

EXCEL INDUSTRIES LIMITED



**2011-12
ANNUAL REPORT**

Success through Significance



THE BUTTERFLY EFFECT

The Butterfly Effect, a theory presented by scientist Edward Lorenz, states that a butterfly could flap its wings and set air molecules in motion that in turn would move other air molecules - which would then move additional air molecules - eventually influencing weather patterns on the other side of the planet.

"...When you Act, the Universe Notices..."

AT EXCEL, WE BELIEVE,

**"...Our world is an incredible life of permanent purpose.
Every single act of kindness reverberates across great distances and spans of time,
affecting lives unknown.
The point is, every move, every single act we do matters!**

And what one does with it today... matters forever...

**There are generations yet unborn whose very lives will be shifted and shaped by the moves one makes and the actions one takes today. And tomorrow. And the next day. And the next...
Each one of us is created in order that we might make a difference..."**

"..Each one has within him the power to change the world.."

If there is Magic on this Planet, It is Contained in
Water
In Pursuit of Nurturing and Sustaining This Magic..

RUKMAYATI RIVER BASIN PROJECT

Rivers, The Life Force of Universe,
River Banks; The Cradles of Civilization;
Worshipped as mother goddesses giving birth & nourishing
rich civilization & cultures along its banks...

In tune with existence and environment, Excel Group of Companies have always understood the system of the organic unity between humankind and nature and the ethics of global responsibility and engaged in Sustainable Development as a Socially Responsible Corporate.

Under the spirited, passionate and prudent guidance of **puj. Shri K. C. Shroff**, (Kakaji to all), Chairman Emeritus, our NGO, **Shree Vivekanand Research & Training Institute** has created an integrated and holistic model for Sustainable Development using the whole Rukmayati River Basin in Kutch covering cluster of 46 villages;

- ♦ To manage nature's gift of fresh water, for improvement in Economical-Ecological-Social standards of the people, of the area; and
- ♦ To contribute eventually in improvement of GDP of the Nation, improve Happiness & Human Development Index of this basin area.

A pioneering effort in Kutch, this is an attempt to revive and establish a rich, ideal river civilization.

Excel and Shroff Group of companies and associated NGOs organized the **C. C. Shroff Memorial Program 'Dedication of Rukmayati River Basin Project - An attempt at Creating a Sustainable Civilization'** on Saturday, 25th February 2012 at Mamaymora Village situated in Mandvi Taluka in Kutch.

The day long convention, aimed at establishing better coordination of rural partnership and government schemes, included Awareness Mela on environment & the Rukmayati River Basin Project, the Project launch, Panel discussions, Lectures, Exhibition, Cultural activities, etc.

This was attended by Chairman, Gujarat Pollution Control Board, Chairman, Sardar Patel Sahbhagi Jal Sanchay Yojana, MLA-Mandvi, Collector Kutch, Head Gram Panchayat, Village Sarpanch, Village heads, Community people from nearby villages, Employees of Shroff Group of companies, Shroff family and several guests and dignitaries; all committed to preserve, nurture, nourish the 'Planet's Natural Capital' for co-evolution and a high quality of life.

"...Social obligation is much bigger than supporting worthy causes. It includes anything that impacts people and the quality of their lives..."





Leadership Footprints

Under the able and thoughtful leadership of Mr. Ashwin Shroff, Excel held a day Workshop on "Enhancing Food and Water Security in Gujarat and Maharashtra" On 12th August 2011, at Mumbai.



The aim was to carry out a rigorous introspection and review of the current agricultural and water related practices and policies and their Implementation and communicate the lessons from the best practices to the policy makers and other stake holders for scale up and wide diffusion at the National level.



Several Intellectuals from the Academic world, NGOs, Corporates, Indian Civil Services attended the deliberations.



Mr. Ashwin Shroff, Chairman and Managing Director, Excel Industries delivering the Inaugural address in the seminar on "Recognizing Excellence In Various Facets Of Chemical Industry", organized by ICC in its Annual Award function.

Mr. Shroff lay emphasis on the importance of putting increased focus on R&D for new molecules, processes and technologies, promoting better industry-academia partnerships and image building by the Chemical Industry. He also highlighted the key role of energy and water resources management in the growth of the Chemical Industry in the future.



A Toast to Power of Commitment, to Power of Innovation

NATURE CARE, NATURALLY

Earth Care Awards Initiated by The Times of India and JSW Foundation, Celebrate Excellence in Efforts Of Individuals And Corporate Houses That Have Helped Mitigate Global Warming.

The awards are in recognition of those who have taken up arms in the battle to save the Earth in full earnest, bearing a direct relevance to India to tackle challenges posed by climate change, for initiatives in management of natural resources and mitigation of green house gases, highlighting activities which has gone beyond compliance measures, leading to increasing resilience of communities.

The Jury consisting of some of the finest names from the country's Environment think-tank did not merely look at the notes, but visited every applicant, checked their ideas on scalability, vis-a-vis the industry standards, uniqueness, the impact of the innovation, the benefit to the society at large, etc.

Vivekananda Training & Research Institute received 'The Earth Care' Award 2011 in the category of 'Community-led Action' fulfilling all the above criteria of Excellence.

Vincent Pala Minister for Water Resources presented the Earth Care Award in category 'Community-Based Mitigation' at a glitzy ceremony at the ITC Maurya, on September 11, 2011.

"...This life is short, The vanities of the world are transient, but they alone live who live for others, the rest are more dead than alive..." Swami Vivekanand

FIRST, TIMES OF INDIA SOCIAL IMPACT AWARD



Our NGO, Shroffs Foundation Trust (SFT-Baroda) was conferred with the very first Times of India (in partnership with J.P.Morgan), Social Impact Awards; in the category of Livelihoods in recognition of its outstanding work for its contribution to helping in sustainable development in Vadodara's villages through watershed development, improved agricultural practices dairy development, arts and crafts, health services and BPO training, creating livelihoods, especially in the tribal area of Chhota Udepur.

In an unassuming ceremony at Delhi on Sunday 2 October 2011, the awards were presented in the presence of well known luminaries of the country.

Honourable Prime Minister Mr. Manmohan Singh and Mr. Jamie Dimon, Chairman and CEO of JP Morgan, (partners in Times of India award) were present to applaud and inspire the winners of the First, Times of India Social Impact Awards at a simple ceremony.

Mrs. Shruti Shroff, Social activist, Managing Trustee and Architect of SFT received the award.



Our Journey in "Green" A Leap Forward...

Sustainable business practices integrating ecological concerns with social and economic ones (the triple bottom line) is in the very heart of Excel's Business approaches.

A pioneer in the field of converting waste into soil enricher on the nature's concept of 'Cradle-to-Cradle' (where everything goes in cycles, with no material waste, since everything is being re-used by micro-organisms or plants), Excel firmly believes, to achieve true sustainability, one must reduce our 'Garbage Index'.

Excel has been providing products, processes, equipment & systems for effective multi-level waste management solutions since last 22 years.

With Excel's technology, 14 processing plants in various cities in India have come up through self or Government investments, for Centralized Waste Treatment with Municipal Solid Waste (plant capacity from 100-500 tons of MSW treatment/ day).

Decentralized Waste Treatment through Organic Waste Converter (OWC) system introduced in 2006 for Community Mobilization and Participation towards "Zero Waste Management" has multiplied to 450 units across length and breadth of the entire country and overseas.

The enterprise, slickly facilitates Green Initiatives such as Eco-housing, Eco-hotel, Eco-township projects and also supplements Corporate Social Responsibility (CSR) initiatives such as Community health & hygiene improvement, promotes Micro-Enterprise Service Model where urban/rural poor, unemployed youth can be gainfully employed with dignity, Mine area / Wasteland rejuvenation through Social forestry, Bio-energy plantation, etc.

Indeed the venture merits rapid, viable, eco-friendly, cost effective and sustainable win-win solution for cleaner, greener & healthier living on the planet.

**"...SUSTAINABILITY IS NOT
IN ADDITION TO OR "PERIPHERAL" TO,
THE WAY WE DO BUSINESS,
IT IS FUNDAMENTAL TO IT..."**



Garbage to Garden

EXCEL INDUSTRIES LIMITED

C O N T E N T S

Board of Directors	2
Notice	3-5
Directors' Report	6-12
Management Discussion and Analysis	13-15
Corporate Governance Report	16-25
Ten-Year Highlights	26
Summarised Balance Sheet and Statement of Profit & Loss	27
Auditors' Report	28-31
Balance Sheet	32
Statement of Profit & Loss	33
Cash Flow Statement	34-35
Notes '1' to '44' forming part of Financial Statements	36-66
Auditors' Report on Consolidated Financial Statements	67
Consolidated Balance Sheet	68
Consolidated Statement of Profit & Loss	69
Consolidated Cash Flow Statement	70-71
Notes '1' to '43' forming part of Consolidated Financial Statements	72-104
Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies ..	105

51st Annual General Meeting
on Friday 20-07-2012 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 2011-12. 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.

EXCEL INDUSTRIES LIMITED

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

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited,
C-13, Pannalal Silk Mills Compound,
Bhandup (W), Mumbai 400 078.

Tel : 2596 3838, Fax : 2594 6969

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

REGISTERED OFFICE

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

Tel : 6646 4200

E-mail : excel.mumbai@excelind.com

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 51ST 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 20th July, 2012 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss of the Company for the financial year ended 31st March, 2012, 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, 2012.
3. To appoint a Director in place of Mr. Atul G Shroff, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. M. B. Parekh, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors and to authorise 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 Section 309(4), 310 and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals, including of the Central Government, as may be required, so long as the Company has a Managing Director or a Whole-time Director such sum by way of commission not exceeding in aggregate 1% of the net profits of the Company for each year, computed in the manner laid down in Section 198 of the Companies Act, 1956, for five financial years of the Company commencing from 1st April, 2012, be paid to and distributed amongst the non-executive Directors of the Company (excluding the Chairman & Managing Director, Executive Vice Chairperson and Whole-time Directors) in the proportion and manner as the Chairman may, from time to time, decide.
RESOLVED FURTHER THAT if at any time during the aforesaid period of five years commencing from 1st April, 2012, the Company does not have a Managing Director or a Whole-time Director such sum by way of commission not exceeding in aggregate 3% of the net annual profits of the Company, computed in the manner laid down in the Section 198 be paid to and distributed amongst the Non-Executive Directors of the Company for such part of the aforesaid period of five financial years in the proportion and manner as the Board may, from time to time, decide.”

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' re-appointment 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 14th July, 2012 to Friday, the 20th July, 2012. (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 24th July, 2012 to the Members whose names stand on the Company's Register of Members on Friday, the 20th July, 2012 and to the beneficiary holders under Demat Category as per the beneficiary list on the close of business hours on Friday, the 13th July, 2012 provided by National Securities and Depository Limited and Central Depository Services (India) Limited.

7. Payment of dividend will be made through National Electronic Clearing Service (NECS) 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 NECS facility to receive dividend from the Company may furnish the information to Link Intime India Private Limited, the Registrar and Transfer Agent. Members holding shares in electronic form may furnish the information to their Depository Participants in order to receive dividend through NECS 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 2004-2005 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
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
22.07.2011	2010-11	3.75	27.08.2018

Members who have not encashed the dividend warrants for the year 2004-2005 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 effected 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 or send an e-mail to this effect at excelgogreen@linkintime.co.in quoting their folio number, name and PAN.

REQUEST TO THE MEMBERS

1. 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 Agent, 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, 25th May, 2012.

EXCEL INDUSTRIES LIMITED

ANNEXURE TO THE NOTICE

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

Item No. 6.

At the 47th Annual General Meeting of the Members of the Company held on 4th September, 2008, the Members had approved the payment of commission to the Directors of the Company (excluding the Chairman & Managing Director, Executive Vice Chairperson and Whole-time Director) not exceeding in the aggregate 1% of the net profits of the Company for each year, computed in the manner laid down in Section 198 of the Companies Act, 1956, for the period of five financial years commencing from 1st April, 2007, such commission to be distributed amongst the Directors of the Company (excluding the Chairman & Managing Director, Executive Vice Chairperson and Whole-time Director) in the proportion and manner as the Chairman may, from time to time, decide.

The said period of five years expired on 31st March, 2012 and it is proposed that a commission, not exceeding in the aggregate 1% of the net profits of the Company for each year, computed in the manner laid down in Section 198 of the Companies Act, 1956, would be continued to be paid for the five financial years commencing from 1st April, 2012, and be distributed amongst the Directors of the Company (excluding the Chairman and Managing Director, Executive Vice Chairperson and Whole-time Directors) in the proportion and manner as the Chairman may, from time to time, decide.

In a situation where, during the aforesaid period of five years, the Company doesn't have a Chairman & Managing Director or Executive Vice Chairperson or Whole-time Director, it is proposed to pay to the Non-Executive Directors of the Company, for such part of the aforesaid period of five financial years, such sum by way of commission not exceeding in the aggregate 3% of the net profits of the Company for each year, computed in the manner laid down in the said Section 198 and be distributed in the proportion and manner as the Board may, from time to time, decide.

All the Directors of the Company except Mr. A. C. Shroff, Chairman & Managing Director, Mrs Usha A. Shroff, Executive Vice Chairperson and Mr. S. R. Potdar, Executive Director of the Company, are 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, 25th May, 2012.

EXCEL INDUSTRIES LIMITED

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting the 51st Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2012.

