current Year (₹ in lacs) | Previous Year (₹ in lacs) |
|---|----------|------------------|-----------------------------|------------------------------|
| INCOME | | | | |
| Sale of Products | | 272,54.14 | | 235,54.46 |
| Less : Excise Duty (Refer Note No. 17 of Schedule 'T') | | 18,42.23 | | 13,22.76 |
| | | | 254,11.91 | 222,31.70 |
| Processing Charges | | | 14,33.93 | 13,07.21 |
| Other Income from Operations | 'O' | | 7,65.56 | 4,34.26 |
| Other Income | 'P' | | 2,28.42 | 2,14.69 |
| | | | 278,39.82 | 241,87.86 |
| EXPENDITURE | | | | |
| Manufacturing and Other Expenses | 'Q' | 247,13.29 | | 208,16.64 |
| (Increase)/Decrease in Stocks | 'R' | (4,81.23) | | 5,49.13 |
| Depreciation/Amortisation | | 9,74.28 | | 9,93.04 |
| Interest | 'S' | 5,65.22 | | 7,17.43 |
| | | | 257,71.56 | 230,76.24 |
| PROFIT BEFORE TAXATION | | | 20,68.26 | 11,11.62 |
| Less: Provision for Taxation: | | | | |
| Current Tax | | 7,04.30 | | 1,27.00 |
| Minimum Alternative Tax Entitlement | | (0.31) | | (1,78.75) |
| Deferred Tax | | (98.67) | | 4,49.01 |
| | | | 6,05.32 | 3,97.26 |
| PROFIT AFTER TAXATION BUT BEFORE PRIOR PERIOD ADJUSTMENTS | | | 14,62.94 | 7,14.36 |
| Add/(Less): | | | | |
| (a) Prior Period Adjustments (Net) | | (1,05.25) | | 1,89.53 |
| (b) Provision for Taxation in respect of earlier years | | 16.07 | | (1,36.27) |
| (c) Share of Profit in Associate Company | | 25.21 | | 0.59 |
| (d) Share of Profit in Associate Company in respect of earlier year | | (0.51) | | — |
| | | | (64.48) | 53.85 |
| NET PROFIT | | | 13,98.46 | 7,68.21 |
| Balance brought forward from previous year | | | 13,36.52 | 11,22.65 |
| PROFIT AVAILABLE FOR APPROPRIATION | | | 27,34.98 | 18,90.86 |
| Less : Appropriations | | | | |
| (a) Proposed Dividend | | 4,08.96 | | 2,18.11 |
| (b) Tax on Distributed Profits | | 66.34 | | 36.23 |
| (c) Transfer to General Reserve | | 11,00.00 | | 3,00.00 |
| | | | 15,75.30 | 5,54.34 |
| Surplus carried to Balance Sheet | | | 11,59.68 | 13,36.52 |
| | | | ₹ | ₹ |
| EARNINGS PER SHARE | | | | |
| Consolidated Basic and Diluted Earnings Per Share (Refer Note No. 9 in Schedule 'T') | | | 12.82 | 7.04 |
| Face Value per share (₹) | | | 5.00 | 5.00 |
| NOTES ON ACCOUNTS 'T' | | | | |

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

As per our report of even date

For S. R. BATLIBOI & CO.
Firm Registration No: 301003E
Chartered Accountants

per Vijay Maniar
Partner
Membership No. 36738
Place : Mumbai
Date : 20 May 2011

For and on behalf of the Board of Directors of
Excel Industries Limited

A. C. SHROFF
Chairman and Managing Director

KAILAS DABHOLKAR
Vice President – Finance and Taxation

Place : Mumbai
Date : 20 May 2011

U. A. SHROFF
Executive Vice Chairperson

S. K. SINGHVI
Company Secretary

EXCEL INDUSTRIES LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2011

| | For the year ended 31st March, 2011 (₹ in lacs) | For the year ended 31st March, 2010 (₹ in lacs) |
|--|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax and Extraordinary Items | 20,68.26 | 11,11.62 |
| Adjustments for : | | |
| Depreciation/Amortisation of Intangible Assets | 9,74.28 | 9,93.04 |
| Bad Debts/Sundry Debit Balances Written Off (Net) | 1,17.91 | 91.81 |
| Loss/(Profit) on sale of Fixed Assets | 7.70 | (1.56) |
| Loss/(Profit) on sale of Long Term Investments | (3.86) | 4.81 |
| Contribution/Provision for Gratuity/Leave Encashments | 3,05.10 | 3,60.56 |
| Assets written off | 1,86.11 | 5,01.26 |
| Investments written off | — | 1.34 |
| Provision for Doubtful Debts/Advances | 10.50 | 3.50 |
| Sundry Credit Balances written back | (41.84) | (0.50) |
| Provision for Diminution in value of long-term investments (Net) | — | 35.15 |
| Provision for Diminution in value of investments written back | (13.28) | — |
| Interest received | (27.27) | (26.13) |
| Dividend Received | (1,48.66) | (1,44.77) |
| Manufacturing Expenses Capitalised | — | (2,68.65) |
| Interest paid | 5,65.22 | 7,17.43 |
| Unrealised exchange loss | 9.71 | 55.56 |
| Share of Dividend from Associate Company | 0.22 | — |
| Excess Provision for depreciation | — | (9.85) |
| Short Provision for depreciation | — | 0.25 |
| Short/(Excess) Provision for other items (Net) | 8.51 | 5.35 |
| | 19,50.35 | 23,18.60 |
| Operating Profit before working capital changes | 40,18.61 | 34,30.22 |
| Adjustments for: | | |
| Trade and other receivables & Loans & Advances | (3,55.67) | 1.92 |
| Inventories | (4,72.36) | 2,36.56 |
| Trade Payables & other liabilities | 6,02.56 | (7,77.84) |
| | (2,25.47) | (5,39.36) |
| Cash generated from Operations | 37,93.14 | 28,90.86 |
| Interest paid | 5,29.21 | 7,28.53 |
| Direct taxes paid | 5,15.40 | 1,22.30 |
| | 10,44.60 | 8,50.83 |
| Cash flow before extraordinary items | 27,48.53 | 20,40.03 |
| Prior Period Adjustments (Other than Taxation) | (1,05.25) | 1,89.53 |
| Net cash from Operating Activities (A) | 26,43.28 | 22,29.56 |

EXCEL INDUSTRIES LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2011

| CONSOLIDATED CASH FLOW STATEMENT (Contd.) | For the year ended 31st March, 2011 (₹ in lacs) | For the year ended 31st March, 2010 (₹ in lacs) |
|---|---|---|
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets | (11,86.95) | (6,72.16) |
| Purchase of Intangible Assets | (54.02) | — |
| Sale of fixed assets | 1,13.06 | 14.79 |
| Purchase of Investments | (5,02.45) | (71.29) |
| Sale of Investments | 3.86 | 63.61 |
| Sundry Loans received/(given) | 29.00 | (7.98) |
| Interest received | 33.83 | 26.38 |
| Dividend received | 1,48.66 | 1,44.77 |
| Net Cash used in Investing Activities (B) | (14,15.01) | (5,01.88) |
| C. CASH FLOW FROM FINANCIAL ACTIVITIES | | |
| Proceeds from borrowings | 10,26.95 | 16,25.40 |
| Repayment of borrowings | (18,65.93) | (31,93.41) |
| Dividend Paid | (2,16.40) | (58.47) |
| Tax on distributed Profits | (36.23) | (9.27) |
| Net cash used Financing Activities (C) | (10,91.61) | (16,35.75) |
| Net increase in cash and cash equivalents (A+B+C) | 1,36.66 | 91.93 |
| Cash and cash equivalents at the beginning of the year | 2,80.87 | 1,88.94 |
| Cash and cash equivalents at the end of the year | 4,17.53 | 2,80.87 |
| Components of Cash and Cash Equivalents: | | |
| 1. Bank Balances in India: | | |
| With Scheduled Banks: | | |
| (i) In Unclaimed Dividend Accounts * | 8.87 | 7.39 |
| (ii) In Current Accounts | 1,66.49 | 88.75 |
| (iii) In Fixed Deposits Accounts | 73.00 | 73.00 |
| (iv) In Margin Money Accounts | 1,69.17 | 1,11.73 |
| | 4,17.53 | 2,80.87 |
| Note: | | |
| * These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities. | | |
| <p>As per our attached report of even date</p> <p>For S. R. BATLIBOI & CO. Firm Registration No: 301003E Chartered Accountants</p> <p>per Vijay Maniar Partner Membership No. 36738 Place : Mumbai Date : 20 May 2011</p> | <p>For and on behalf of the Board of Directors of Excel Industries Limited</p> <p>A. C. SHROFF Chairman and Managing Director</p> <p>KAILAS DABHOLKAR Vice President- Finance and Taxation Place : Mumbai Date : 20 May 2011</p> | <p>U. A. SHROFF Executive Vice Chairperson</p> <p>S. K. SINGHVI Company Secretary</p> |