1. FINANCIAL RESULTS

The salient features of the Company's working are:

	(₹ in Lacs)	
	2011-12	2010-11
Gross Profit for the year was	2146.30	3009.45
Less: Depreciation/Amortisation	969.55	974.20
Leaving a net profit before exceptional item and Tax	1176.75	2035.25
Exceptional item	724.01	—
Leaving a net profit before Tax	1900.76	2035.25
Provision for Taxation:		
Current Tax	(364.00)	(703.00)
Minimum Alternate Tax (Entitlement)	12.00	—
Deferred Tax	(36.63)	98.65
	1512.13	1430.90
Add thereto/(reduce therefrom):		
Prior period adjustments	(46.50)	(105.25)
Provision for taxation in respect of earlier years	2.20	16.07
Profit After Tax	1467.83	1341.72
Add thereto:		
Balance brought forward from the previous year	1131.47	1365.05
Leaving a balance available for Appropriation	2599.30	2706.77
Appropriations:		
Proposed Dividend	218.11	408.96
Tax on Dividend	35.38	66.34
Transfer to General Reserve	1200.00	1100.00
	1453.49	1575.30
Carried forward to next year	1145.81	1131.47

2. DIVIDEND

Your Directors have recommended a Dividend of 40% amounting to ₹ 2.00 per equity share of ₹ 5/- each, as compared to a dividend of 75% (₹ 3.75 per share) which included a special Dividend of 25% (₹ 1.25 per equity share) on account of Golden Jubilee Year of the Company in the previous year.

3. OPERATIONS

During the year under review, the net sales increased from ₹ 254.12 crores to ₹ 301.38 crores, registering a growth of 19%, and exports increased from ₹ 62.26 crores to ₹ 63.05 crores registering an increase of 1%. During the year under review, the Company made a profit of ₹ 11.77 crores before Taxation and Exceptional item compared to ₹ 20.35 crores in the previous year. After accounting for the exceptional item of ₹ 7.24 crores being the profit arising out of transfer of 59% of its rights in the land at Jogeshwari, net profit after tax amounted to ₹ 14.68 crores as compared to ₹ 13.42 crores in the previous year.

4. NEW PROJECTS/EXPANSIONS/IMPROVEMENTS

The Company is endeavoring to develop, through its strong Research and Development Cell, new Pharma Intermediates and Specialty Chemicals. The Company is also exploring opportunities in the Electronics Chemicals markets like Solar Photovoltaic Cells and Display Devices.

5. OUTLOOK

The outlook for Phosphorous based Agrochemical Intermediates continues to be good. The production of new pharmaceutical intermediates is scheduled to commence in the current year. The business of Water Treatment Chemicals will face stiff competition both in domestic and export markets. The continued rise in the prices of raw materials is a matter of concern. The sharp rise in the price of the U S Dollar against the Rupee will adversely impact the cost of imported inputs, mainly Phosphorous. The prices of Energy are also likely to rise further. Cost control has to be the most important task in this year.

The outlook for Organic Waste Converter (OWC) is encouraging. OWC based larger projects are being negotiated in some cities like Panjim and Pune. The Agri Produce Market Yard projects are receiving lot of attention and the number is likely to grow this year. Enhanced recoveries, improved realization and capacity utilization are forecast for the sale of Celrich this year.

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 them 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 COMPANIES

During the year, the Company has acquired 100% Equity shares in Excel Bio Resources Limited (EBRL), and thus EBRL became wholly owned subsidiary of the Company w.e.f. 30th September, 2011. This subsidiary would focus in the areas of renewable bio resources, waste management, renewable energy and biotechnological processes. Kamalijot Investments Limited is the other 100% owned subsidiary of the 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 companies are not being attached with the Annual Report of the Company. The Company will make available the annual accounts of the subsidiary companies 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 companies 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 companies.

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 ₹ 17,02.47 lacs. 47 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, 2012, was ₹ 22.19 lacs. It has come down to ₹ 20.14 lacs as on the date of this Report.

12. DIRECTORS

Mr. Atul G. Shroff and Mr. M. B. Parekh, 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. The particulars of the Directors seeking reappointment at the forthcoming Annual General Meeting are furnished in the Corporate Governance Report.

13. SOCIAL RESPONSIBILITY

The Company is engaged in improving the life of the rural communities around its plants at Roha and Lote. Samarth Gram Vikas Trust, the trust promoted and supported by the Company has been working on community projects like water harvesting, general health, eye testing and blood donation camps, soil testing and agricultural practices improvement, Aanganwadi, vocational training for women etc. at Chalkewadi and Lote near the Lote Parshuram plant and at Virjoli near Roha plant. The Company also supports, through Vivekananda Research and Training Institute, Shroff Foundation Trust and Shrujan, several large scale activities like water shed management, agriculture, tribal welfare, arts and crafts development and promotion and a large number of self help programs. These trusts have won several national and international awards for their contribution to the society.

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

Your Company sustains its endeavours on the development of people with full commitment. The Company has taken steps to provide ample opportunities to its employees to upgrade skills and competence.

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

The Company appointed Mr. Rajesh N. Soni, Cost Auditor, Mumbai to audit the cost accounts for the year 2011-12 pursuant to the provisions of Section 233B of the Companies Act, 1956, for Insecticides, Industrial Alcohol, Bulk Drugs (including intermediates) and Fertilizers.

20. ACKNOWLEDGEMENTS

Your Directors acknowledge with gratitude the support of the Shareholders, Government Authorities, Bankers, other investors, customers and suppliers, and 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, 25th May, 2012.

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 reciprocating type ammonia compressor by energy efficient Screw type compressor in brine unit (204 TR).
- Modification and rerouting of high pressure steam line has resulted in the reduced transmission losses (Roha Unit).
- Installation of Anaerobic Digesters in ETP system which needs less energy for effluent treatment and produces byproduct Biogas.

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

- Improving distribution setup of high pressure steam to reduce transmission losses (Lote Unit).
- Optimization of brine circulation by measuring and controlling brine flow through reactor jackets.
- Installation of dual fuel burner for HOT OIL system to utilize Biogas generated from Anaerobic Digester as a fuel for HOT OIL system.

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

- Reduced transmission losses have resulted in 10% reduction in consumption of steam in DETC production.
- Reduction in electricity 10 kWh/MT of DETC product.

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

	Current Year (2011-12)	Previous Year (2010-11)
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
Unit ('000 KWH)	19,374	20,620
Total Amount (₹ in lacs)	12,67.20	11,75.90
Rate/Unit (₹)	6.54	5.70
(b) Own Generation		
(i) Through Diesel		
Generated Unit ('000 KWH)	110	90
Units per Ltr. of Diesel Oil	3.18	3.19
Cost/Unit (₹)	13.74	12.71
(ii) Through Steam Turbine/Generator Units	Nil	Nil

	Current Year (2011-12)	Previous Year (2010-11)
2. Coal		
Qty. (MT)	13,702	14,668
Total Amount (₹ in lacs)	8,47.18	6,99.32
Avg. Rate (₹/Kg.)	6.18	4.77
3. Fuel		
Qty. (MT)	466	670
Total Amount (₹ in lacs)	1,67.10	1,89.28
Avg. Rate (₹/Kg.)	35.89	28.25
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 (2011-12)				Previous Year (2010-11)			
	Fuel		Electricity		Fuel		Electricity	
	Kg.	₹	kwh	₹	Kg.	₹	kwh	₹
1. Phosphorous compounds	163	3089	385	2558	150	2536	379	2171
2. Chemicals	263	5208	740	4895	267	4596	867	4949
3. Organic Manure	Nil	Nil	53	354	Nil	Nil	64	390

(B) TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R & D)

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

- Process development work carried out in specialty polymer input chemical has resulted in replacing the high cost catalyst by a low cost catalyst; this has also resulted in improving raw material and energy consumption.
- Process optimization & analytical method has been developed successfully for three high value additives in surfactant segment for export.
- Process optimization for an electronic application product completed and product supplied to customer for evaluation.
- A simple & innovative effluent treatment method developed and implemented successfully.
- Process development and yield improvement achieved in Pharma intermediate product.

2. Benefits derived as a result of above efforts:

- Product quality improved and catalyst cost as well as Furnace oil consumption reduced.
- Capacity of production increased by maintaining pollution standards.

3. Future plan of action:

- Recovery and recycle of alkyl halide from the effluent of the product.

4. *Expenditure on R & D for the year 2011-2012:*

	(₹ in Lacs)
(a) Capital	21.95
(b) Recurring	277.95
(c) Total	299.90
(d) Total R & D expenditure as a percentage of total turnover	1%

(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 continues to see strong demand from its existing customers for the key agro chemical intermediate manufactured by it.
- The Company has been able to extend the customer base for one of the specialty polymer inputs manufactured by it. Efforts are on to further add to the customer base. The EU REACH registration secured by the Company has helped in accessing these new opportunities.
- Severe price competition has had an adverse impact on the volumes and price realisation of the water treatment chemical range. Efforts are on to target new customers to overcome this.

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

	(₹ in Crores)
Used	77.50
Earned	64.18

For and on behalf of the Board of Directors

A. C. SHROFF

Chairman & Managing Director

Mumbai, 25th May, 2012.

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, 2012.

None of the employees' remuneration exceeds the limit as specified in Section 217(2A).

For and on behalf of the Board of Directors

A. C. SHROFF

Chairman & Managing Director

Mumbai: 25th May, 2012.

EXCEL INDUSTRIES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

1. BUSINESS REVIEW

1.1. Business Segment – Chemicals Business Division

(a) Industry structure and development:

Over the years, Company continues to make efforts to increase both the number of products it offers and the Industry segments it serves. Still Agrochemicals sector continues to be the leading consumer for the Company's products with more than 50% revenues coming from the same. The Agrochemicals sector witnessed major events in the year under review. While on one hand the country's strong generic products base was hit hard by the complete banning of Endosulphan by the Hon. Supreme Court of India and also the increasing regulatory pressure on certain organophosphorus insecticides, the domestic sector is, on the other hand, finding increasing opportunities in the other products growing in their volumes. The industry is also witnessing launching of several new generation herbicides and fungicides throwing up opportunities for development and manufacture of new intermediates. The khariff season was a poor performer due to inconsistent monsoon across the leading agricultural states of India whereas the Rabi season has been a resounding success and the agricultural production has been so successful as to put pressure on the procurement and storage system in the country. This has also put pressure on the Government to open up the export of cotton and sugar.

The entire year has witnessed a steady demand for the Company's Agrochemical Intermediates. The Company had faced very aggressive and damaging competition from the exporters of China in the last few years. The year however saw a marked change in the degree of competition from this front. As against this, the year in India saw continuously increasing imports from China of Water Treatment Chemicals. The Company also had to contend with Chinese competition in Europe and USA and the export of Phosphonates suffered. The Polymer industry in both domestic and global markets was bullish with prices increasing based on the crude oil price and there was a steady demand for the specialty products in this sector.

On the other hand, prices of the raw materials for the Company saw a steep increase. Availability of Yellow Phosphorous from China was erratic and at a higher price and the Company developed alternate sources to stay competitive in agrochemical and Phosphonates markets. Prices of Petrochemical inputs, Ethanol and Acetic Acid and solvents also rose sharply. Despite increase in volumes, the Company had to bear with reduction in its profit margin.

(b) Opportunities and threats:

The most significant change seems to be based on the happenings in the Chinese Chemical Industry. It was reported that several plants remained closed in China for varying periods during last year resulting reduced availability of products from China which in turn resulted in higher prices from the operating Chinese producers. The Company was able to improve the capacity utilization of its plants riding on this availability gap from China. The litigation between the consumer group and the Government in respect of Anti dumping duty on the import from China of Diethyl Thiophosphoryl Chloride continued and we, as producers, were also impleaded. However, the Anti dumping duty imposed two years ago continued to operate throughout the year. The final outcome of proceedings in the Hon. Supreme Court and the Central Excise Appellate Tribunal could have adverse impact on the Company's ability to sustain its production of DETPC. There is a steadily increasing demand for Company's Mining Chemical product based on Tin price ruling in the global metal market and the Company is able to gain by fulfilling this demand. The Company has developed new customers for its existing Specialty products and is introducing new products and should realize the full potential of it in the coming year. The strong Research & Development base in the Company will enable it to develop advanced intermediates for the newly launched Herbicides and Fungicides. The Company has also taken steps to develop new business in the area of Electronic Chemicals which will find application in Solar Photovoltaic Industry and in Display devices.

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

The production and sale of Phosphorous based Agrochemical Intermediates saw an increase. There was also an increase in the production of the new pharmaceutical intermediate. The sale of Water Treatment Chemicals decreased in both the domestic and export markets. There was a significant gain in the volume of export of the mining chemical whereas volumes of most of the other products remained steady. There was a sharp rise in the cost of Yellow Phosphorous, Ethanol and Acetic Acid and a few other Petrochemical based raw materials and the margins were affected adversely. The raw material prices are further rising as we enter the new fiscal year and the Company will have to endeavour to pass on the increases to the customer. The prices of Coal, Fuel oil and Electricity increased substantially and the Company continues its efforts to conserve energy and reduce the consumption norms so as to mitigate the adverse impact of the increases. The Company will make full efforts to maximize its Sales Volumes and conservation efforts on both materials and energy to maintain its profitability.

(d) **Risks and concerns:**

Prices of all forms of energy are likely to further increase in the coming years. Performance of the Chemical Industry in China and its ability to export to Indian consumers at near dumping prices continues to be a risk to be watched closely. Any adverse ruling by the Courts or the Tribunal in respect of the Anti dumping duty is a matter of concern. The Company's major products have reached maturity in terms of process improvement and offer limited scope for further conservation efforts. Environmental regulations in respect of performance of Common Effluent Treatment Plants, even in notified chemical Industry zones, has begun to affect the speed at which the industry can either expand the capacities or introduce new products. The economic recession, particularly in Europe, is a matter of concern in terms of Company's exports to this market.

1.2. Business Segment – Environment & Biotech Division

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

The Company operates in two business areas: (1) it has a plant in Ahmedabad to take in the Municipal Solid Waste and treat the same to convert the organic portion to manure through composting and (2) It offers a decentralized organic waste treatment and disposal solution through its Organic Waste Converter machine(OWC). Several Centralized Treatment plants have now come up in various major cities in India. The key to economic success of these plants is to recover and recycle as many components of the city waste as possible. Technology and operating patterns of different competing companies are at different stages of development. Centralized Treatment plants tend to be capital intensive even for composting process. For generation of energy or for biomethanation, there really are no success stories in the country.