EXCEL INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

| SCHEDULE 'A' | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
|---|--|--|
| SHARE CAPITAL | | |
| Authorised : | | |
| 3,80,00,000 (Previous Year: 3,80,00,000) Equity Shares of ₹ 5 each | 19,00.00 | 19,00.00 |
| 8,50,000 (Previous Year: 8,50,000) 11% Cumulative Redeemable Preference Shares of ₹ 10 each | 85.00 | 85.00 |
| 3,00,000 (Previous Year: 3,00,000) Unclassified Shares of ₹ 5 each | 15.00 | 15.00 |
| | 20,00.00 | 20,00.00 |
| Issued, Subscribed and Paid -up : | | |
| 1,09,05,630 (Previous Year: 1,09,05,630) Equity Shares of ₹ 5 each fully paid-up | 5,45.28 | 5,45.28 |
| TOTAL | 5,45.28 | 5,45.28 |
| | | |
| SCHEDULE 'B' | | |
| RESERVES AND SURPLUS | | |
| | (₹ in lacs) | (₹ in lacs) |
| 1. Capital Reserve: | | |
| (a) Profit on repurchase of Debentures | 0.01 | 0.01 |
| (b) Capital Redemption Reserve | 0.02 | 0.02 |
| (c) Government Grants/Subsidies | 70.00 | 70.00 |
| | 70.03 | 70.03 |
| 2. Securities Premium Account | 1,81.08 | 1,81.08 |
| 3. General Reserve : | | |
| Balance as per last Balance Sheet | 81,04.07 | 78,04.07 |
| <i>Add:</i> Transferred from Profit and Loss Account | 11,00.00 | 3,00.00 |
| | 92,04.07 | 81,04.07 |
| 4. Share of Retained Earnings in Associate Company : | | |
| Balance as per last Balance Sheet | — | 9.39 |
| <i>Less:</i> Reduction in Reserves on Cessation of Associate Company | — | 9.39 |
| | — | — |
| 5. Profit and Loss Account | 11,59.68 | 13,36.52 |
| TOTAL | 106,14.86 | 96,91.70 |

EXCEL INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

| SCHEDULE 'C' | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
|--|---|---|
| SECURED LOANS | (₹ in lacs) | |
| 1. From Banks: | | |
| (a) On Working Capital Demand Loan Accounts (Refer Note No. 1 given below) | 9,99.97 | 9,99.97 |
| (b) On Cash Credit and Packing Credit Accounts (Refer Note No. 1 given below) | 16,83.77 | 23,31.83 |
| (c) On Term Loan Accounts | — | 62.50 |
| (d) Under Vehicle Finance (Refer Note No. 2 given below) | 0.46 | 1.31 |
| | <hr/> | <hr/> |
| | 26,84.20 | 33,95.61 |
| 2. From Others: | | |
| Under Vehicle Finance (Refer Note No. 2 given below) | 41.23 | 22.39 |
| | <hr/> | <hr/> |
| TOTAL | 27,25.43 | 34,18.00 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Notes: | | |
| 1. Loans from Banks on Cash Credit and Packing 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. 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. | | |
| 2. Term Loan under Vehicle Finance from HDFC Bank Limited amounting to ₹ 0.46 lac (Previous Year: ₹ 1.31 lacs) and from Kotak Mahindra Prime Limited amounting to ₹ 41.23 lacs (Previous Year: ₹ 22.39 lacs) respectively are secured by hypothecation of the vehicles acquired by utilising the said loans. | | |
| SCHEDULE 'D' | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
| UNSECURED LOANS | (₹ in lacs) | |
| 1. Fixed Deposits | 18,40.01 | 17,91.82 |
| [Due within one year: ₹ 4,03.47 lacs (Previous Year: ₹ 2,36.07 lacs)] | | |
| 2. Short Term Loans | | |
| (a) From Banks | 4,16.34 | 7,51.23 |
| [Due within one year: ₹ 4,16.34 lacs (Previous Year: ₹ 7,51.23 lacs)] | | |
| (b) Inter Corporate Deposits | 2,00.00 | 50.00 |
| [Due within one year: ₹ 2,00.00 lacs (Previous Year: ₹ 50.00 lacs)] | | |
| | <hr/> | <hr/> |
| | 6,16.34 | 8,01.23 |
| TOTAL | 24,56.35 | 25,93.05 |
| | <hr/> <hr/> | <hr/> <hr/> |

EXCEL INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE 'E'

FIXED ASSETS

(₹ in lacs)

| Sr. No. | Description of Assets | GROSS BLOCK (AT COST OR VALUATION) | | | | DEPRECIATION/AMORTISATION | | | | NET BLOCK | |
|---------|---|------------------------------------|---------------------------|----------------------------|------------------------|---------------------------|-------------------------|--------------------------|------------------------|------------------------|------------------------|
| | | I | II | III | IV | V | VI | VII | VIII | IX | X |
| | | As at 1st April, 2010 | Additions during the year | Deductions during the year | As at 31st March, 2011 | As at 1st April, 2010 | Deductions/ Adjustments | Provided during the year | As at 31st March, 2011 | As at 31st March, 2011 | As at 31st March, 2010 |
| I | LAND – FREEHOLD | 1,72.91 | — | — | 1,72.91 | — | — | — | — | 1,72.91 | 1,72.91 |
| II | LAND – LEASEHOLD | 2,84.71 | — | — | 2,84.71 | 42.50 | — | 4.65 * | 47.15 | 2,37.56 | 2,42.21 |
| III | BUILDINGS (Refer Note No. 2 below) | 22,11.96 | 83.11 | 4.19 | 22,90.88 | 6,55.43 | 1.15 | 94.86 | 7,49.14 | 15,41.74 | 15,56.53 |
| IV | PLANT AND MACHINERY | 163,19.65 | 9,79.25 | 12,92.80 | 160,06.10 | 87,96.17 | 8,39.02 @ | 7,80.53 ** | 87,37.68 | 72,68.42 | 75,23.48 |
| V | DATA PROCESSING EQUIPMENT | 8,51.94 | 57.28 | 70.52 | 8,38.70 | 6,69.55 | (0.20) | 40.25 | 7,10.00 | 1,28.70 | 1,82.39 |
| VI | ELECTRICAL INSTALLATION | 4,88.35 | 38.01 | 1.46 | 5,24.90 | 3,34.31 | 24.31 | 26.23 | 3,36.23 | 1,88.67 | 1,54.04 |
| VII | LABORATORY EQUIPMENTS | 2,30.88 | 16.01 | 35.05 | 2,11.84 | 2,17.63 | 34.27 @ | 6.00 | 1,89.36 | 22.48 | 13.25 |
| VIII | FURNITURE, FIXTURES AND OFFICE EQUIPMENTS | 6,54.46 | 15.88 | 53.87 | 6,16.47 | 5,11.00 | 49.16 @ | 25.84 ** | 4,87.68 | 1,28.79 | 1,43.46 |
| IX | LEASEHOLD IMPROVEMENTS | 23.43 | — | — | 23.43 | 3.55 | — | 8.52 | 12.07 | 11.36 | 19.88 |
| X | VEHICLES | 2,63.97 | 43.75 | 33.12 | 2,74.60 | 1,77.34 | 29.37 @ | 28.64 ** | 1,76.61 | 97.99 | 86.63 |
| XI | TECHNICAL BOOKS | 8.09 | 1.14 | — | 9.23 | 5.58 | — | 0.61 | 6.19 | 3.04 | 2.51 |
| | TOTAL | 215,10.35 | 12,34.43 | 14,91.01 | 212,53.77 | 114,13.06 | 9,77.08 | 10,16.13 ** | 114,52.11 | 98,01.66 | 100,97.29 |
| | PREVIOUS YEAR : | 214,76.56 | 7,18.00 | 6,84.21 | 215,10.35 | 109,45.93 | 4,79.59 @ | 9,46.61 ** | 114,13.06 | — | — |
| | CAPITAL WORK-IN-PROGRESS (Refer Note No. 3 below) | | | | | | | | | 2,97.40 | 3,44.87 |
| | | | | | | | | | TOTAL | 100,99.06 | 104,42.16 |

NOTES:

- 1 * Amount written off in respect of Leasehold Land
- 2 Buildings include cost of shares in Co-operative Housing Societies ₹ 0.01 lac (Previous Year: ₹ 0.01 lac).
- 3 Capital Work-in-Progress includes Advance for Capital Expenditure ₹ 1,62.48 lacs (Previous Year: ₹ 11,94.24 lacs).
- 4 ** Includes Short Provision for Depreciation for earlier years ₹ 92.94 lac (Previous Year: ₹ 0.25 lac).
- 5 @ Includes Excess Provision for Depreciation for earlier years written back ₹ 24.60 lacs (Previous Year ₹ 9.85 lacs).
- 6 Buildings include Buildings given on operating lease:
Gross Book Value ₹ 1,99.70 lacs (Previous Year: ₹ 1,40.92 lacs)
Accumulated depreciation ₹ 77.36 lacs (Previous Year: ₹ 75.45 lacs)
Depreciation for the year ₹ 1.30 lacs (Previous Year: ₹ 1.92 lacs)
Net Block ₹ 1,21.04 lacs (Previous Year: ₹ 63.55 lacs)

SCHEDULE 'F'

INTANGIBLE ASSETS

(₹ in lacs)

| SR. NO. | DESCRIPTION OF INTANGIBLE ASSETS | GROSS AMOUNT | | | | AMORTISATION | | | | NET AMOUNT | | | |
|---------|----------------------------------|------------------------|---------------------------|----------------------------|-----------------------------|------------------------|-----------------------|-------------------------|--------------------------|-----------------------------|-----------------------|------------------------|------------------------|
| | | As at 31st March, 2010 | Additions during the year | Deductions during the year | Foreign Exchange Adjustment | As at 31st March, 2011 | Upto 31st March, 2010 | Deductions/ Adjustments | Provided during the year | Foreign Exchange Adjustment | Upto 31st March, 2011 | As at 31st March, 2011 | As at 31st March, 2010 |
| 1 | Computer Software | 1,86.34 | — | — | — | 1,86.34 | 1,00.82 | — | 46.59 | — | 1,47.41 | 38.93 | 85.52 |
| 2 | Trademarks | 7.00 | — | — | — | 7.00 | 7.00 | — | — | — | 7.00 | — | — |
| 3 | Export Product Registration | — | 54.02 | — | — | 54.02 | — | — | 4.50 | — | 4.50 | 49.52 | — |
| | TOTAL | 1,93.34 | 54.02 | — | — | 2,47.36 | 1,07.82 | — | 51.09 | — | 1,58.91 | 88.45 | 85.52 |
| | PREVIOUS YEAR | 1,93.34 | — | — | — | 1,93.34 | 61.23 | — | 46.59 | — | 1,07.82 | — | — |

SCHEDULE 'G'

INVESTMENTS (AT COST)

(₹ in lacs)

As at 31st March, 2011
(₹ in lacs)

As at 31st March, 2010
(₹ in lacs)

LONG-TERM

1 IN SHARES:

- (a) Quoted
- (b) Unquoted

12,43.70
2,30.85

7,41.25
2,30.85

14,74.55

9,72.10

2 IN ASSOCIATE COMPANIES

Unquoted

38.34

75.27

3 OTHER INVESTMENTS:

Unquoted

2,86.08

2,86.07

Less: Provision for Diminution in value of Investments

17,98.97

13,33.44

45.81

1,20.48

TOTAL

17,53.16

12,12.96

Notes:

1. Aggregate of Quoted Investments:
Cost (Net of provision for diminution)
Market Value
2. Aggregate of Unquoted Investments:
Cost (Net of provision for diminution)

12,06.73
21,76.06

6,20.77
16,50.30

5,46.43

5,92.19

EXCEL INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

| SCHEDULE 'H' | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
|--|--|--|
| INVENTORIES | (₹ in lacs) | |
| (Lower of cost or net realisable value) | | |
| 1. Stores and Spares (including Fuel) | 3,64.17 | 2,85.91 |
| 2. Containers | 1,13.10 | 83.28 |
| 3. Stock-in-Trade : | | |
| (a) Finished Products | 16,61.21 | 12,83.53 |
| (b) Semi-finished Products | 3,31.09 | 2,36.20 |
| (c) Traded Goods | 1,21.34 | 1,12.68 |
| (d) Raw Materials [Including Stock-in-Transit ₹ 2,59.22 lacs (Previous Year: ₹ 9,00.00 lacs)] | 12,63.16 | 13,80.11 |
| | <u>33,76.80</u> | <u>30,12.52</u> |
| TOTAL | <u>38,54.07</u> | <u>33,81.71</u> |
| | | |
| SCHEDULE 'I' | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
| SUNDRY DEBTORS | (₹ in lacs) | |
| Unsecured | | |
| (a) Debts outstanding for a period exceeding six months : | | |
| Considered Good | 1,14.80 | 2,02.87 |
| Considered Doubtful | — | — |
| | <u>1,14.80</u> | <u>2,02.87</u> |
| Less: Provision for Doubtful Debts | — | — |
| | <u>1,14.80</u> | <u>2,02.87</u> |
| (b) Other Debts | | |
| Considered Good | 58,36.50 | 54,34.03 |
| TOTAL | <u>59,51.30</u> | <u>56,36.90</u> |
| | | |
| SCHEDULE 'J' | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
| CASH AND BANK BALANCES | (₹ in lacs) | |
| 1. Cash on hand | — | — |
| 2. Bank Balances in India: | | |
| With Scheduled Banks: | | |
| (i) In Unclaimed Dividend Accounts | 8.87 | 7.39 |
| (ii) In Current Accounts(*) | 1,66.49 | 88.75 |
| (iii) In Fixed Deposit Accounts | 73.00 | 73.00 |
| (iv) In Margin Money Accounts | 1,69.17 | 1,11.73 |
| | <u>4,17.53</u> | <u>2,80.87</u> |
| TOTAL | <u>4,17.53</u> | <u>2,80.87</u> |
| * Includes ₹ 0.05 lac (Previous Year ₹ 0.01 lac) being 50% share of interest in Joint Venture | | |
| | | |
| SCHEDULE 'K' | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
| OTHER CURRENT ASSETS | | |
| 1. Interest Receivable | 6.98 | 5.84 |
| 2. Export Benefits Receivable | 1,65.57 | 1,94.27 |
| 3. Income Tax Refund receivable | 91.44 | 85.94 |
| 4. Miscellaneous Receivables | 31.24 | 5.18 |
| 5. Unamortised Premium on Forward Contract | 4.04 | 7.43 |
| TOTAL | <u>2,99.27</u> | <u>2,98.66</u> |

EXCEL INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

| SCHEDULE 'L' | (₹ in lacs) | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
|--|-------------|--|--|
| LOANS AND ADVANCES | | | |
| Unsecured and Considered Good unless otherwise stated | | | |
| 1. Advances recoverable in cash or in kind or for value to be received (*) | | | |
| Considered Good | 10,13.41 | | 10,06.30 |
| Considered Doubtful | 35.00 | | 24.50 |
| | 10,48.41 | | 10,30.80 |
| <i>Less:</i> Provision for Doubtful Advances | 35.00 | | 24.50 |
| | | 10,13.41 | 10,06.30 |
| 2. Sundry Loans | | 2.50 | 31.50 |
| 3. Minimum Alternative Tax Credit Entitlement | | 0.31 | 2,62.75 |
| 4. Balance with Excise Authorities | | 1,72.86 | 2,38.83 |
| 5. Sundry Deposits | | 1,90.20 | 1,59.55 |
| 6. VAT Credit (Input) Receivable | | 1.65 | 12.28 |
| 7. Advance Taxation [Net of Provision ₹ 2.60 lacs (Previous Year: ₹ 1.60 lacs)] | | 0.53 | 0.89 |
| 8. Prepaid Expenses | | — | 0.08 |
| TOTAL | | 13,81.46 | 17,12.18 |
| * Includes ₹ 0.30 lac (Previous Year: ₹ 0.30 lac) being 50% share of interest in Partnership Firm. | | | |
| SCHEDULE 'M' | | | |
| CURRENT LIABILITIES | | | |
| 1. Acceptances | | 5,46.07 | 3,05.94 |
| 2. Sundry Creditors | | 32,43.75 | 25,94.92 |
| 3. Other Liabilities | | 1,06.06 | 4,00.29 |
| 4. Other Payables | | 3,65.98 | 2,69.58 |
| 5. Advances from Customers | | 1,17.24 | 1,57.54 |
| 6. Overdrawn Bank Balances | | — | 58.85 |
| 7. Investor Education and Protection Fund shall be credited by the following amounts, as and when due: | | | |
| (a) Unclaimed Dividend | 8.87 | | 7.16 |
| (b) Unclaimed Matured Deposits | 9.79 | | 16.66 |
| | | 18.66 | 23.82 |
| 8. Sundry Deposits | | 1,00.00 | 40.16 |
| 9. Interest accrued but not due on Loans | | 77.55 | 41.54 |
| TOTAL | | 45,75.31 | 38,92.64 |
| SCHEDULE 'N' | | | |
| PROVISIONS | | | |
| 1. Provision for Taxation [net of advance tax ₹ 21,33.82 lacs (Previous Year: ₹ 21,69.93 lacs)] | | 4,24.84 | 4,97.26 |
| 2. Provision for Fringe Benefit Tax [net of advance tax ₹ 28.25 lacs (Previous Year: ₹ 84.95 lacs)] | | 0.25 | 4.55 |
| 3. Proposed Dividend on Equity Shares | | 4,08.96 | 2,18.11 |
| 4. Provision for Tax on Distributed Profits | | 66.34 | 36.23 |
| 5. Provision for Gratuity (Refer Note No. 10 of Schedule 'T') | | 1,39.14 | 2,16.67 |
| 6. Provision for Retirement benefits | | 5,17.90 | 4,69.16 |
| TOTAL | | 15,57.43 | 14,41.98 |