Most of the urban local bodies are under severe pressure from the society, environmentalists and the Ministry of Environment and Forests to find an economically viable and technically valid and operable solution to the problem of how not to continue to dump the city waste. The Company offers a good solution and has been able to market its Technology to several plants in the past.

The Company has been pioneering the decentralized organic waste treatment technology. The other technology options at the same scale are Vermiculture and Mini Bio gas plants. The OWC offers distinct advantages and is being sold to variety of clients like Housing Societies, Hotels, Industrial Canteens, Temples and Food and Fish Processing Industries. It is also being accepted as a ward level solution by the Municipal Corporations and is already functioning in Panjim and Pune. A customized version is being installed to treat the vegetable waste generated at the Agricultural Cooperative marketing yards.

(b) **Opportunities and threats:**

The urgent need of the Urban Local Bodies (ULB) to find a solution is opening up a large number of projects across the country. While the ULBs are looking for an integrated operation like collection, transportation, treatment, recycle and final sanitary land fill, the Company can offer its Microbial process for accelerated composting which can

become a step in the entire integrated process. The project installed at Mauritius on the process licensed by the Company is running very successfully and is likely to open up further opportunities for the Company both in India and other countries.

The R&D work being carried out at our Ahmedabad plant for increased recovery and recycle of various components of the city waste will help improve the economic yield of the plant.

The market for OWC is also rapidly expanding with the success of medium scale project at Panjim and Pune. The Agri Market Yard model is also very successful and is likely to be taken up at various locations in the country. Efforts are also on to improve the process and to reduce the time of composting and with the results likely to be positive, the attractiveness of the OWC will be further enhanced.

The finances for the large centralized plants by the ULBs and also the projects like Agri Market Yards are provided and released by various Government agencies and often suffer procedural delays. We are required to develop an Operation & Maintenance Network which is a challenge on our current competence.

(c) Segment wise performance and outlook:

The Division was successful in installing a top of the model OWC machine at Pune with a treatment capacity of 2 Metric Ton per day in a one shift operation. Projects of similar capacity were also set up at two different locations allotted by Panjim Municipal Corporation. These are all show case projects and potential clients are taken to these projects for demonstration. Efforts are on to convince the large Municipal Corporations to adopt a dual strategy of installing ward level solutions using OWC and pre-segregation of the organic waste as well as pursuing large centralized projects for recovery and recycling and concurrent composting. The main advantage is the avoidance of transportation of the organic waste across the cities in large quantities.

The Division also secured a project for complete treatment of the vegetable waste generated at six different Agricultural Produce Marketing Boards (APMBs) in the state of Uttarakhand. The machine is also operating at several APMBs in Gujarat and this market is expected to grow in the next year. Efforts to streamline the production of the machines at the Vendor's end have also been very successful and the business prospects in the coming year look very positive.

Sales of Celrich from the plant at Ahmedabad were also encouraging with arrangements being worked out with public sector Fertilizer marketing companies. The product in a new form of granules is being developed. This form of the product has a good export potential and should help increase the per unit realization. Design and engineering work is going on to enhance the waste in-take every day and to commence the recovery of waste plastic and metals and to establish the feasibility to produce fuel briquettes.

(d) Risks and concerns:

The plant at Ahmedabad is located on a plot allotted for the purpose by the Ahmedabad Municipal Corporation. The process development work being done at the site, the installation of facilities to recover and recycle plastics and metals, isolated treatment of segregated restaurant waste all require further space which is not easy to secure. The location also suffers from certain constraints which make expansion very difficult. It is also not possible to run the plant in the monsoon season. Efforts are on to overcome all such difficulties.

The quality of the city compost often fluctuates based on the nature and source of incoming waste. The product is covered under the regulations of Fertilizer Control Order and it calls for special efforts to comply with all its requirements. The compost market is highly seasonal and hence large inventories have to be accommodated during the off season. It is not easy to get personnel to operate the plant given the nature and ambiance of the work.

The Company is making efforts to reduce the cost of the OWC machine and also the cost of treatment. Efforts are also on to reduce the composting time to five days from the current 10 days. Early success on these efforts is necessary to rapidly increase the number of machines being sold every year.

But the Company has accepted this challenge of providing a combination of viable solutions to the problem of city waste and will endeavor to spread the success to many cities in India and also in the overseas market.

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 2011-12	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	5	Yes	7	2
Mrs. Usha A. Shroff Executive Vice Chairperson	Promoter – Executive	5	Yes	7	3
Mr. S. R. Potdar Executive Director	Executive	4	Yes	2	Nil
Mr. Atul G. Shroff	Promoter – Non-Executive	4	Yes	4	5
Mr. R. N. Bhogale	Independent – Non-Executive	3	Yes	1	Nil
Mr. H. N. Motiwalla	Independent – Non-Executive	5	Yes	6	1
Mr. P. S. Jhaveri	Independent – Non-Executive	4	Yes	4	4
Mr. Dipesh K. Shroff	Promoter – Non-Executive	5	Yes	11	1
Mr. M. B. Parekh	Independent – Non-Executive	2	Yes	4	Nil
Mr. N. B. Sathe	Independent – Non-Executive	4	Yes	Nil	Nil

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

20th May, 2011 22nd July, 2011 19th October, 2011 20th January, 2012
22nd March, 2012

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

NAME OF THE DIRECTOR	MR. M. B. PAREKH
Date of Birth	16-02-1944
Date of Appointment	25-03-2005
Expertise in specific functional areas	Industrialist with wide experience in Chemicals Industry and Consumer products.
Qualifications	Chem. Engg. From UDCT M.S. Chem. Engg. From University of Wisconsin, USA
Other Public Companies in which Directorship held	Fevicol Company Limited Kalva Marketing and Services Limited Pidilite Industries Limited Vinyl Chemicals (India) Limited
Other Public Companies in which membership of Committees of Directors held	Nil
No. of Shares held on 31st March, 2012	Nil

NAME OF THE DIRECTOR	MR. ATUL G. SHROFF
Date of Birth	23-12-1947
Date of Appointment	26-08-1994
Expertise in specific functional areas	Industrialist with wide business experience
Qualifications	SSC
Other Public Companies in which Directorship held	Banco Products (India) Limited Shri Dinesh Mills Limited Transchem Agritech Limited Transpek Industry Limited
Other Public Companies in which membership of Committees of Directors held	Chairman — Shareholders'/Investors' Grievance Committee of Banco Products (India) Ltd. — Shareholders'/Investors' Grievance Committee of Shri Dinesh Mills Ltd. — Remuneration Committee of Shri Dinesh Mills Ltd. Member — Shareholders'/Investors' Grievance Committee of Transpek Industry Limited — Audit Committee of Transpek Industry Limited
No. of Shares held on 31st March, 2012	59,784

4. **No. of Shares held by Non-Executive Directors as on 31st March, 2012**

Name of the Director(s)	Shares Held (No.)
Mr. Atul G. Shroff	59,784
Mr. Dipesh K. Shroff	8,619

Other Non-Executive Directors do not hold any shares in the Company as on 31st March, 2012.

5. **Audit Committee**

The role of the Audit Committee is to supervise the Company's financial 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 on record.

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, 2012:

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:

20th May, 2011, 22nd July, 2011, 19th October, 2011 and 20th January, 2012.

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	4
Mr. R. N. Bhogale	4	2

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, 2012:

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 20th May, 2011 and 22nd January, 2012. 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	1
Mr. P. S. Jhaveri	2	2

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 2011-12:

DIRECTORS	SITTING FEES FOR BOARD/ COMMITTEE MEETINGS (₹)	SALARIES AND OTHER PERQUISITES (₹)	COMMISSION (₹)	TOTAL (₹)
Mr. A. C. Shroff	N. A.	49,90,288	Nil	49,90,288
Mrs. Usha A. Shroff	N. A.	46,61,408	Nil	46,61,408
Mr. S. R. Potdar	N. A.	44,33,174	Nil	44,33,174
Mr. Atul G. Shroff	20,000	N. A.	1,50,000	1,70,000
Mr. R. N. Bhogale	30,000	N. A.	3,00,000	3,30,000
Mr. H. N. Motiwalla	80,000	N. A.	3,25,000	4,05,000
Mr. P. S. Jhaveri	50,000	N. A.	2,25,000	2,75,000
Mr. Dipesh K. Shroff	50,000	N. A.	2,00,000	2,50,000
Mr. M. B. Parekh	10,000	N. A.	1,75,000	1,85,000
Mr. N. B. Sathe	20,000	N. A.	1,25,000	1,45,000

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 employment 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.

Commission to the Non-Executive Directors pertains to the year 2010-11 which was paid in the year 2011-12.

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, 2012:

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.

20th May, 2011, 22nd July, 2011, 19th October, 2011, 20th January, 2012 and 22nd March, 2012.

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	5	5
Mrs. Usha A. Shroff	5	5
Mr. S. R. Potdar	5	4
Mr. H. N. Motiwalla	5	5

During the year, 11 complaints were received from the investors, all of which were replied/resolved. There are no pending share transfers as on 31st March, 2012.

9. General Meetings

Location and time of the last three Annual General Meetings

YEAR	LOCATION	DAY/DATE	TIME	NO. OF SPECIAL RESOLUTIONS
2008-09	Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020.	Monday, 24th August, 2009	3.00 p.m.	1
2009-10	-do-	Monday, 19th July, 2010	3.00 p.m.	Nil
2010-11	-do-	Friday, 22nd July, 2011	3.00 p.m.	1

No special resolution was passed through Postal Ballot during 2011-12. None of the business proposed to be transacted at the ensuing 51st Annual General Meeting requires passing through Postal Ballot.

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, directors, management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

Related party transactions include 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 2011-12 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.

• Particulars of Cost Auditor:

Name of the Cost Auditor	Mr. Rajesh N. Soni
Membership No.	12107
Date of Appointment of Cost Auditor for Financial Year 2011-12 for following products: Insecticides Industrial Alcohol Bulk Drugs Fertilizers	21st January, 2011 20th May, 2011 20th May, 2011 20th May, 2011
Filing of Cost Audit Report for Financial Year 2010-11: Due Date Actual Date	27th September, 2011 23rd August, 2011

11. **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>

12. **Management Discussion and Analysis forms a part of the Annual Report.**

13. **General Shareholder Information**

• **Annual General Meeting:**

Date and Time : Friday, the 20th July, 2012 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, the 14th July, 2012 to Friday, the 20th July, 2012
(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)

• **Listing Fee** : Listing fees for the year 2012-13 have been paid

• **Dividend payment date** : On or after 24th July, 2012

• **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

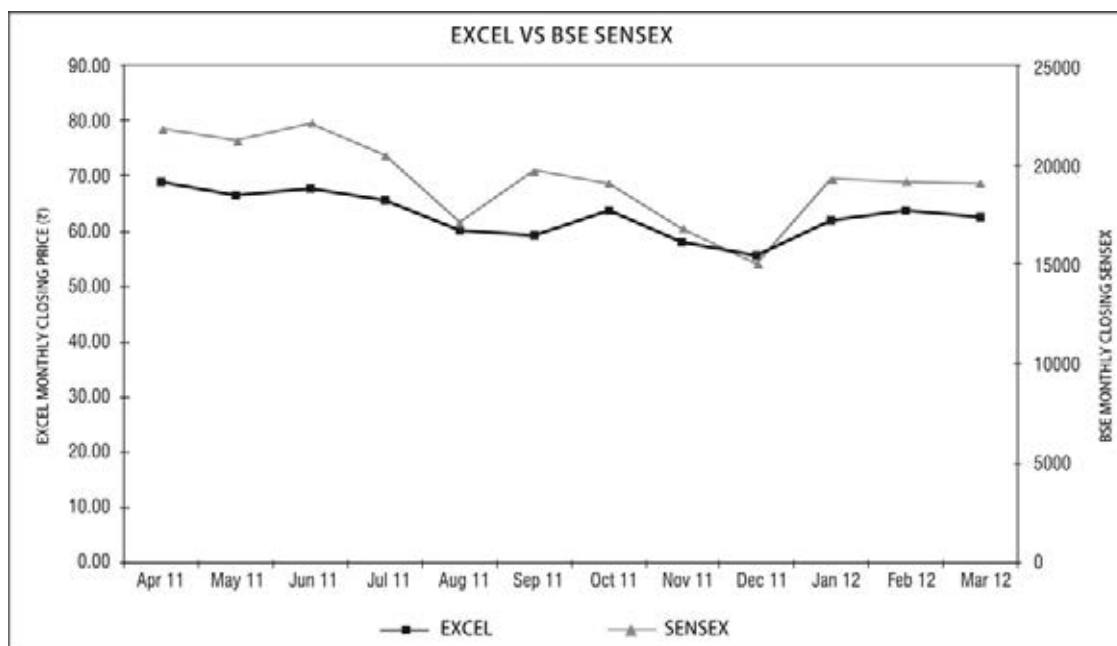
Demat ISIN Number in NSDL and CDSL : INE 369A01029

• **Market Price Data:**

	Bombay Stock Exchange (in ₹)	
	High	Low
April-2011	91.60	76.30
May-2011	82.00	73.10
June-2011	84.90	73.50
July-2011	87.90	72.00
Aug-2011	74.00	58.60
Sept-2011	72.90	61.30
Oct-2011	71.75	63.00
Nov-2011	70.00	55.00
Dec-2011	64.90	53.10
Jan-2012	73.65	53.20
Feb-2012	75.45	68.15
Mar-2012	75.10	67.00

- **Share Price Movements:**

Share Price Movement for the period from April, 2011 to March 2012 Excel Industries Limited vs BSE Sensex.



Share Transfer System : The share transfer function is carried out by the Registrar and Transfer Agent-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).