EXCEL INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

| SCHEDULE 'O' | Current Year (₹ in lacs) | Previous Year (₹ in lacs) |
|---|-----------------------------|------------------------------|
| OTHER INCOME FROM OPERATIONS | | |
| 1. Incentives on Exports | 1,94.06 | 1,56.18 |
| 2. Sales Tax/VAT Refund | 15.80 | 8.95 |
| 3. Diminution in the value of long-term investment written back | 13.28 | — |
| 4. (Short)/Excess Accruals written back (Net) | — | 4.25 |
| 5. Commission Received | 55.07 | 15.18 |
| 6. Royalty Income | 2,14.99 | 72.50 |
| 7. Sundry Credit Balances written back (Net) | 41.84 | 0.50 |
| 8. Profit on Sale of Assets | 3.86 | — |
| 9. Miscellaneous Income | 2,26.66 | 1,76.70 |
| TOTAL | <u>7,65.56</u> | <u>4,34.26</u> |
| | | |
| SCHEDULE 'P' | | |
| OTHER INCOME | | |
| 1. Income from Long-Term Investments (Gross) | 1,48.66 | 1,44.77 |
| 2. Interest on Income Tax Refund | 7.70 | — |
| 3. Interest on Loans, Deposits, etc. (Gross) | 27.27 | 26.13 |
| 4. Rent | 44.79 | 43.79 |
| TOTAL | <u>2,28.42</u> | <u>2,14.69</u> |

EXCEL INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

| | (₹ in lacs) | (₹ in lacs) | Current Year (₹ in lacs) | Previous Year (₹ in lacs) |
|--|-------------|------------------|-----------------------------|------------------------------|
| SCHEDULE 'Q' | | | | |
| MANUFACTURING AND OTHER EXPENSES | | | | |
| 1. RAW MATERIALS CONSUMED : | | | | |
| Opening Stock | | 13,80.11 | | 10,55.49 |
| <i>Add:</i> Purchases | | <u>125,02.93</u> | | <u>106,14.91</u> |
| | | 138,83.04 | | 116,70.40 |
| <i>Less:</i> Closing Stock | | <u>12,63.16</u> | | <u>13,80.11</u> |
| | | | 126,19.88 | 102,90.29 |
| 2. PURCHASES OF TRADED GOODS | | | 6,19.77 | 5,22.07 |
| 3. CONTAINERS AND PACKING MATERIALS CONSUMED | | | 7,68.16 | 6,65.16 |
| 4. PERSONNEL EXPENSES : | | | | |
| (a) Salaries, Wages, Bonus and Other Benefits | | 31,45.52 | | 24,98.64 |
| (b) Contribution to Provident Fund and Other Funds | | 2,79.73 | | 2,58.42 |
| (c) Provision/Payment of Gratuity (Refer Note No. 10 of Schedule 'T') | | 1,89.23 | | 1,85.64 |
| (d) Provision for Other Retirement Benefits | | 1,15.87 | | 1,74.92 |
| (e) Welfare Expenses | | <u>2,08.94</u> | | <u>1,94.05</u> |
| | | | 39,39.29 | 33,11.67 |
| 5. OPERATING AND OTHER EXPENSES : | | | | |
| (a) Stores and Spares Consumed | | 46.02 | | 46.53 |
| (b) Power and Fuel | | 22,47.06 | | 18,64.99 |
| (c) Repairs to Buildings | | 48.59 | | 38.75 |
| (d) Repairs to Machinery | | 10,07.71 | | 6,90.74 |
| (e) Other Repairs | | 63.23 | | 82.23 |
| (f) Processing Charges | | 2,10.97 | | 1,52.50 |
| (g) Rent | | 28.75 | | 31.38 |
| (h) Rates and Taxes | | 63.17 | | 64.24 |
| (i) Insurance Charges | | 50.56 | | 37.55 |
| (j) Commission on Sales (other than sole selling agents) | | 73.00 | | 87.97 |
| (k) Discount on Sales | | 22.80 | | 24.19 |
| (l) Travelling and Conveyance | | 1,53.50 | | 1,25.91 |
| (m) Charity and Donations | | 29.71 | | 15.23 |
| (n) Bad Debts/Sundry Debit Balances written off | 1,17.91 | | | 11,07.62 |
| <i>Less:</i> Provision for doubtful debts written back | <u>—</u> | | | <u>(10,15.81)</u> |
| | | 1,17.91 | | 91.81 |
| (o) Provision for Doubtful Debts/Advances | | 10.50 | | 3.50 |
| (p) Loss on sale of Long Term Investments | | — | | 4.81 |
| (q) Assets written off | | 1,86.11 | | 5,02.55 |
| (r) Excise Duty Paid | | 34.19 | | 29.32 |
| (s) Exchange Difference (Net) | | 32.53 | | 45.27 |
| (t) Provision for Diminution in value of Long-term Investments | | — | | 35.15 |
| (u) Excess/Short Provision | | 8.51 | | — |
| (v) Freight Outwards and Forwarding Expenses | | 7,26.41 | | 5,28.49 |
| (w) Directors' Fees | | 3.30 | | 3.20 |
| (x) Loss on sale of Assets (Net) | | 9.96 | | 0.17 |
| (y) Other Expenses | | <u>15,91.70</u> | | <u>15,20.97</u> |
| | | | 67,66.19 | 60,27.45 |
| TOTAL | | | <u>247,13.29</u> | <u>208,16.64</u> |

EXCEL INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

| SCHEDULE 'R' (INCREASE)/DECREASE IN STOCKS | (₹ in lacs) | Current Year (₹ in lacs) | Previous Year (₹ in lacs) |
|--|-------------|-----------------------------|------------------------------|
| (a) Opening Stock: | | | |
| Finished Products | 12,83.53 | | 17,33.19 |
| Semi-finished Products | 2,36.20 | | 3,61.74 |
| Traded Goods | 1,12.68 | | 86.61 |
| | | 16,32.41 | 21,81.54 |
| (b) Less: Closing Stock: | | | |
| Finished Products | 16,61.21 | | 12,83.53 |
| Semi-finished Products | 3,31.09 | | 2,36.20 |
| Traded Goods | 1,21.34 | | 1,12.68 |
| | | 21,13.64 | 16,32.41 |
| TOTAL | | (4,81.23) | 5,49.13 |
| SCHEDULE 'S' | | | |
| INTEREST | | Current Year (₹ in lacs) | Previous Year (₹ in lacs) |
| 1. On Intercompany/Fixed Deposits | | 2,01.18 | 1,96.42 |
| 2. On Term Loan with Banks | | 0.91 | 50.07 |
| 3. On Cash Credit/Working Capital Demand Loan Accounts | | 3,23.17 | 3,99.16 |
| 4. Others | | 39.96 | 71.78 |
| TOTAL | | 5,65.22 | 7,17.43 |

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T'

NOTES TO 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"), its subsidiary Company and associate Companies (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 |
|--------------------------------|--------------------------|--------------------|
| Kamaljiyot Investments Limited | India | 100% |

- (b) For the purpose of preparation of consolidated financial statements, the investment of the group in its associate companies are accounted for using the Equity Method. The investments in the associate Companies considered for consolidation together with proportion of share holding held by the group are as under:

| Name of the Associate | Country of Incorporation | % of Group Holding |
|-------------------------------------|--------------------------|--------------------|
| Excel Bio Resources Limited | India | 49.02% |
| Rom Vijay Bioo Tech Private Limited | India | 24.00% |

- (c) 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 31 March 2011 have been considered for preparation of the aforesaid consolidated financial statements.
- (d) 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.
- (e) The financial statement of the subsidiary and associate Companies drawn upto the same reporting date viz. year ended 31 March 2011 has been used for the purpose of consolidation.
- (f) The consolidated financial statements of the Company and its subsidiary Company have been consolidated on line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits/losses.

2. Statement of 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) Basis of Preparation:

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) 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 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 accumulated depreciation/amortisation and provision for impairment, if any, except for the following :

- (a) Land, Buildings, Plant and Machinery and Electrical Installations situated at Roha have been revalued as on 30 September 2001 on the basis of valuation report of Government approved valuers at their depreciated replacement value and stated at their revalued amounts.
- (b) Assets at Mumbai installed up to 31 March 2002 are stated at cost as estimated by an approved valuer.

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T' — (Contd.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS:

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 69 years and 95 years for Roha and Lote Parshuram site respectively.

(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.

2. In respect of Buildings, Plant and Machinery and Electrical Installations, except additions to the aforesaid Fixed Assets at Mumbai upto 30 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 ₹ 5,000 are entirely depreciated in the year of acquisition.

(d) Impairment:

(i) 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 recognized 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 using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

(ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(iii) A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(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.
- (c) Product Registration expenses are amortised on a straight line basis over a period of four years.

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T' — (Contd.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS:

(f) Inventories:

- | | |
|--|---|
| (i) Raw materials, containers, stores and spares | Lower of cost and net realisable 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 realisable 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 realisable value. Cost is determined on a moving weighted average basis. |

(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'.

(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. The scheme is funded with insurance Company in the form of a qualifying insurance policies. |
| (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. The scheme is funded with insurance Company in the form of qualifying insurance policies. |
| (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:

Foreign Currency Transactions:

(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.

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T' — (Contd.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS:

- (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 and Development 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 accounts. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised over the period of expected future sales from the related project, not exceeding ten years.
The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.
- (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 recognized 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:
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the respective asset. All other borrowing costs are expensed in the period they occur. Interest and other costs incurred for acquisition and construction of qualifying assets, upto 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 recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T' — (Contd.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS:

Sale of Goods

Revenue is recognized 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, commission income, 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 Cash flow statement 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.

Inter Segment Transfers

The company generally accounts for inter segment sales and transfers as if the sales or transfers were to third parties at current market prices.

Unallocated items

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

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T' — (Contd.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS:

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. Common allocable costs are allocated to cash segment according to the relative contribution of each segment.

(u) Taxation:

Tax expense comprises of current and deferred tax. Current income tax 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 reflects 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 and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. 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.

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.

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.

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 recognized 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.

3. Contingent Liabilities:

| | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
|---|---|--|
| (a) Bills discounted | — | 67.25 |
| (b) Disputed income-tax liability | 9,09.74 | 6,67.42 |
| (c) Disputed excise duty liability | 1,79.52 | 1,42.69 |
| (d) Disputed sales-tax liability | 34.09 | 5.14 |
| (e) Disputed service tax liability | 2.49 | 14.57 |
| (f) Guarantees given by Company's Bankers on behalf of the Company to third parties | 36.20 | 55.16 |
| (g) (i) Claims against the holding Company not acknowledged as debts | 13.46 | 23.96 |
| (ii) Liability in respect of claim made by workers and contract labourers | Amount not ascertainable | Amount not ascertainable |

EXCEL INDUSTRIES LIMITED

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

| SCHEDULE 'T' — (Contd.) | | | |
|--|--|--|--|
| NOTES TO CONSOLIDATED FINANCIAL STATEMENTS: | | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
| 4. | Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 2,29.50 | 3,05.81 |
| 5. | The Company has executed a Deed of Conveyance on 6 May 2011 in respect of its plot of land at Jogeshwari for which the Company had entered into an agreement on 27 December 2005 to develop the said plot of land. Pursuant to the said conveyance deed, the Company has secured 41% of the constructed area in return for the transfer of 59% of its rights in the said land. The profit arising on the said transaction will be accounted in the year 2011-12 in which the transaction is completed. | | |
| 6. | <p>Joint Venture Company</p> <p>The Group has 33.33% interest in jointly controlled entity Wexsam Limited-Hong Kong. Since there were no activities in the said jointly controlled entity for the past three years, the financials are not available. Accordingly, the proportionate interest of the Group in the said jointly controlled entity has not been considered in the Consolidated Financial Statements.</p> | | |
| 7. | <p>(a) Research and Development costs, as certified by the Management, debited to the Profit and Loss Account are as under:</p> <p style="margin-left: 20px;">(a) Revenue expenses debited to Research and Development Expenses Account and other heads of accounts</p> <p style="margin-left: 20px;">(b) Depreciation on Research and Development Equipment</p> | <p>2,07.59</p> <p>44.76</p> <hr style="width: 100%;"/> <p>2,52.35</p> | <p>1,97.37</p> <p>41.35</p> <hr style="width: 100%;"/> <p>2,38.72</p> |
| 8. | <p>Managerial Remuneration to Chairman & Managing Director, Executive Vice-Chairperson and Executive Director of the Holding Company:</p> <p>To Chairman & Managing Director, Executive Vice-Chairperson and Executive Director:</p> <p>(i) Salaries</p> <p>(ii) Contribution to Provident and Other Funds</p> <p>(iii) Perquisites and other allowances</p> <p>(iv) Commission</p> | <p>59.04</p> <p>15.94</p> <p>53.17</p> <p>78.75</p> <hr style="width: 100%;"/> <p>2,06.90</p> | <p>53.14</p> <p>14.05</p> <p>16.47</p> <p>—</p> <hr style="width: 100%;"/> <p>83.66</p> |
| <p>Note: As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the directors are not included above.</p> | | | |
| 9. | Consolidated Earning Per Share: | | |
| (1) | <p>Profit after tax:</p> <p>(Less): Prior Period Adjustments (Net):</p> <p>Add/(Less): Excess/(Short) provision for taxation for the earlier years:</p> <p>Add: Share of Profits in associate companies</p> <p>Profit attributable to Equity Shareholders (A)</p> | <p>14,62.94</p> <p>(1,05.25)</p> <p>16.07</p> <p>24.70</p> <hr style="width: 100%;"/> <p>13,98.46</p> | <p>7,14.36</p> <p>1,89.53</p> <p>(1,36.27)</p> <p>0.59</p> <hr style="width: 100%;"/> <p>7,68.21</p> |
| (2) | Weighted average number of Equity Share Outstanding (B) | <p>Nos.</p> <p>1,09,05,630</p> <p style="text-align: center;">₹</p> | <p>Nos.</p> <p>1,09,05,630</p> <p style="text-align: center;">₹</p> |
| (3) | Earning per Share (Basic and Diluted) (A)/(B) | 12.82 | 7.04 |
| (4) | Nominal Value of Equity Share | 5.00 | 5.00 |

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T' — (Contd.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS:

10. Details of Employee Benefits – Gratuity:

(i) Defined Benefit Plans

The Group 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 insurance Companies in the form of qualifying insurance policies.

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

(i) Defined Benefit Plan

| | Current Year | Previous Year |
|--|---------------------|---------------|
| | Gratuity | Gratuity |
| | (₹ in lacs) | (₹ in lacs) |
| Current Service cost | 87.07 | 79.11 |
| Interest cost on benefit obligation | 1,24.70 | 1,07.10 |
| Expected return on plan assets | (1,24.40) | (97.52) |
| Net actuarial (gain)/loss recognised during the year | 1,01.86 | 96.95 |
| Amount included under the head personnel expenses in Schedule 'Q' Manufacturing and Other Expenses | 1,89.23 | 1,85.64 |
| Actual return on plan assets | 1,19.11 | 89.96 |

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

| | As at 31st | As at 31st |
|--|------------------------|-----------------|
| | March, 2011 | March, 2010 |
| | Defined Benefit | Defined Benefit |
| | Plan-Gratuity | Plan-Gratuity |
| | (Funded) | (Funded) |
| | (₹ in lacs) | (₹ in lacs) |
| Present value of funded obligation | 17,26.61 | 15,11.46 |
| Less: Fair value of plan assets | 15,87.47 | 12,94.79 |
| Net Liability included under the head Provision for Gratuity, in Schedule 'N' – Provisions | 1,39.14 | 2,16.67 |

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

| | As at 31st | As at 31st |
|--------------------------------------|--------------------|-------------|
| | March, 2011 | March, 2010 |
| | Gratuity | Gratuity |
| | (₹ in lacs) | (₹ in lacs) |
| Opening defined benefit obligation | 15,11.45 | 12,98.21 |
| Interest cost | 1,24.70 | 1,07.10 |
| Current service cost | 87.07 | 79.11 |
| Benefits paid | (91.80) | (62.71) |
| Actuarial (gains)/loss on obligation | 95.18 | 89.74 |
| Closing defined benefit obligation | 17,26.60 | 15,11.45 |