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, 2012:**

CATEGORY	NO. OF SHAREHOLDERS	PERCENTAGE	NO. OF SHARES	PERCENTAGE
1 - 500	11937	88.71	1664929	15.27
501 - 1000	805	5.98	595184	5.46
1001 - 2000	372	2.76	543481	4.98
2001 - 3000	121	0.91	302822	2.78
3001 - 4000	49	0.36	172487	1.58
4001 - 5000	35	0.26	163329	1.50
5001 - 10000	54	0.40	390699	3.58
Above 10000	84	0.62	7072699	64.85
Total	13457	100.00	10905630	100.00

- **Categories of Shareholders as on 31st March, 2012:**

CATEGORY	NO. OF SHAREHOLDERS	NO. OF SHARES	% OF SHAREHOLDING
Promoters	40	4495497	41.22
Life Insurance Corporation of India	1	1012799	9.29
Individuals	13072	5019851	46.03
Companies	203	301115	2.76
Non-Resident Individuals	118	70979	0.65
Indian Banks and Mutual Funds	13	3967	0.04
Foreign Institutional Investors & Foreign Banks	10	1422	0.01
Total	13457	10905630	100.00

As per Clause 5A of the Listing Agreements of the Stock Exchanges, the Company has opened a demat account styled as “Excel Industries Limited Unclaimed Share Suspense Account”. The details of the account holding are as under:

CATEGORY	NO. OF SHAREHOLDERS	SHARES
Body Corporate	8	579
Foreign Banks	3	187
Mutual Funds	2	100
Public	264	38800
Total	277	39666

- **Dematerialisation of Shares and Liquidity:**

95.40% of the Company’s share capital is held in dematerialised form as on 31st March, 2012. The Company’s shares are regularly traded on The Bombay Stock Exchange Ltd., (BSE) and The National Stock Exchange of India Ltd., (NSE).

- **Unclaimed Shares:**

During the year, as per New Clause 5A of the Listing Agreement of the Stock Exchanges, the Company has after completing all the procedures transferred the unclaimed shares to “Excel Industries Unclaimed Share Suspense Account”. The status of account is as under:

Outstanding shares lying in the account at the beginning of the year		Number of shareholders approached and to whom the Company transferred shares from the Unclaimed Share Suspense Account to shareholder account during the year		Outstanding shares lying in the Unclaimed Suspense Account at the end of the year	
No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares
278	39831	1	165	277	39666

As on 30th March, 2012, the Company has demated the outstanding unclaimed shares.

- **Factory Locations:**

- | | |
|---|---|
| <p>(a) Plot No.112, M.I.D.C. Industrial Area,
Dhatav, Roha,
Dist. Raigad-402 116.</p> <p>(b) D-9, M.I.D.C., Lote Parshuram,
Tal: Khed, Dist. Ratnagiri-415 722.</p> | <p>(c) Near Sewage Farm,
Narol Sarkhej Octroi Naka,
Baherampura, Ahmedabad-380 022.</p> |
|---|---|

EXCEL INDUSTRIES LIMITED

- **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
E-mail: excel.mumbai@excelind.com
- **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, 25th May, 2012.

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 2012, 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, 25th May, 2012.

EXCEL INDUSTRIES LIMITED

TEN-YEAR HIGHLIGHTS

		(₹ in lacs)								
	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
I. CAPITAL ACCOUNTS										
A. Share Capital	545.28	545.28	545.28	545.28	545.28	545.28	545.28	545.28	545.28	545.28
B. Reserves	11750.98	10536.63	9670.21	9127.96	9147.61	9007.41	8936.96	8906.39	9049.67	9122.35
C. Shareholders' Funds (A+B)	12296.26	11081.91	10215.49	9673.24	9692.89	9552.69	9482.24	9451.67	9594.95	9667.63
D. Borrowings	6371.31	5181.78	6011.05	7523.50	7358.85	7280.99	10622.07	10035.26	10295.44	11092.37
E. Deferred Tax Liability (Net)	1406.24	1369.61	1468.26	1019.22	993.70	919.55	886.31	1045.36	1836.60	1811.33
F. Capital Employed (C+D+E)	20073.81	17633.30	17694.80	18215.96	18045.44	17753.23	20990.62	20532.29	21726.99	22571.33
G. Gross Block	23246.53	21251.31	21507.89	21474.10	20721.74	19127.27	19014.61	17857.91	18192.06	17759.12
H. Net Block	11256.31	10096.98	10440.01	10650.45	10975.93	10408.27	10459.51	10641.02	11109.25	11607.68
I. Debt-Equity Issue	0.52:1	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
II. REVENUE ACCOUNTS										
A. Gross Revenue	34376.84	29647.53	25497.38	26963.53	25412.91	22717.31	23543.59	25698.01	21102.42	21458.25
B. Profit/(Loss) before Taxes	1176.75	2035.25	1139.61	137.08	593.50	198.04	(280.13)	(487.44)	64.62	419.47
% of Gross Revenue	3.42%	6.86%	4.47%	0.51%	2.34%	0.87%	-1.19%	-1.90%	0.31%	1.95%
C. Exceptional Item	724.01	—	—	—	—	—	—	—	—	—
D. Profit/(Loss) after Taxes	1512.13	1430.90	607.06	74.49	421.73	131.80	(172.08)	(79.39)	31.95	316.37
% of Gross Revenue	4.40%	4.83%	2.38%	0.28%	1.66%	0.58%	-0.73%	-0.31%	0.15%	1.47%
E. Return on Shareholders' Funds %	12.30%	12.91%	5.94%	0.77%	4.35%	1.38%	-1.81%	-0.84%	0.33%	3.27%
III. EQUITY SHAREHOLDERS' EARNINGS										
A. Earning per Equity Share *	₹ 13.46	12.30	7.30	0.40	3.62	1.23	(0.28)	(0.10)	0.46	1.59
B. Dividend per Equity Share *	₹ 2.00	3.75	2.00	0.50	1.00	0.50	—	0.50	1.00	1.50
C. Equity Dividend	₹ 218.11	408.96	218.11	54.53	109.06	54.53	—	54.53	109.06	163.58
D. Net Worth per Equity Share*	₹ 112.75	101.62	93.67	88.70	88.88	87.59	86.95	86.87	87.98	88.65
E. Market Rate as on 31st March	₹ 68.70	74.15	58.25	26.45	53.15	41.17	58.90	60.05	74.10	64.45
* Face Value of Equity Share – ₹ 5/-.										

EXCEL INDUSTRIES LIMITED

SUMMARISED BALANCE SHEET

As at March 31,

	2012		2011	
	₹	₹	₹	₹
	(in lacs)	(in lacs)	(in lacs)	(in lacs)
WHAT THE COMPANY OWNED				
1. FIXED ASSETS				
Gross Block	23246.53		21386.20	
Less: Depreciation	11990.22		11451.73	
		11256.31		9934.47
2. INTANGIBLE ASSETS		51.88		88.45
3. NON-CURRENT INVESTMENTS		1413.14		1362.01
4. LONG TERM LOANS & ADVANCES				
& OTHER NON-CURRENT ASSETS		433.38		392.04
5. NET CURRENT ASSETS		7455.84		5898.12
		20610.55		17675.08
WHAT THE COMPANY OWED				
1. BORROWINGS (LONG TERM & SHORT TERM)		6371.31		4762.17
2. LONG TERM PROVISIONS		536.74		461.40
3. NET WORTH (Shareholders' Equity)				
Represented by				
(i) Share Capital	545.28		545.28	
(ii) Reserves	11750.98		10536.63	
		12296.26		11081.91
4. DEFERRED TAX LIABILITY (NET)		1406.24		1369.61
		20610.55		17675.09

SUMMARISED PROFIT AND LOSS ACCOUNT

For the year ended March 31,

	2012		2011	
	₹	₹	₹	₹
	(in lacs)	(in lacs)	(in lacs)	(in lacs)
WHAT THE COMPANY EARNED				
From Sales (including Excise Duty)		32499.76		27254.14
From Export Earnings	192.53		194.06	
From Other Sources	1684.55		2199.33	
From Exceptional Income	724.01		—	
		2601.09		2393.39
		35100.85		29647.53
WHAT THE COMPANY SPENT				
On Manufacturing Costs		27359.83		22133.57
On Employees		4151.17		3939.29
Interest on Loans		719.54		565.22
Depreciation		969.55		974.20
		33200.09		27612.28
OPERATING PROFIT		1900.76		2035.25

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 2012, and also the Statement of Profit and Loss 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 (Auditors' 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Statement of Profit and Loss 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 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2012 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 2012;
 - (b) in the case of the Statement of Profit and Loss, 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 : 25 May 2012

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) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) There was no disposal of a substantial part of fixed asset 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) According to the information and explanations given to us, the Company has not granted or taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(iii)(a) 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 & services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in internal control system of the Company in respect of these areas.
- (v)
 - (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.
 - (b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lacs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at 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 of the Company 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 of India for the maintenance of cost records under Section 209(1)(d) of the Act, related to the manufacture of insecticides, industrial alcohol, bulk drugs and its intermediates and fertilisers and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.
- (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, the dues outstanding of income tax, sales tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are 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	14.39	2002-05	Additional Commissioner, Raigad
State Excise Act	Excise Duty Demand	176.91	2002-12	Commissioner of State Excise
Central Excise	Excise Duty Demand	28.14	2007-08	Additional Commissioner of Central Excise, Raigad
Central Excise	Excise Duty Demand	208.54	2005-09	Assistant Commissioner of Cental Excise, Raigad Division
Service Tax	Service Tax Demand	8.99	2005-09	Additional Commissioner of Service Tax, Raigad
Service Tax	Service Tax Demand	1.26	2010-11	Commissioner of Central Excise, Alibaug
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.
Service Tax	Reversal of Cenvat Credit of Service Tax	1.01	2010-11	Superintendent of Central Excise, Roha Range, Alibag Division
Service Tax	Reversal of Cenvat Credit of Service Tax	8.20	2010-11	Deputy Commissioner of Central Excise, Raigad

- (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) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the 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 on 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 : 25 May 2012

EXCEL INDUSTRIES LIMITED

BALANCE SHEET AS AT MARCH 31, 2012

	Notes	As at March 31, 2012 (₹ in Lacs)	As at March 31, 2011 (₹ in Lacs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	5,45.28	5,45.28
Reserves and surplus	4	117,50.98	105,36.63
		122,96.26	110,81.91
Non-Current Liabilities			
Long-term borrowings	5	5,45.15	14,65.08
Deferred tax liabilities (net)	6	14,06.24	13,69.61
Long-term provisions	7	5,36.74	4,61.40
		24,88.13	32,96.09
Current Liabilities			
Short-term borrowings	8	58,26.16	32,97.09
Trade payables	9	45,14.16	38,39.88
Other current liabilities	9	24,66.08	11,54.10
Short-term provisions	7	8,40.58	10,96.02
		136,46.98	93,87.09
TOTAL		284,31.37	237,65.09
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	10	106,96.34	97,99.58
Intangible assets	11	51.88	88.45
Capital work-in-progress		5,59.97	1,34.89
Non-current investments	12	14,13.14	13,62.01
Long-term loans and advances	13	3,60.38	3,92.04
Other non-current assets	14.2	73.00	—
		131,54.71	117,76.97
Current Assets			
Inventories	15	47,60.12	38,54.07
Trade receivables	14.1	83,92.48	60,41.58
Cash and bank balances	16	7,33.78	4,14.95
Short-term loans and advances	13	11,65.20	13,78.23
Other current assets	14.2	2,25.08	2,99.29
		152,76.66	119,88.12
TOTAL		284,31.37	237,65.09
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements. 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: 25 May 2012 For and on behalf of the Board of Directors of Excel Industries Limited A. C. SHROFF Chairman and Managing Director S. R. POTDAR Executive Director S. K. SINGHVI Company Secretary Place : Mumbai Date: 25 May 2012 U. A. SHROFF Executive Vice Chairperson KAILAS DABHOLKAR Vice President – Finance and Taxation			

EXCEL INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Notes	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
INCOME			
Revenue from operations (gross)	17	339,10.89	293,40.52
Less: Excise duty		23,61.41	18,42.23
Revenue from operations (net)		315,49.48	274,98.29
Other income	18	4,65.95	2,98.42
Total revenue (I)		320,15.43	277,96.71
EXPENSES			
Cost of materials consumed	19	172,61.91	133,88.04
Purchase of traded goods	20	7,17.39	6,19.77
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	20	(3,70.53)	(4,81.23)
Employee benefits expense	21	41,51.17	39,39.29
Other expenses	22	72,17.28	66,49.00
Total Expenses (II)		289,77.22	241,14.87
Profit before depreciation and amortisation, interest, exceptional item, tax and prior period adjustments (EBITDA) (I-II)		30,38.21	36,81.84
Depreciation and amortisation expense	23	9,69.55	9,74.20
Finance costs	24	8,91.91	6,72.39
Profit before exceptional item and tax, prior period adjustments		11,76.75	20,35.25
Exceptional item	25	7,24.01	—
Profit before tax and prior period adjustments		19,00.76	20,35.25
Tax expenses			
Current tax (MAT payable)		3,64.00	7,03.00
Minimum Alternative Tax (Entitlement)		(12.00)	—
Deferred tax		36.63	(98.65)
Total tax expense		3,88.63	6,04.35
Profit after tax but before prior period adjustments		15,12.13	14,30.90
Add/(Less): Prior period adjustments [Net of tax of ₹ 31.41 lacs (Previous Year: ₹ 24.36 lacs)]		(46.50)	(1,05.25)
Add/(Less): Provision for taxation in respect of earlier years		2.20	16.07
Profit for the year		14,67.83	13,41.72
Earnings per equity share [nominal value of share ₹ 5/- (Previous Year: ₹ 5/-)]	26		
Basic and Diluted (in ₹) computed on the basis of profit for the year		13.46	12.30
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements. 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: 25 May 2012 For and on behalf of the Board of Directors of Excel Industries Limited A. C. SHROFF Chairman and Managing Director S. R. POTDAR Executive Director S. K. SINGHVI Company Secretary U. A. SHROFF Executive Vice Chairperson KAILAS DABHOLKAR Vice President – Finance and Taxation Place : Mumbai Date: 25 May 2012			