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

| | As at 31st | As at 31st |
|--|--------------------|-------------|
| | March, 2011 | March, 2010 |
| | Gratuity | Gratuity |
| | (₹ in lacs) | (₹ in lacs) |
| Opening fair value of plan assets | 12,94.79 | 9,62.65 |
| Expected return | 1,24.40 | 97.52 |
| Contributions made by employer during the year | 2,66.76 | 3,04.54 |
| Benefits paid | (91.81) | (62.71) |
| Actuarial gains/(loss) | (6.68) | (7.21) |
| Closing fair value of plan assets | 15,87.46 | 12,94.79 |

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T' — (Contd.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS:

| | As at 31st March, 2011 Gratuity (₹ in lacs) | As at 31st March, 2010 Gratuity (₹ in lacs) |
|--|--|--|
| (e) Expected contribution to defined benefit plan for the year 2010-11 | 1,50.00 | 2,25.00 |
| (f) The major categories of plan assets as a percentage of fair value of total plan assets are as follows: | Current Year | Previous Year |
| Insurer Managed Funds (Life Insurance Corporation of India) | 85.28% | 83.55% |
| Insurer Managed Funds (Aviva Life Insurance Company India Limited) | 14.72% | 16.45% |
| | 100.00% | 100.00% |

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.

| | Current Year Gratuity | Previous Year Gratuity |
|---|-----------------------------------|---------------------------|
| (g) The principal actuarial assumptions at the Balance Sheet date | | |
| Discount rate | 8.25% | 8.25% |
| Expected rate of return on plan assets | 9% | 9% |
| Expected rate of salary increase | 5% | 5% |
| Mortality table | LIC(1994- 96) Ultimate | LIC (1994-96) Ultimate |
| Proportion of employees opting for early retirement | 5% to 1% | 5% to 1% |

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. Amounts for the current and previous four periods are as follows:
[AS15 Para 120(n)] [1]

| | Gratuity | | | | |
|--|------------------|------|------|------|------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Defined benefit obligation | 17,26.60 | * | * | * | * |
| Plan assets | 15,87.47 | * | * | * | * |
| Surplus/(deficit) | (1,39.14) | * | * | * | * |
| Experience adjustments on plan liabilities | 2,03.59 | * | * | * | * |
| Experience adjustments on plan assets | 6.68 | * | * | * | * |

* The disclosure required under Para 120(n)(ii) of Accounting Standard 15 "Employee Benefits (Revised, 2003)" pertaining to experience adjustments on plan assets and plan liabilities is not given for previous four years on the ground that such information is not available with the Company.

(II) Defined Contribution Plans

- (i) Provident Fund is a defined contribution scheme established under a State Plan.
- (ii) Superannuation Fund is a defined contribution scheme. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.
- (iii) Defined Contribution Plan

| | Current Year (₹ in lacs) | Previous Year (₹ in lacs) |
|--|-------------------------------------|------------------------------|
| Current service cost included under the head Personnel Expenses in Schedule 'Q' Manufacturing and Other Expenses: | | |
| Provident Fund | 1,40.57 | 1,25.29 |
| Family Pension Fund | 62.62 | 63.71 |
| Superannuation Fund | 70.41 | 65.24 |

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T' — (Contd.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS:

11. Segment Information

1. Information About Primary Business Segments:

| Particulars | Current Year (₹ in lacs) | | | Previous Year (₹ in lacs) | | |
|---|-----------------------------|-------------|-------------|------------------------------|-------------|-------------|
| | Chemicals | Environment | Total | Chemicals | Environment | Total |
| REVENUE: | | | | | | |
| External Revenue | 263,90.79 | 12,14.49 | 276,05.28 | 231,64.76 | 8,27.03 | 239,91.79 |
| Un-allocated Revenue: | | | 2,34.54 | | | 1,96.07 |
| Total Revenue | | | 278,39.82 | | | 241,87.86 |
| RESULT: | | | | | | |
| Segment result | 34,23.61 | 2,70.57 | 36,94.18 | 28,23.31 | 1,26.41 | 29,49.72 |
| Un-allocated expenditure net of un-allocated income | | | 11,65.95 | | | 9,31.14 |
| Interest Expenses | | | 5,65.22 | | | 7,17.43 |
| Profit/(Loss) before taxation but after prior period adjustments | | | 19,63.01 | | | 13,01.15 |
| Provision for Taxation: | | | | | | |
| Current | | | 7,04.30 | | | 1,27.00 |
| In respect of earlier year | | | (16.07) | | | 1,36.27 |
| Minimum Alternative Tax Entitlement | | | (0.31) | | | (1,78.75) |
| Deferred | | | (98.67) | | | 4,49.01 |
| Profit/(Loss) after taxation | | | 13,73.76 | | | 7,67.62 |
| OTHER INFORMATION: | | | | | | |
| Segment Assets | 197,60.28 | 8,74.74 | 206,35.02 | 193,68.41 | 9,34.05 | 203,02.46 |
| Un-allocated Assets | | | 32,09.29 | | | 27,48.50 |
| Total Assets | | | 238,44.31 | | | 230,50.96 |
| Segment Liabilities | (42,40.21) | (2,57.35) | (44,97.56) | (33,72.35) | (1,63.60) | (35,35.95) |
| Un-allocated Liabilities | | | (81,86.60) | | | (92,78.03) |
| Total Liabilities | | | (126,84.16) | | | (128,13.98) |
| Segment Capital expenditure | 11,00.35 | 13.41 | 11,13.76 | 6,76.34 | 15.29 | 6,91.63 |
| Un-allocated Capital expenditure | | | 1,74.69 | | | 26.37 |
| Segment Depreciation and Amortisation | 7,99.82 | 81.19 | 8,81.01 | 8,51.70 | 45.12 | 8,96.82 |
| Un-allocated Depreciation and Amortisation | | | 93.27 | | | 96.22 |
| Segment Non-cash expenses other than Depreciation and Amortisation | 2,82.65 | 31.87 | 3,14.52 | 5,88.08 | 4.38 | 5,92.46 |
| Un-allocated Non-cash expenses other than Depreciation and Amortisation | | | — | | | 5.45 |

2. Information About Secondary Business Segments:

| Particulars | Current Year | | | Previous Year | | |
|----------------------------|--------------|----------|-----------|---------------|----------|-----------|
| | Domestic | Exports | Total | Domestic | Exports | Total |
| Revenue: | 216,16.73 | 62,23.09 | 278,39.82 | 187,10.63 | 54,77.23 | 241,87.86 |
| Carrying amount of Assets: | 227,28.07 | 11,16.24 | 238,44.31 | 222,03.39 | 8,47.57 | 230,50.96 |
| Capital Expenditure: | 12,34.43 | 54.02 | 12,88.45 | 7,18.00 | — | 7,18.00 |

3. Notes:

- The Group is organised into two business segments namely:
 - Chemicals – Comprising of Industrial and Specialty 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 include 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 TO CONSOLIDATED FINANCIAL STATEMENTS:

12. Related Party disclosures as required by Accounting Standard (AS) -18

"Related Party Disclosures", notified by Companies (Accounting Standards) Rules, 2006 (as amended) are given below:

(a) Relationships:

1. Associate Companies:

RomVijay Bioo Tech Private Limited
Excel Bio Resources Limited

2. Joint Venture Company:

Wexsam Limited, Hong Kong
Multichem Industries

3. 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
Parul Chemicals Limited
Pritami Investments Private Limited
Shrodip Investments Private Limited
Shrujan
Transpek Industry Limited
Transpek-Silox Industry Limited
Transpek Industry (Europe) Limited
TML Industries Limited
Utkarsh Chemicals Private Limited
Samarth Gram Vikas Trust

4. Key Management Personnel and their Relatives:

(a) Key Management Personnel:

Shri Ashwin C. Shroff (Chairman and Managing Director)
Smt. Usha A. Shroff (Executive Vice Chairperson)
Shri Dipesh K. Shroff (Director)
Shri Atul G. Shroff (Director)
Shri Ravi Ashwin Shroff (Son of Shri Ashwin C. Shroff)
Shri S. R. Potdar (Executive Director)

(b) Relatives:

Shri Kantisen C. Shroff (Father of Shri Dipesh K. Shroff)
Smt. Shruti Atul Shroff (Wife of Shri Atul G. Shroff)
Kum. Vishwa Atul Shroff (Daughter of Shri Atul G. Shroff)
Smt. Chanda Kantisen Shroff (Mother of Shri Dipesh K. Shroff)
Smt. Preeti Dipesh Shroff (Wife of Shri Dipesh K. Shroff)
Shri Hrishit Ashwin Shroff (Son of Shri Ashwin C. Shroff)
Smt. Chetna Praful Saraiya (Sister of Shri Atul G. Shroff)
Shri Praful Manilal Saraiya (Brother in law of Shri Atul G. Shroff)
Smt. Hiral Tushar Dayal (Sister of Shri Atul G. Shroff)
Shri Tushar Charandas Dayal (Brother in law of Shri Atul G. Shroff)
Smt. Anshul Amrish Bhatia (Daughter of Shri Ashwin C. Shroff)
Shri Dilip G. Bhatia (Brother in law of Shri Ashwin C. Shroff)

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T' — (Contd.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS:

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

(₹ in lacs)

| Sr. No. | Nature of Transactions | Other Enterprises | Key Mgmt. Personnel | Relatives of Key Mgmt. Personnel | Total |
|------------|--|-------------------------------|---------------------|----------------------------------|-------------------------------|
| (1) | INCOME | | | | |
| (a) | Sale of Goods (Net of Excise Duty) | | | | |
| | Excel Crop Care Limited | 26,32.07 (24,54.57) | — (—) | — (—) | 26,32.07 (24,54.57) |
| | Others | 3,51.87 (3,33.54) | — (—) | — (—) | 3,51.87 (3,33.54) |
| | Total | 29,83.94 (27,88.11) | — (—) | — (—) | 29,83.94 (27,88.11) |
| (b) | Rent Received | | | | |
| | Excel Crop Care Limited | 38.40 (38.40) | — (—) | — (—) | 38.40 (38.40) |
| (c) | Processing Charges | | | | |
| | Excel Crop Care Limited | 11,59.01 (10,65.22) | — (—) | — (—) | 11,59.01 (10,65.22) |
| | Transpek Industry Limited | 3.18 (45.81) | — (—) | — (—) | 3.18 (45.81) |
| | Total | 11,62.19 (11,11.03) | — (—) | — (—) | 11,62.19 (11,11.03) |
| (d) | Royalty | | | | |
| | Excel Crop Care Limited | 1,02.83 (72.50) | — (—) | — (—) | 1,02.83 (72.50) |
| | Total | 1,02.83 (72.50) | — (—) | — (—) | 1,02.83 (72.50) |
| (e) | Dividend Received | | | | |
| | TML Industries Limited | 13.81 (13.81) | — (—) | — (—) | 13.81 (13.81) |
| | Transpek -Silox Industry Limited | 1,12.08 (1,04.61) | — (—) | — (—) | 1,12.08 (1,04.61) |
| | Others | 6.51 (5.17) | — (—) | — (—) | 6.51 (5.17) |
| | Total | 1,32.40 (1,23.59) | — (—) | — (—) | 1,32.40 (1,23.59) |
| (f) | Reimbursement of expense/salary incurred on behalf of | | | | |
| | Excel Crop Care Limited | — (26.68) | — (—) | — (—) | — (26.68) |
| | Total | — (26.68) | — (—) | — (—) | — (26.68) |
| (g) | Interest Received | | | | |
| | Agrocel Industries Limited | 1.83 (1.87) | — (—) | — (—) | 1.83 (1.87) |
| | Total | 1.83 (1.87) | — (—) | — (—) | 1.83 (1.87) |

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T' — (Contd.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS:

(₹ in lacs)

| Sr. No. | Nature of Transactions | Other Enterprises | Key Mgmt. Personnel | Relatives of Key Mgmt. Personnel | Total |
|------------|------------------------------------|-----------------------------|---------------------------|----------------------------------|-----------------------------|
| (2) | EXPENSES | | | | |
| (a) | Purchase of Goods | | | | |
| | Excel Crop Care Limited | — (1,99.56) | — (—) | — (—) | — (1,99.56) |
| | Transpek Industry Limited | — (28.05) | — (—) | — (—) | — (28.05) |
| | Anshul Specialty Molecules Limited | 4.34 (—) | — (—) | — (—) | 4.34 (—) |
| | Agrocel Industries Limited | 1,54.71 (0.46) | — (—) | — (—) | 1,54.71 (0.46) |
| | Others | 0.95 (7.76) | — (—) | — (—) | 0.95 (7.76) |
| | Total | 1,60.00 (2,35.83) | — (—) | — (—) | 1,60.00 (2,35.83) |
| (b) | Processing Charges | | | | |
| | Good Rasayan Limited | 48.77 (39.64) | — (—) | — (—) | 48.77 (39.64) |
| | Total | 48.77 (39.64) | — (—) | — (—) | 48.77 (39.64) |
| (c) | Remuneration | | | | |
| | Shri Ashwin C Shroff | — (—) | 75.61 (24.26) | — (—) | 75.61 (24.26) |
| | Smt Usha A Shroff | — (—) | 70.71 (24.24) | — (—) | 70.71 (24.24) |
| | Shri S R Potdar | — (—) | 60.59 (35.16) | — (—) | 60.59 (35.16) |
| | Total | — (—) | 2,06.91 (83.66) | — (—) | 2,06.91 (83.66) |
| (d) | Directors' Sitting Fees | | | | |
| | Dipesh K. Shroff | — (—) | 0.65 (0.45) | — (—) | 0.65 (0.45) |
| | Atul G. Shroff | — (—) | 0.20 (0.10) | — (—) | 0.20 (0.10) |
| | Total | — (—) | 0.85 (0.55) | — (—) | 0.85 (0.55) |
| (e) | Charity & Donation | | | | |
| | Shroff Foundation Trust | 4.00 (—) | — (—) | — (—) | 4.00 (—) |
| | Rashtriya Seva Trust | 1.50 (—) | — (—) | — (—) | 1.50 (—) |
| | Shri Seetha Rama Seva Sadan | 1.00 (—) | — (—) | — (—) | 1.00 (—) |
| | Total | 6.50 (—) | — (—) | — (—) | 6.50 (—) |
| (f) | Retirement Benefits | | | | |
| | Shri K. C. Shroff | — (—) | — (—) | 8.42 (3.60) | 8.42 (3.60) |
| | Total | — (—) | — (—) | 8.42 (3.60) | 8.42 (3.60) |

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T' — (Contd.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS:

(₹ in lacs)

| Sr. No. | Nature of Transactions | Other Enterprises | Key Mgmt. Personnel | Relatives of Key Mgmt. Personnel | Total |
|------------|--|-------------------------|-----------------------|----------------------------------|-------------------------|
| (g) | Reimbursement of expense/salary incurred on behalf of | | | | |
| | Transpek Industry (Europe) Limited | 82.10 (27.39) | — (—) | — (—) | 82.10 (27.39) |
| | Total | 82.10 (27.39) | — (—) | — (—) | 82.10 (27.39) |
| (h) | Rent Paid | | | | |
| | Excel Crop Care Limited | 21.86 (20.04) | — (—) | — (—) | 21.86 (20.04) |
| | Total | 21.86 (20.04) | — (—) | — (—) | 21.86 (20.04) |
| (3) | FINANCE/OTHERS | | | | |
| (a) | Loans/Advance given | | | | |
| | Transpek Industry (Europe) Limited | 81.80 (34.65) | — (—) | — (—) | 81.80 (34.65) |
| | Total | 81.80 (34.65) | — (—) | — (—) | 81.80 (34.65) |
| (b) | Dividend Paid | | | | |
| | Ashwin C Shroff | — (—) | 1.66 (0.42) | — (—) | 1.66 (0.42) |
| | Atul G Shroff | — (—) | 1.20 (0.30) | — (—) | 1.20 (0.30) |
| | Kantisen C Shroff | — (—) | — (—) | 1.14 (0.27) | 1.14 (0.27) |
| | Ravi A Shroff | — (—) | 0.95 (0.24) | — (—) | 0.95 (0.24) |
| | Dilip G Bhatia | — (—) | — (—) | 2.08 (0.52) | 2.08 (0.52) |
| | Anshul Specialty Molecules Ltd | 37.80 (9.45) | — (—) | — (—) | 37.80 (9.45) |
| | Utkarsh Chemicals Private Limited | 23.67 (5.55) | — (—) | — (—) | 23.67 (5.55) |
| | Others | 13.12 (3.28) | 0.36 (0.09) | 3.22 (0.81) | 16.70 (4.18) |
| | Total | 74.59 (18.28) | 4.17 (1.05) | 6.44 (1.60) | 85.20 (20.93) |
| (c) | Sale of Fixed Assets | | | | |
| | Excel Crop Care Limited | — (1.12) | — (—) | — (—) | — (1.12) |
| | Total | — (1.12) | — (—) | — (—) | — (1.12) |
| (d) | Loan Returned | | | | |
| | Agrocel Industries Limited | 17.00 (—) | — (—) | — (—) | 17.00 (—) |
| | Total | 17.00 (—) | — (—) | — (—) | 17.00 (—) |