EXCEL INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	March 31, 2012 (₹ in Lacs)	March 31, 2011 (₹ in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Exceptional Item	11,76.75	20,35.25
Adjustments for:		
Depreciation	9,19.28	9,23.11
Amortisation of Intangible Assets	50.27	51.09
Tangible Assets written off	92.84	1,86.11
Provision for Doubtful Debts/Advances	7.52	10.50
Sundry Credit Balances written back	(5.16)	(41.84)
Bad Debts/Sundry Debit Balances Written Off (Net)	6.03	1,17.91
Loss/(Profit) on sale of Tangible Assets	38.24	7.70
Provision for Gratuity/Leave Encashment	2,83.42	3,05.10
Interest Income	(32.93)	(24.07)
Finance cost	7,19.54	5,65.22
Dividend Income	(1,24.12)	(1,34.48)
Unrealised exchange loss	38.12	9.71
Short/(Excess) Provision for other items (Net)	(69.52)	8.51
	19,23.53	19,84.57
Operating Profit before working capital changes	31,00.28	40,19.82
Adjustments for:		
Decrease/(Increase) in Trade Receivables	(23,54.98)	(4,91.25)
Decrease/(Increase) in Inventories	(9,06.05)	(4,72.36)
Decrease/(Increase) in Other Current Assets	78.95	6.01
Decrease/(Increase) in Loans & Advances	2,31.69	(33.31)
Increase/(Decrease) in Current Liabilities & Provisions	17,72.26	10,21.98
	(11,78.13)	31.07
Cash generated from Operations	19,22.15	40,50.89
Direct taxes paid	3,59.54	5,10.21
	3,59.54	5,10.21
Cash flow before exceptional item	15,62.61	35,40.68
Prior Period Adjustments (Other than Taxation)	(46.50)	(1,05.25)
Net cash from/(used in) Operating Activities (A)	15,16.11	34,35.43
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets includes capital advances	(23,97.15)	(10,24.44)
Purchase of intangible assets	(23.12)	(54.02)
Proceeds of tangible assets	7,58.38	1,13.06
Purchase of Investments	(51.13)	(3,65.86)
Interest received	29.49	26.46
Dividend received	1,24.12	1,34.48
Sundry Loans (given)/returned	25.00	(65.00)
Net Cash from/(used in) Investing Activities (B)	(15,34.41)	(12,35.32)

EXCEL INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	March 31, 2012 (₹ in Lacs)	March 31, 2011 (₹ in Lacs)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds from borrowings (Gross)	35,85.88	10,26.95
Repayment of borrowings (Gross)	(20,14.86)	(22,85.54)
Dividend Paid	(4,04.98)	(2,16.40)
Interest paid	(6,89.57)	(5,29.21)
Tax on distributed Profits	(66.34)	(36.23)
Net cash from/(used in) Financing Activities (C)	4,10.13	(20,40.43)
Net increase in cash and cash equivalents (A+B+C)	3,91.83	1,59.68
Cash and cash equivalents at the beginning of the year	4,14.95	2,55.27
Cash and cash equivalents at the end of the year*	8,06.78	4,14.95
Break-up:		
Balance with Banks:		
(i) In Unpaid Dividend Accounts	12.85	8.87
(ii) In Current Accounts	4,55.39	1,63.75
(iii) In Deposits	73.00	73.00
(iv) In Margin Money Accounts	2,63.09	1,69.17
(v) Unrealised Exchange loss/(gain)	2.45	0.16
	8,06.78	4,14.95
Note: * Cash and cash equivalents include ₹ 12.85 lacs (Previous Year ₹ 8.87 lacs) in respect of unpaid dividend, the balance of which is not available to the Company.		
As per our attached 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: 25 May 2012	For and on behalf of the Board of Directors of Excel Industries Limited A. C. SHROFF Chairman and Managing Director S. R. POTDAR Executive Director S. K. SINGHVI Company Secretary Place : Mumbai Date: 25 May 2012	
	U. A. SHROFF Executive Vice Chairperson KAILAS DABHOLKAR Vice President – Finance and Taxation	

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

1. CORPORATE INFORMATION

Excel Industries Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The company is engaged in manufacturing of Chemicals and Environmental products. Chemicals comprising of Industrial and Specialty chemicals and Pesticides Intermediates. Environmental products comprising of Soil Enricher, Bio-Pesticides and other Bio-products. The Company is also engaged in manufacturing activity on behalf of third parties.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the *Companies (Accounting Standards) Rules, 2006, (as amended)* and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention, 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.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Change in accounting policy

Presentation and disclosure of financial statements

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Tangible fixed assets

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

- (i) 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.

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

- (ii) 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.

(d) Depreciation on tangible fixed assets

- (i) 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.

- (ii) 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 and 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.

(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) 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.

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(g) Leases

Where the company is 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 statement of profit and loss on a straight-line basis over the lease term.

Where the company is the lessor

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

(h) 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. 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.

(i) Impairment of tangible and intangible assets

- (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.

(j) Government grants and subsidies

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

(k) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

(l) Inventories

Raw materials, containers, (packing materials) stores and spares are valued at 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 of raw materials, containers and stores and spares is determined on a moving weighted average basis.

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on absorption costing basis at actuals.

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

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.

(m) Revenue recognition

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

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been 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

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

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 or Duty Drawback Scheme as per the Export and Import Policy in respect of exports made under the said Scheme is included under the note "Other Operating Revenue" as 'Exports incentives'.

Dividends

Dividend income is recognised when the Company's right to receive dividend is established by the reporting 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.

(n) Foreign currency translation

Foreign currency transactions and balances

(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 retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(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 entered into to hedge foreign currency risk of an existing asset/liability.

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense/income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period.

(o) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due.

Retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contribution is charged to the statement of profit and loss 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.

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.

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.

Actuarial gains/losses are recognised immediately to the statement of profit and loss and are not deferred.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss immediately.

(p) Income taxes

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 reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting 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 reporting 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 reporting 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 statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each reporting 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.

(q) Segment reporting

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 at cost plus appropriate margins.

Allocation of common costs

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

Unallocated items

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

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Segment accounting 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.

(r) 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.

(s) Provisions

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(t) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

(u) Cash and cash equivalents

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

(v) Measurement of EBITDA

As permitted by the *Guidance Note on the Revised Schedule VI to the Companies Act, 1956*, the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expense.

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

3. SHARE CAPITAL

	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
Authorised shares		
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
Issued, subscribed and fully paid-up shares		
1,09,05,630 (Previous Year: 1,09,05,630) Equity Shares of ₹ 5/- each	5,45.28	5,45.28

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2012		March 31, 2011	
Equity Shares	Nos.	₹ in Lacs	Nos.	₹ in Lacs
At the beginning of the period	10,905,630	5,45.28	10,905,630	5,45.28
Fresh issue of shares during the period	—	—	—	—
Outstanding at the end of the period	10,905,630	5,45.28	10,905,630	5,45.28

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5/- per share. Each holder of equity share carries one vote and is entitled to dividend that may be declared by the Board of Directors, which is subject to the approval of the shareholders in the Annual General Meeting.

During the year ended March 31, 2012, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 2/- (Previous year: ₹ 3.75/-)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company (as per the register of members of the Company are as under):

Name of the shareholder	As at March 31, 2012		As at March 31, 2011	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹ 5/- each fully paid:				
Life Insurance Corporation of India	1,012,799	9.29%	1,012,799	9.29%
Anshul Specialty Molecules Limited	1,890,205	17.33%	1,890,205	17.33%
Utkarsh Chemicals Private Limited	1,378,944	12.64%	1,184,255	10.86%

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

4. RESERVES AND SURPLUS	As at March 31, 2012 ₹ in Lacs		As at March 31, 2011 ₹ in Lacs	
Capital reserve				
(a) Profit on purchase of debentures	0.01		0.01	
(b) Government grants/subsidies	70.00		70.00	
	70.01		70.01	
Securities premium account	1,81.08		1,81.08	
General reserve:				
Balance as per the last financial statements	91,54.07		80,54.07	
Add: amount transferred from surplus balance in the statement of profit and loss	12,00.00		11,00.00	
Closing balance	103,54.07		91,54.07	
Surplus in the statement of profit and loss:				
Balance as per the last financial statements	11,31.47		13,65.05	
Profit for the year	14,67.83		13,41.72	
Less: Appropriations:				
Proposed equity dividend [Amount per share ₹ 2/- (Previous Year: ₹ 3.75/-)]	(2,18.11)		(4,08.96)	
Tax on proposed equity dividend	(35.38)		(66.34)	
Transfer to general reserve	(12,00.00)		(11,00.00)	
Total appropriations	(14,53.49)		(15,75.30)	
Net surplus in the statement of profit and loss	11,45.81		11,31.47	
Total reserves and surplus	117,50.98		105,36.63	
5. LONG-TERM BORROWINGS				
	Non-current portion As at March 31, 2012 ₹ in Lacs		Current maturities As at March 31, 2012 ₹ in Lacs	
From bank:				
Under vehicle finance scheme (secured)	—		0.46	
From other:				
Under vehicle finance scheme (secured)	21.14		18.87	
Deposits (unsecured):				
From shareholders	76.10		1,56.61	
From public	4,47.91		9,99.66	
	5,45.15		11,75.14	
The above amount includes:				
Secured borrowings	21.14		18.87	
Unsecured borrowings	5,24.01		11,56.27	
Amount disclosed under the head "other current liabilities" (Refer Note 9)	—		(11,75.14)	
Net amount	5,45.15		—	
(a) Term loan under vehicle finance from bank amounting to ₹ Nil (Previous Year: ₹ 0.46 lac) is secured by hypothecation of the vehicles acquired by utilising the said loans and is repayable in equated monthly installments till November 7, 2011, the loan carries the interest @ 14% p.a.				
(b) Term loan under vehicle finance from financial institution amounting to ₹ 40.01 lacs (Previous Year: ₹ 41.24 lacs) carrying interest rate ranging from 12% to 14 %, repayable in equated monthly installments and secured by hypothecation of the vehicles acquired by utilising the said loans.				
(c) Deposit from shareholders are repayable after two and three years from the respective dates of deposits and carry the interest @ 9.5% p.a. and @ 10% p.a. respectively.				
(d) Deposit from public are repayable after two and three years from the respective dates of deposits and carry the interest @ 9.5% p.a. and @ 10% p.a. respectively.				

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

6. DEFERRED TAX LIABILITY (NET)

	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	16,22.67	16,13.79
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current/earlier years but allowed for tax purpose on payment basis	1,87.58	1,97.69
Provision for doubtful debts and advances	13.76	11.36
Other disallowances	15.09	—
Unabsorbed capital loss	—	35.13
Gross deferred tax assets	2,16.43	2,44.18
Net deferred tax liability	14,06.24	13,69.61

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.

7. PROVISIONS

	Long-term		Short-term	
	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
Provision for employee benefits				
Provision for gratuity (Refer Note 27)	7.96	—	1,25.00	1,39.14
Provision for leave benefits	5,28.78	4,61.40	29.15	56.49
Other provisions				
Provision for taxation [net of advance tax of ₹ 26,42.75 lacs (Previous Year: ₹ 21,29.92 lacs)]	—	—	4,32.94	4,24.84
Provision for fringe benefit tax [net of advance tax of ₹ Nil (Previous Year: ₹ 28.25 lacs)]	—	—	—	0.25
Proposed equity dividend	—	—	2,18.11	4,08.96
Provision for tax on proposed equity dividend	—	—	35.38	66.34
	5,36.74	4,61.40	8,40.58	10,96.02

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

8. SHORT-TERM BORROWINGS	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
From banks		
Cash credit and packing credit (secured)	37,46.61	16,80.78
Working capital demand loan (secured)	9,90.26	9,99.97
Foreign currency buyer's credit loan (unsecured)	10,89.29	4,16.34
	58,26.16	30,97.09
From others		
Inter corporate deposits (unsecured)	—	2,00.00
	58,26.16	32,97.09
The above amount includes		
Secured Borrowing	47,36.87	26,80.75
Unsecured Borrowing	10,89.29	6,16.34
Cash credit, packing credit and working capital demand loan from bank are secured by hypothecation of all tangible movable assets both present and future including stock of raw materials, finished goods, goods in process, stores and trade receivables etc and is further secured by a second charge on the fixed assets at Roha and Lote Parshuram. The cash credit, packing credit and working capital demand loan is repayable on demand and carries interest rates @ 9% to 14% p.a.		
Outstanding foreign currency buyer's credit loans are unsecured and carry an interest rate ranging from libor plus 282 bps to 350 bps.		
9. OTHER CURRENT LIABILITIES	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
Trade payables (including acceptances) (Refer Note 37 for details of dues to micro and small enterprises) (A)	45,14.16	38,39.88
Other liabilities		
Current maturities of long-term borrowings (Refer Note 5)	11,75.14	4,16.63
Interest accrued but not due on borrowings	1,07.52	77.55
Interest accrued and due on borrowings	—	3.00
Investor education and protection fund will be credited by following amounts as and when due:		
Unpaid dividend	12.85	8.87
Unpaid matured deposits	22.19	9.79
Advances from customers	5,19.51	1,17.24
Creditors for capital goods	2,88.71	2,59.30
Statutory liabilities	1,76.48	1,05.43
Sundry deposits	1,16.18	1,00.00
Others	47.50	56.29
	24,66.08	11,54.10
Total (A + B)	69,80.24	49,93.98

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

10. TANGIBLE ASSETS

(₹ in Lacs)