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T' — (Contd.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS:

(₹ in lacs)

| Sr. No. | Nature of Transactions | Other Enterprises | Key Mgmt. Personnel | Relatives of Key Mgmt. Personnel | Total |
|------------|---|-------------------------------|---------------------|----------------------------------|-------------------------------|
| (4) | OUTSTANDING AS AT BALANCE SHEET DATE | | | | |
| (a) | Amounts Receivable/Recoverable in kind | | | | |
| | Excel Crop Care Limited | 9,83.02 (11,91.33) | — (—) | — (—) | 9,83.02 (11,91.33) |
| | Others | 60.04 (48.71) | — (—) | — (—) | 60.04 (48.71) |
| | Total | 10,43.07 (12,40.04) | — (—) | — (—) | 10,43.07 (12,40.04) |
| (b) | Advance/Loans Recoverable | | | | |
| | Transpek Industry (Europe) Limited | 4.25 (7.26) | — (—) | — (—) | 4.25 (7.26) |
| | Total | 4.25 (7.26) | — (—) | — (—) | 4.25 (7.26) |
| (c) | Amount Payable (Net) | | | | |
| | Anshul Specialty Molecules Limited | 4.89 (—) | — (—) | — (—) | 4.89 (—) |
| | Good Rasayan Limited | 7.85 (18.67) | — (—) | — (—) | 7.85 (18.67) |
| | Transpek Industry Limited | — (13.48) | — (—) | — (—) | — (13.48) |
| | Others | — (4.10) | — (—) | — (—) | — (4.10) |
| | Total | 12.74 (36.25) | — (—) | — (—) | 12.74 (36.25) |

(Figures in brackets relate to the Previous Year)

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

| Nature of Instrument | Currency | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2011 Foreign Currency Value (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) | As at 31st March, 2010 Foreign Currency Value (₹ in lacs) |
|--|----------|---|---|---|---|
| (a) Forward contract – Buy for Hedging Purpose | | | | | |
| (i) Loans | USD | 4,20.90 | 9.41 | 7,70.71 | 16.64 |
| (ii) Interest/Other Expenses | USD | — | — | 2.92 | 0.06 |
| (b) Un-hedged Foreign Currency Exposure on: | | | | | |
| (i) Import Creditors | GBP | 81.40 | 1.13 | 11.26 | 0.17 |
| | USD | 4,69.73 | 9.26 | 3,68.52 | 8.16 |
| (ii) Export Debtors | EUR | 41.41 | 0.66 | 92.09 | 1.52 |
| | USD | 9,77.39 | 21.86 | 7,26.20 | 16.09 |
| | GBP | 31.24 | 0.43 | 5.18 | 0.08 |
| (iii) Loans taken | USD | 4,20.90 | 9.41 | — | — |
| (iv) Loans given | GBP | — | — | 7.26 | 0.10 |
| (v) Bank Balances | USD | 16.68 | 0.38 | 16.84 | 0.37 |

EXCEL INDUSTRIES LIMITED

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

SCHEDULE 'T' — (Contd.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS:

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

| | As at 31st March, 2011 (₹ in lacs) | As at 31st March, 2010 (₹ in lacs) |
|--|---|---|
| (a) Deferred Tax Assets | | |
| (i) Liabilities Allowable on Payment basis | 1,97.68 | 2,35.18 |
| (ii) Provision for Doubtful Debts/Advances | 11.36 | 8.33 |
| (iii) Unabsorbed Capital Loss | 35.13 | 36.80 |
| | 2,44.17 | 2,80.31 |
| (b) Deferred Tax Liabilities | | |
| (i) Depreciation | 16,13.78 | 17,48.62 |
| | 16,13.78 | 17,48.62 |
| DEFERRED TAX LIABILITY (NET) | 13,69.61 | 14,68.31 |

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. 5 above)

15. The Company has availed of the exemption granted by notification dated 8 February 2011 issued by the Ministry of Corporate Affairs (MCA) under Section 212 of the Companies Act, 1956. The information relating to subsidiary company in terms of said notification is as follows:

(₹ in lacs)

| Sr. No. | Name of the Company | Reporting Currency | Exchange Rate | Capital | Reserves | Total Assets | Total Liabilities | Investment other than investment in Subsidiary Company | Turnover | Profit Before Taxation | Provision for Taxation | Profit After Taxation | Proposed Dividend |
|---------|--------------------------------|--------------------|---------------|----------------|--------------|----------------|-------------------|--|--------------|------------------------|------------------------|-----------------------|-------------------|
| 1 | Kamaljiyot Investments Limited | INR | 1.00 | 1,99.98 | 77.91 | 5,98.82 | 3,20.93 | 5,90.79 | 14.40 | 57.38 | 0.97 | 56.41 | — |
| | | | (1.00) | (1,99.98) | (21.50) | (4,77.29) | (2,55.81) | (4,18.78) | (11.03) | (-0.72) | (0.98) | (-1.70) | (—) |

(Figures in brackets relate to the previous year)

Notes:

1. Details of investment of Subsidiary company:

| | ₹ in lacs |
|-----------------------------|------------------|
| In equity shares (Quoted) | 5,41.03 |
| In equity shares (Unquoted) | 49.76 |
| Total | 5,90.79 |

2. Turnover includes dividend received from long-term investments.

EXCEL INDUSTRIES LIMITED

SCHEDULE 'T' — (Contd.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS:

16. Operating Leases:

Office premises and godowns are obtained on operating leases for various tenors. Except for the Office premises, none of the operating leases are renewable.

| | 2010-2011 (₹ in lacs) | 2009-2010 (₹ in lacs) |
|---|--------------------------|--------------------------|
| (i) Lease payments for the year | 28.06 | 30.36 |
| (ii) Sub-lease payments received during the year | Nil | Nil |
| (iii) Minimum lease payments as at 31 March | | |
| (a) Not later than one year | 26.72 | 25.34 |
| (b) Later than one year but not later than five years | 42.61 | 68.50 |
| (c) Later than five years | Nil | Nil |

The company has leased out its office premises 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.

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 | 38.40 | 38.40 |
| (b) Later than one year but not later than five years | 1,31.20 | 54.40 |
| (c) Later than five years | Nil | Nil |

17. Excise duty on sales amounting to ₹ **18,42.23 lacs** (Previous Year: ₹ 13,22.76 lacs) has been reduced from sales in Profit & Loss Account and excise duty on increase/(decrease) in stocks amounting to ₹ **34.19 lacs** (Previous Year: ₹ 29.32 lacs) has been considered as expense in Schedule 'Q'.

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

For S. R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered Accountants

per VIJAY MANIAR
Partner
Membership No. 36738

Place : Mumbai,
Date : 20 May 2011

For and on behalf of the Board of Directors of
Excel Industries Limited

A. C. SHROFF
Chairman & Managing Director

KAILAS DABHOLKAR
Vice President-Finance and Taxation

Place : Mumbai,
Date : 20 May 2011

U. A. SHROFF
Executive Vice Chairperson

S. K. SINGHVI
Company 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, 2011 |
| 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 ₹ 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, 2011, amounted to: | |
| (i) for the subsidiary company's financial year ended as in (2) above | ₹ 56,41,122 |
| (ii) for previous financial years of the subsidiary company | ₹ (-) 28,51,766 |
| (b) dealt with in the accounts of Excel Industries Limited for the year ended 31st March, 2011, amounted to: | |
| (i) for the subsidiary company's financial year ended as in (2) above | NIL |
| (ii) for previous financial years of the subsidiary company | 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, 2011 | NOT APPLICABLE |
| 7. Material changes between the end of the financial year of the subsidiary company and 31st March, 2011 | |
| (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 | |

Place : Mumbai,
Date : 20 May 2011

A. C. SHROFF
Chairman & Managing Director

KAILAS DABHOLKAR
Vice President – Finance and Taxation

U. A. SHROFF
Executive Vice Chairperson

S. K. SINGHVI
Company Secretary

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
..... being a member/members of the abovenamed Company hereby appoint
..... of
..... or failing him/her
of
as my/our proxy to vote for me/us on my/our behalf at the 50TH ANNUAL GENERAL MEETING of the Company to be held on Friday, the 22nd July, 2011,
and at any adjournment thereof.

Signed this day of 2011.

Signature

Affix
Revenue
Stamp

* 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

50TH Annual General Meeting on Friday, 22nd July, 2011

| | |
|------------|--|
| 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 50TH ANNUAL GENERAL MEETING of the Company held at Rama Watumull Auditorium, Kishinchand Chellaram College,
Dinshaw Wacha Road, Churchgate, Mumbai-400 020 on Friday, the 22nd July, 2011 at 3.00 p.m.

Member's/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.