	Land free hold	Land lease hold	Leasehold improvements	Buildings	Plant and machinery	Data processing equipments	Electrical installation	Laboratory equipments	Furniture fixture and office equipments	Vehicles	Technical books	Total
Cost or Valuation												
At April 1, 2010	1,72.91	2,82.71	23.43	22,11.96	163,19.65	8,51.47	4,88.35	2,30.88	6,54.46	2,63.97	8.10	215,07.89
Additions	—	—	—	83.11	9,79.25	57.28	38.01	16.01	15.88	43.75	1.14	12,34.43
Disposals	—	—	—	4.19	12,92.80	70.52	1.46	35.05	53.87	33.12	—	14,91.01
At March 31, 2011	1,72.91	2,82.71	23.43	22,90.88	160,06.10	8,38.23	5,24.90	2,11.84	6,16.47	2,74.60	9.24	212,51.31
Additions	—	—	—	9,73.17	8,36.42	49.80	10.63	19.32	39.39	43.16	0.18	19,72.07
Disposals	1.06	—	—	1.07	3,90.13	77.48	1.58	—	46.46	19.04	—	5,36.82
At March 31, 2012	1,71.85	2,82.71	23.43	32,62.98	164,52.39	8,10.55	5,33.95	2,31.16	6,09.40	2,98.72	9.42	226,86.56
Depreciation												
At April 1, 2010	—	42.50	3.55	6,55.43	87,96.17	6,69.25	3,34.31	2,17.63	5,11.00	1,77.34	5.58	114,12.76
Charge for the year	—	4.65*	8.52	94.86	7,80.53	40.17	26.23	6.00	25.84	28.64	0.61	10,16.05
Disposals/adjustments	—	—	—	1.15	8,39.02	(0.20)	24.31	34.27	49.16	29.37	—	9,77.08
At March 31, 2011	—	47.15	12.07	7,49.14	87,37.68	7,09.62	3,36.23	1,89.36	4,87.68	1,76.61	6.19	114,51.73
Charge for the year	—	4.64*	8.52	1,05.00	6,68.87	39.58	25.96	8.53	27.72	30.00	0.46	9,19.28
Disposals/adjustments	—	—	—	0.45	2,22.30	99.77	1.58	—	40.34	16.35	—	3,80.79
At March 31, 2012	—	51.79	20.59	8,53.69	91,84.25	6,49.43	3,60.61	1,97.89	4,75.06	1,90.26	6.65	119,90.22
Net Block												
At March 31, 2011	1,72.91	2,35.56	11.36	15,41.74	72,68.42	1,28.61	1,88.67	22.48	1,28.79	97.99	3.05	97,99.58
At March 31, 2012	1,71.85	2,30.92	2.84	24,09.29	72,68.14	1,61.12	1,73.34	33.27	1,34.34	1,08.46	2.77	106,96.34

Notes: a.* Amount written off in respect of leasehold land.
b. Buildings include cost of shares in co-operative housing societies ₹ 0.01 lac (Previous Year: ₹ 0.01 lac).
c. Buildings include buildings given on operating lease:
Gross book value ₹ 1,99.70 lacs (Previous Year: ₹ 1,99.70 lacs)
Accumulated depreciation ₹ 78.66 lacs (Previous Year: ₹ 77.36 lacs)
Depreciation for the year ₹ 3.25 lacs (Previous Year: ₹ 1.30 lacs)
Net block ₹ 1,17.79 lacs (Previous Year: ₹ 1,21.04 lacs)

11. INTANGIBLE ASSETS

(₹ in Lacs)

	Trade marks	Computer software	Export product registration	Total
Cost (Gross block)				
At April 1, 2010	7.00	1,86.34	—	1,93.34
Additions/purchase	—	—	54.02	54.02
Disposals	—	—	—	—
At March 31, 2011	7.00	1,86.34	54.02	2,47.36
Additions/purchase	—	—	23.12	23.12
Disposals	—	—	9.44	9.44
At March 31, 2012	7.00	1,86.34	67.70	2,61.04
Amortisation				
At April 1, 2010	7.00	1,00.82	—	1,07.82
Charge for the year	—	46.59	4.50	51.09
Disposals	—	—	—	—
At March 31, 2011	7.00	1,47.41	4.50	1,58.91
Charge for the year	—	38.95	11.32	50.27
Disposals	—	0.02	—	0.02
At March 31, 2012	7.00	1,86.34	15.82	2,09.16
Net Block				
At March 31, 2011	—	38.93	49.52	88.45
At March 31, 2012	—	—	51.88	51.88

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

12. NON CURRENT INVESTMENTS	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
Trade investment (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in subsidiaries		
(a) 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
(b) 5,10,000 (Previous Year: Nil) Equity Shares of ₹ 10/- each fully paid up in Excel Bio Resources Limited	51.13	—
Investment in joint ventures		
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
Less: Provision for diminution in value of investments	(27.26)	(27.26)
Others		
(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
Quoted equity instruments		
Others		
(a) 2,45,760 (Previous Year: 2,45,760) Equity Shares of ₹ 5/- each fully paid-up in Excel Crop Care Limited	3,66.26	3,66.26
(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
Total trade Investment (A)	13,90.20	13,39.07
Non-trade investment (valued at cost unless stated otherwise)		
Unquoted equity instruments		
(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
Quoted equity instruments		
(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
Total non-trade investments (B)	22.94	22.94
Total Investments (A + B)	14,13.14	13,62.01
Aggregate amount of quoted investments [Market value ₹ 7,58.28 lacs: (Previous Year: ₹ 13,13.32 lacs)]	6,92.95	6,92.95
Aggregate amount of unquoted investments	7,20.19	6,69.06

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

13. LOANS AND ADVANCES		Non-current		Current	
		As at	As at	As at	As at
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Capital advances					
Unsecured, considered good	(A)	74.63	1,62.49	—	—
Security deposits					
Unsecured, considered good	(B)	2,41.68	1,90.20	—	—
Loan and advances to related parties (Refer Note 36)					
Unsecured, considered good	(C)	—	—	2,95.00	3,20.00
Advances recoverable in cash or kind					
Unsecured, considered good		—	—	3,04.61	6,36.86
Unsecured, considered doubtful		—	—	35.00	35.00
		—	—	3,39.61	6,71.86
Provision for doubtful advances		—	—	(35.00)	(35.00)
	(D)	—	—	3,04.61	6,36.86
Other loans and advances					
MAT Credit Entitlement		—	—	12.00	—
Prepaid expenses		9.51	9.96	1,59.50	83.91
Loans to employees		34.56	29.39	29.12	24.26
Balances with statutory/government authorities		—	—	3,64.97	3,13.20
	(E)	44.07	39.35	5,65.59	4,21.37
Total	(A+B+C+D+E)	3,60.38	3,92.04	11,65.20	13,78.23
14. TRADE RECEIVABLES AND OTHER ASSETS					
14.1. Trade receivables		Non-current		Current	
		As at	As at	As at	As at
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Unsecured, considered good unless stated otherwise					
Outstanding for a period exceeding six months from the date they are due for payment					
Unsecured, considered good		—	—	1,19.71	1,02.58
Doubtful		—	—	7.52	—
		—	—	1,27.23	1,02.58
Less: Provision for doubtful receivables		—	—	(7.52)	—
		—	—	1,19.71	—
Other receivables					
Unsecured, considered good		—	—	82,72.77	59,39.00
		—	—	83,92.48	60,41.58

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

14.2 Other assets		Non-current		Current	
		As at	As at	As at	As at
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Unsecured, considered good unless stated otherwise	(A)				
Non-current bank balance (Refer Note 16)		73.00	—	—	—
Unamortised premium on forward contract	(B)	—	—	—	4.04
Others					
Interest receivable		—	—	10.42	6.98
Export benefit receivable		—	—	1,10.16	1,65.58
Income tax refund receivable		—	—	92.74	91.44
Miscellaneous receivable		—	—	11.76	31.25
	(C)	—	—	2,25.08	2,95.25
Total	(A+B+C)	73.00	—	2,25.08	2,99.29

15. INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)		As at	As at
		March 31, 2012	March 31, 2011
		₹ in Lacs	₹ in Lacs
Raw materials (including stock-in-transit ₹ 5,60.90 lacs (Previous Year: ₹ 2,59.22 lacs) (Refer Note 19)		14,55.29	12,63.16
Packing materials (Refer Note 19)		1,10.94	1,13.10
Finished goods (Refer Note 20)		12,57.19	12,11.56
Work-in-progress (Refer Note 20)		9,84.66	7,80.74
Traded goods (Refer Note 20)		2,42.32	1,21.34
Stores and spares [including fuel and coal] (including stock-in-transit ₹ 3,26.95 lacs (Previous Year: Nil)		7,09.72	3,64.17
		47,60.12	38,54.07

16. CASH AND BANK BALANCES		Non-current		Current	
		As at	As at	As at	As at
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Cash and cash equivalents					
Balances with banks:					
In current accounts		—	—	4,57.84	1,63.91
In unpaid dividend accounts		—	—	12.85	8.87
		—	—	4,70.69	1,72.78
Other bank balances					
Deposits with original maturity for more than 12 months		73.00	—	—	73.00
Margin money deposits		—	—	2,63.09	1,69.17
		73.00	—	2,63.09	2,42.17
Amount disclosed under non-current assets (Refer Note 14.2)		(73.00)	—	—	—
		—	—	7,33.78	4,14.95

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

17. REVENUE FROM OPERATIONS		
	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Revenue from operations		
Sale of products:		
Finished goods	314,17.08	261,23.23
Traded goods	10,82.68	11,30.91
Sale of services		
Processing charges	7,80.43	14,33.93
Royalty/Technical fees	2,04.10	2,14.99
Other operating revenue		
Export incentives	1,92.53	1,94.06
Scrap sales	2,01.17	1,88.33
Commission received	32.90	55.07
Revenue from operations (gross)	339,10.89	293,40.52
Less: Excise duty (Refer note below)	23,61.41	18,42.23
Revenue from operations (net)	315,49.48	274,98.29
Note: Excise duty on sales amounting to ₹ 23,61.41 lacs (Previous Year: ₹ 18,42.23 lacs) has been reduced from sales in statement of profit and loss.		
Details of products sold	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Finished goods sold		
Phosphorous and its compounds	204,12.45	168,57.65
Chemicals	103,02.86	83,82.71
Organic manure/culture	1,91.93	2,47.45
Others	5,09.84	6,35.42
	314,17.08	261,23.23
Trading goods sold		
Chemicals	4,07.11	4,20.37
Organic manure	36.40	48.99
Others	6,39.17	6,61.55
	10,82.68	11,30.91
	324,99.76	272,54.14
18. OTHER INCOME		
	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Interest income on		
Bank deposits	14.32	13.07
Income tax refund	4.32	7.70
Other interest	14.29	11.00
Dividend income long-term investments	1,24.12	1,34.48
Rent	37.88	44.79
Exchange gain (net)	1,47.36	—
Excess/(short) accrual written back (net) (Refer Note 34)	69.52	—
Sales tax refund	28.12	15.80
Others	26.02	71.58
	4,65.95	2,98.42

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

19. COST OF MATERIALS CONSUMED		Current Year ₹ in Lacs	Previous Year ₹ in Lacs
a. Raw materials			
Inventory at the beginning of the year		12,63.16	13,80.11
Add: Purchases		166,65.76	125,02.93
		179,28.92	138,83.04
Less: Inventory at the end of the year		14,55.29	12,63.16
	(A)	164,73.63	126,19.88
b. Packing materials			
Inventory at the beginning of the year		1,13.10	83.28
Add: Purchases		7,86.12	7,97.98
		8,99.22	8,81.26
Less: Inventory at the end of the year		1,10.94	1,13.10
	(B)	7,88.28	7,68.16
Total	(A+B)	172,61.91	133,88.04
Details of raw materials consumed			
		Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Inorganic Chemicals			
Phosphorous		62,23.20	51,35.18
Others		29,06.68	16,54.67
Metal and metal powder		2,45.18	1,99.74
Minerals		9,08.89	6,47.70
Organic Chemicals		53,38.32	42,04.54
Others		8,51.36	7,78.05
		164,73.63	126,19.88
Details of inventory			
		As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
Inorganic Chemicals			
Phosphorous		5,91.53	7,07.46
Others		2,43.72	1,57.09
Minerals		13.95	49.60
Organic Chemicals		5,80.08	3,18.75
Others		26.01	30.26
		14,55.29	12,63.16

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

20. (INCREASE)/ DECREASE IN INVENTORIES		Current Year ₹ in Lacs	Previous Year ₹ in Lacs	(Increase)/decrease ₹ in Lacs
Inventories at the end of the year				March 31, 2012
Finished goods	12,57.19	12,11.56	(45.63)	
Work-in-progress	9,84.66	7,80.74	(2,03.92)	
Traded goods	2,42.32	1,21.34	(1,20.98)	
	<u>24,84.17</u>	<u>21,13.64</u>	<u>(3,70.53)</u>	
Inventories at the beginning of the year				March 31, 2011
Finished goods	12,11.56	9,20.26	(2,91.30)	
Work-in-progress	7,80.74	5,99.47	(1,81.27)	
Traded goods	1,21.34	1,12.68	(8.66)	
	<u>21,13.64</u>	<u>16,32.41</u>	<u>(4,81.23)</u>	
	<u>(3,70.53)</u>	<u>(4,81.23)</u>		
Details of Purchase of traded goods		As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs	
Chemicals	2,25.97	2,97.25		
Organic manure/culture	37.40	51.72		
Others	4,54.02	2,70.80		
	<u>7,17.39</u>	<u>6,19.77</u>		
Details of inventory		As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs	
Finished goods				
Phosphorous and its compounds	3,63.84	3,77.73		
Chemicals	8,55.25	7,79.55		
Organic manure	31.40	24.69		
Others	6.70	29.59		
	<u>12,57.19</u>	<u>12,11.56</u>		
Work-in-progress				
Phosphorous and its compounds	79.97	1,00.39		
Chemicals	2,68.49	1,74.66		
Others	6,36.20	5,05.69		
	<u>9,84.66</u>	<u>7,80.74</u>		
Traded goods				
Chemicals	8.95	50.87		
Others	2,33.37	70.47		
	<u>2,42.32</u>	<u>1,21.34</u>		

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

21. EMPLOYEE BENEFITS EXPENSE	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Salaries, wages and bonus	32,99.12	31,45.52
Contribution to provident and other funds	3,02.14	2,79.73
Provision/payment of gratuity (Refer Note 27)	1,71.82	1,89.23
Provision for other retirement benefits	1,11.60	1,15.87
Workmen and staff welfare expenses	2,66.49	2,08.94
	41,51.17	39,39.29
22. OTHER EXPENSES	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Consumption of stores and spares (Refer Note 40)	58.68	46.02
Processing charges	2,90.79	2,10.97
Excise duty	69.31	25.60
Power and fuel	25,01.61	22,47.06
Effluent expenses	3,53.55	3,08.53
Rent (Refer Note 30)	33.59	30.75
Rates and taxes	58.03	63.17
Insurance	61.13	50.56
Repairs and maintenance		
— Plant and machinery	11,48.36	10,07.71
— Buildings	84.68	48.59
— Others	89.07	63.23
Sales commission and discounts	1,08.52	95.80
Travelling and conveyance	1,65.92	1,53.50
Legal and professional fees	2,52.50	2,28.09
Directors' sitting fees	2.60	3.30
Payment to auditor (refer details below)	28.36	24.90
Exchange differences (net)	—	22.82
Bad debts/sundry debit balances written off	6.03	1,17.91
Freight outward and forwarding expenses	7,76.38	7,26.41
Charity and donations	30.77	29.71
Provision for doubtful receivables/advances	7.52	10.50
Tangible assets written off	92.84	1,86.11
(Excess)/Short Provision of earlier years (Refer Note 34)	—	8.51
Loss on sale of tangible assets (net)	37.54	9.96
Miscellaneous expenses	9,59.50	9,29.29
	72,17.28	66,49.00
Payment to auditor	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
As auditor:		
Audit fee	10.00	10.00
Tax audit fees	4.00	4.00
Limited review	2.25	1.75
In other capacity:		
Taxation matters	9.87	7.45
Certification fees and other matters	1.70	1.30
Reimbursement of expenses	0.54	0.40
	28.36	24.90

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

23. DEPRECIATION AND AMORTISATION EXPENSES		
	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Depreciation on tangible assets	9,19.28	9,23.11
Amortisation of intangible assets	50.27	51.09
	<u>9,69.55</u>	<u>9,74.20</u>
24. FINANCE COSTS		
	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Interest	7,19.54	5,65.22
Bank and financial charges	1,34.25	97.46
Exchange difference and loss on buyer's credit	38.12	9.71
	<u>8,91.91</u>	<u>6,72.39</u>
25. EXCEPTIONAL ITEM		
	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Exceptional item (Refer Note 43)	<u>7,24.01</u>	<u>—</u>
26. EARNINGS PER SHARE (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Profit after tax as per statement of profit and loss	14,67.83	13,41.72
Add/Less: Reconciliation items	—	—
Net profit for calculation of basic/diluted EPS	<u>14,67.83</u>	<u>13,41.72</u>
	Nos.	Nos.
Weighted average number of equity shares in calculating basic EPS	10,905,630	10,905,630
Effect of dilution	—	—
Weighted average number of equity shares in calculating diluted EPS	<u>10,905,630</u>	<u>10,905,630</u>

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

27. DETAILS OF EMPLOYEE BENEFITS

(I) Defined Benefit Plan Gratuity

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 Companies in the form of qualifying insurance policies.

The following tables summarise the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

(a) The amounts recognised in the Statement of profit and loss are as follows:

Defined Benefit Plan

	Current Year Gratuity (₹ in Lacs)	Previous Year Gratuity (₹ in Lacs)
Current service cost	87.75	87.07
Interest cost on benefit obligation	1,42.44	1,24.70
Expected return on plan assets	(1,47.84)	(1,24.40)
Net actuarial (gain)/loss recognised in the year	89.47	1,01.86
Amount included under the head employee benefit expenses (Refer Note 21)	1,71.82	1,89.23

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

	As at 31st March, 2012 Defined Benefit Plan - Gratuity (Funded) (₹ in Lacs)	As at 31st March, 2011 Defined Benefit Plan - Gratuity (Funded) (₹ in Lacs)
Present value of funded obligation	19,67.88	17,26.60
Less: Fair value of plan assets	18,34.92	15,87.46
Net Liability included under the head Provisions in Note No. 'I'	1,32.96	1,39.14

(c) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

	As at 31st March, 2012 Gratuity (₹ in Lacs)	As at 31st March, 2011 Gratuity (₹ in Lacs)
Opening defined benefit obligation	17,26.60	15,11.45
Interest cost	1,42.44	1,24.70
Current service cost	87.75	87.07
Benefits paid	(68.86)	(91.80)
Actuarial (gains)/losses on obligation	79.95	95.18
Closing defined benefit obligation	19,67.88	17,26.60

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

	As at 31st March, 2012 Gratuity (₹ in Lacs)	As at 31st March, 2011 Gratuity (₹ in Lacs)
Opening fair value of plan assets	15,87.46	12,94.78
Expected return	1,47.84	1,24.40
Contributions by employer	1,78.00	2,66.76
Benefits paid	(68.86)	(91.80)
Actuarial gains/(losses)	(9.52)	(6.68)
Closing fair value of plan assets	18,34.92	15,87.46

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

27. DETAILS OF EMPLOYEE BENEFITS (Contd.)

	As at 31st March, 2012 Gratuity (₹ in Lacs)	As at 31st March, 2011 Gratuity (₹ in Lacs)
(e) Expected contribution to defined benefit plan for the year 2012-13	1,25.00	1,50.00
(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)	86.82%	85.28%
Insurer Managed Funds (Aviva Life Insurance Company India Limited)	13.18%	14.72%
	100%	100%
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	8.50%	8.25%
Expected rate of return on 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:

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

(₹ in Lacs)

	Gratuity				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	19,67.88	17,26.60	*	*	*
Plan assets	18,34.92	15,87.46	*	*	*
Surplus/(deficit)	(1,32.96)	(1,39.14)	*	*	*
Experience adjustments on plan liabilities	1,16.83	2,03.59	*	*	*
Experience adjustments on plan assets	9.52	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 three years on the ground that such information is not available with the Company.

(II) Defined contribution Plans:

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

Current service cost included under the head contribution to provident and other funds in employee benefits expense (Refer Note 21)

	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
Provident Fund	1,58.98	1,40.57
Family Pension Fund	62.30	62.62
Superannuation Fund	74.06	70.41

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

28. SEGMENT INFORMATION						
1. Information About Primary Business Segments:				Previous Year (₹ in Lacs)		
Particulars	Chemicals	Current Year (₹ in Lacs) Environment	Total	Chemicals	Environment	Total
REVENUE:						
External Revenue:	307,11.79	11,12.46	318,24.25	263,90.79	12,14.49	276,05.28
Un-allocated revenue:			1,91.18			1,91.43
Total Revenue:			320,15.43			277,96.71
RESULT:						
Segment result:	30,57.26	1,53.23	32,10.49	34,23.61	2,70.57	36,94.18
Un-allocated expenditure net of un-allocated income:			11,88.33			10,91.78
Finance Costs			8,91.91			6,72.39
Profit before taxation and exceptional item but after prior period adjustments:			11,30.25			19,30.01
Add: Exceptional item			7,24.01			—
Profit/(Loss) after exceptional item but before tax			18,54.26			19,30.01
Current:						
Provision for Taxation:						
Current:			3,64.00			7,03.00
In respect of earlier years:			(2.20)			(16.07)
Minimum Alternative Tax (Entitlement)			(12.00)			—
Deferred tax:			36.63			(98.65)
Profit/(Loss) after tax:			14,67.83			13,41.72
OTHER INFORMATION:						
Segment Assets:	233,24.92	9,06.90	242,31.82	197,60.28	8,74.74	206,35.02
Un-allocated Assets:			41,99.55			31,30.08
Total Assets:			284,31.37			237,65.09
Segment Liabilities:	(46,23.05)	(6,97.68)	(53,20.73)	(42,40.21)	(2,57.35)	(44,97.56)
Un-allocated Liabilities:			(108,14.38)			(81,85.62)
Total Liabilities:			(161,35.11)			(126,83.18)
Segment Capital expenditure:	10,84.02	67.28	11,51.30	11,00.35	13.41	11,13.76
Un-allocated Capital expenditure:			8,43.89			1,74.69
Segment Depreciation and Amortisation:	7,88.29	83.14	8,71.43	7,99.82	81.19	8,81.01
Un-allocated Depreciation and Amortisation:			98.12			93.19
Segment Non-cash expenses other than Depreciation and Amortisation:	95.89	3.34	99.23	2,82.65	31.87	3,14.52
Un-allocated Non-cash expenses other than Depreciation and Amortisation:			7.15			—
2. Information About Secondary Business Segments:						
	Domestic	Exports	Total	Domestic	Exports	Total
Revenue:	257,38.50	62,76.93	320,15.43	215,73.62	62,23.09	277,96.71
Carrying amount of Assets:	268,30.22	16,01.15	284,31.37	226,48.86	11,16.24	237,65.09
Capital Expenditure:	19,95.19	—	19,95.19	12,88.45	—	12,88.45
3. Notes:						
1.	The Company is organised into two business segments namely:					
	(a) Chemicals – Comprising of Industrial and Specialty Chemicals and Pesticides Intermediates.					
	(b) Environment – Comprising of Soil enricher, Bio – pesticides and other Bio products.					
2.	Segment revenue in the above segments includes sales, export incentives, processing charges and other income from operations.					
3.	Segment Revenue in the geographical segments considered for disclosure are as follows:					
	(a) Revenue within India includes sales to customers located within India.					
	(b) Revenue outside India includes sales to customers located outside India.					
4.	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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

29. RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Subsidiaries

Kamalijot Investments Limited

Excel Bio Resources Limited (w.e.f. September 30, 2011)

Associate

RomVijay Bioo Tech Private Limited

Jointly Controlled Entity

Wexsam Limited, Hong Kong

Enterprises owned or significantly influenced by Key Management Personnel or their relatives

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 Crop Care (Europe) NV

Good Rasayan Limited

Hyderabad Chemical Limited

Hyderabad Chemical Products Limited

Kutch Crop Services Limited

Mumukshu Finance & Services Private Limited

Rashtriya Seva Trust

Pritami Investments Private Limited

Samarth Gram Vikas Trust

Shrodip Investments Private Limited

Shroff Foundation Trust

Shrujan

Transpek Industry Limited

Transpek-Silox Industry Limited

Transpek Industry (Europe) Limited

TML Industries Limited

Utkarsh Chemicals Private Limited

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)

Relatives of Key Management Personnel

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

(Late) Smt. Shanti Govindji Shroff (Mother of Shri Atul G. 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(a) Sale/purchase of goods & services and other transactions

											(₹ in Lacs)	
	Year ended	Sale of goods	Sale of services	Dividend Received	Purchase of traded goods	Purchase of Services	Dividend Paid	Purchase of Shares	Charity & Donation	Amount owed by related parties	Amount owed to related parties	
Subsidiaries											—	
Excel Bio Resources Limited	31-Mar-12	—	—	—	—	—	—	—	—	—	—	
	31-Mar-11	—	—	—	—	33.59	—	—	—	—	—	
Kamalijot Investments Ltd.	31-Mar-12	—	—	—	—	—	—	25.00	—	—	—	
	31-Mar-11	—	—	—	—	—	—	—	—	—	—	
Enterprises owned or significantly influenced by key management personnel or their relatives												
Excel Crop Care Limited	31-Mar-12	33,73.74	8,00.15	9.22	—	—	5.47	25.00	—	12,21.44	6.03	
	31-Mar-11	26,32.07	13,00.24	6.25	—	—	—	—	—	9,83.02	—	
Agrocel Industries Limited	31-Mar-12	15,22.56	—	—	11,80.79	—	—	—	—	3,93.07	3,13.52	
	31-Mar-11	1,73.40	—	—	1,54.69	—	—	—	—	29.96	1,28.99	
Anshul Specialty Molecules Limited	31-Mar-12	1.20	—	—	0.78	—	70.88	—	—	—	—	
	31-Mar-11	26.06	—	—	4.34	—	37.80	—	—	17.35	4.89	
Transpek Industry Limited	31-Mar-12	0.15	—	0.26	1.08	—	5.87	—	—	—	—	
	31-Mar-11	—	3.18	13.33	—	—	3.13	—	—	—	—	
TML Industries Limited	31-Mar-12	—	—	—	—	—	—	—	—	—	—	
	31-Mar-11	91.95	—	—	—	—	0.65	—	—	—	—	
Hyderabad Chemical Products Limited	31-Mar-12	68.99	—	—	—	—	1.76	—	—	9.51	—	
	31-Mar-11	60.15	—	—	—	—	0.94	—	—	12.74	—	
C. C. Shroff Self - Help Centre	31-Mar-12	—	—	—	1.37	—	—	—	—	—	0.58	
	31-Mar-11	—	—	—	0.35	—	—	—	—	—	—	
C. C. Shroff Research Institute	31-Mar-12	—	—	—	—	0.61	—	—	—	—	—	
	31-Mar-11	—	—	—	—	0.26	—	—	—	—	—	
Good Rasyan Limited	31-Mar-12	—	—	—	—	47.79	—	—	—	—	5.64	
	31-Mar-11	0.30	—	—	—	48.77	—	—	—	—	7.85	
Samarth Gram Vikas Trust	31-Mar-12	—	—	—	—	—	—	—	—	—	—	
	31-Mar-11	—	—	—	0.35	—	—	—	—	—	—	
Dipkanti Investments & Financing Private Limited	31-Mar-12	—	—	—	—	—	3.36	—	—	—	—	
	31-Mar-11	—	—	—	—	—	1.79	—	—	—	—	
Hyderabad Chemical Limited	31-Mar-12	—	—	—	—	—	5.62	—	—	—	—	
	31-Mar-11	—	—	—	—	—	3.00	—	—	—	—	
Utkarsh Chemicals Private Limited	31-Mar-12	—	—	—	—	—	48.41	—	—	—	—	
	31-Mar-11	—	—	—	—	—	23.67	—	—	—	—	
Mumukshu Finance & Services Private Limited	31-Mar-12	—	—	—	—	—	—	—	—	—	—	
	31-Mar-11	—	—	—	—	—	1.43	—	—	—	—	

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Related Party Transactions (Contd.)

(₹ in Lacs)											
	Year ended	Sale of goods	Sale of services	Dividend Received	Purchase of traded goods	Purchase of Services	Dividend Paid	Purchase of Shares	Charity & Donation	Amount owed by related parties	Amount owed to related parties
Pritami Investments Pvt. Ltd.	31-Mar-12	—	—	—	—	—	2.99	—	—	—	—
	31-Mar-11	—	—	—	—	—	1.60	—	—	—	—
Shrodip Investments Pvt. Ltd.	31-Mar-12	—	—	—	—	—	1.10	—	—	—	—
	31-Mar-11	—	—	—	—	—	0.59	—	—	—	—
Shroff Foundation Trust	31-Mar-12	—	—	—	—	—	—	—	—	—	—
	31-Mar-11	—	—	—	—	—	—	—	4.00	—	—
Rashtriya Seva Trust	31-Mar-12	—	—	—	—	—	—	—	1.50	—	—
	31-Mar-11	—	—	—	—	—	—	—	1.50	—	—
Transpek Industry (Europe) Limited	31-Mar-12	—	—	—	—	46.03	—	—	—	—	—
	31-Mar-11	—	—	—	—	82.10	—	—	—	—	—
Transpek-Silox Industry Limited	31-Mar-12	—	—	1,12.08	—	—	—	—	—	—	—
	31-Mar-11	—	—	1,12.08	—	—	—	—	—	—	—
Mrs. Usha A. Shroff	31-Mar-12	—	—	—	—	—	—	0.47	—	—	—
	31-Mar-11	—	—	—	—	—	—	—	—	—	—
Mr. D. K. Shroff	31-Mar-12	—	—	—	—	—	—	0.50	—	—	—
	31-Mar-11	—	—	—	—	—	—	—	—	—	—
Mr. R. A. Shroff	31-Mar-12	—	—	—	—	—	—	0.01	—	—	—
	31-Mar-11	—	—	—	—	—	—	—	—	—	—
Mr. A. C. Shroff	31-Mar-12	—	—	—	—	—	—	0.01	—	—	—
	31-Mar-11	—	—	—	—	—	—	—	—	—	—
Mr. H. A. Shroff	31-Mar-12	—	—	—	—	—	—	0.01	—	—	—
	31-Mar-11	—	—	—	—	—	—	—	—	—	—
Others	31-Mar-12	—	—	—	—	—	13.91	—	—	—	—
	31-Mar-11	—	—	—	—	—	7.40	—	—	—	—

(b) Loans given and repayment thereof

(₹ in Lacs)				
	Year ended	Loans given	Repayment	Amount owed by related parties
Subsidiary				
Kamaljyot Investments Ltd.	31-Mar-12	—	25.00	2,95.00
	31-Mar-11	65.00	—	3,20.00
Enterprises owned or significantly influenced by Key Management Personnel or their relatives				
Transpek Industry (Europe) Limited	31-Mar-12	46.03	—	10.13
	31-Mar-11	81.80	—	4.25

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Related Party Transactions (Contd.)		
(c) Payments to Key Managerial Personnel		
	(₹ in Lacs) 31-Mar-12	(₹ in Lacs) 31-Mar-11
Mr. A. C. SHROFF – Chairman & Managing Director		
Salary, bonus and contribution to PF	49.90	46.36
Commission	—	29.25
Dividend Paid	3.12	1.66
Mrs. U. A. SHROFF – Executive Vice Chairperson		
Salary, bonus and contribution to PF	46.61	43.71
Commission	—	27.00
Dividend Paid	0.24	0.13
Mr. S. R. POTDAR – Executive Director		
Salary, bonus and contribution to PF	44.33	38.09
Commission	—	22.50
Dividend Paid	0.07	0.04
Mr. D. K. SHROFF – Director		
Sitting Fees	0.50	0.65
Dividend Paid	0.32	0.17
Mr. A. G. SHROFF – Director		
Sitting Fees	0.20	0.20
Dividend Paid	2.24	1.20
Mr. K. C. SHROFF – Relative of Key Management Personnel		
Retirement Benefits	3.60	8.62
30. 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 a escalation clause of 15% over the existing lease rent. There are no restrictions imposed by lease agreements/arrangements. All the aforesated leases are cancellable as per terms and condition mentioned in the agreement.		
	For the year ended March 31, 2012 ₹ in Lacs	For the year ended March 31, 2011 ₹ in Lacs
Lease payments for the year	28.15	28.06
Sub-lease payments received during the year	Nil	Nil
Minimum lease payments as at 31st March		
(a) Not later than one year	28.91	26.72
(b) Later than one year but not later than five years	44.55	42.61
(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 reporting date. Current Year: ₹ Nil (Previous Year: ₹ Nil)		
Future Minimum Lease payments		
(a) Not later than one year	31.40	38.40
(b) Later than one year but not later than five years	1,17.40	1,31.20
(c) Later than five years	Nil	Nil

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

31. RESEARCH AND DEVELOPMENT COSTS	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Research and Development costs, as certified by the Management, debited to the statement of profit and Loss are as under:		
*Revenue expenses debited to Research and Development Expenses Account and other heads of accounts	2,34.72	2,07.59
Depreciation on Research and Development Equipment	43.23	44.76
	2,77.95	2,52.35
*includes ₹ 71.01 lacs, ₹ 52.19 lacs and ₹ 80.44 lacs (Previous Year: ₹ 64.94 lacs, ₹ 38.33 lacs and ₹ 72.91 lacs) in respect of Research and Development units at Roha, Lote and Mumbai respectively in respect which application for approval is made to Department of Science & Industrial Research, Ministry of Science & Technology.		
Capital Expenditure incurred during the year on Research and Development [including capital expenditure on qualifying assets of ₹ Nil, ₹ 1.38 lacs and ₹ Nil (Previous Year: ₹ 23.82 lacs, ₹ 10.78 lacs and ₹ 20.76 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).	21.95	57.14
32. CONTINGENT LIABILITIES	For the year ended March 31, 2012 ₹ in Lacs	For the year ended March 31, 2011 ₹ in Lacs
Bills discounted	1,07.80	—
Disputed Income-tax liability	6,50.50	9,09.74
Disputed Excise Duty liability	4,27.98	1,79.52
Disputed Sales Tax liability	34.09	34.09
Disputed Service Tax liability	19.46	2.49
Guarantees given by Company's Bankers on behalf of the Company to third parties	69.20	36.20
Claims against the Company not acknowledged as debts	13.46	13.46
Liability in respect of claim made by workers and contract labourers	Amount not ascertainable	Amount not ascertainable
33. CAPITAL AND OTHER COMMITMENTS	For the year ended March 31, 2012 ₹ in Lacs	For the year ended March 31, 2011 ₹ in Lacs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	4,42.62	2,29.50
34. (SHORT)/EXCESS ACCRUALS WRITTEN BACK (NET) COMPRISES OF THE FOLLOWING	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Raw Materials	—	0.70
Export Incentives	3.52	2.63
Excise Duty	34.78	13.41
Employee benefits expense	29.97	(25.93)
Discount	0.03	—
Others	1.22	0.68
	69.52	(8.51)

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

35. FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES OUTSTANDING AS AT BALANCE SHEET DATE					
	Currency	For the year ended March 31, 2012 ₹ in Lacs	For the year ended March 31, 2011 Foreign Currency Value in Lacs	For the year ended March 31, 2011 ₹ in Lacs	For the year ended March 31, 2011 Foreign Currency Value in Lacs
(a) Forward contract – Buy for Hedging Purpose					
(i) Loans	USD	11,11.27	21.84	4,20.90	9.41
(b) Un-hedged Foreign Currency Exposure on					
(i) Import Creditors	USD	7,96.23	13.52	4,69.73	9.26
	GBP	1.30	0.02	81.40	1.13
(ii) Export Debtors	USD	14,94.93	29.39	9,77.39	21.86
	EURO	87.24	1.29	41.41	0.66
(iii) Commission receivable	GBP	—	—	31.24	0.43
(iv) Loan taken	USD	—	—	4,20.90	9.41
(v) Bank Balance	USD	18.98	0.38	16.68	0.38
36. DETAILS OF LOAN GIVEN TO SUBSIDIARY COMPANY					
		For the year ended March 31, 2012 ₹ in Lacs	For the year ended March 31, 2011 ₹ in Lacs		
Kamaljiyot Investments Limited					
Maximum amount outstanding during the year ₹ 320 lacs (Previous Year: ₹ 320 lacs)		2,95.00			3,20.00
There is no repayment schedule in respect of this loan					
		2,95.00			3,20.00
37. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006					
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".					
38. VALUE OF IMPORTS CALCULATED ON CIF BASIS					
		Current Year ₹ in Lacs	Previous Year ₹ in Lacs		
Raw-materials		72,51.21			58,00.11
Components and Spare Parts*		2.49			—
Capital goods		75.32			54.02
Purchase of Traded Goods		1,16.50			2,65.50
		74,45.52			61,19.63
*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.					

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

39.	EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)				
		Current Year ₹ in Lacs		Previous Year ₹ in Lacs	
	Interest	9.51		10.95	
	Container Rental Charges	68.69		84.92	
	Freight Outwards	1,04.10		37.87	
	Travelling and Conveyance	43.90		71.67	
	Discount on Sales	8.25		17.89	
	Bank Charges	2.49		1.77	
	Commission on Export Sales	12.10		2.46	
	Export Product Registration	19.37		72.54	
	Others	6.57		4.78	
		<u>2,74.98</u>		<u>3,04.85</u>	
40.	IMPORTED AND INDIGENOUS RAW MATERIALS AND STORES & SPARES CONSUMED				
		For the year ended March 31, 2012 ₹ in Lacs		For the year ended March 31, 2011 ₹ in Lacs	
		% of total consumption	Value ₹ Lacs	% of total consumption	Value ₹ Lacs
	Raw Materials				
	Imported	46%	75,48.86	49%	61,60.50
	Indigenous	54%	89,24.77	51%	64,59.38
		<u>100%</u>	<u>164,73.63</u>	<u>100%</u>	<u>126,19.88</u>
	Stores & Spares				
	Imported	—	—	—	—
	Indigenous	100%	58.68	100%	46.02
		<u>100%</u>	<u>58.68</u>	<u>100%</u>	<u>46.02</u>
41.	NET DIVIDEND REMITTED IN FOREIGN EXCHANGE				
		Current Year ₹ in Lacs		Previous Year ₹ in Lacs	
	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:				
	Year to which it relates	2010-11		2009-10	
	Number of Non-resident shareholders	106.00		107.00	
	Number of Equity Shares held by them	64,016		73,305	
	Amount of dividend paid	2.40		1.47	
42.	EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)				
		Current Year ₹ in Lacs		Previous Year ₹ in Lacs	
	Exports of Goods on F.O.B. basis	61,19.53		60,34.90	
	Commission	24.46		57.61	
	Technical Fees	88.88		1,12.16	
		<u>62,32.87</u>		<u>62,04.67</u>	

EXCEL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

43. EXCEPTIONAL ITEM

The development work on the Company's plot of land at Jogeshwari has been completed. The Company has secured 41% of the constructed area in return for the transfer of 59% of its rights in the said plot of land for which the Company has executed a Deed of Conveyance on 6th May, 2011. Profit arising on the said transaction amounting to ₹ 7,24.01 lacs has been accounted in current year as an exceptional item.

44. PREVIOUS YEAR FIGURES

Till the year ended March 31, 2011 the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of 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: 25 May 2012

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

A. C. SHROFF
Chairman and Managing Director

S. R. POTDAR
Executive Director

S. K. SINGHVI
Company Secretary

Place : Mumbai
Date: 25 May 2012

U. A. SHROFF
Executive Vice Chairperson
KAILAS DABHOLKAR
Vice President – Finance and Taxation

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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 subsidiaries (together referred to as 'the Group'), as at 31 March 2012, and also the consolidated statement of profit and loss 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. 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 2012;
 - (b) in the case of the consolidated statement of profit and loss, 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 : 25 May 2012

EXCEL INDUSTRIES LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

	Notes	As at March 31, 2012 (₹ in Lacs)	As at March 31, 2011 (₹ In Lacs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	5,45.28	5,45.28
Reserves and surplus	4	118,97.36	106,14.86
		124,42.64	111,60.14
Non-Current Liabilities			
Long-term borrowings	5	5,45.15	14,65.08
Deferred tax liabilities (net)	6	14,06.25	13,69.64
Long-term provisions	7	5,36.74	4,61.40
		24,88.14	32,96.12
Current Liabilities			
Short-term borrowings	8	58,26.16	32,97.09
Trade payables	9	45,14.16	38,39.88
Other current liabilities	9	24,67.61	11,55.04
Short-term provisions	7	8,41.98	10,96.92
		136,49.91	93,88.93
TOTAL		285,80.69	238,45.19
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	10	106,98.50	98,01.66
Intangible assets	11	52.63	88.45
Capital work-in-progress		5,59.96	1,34.89
Non-current investments	12.1	17,63.73	17,53.16
Long-term loans and advances	13	3,60.38	3,92.05
Other non-current assets	14.2	73.00	—
		135,08.20	121,70.21
Current Assets			
Inventories	15	47,60.12	38,54.07
Current Investments	12.2	19.75	—
Trade receivables	14.1	83,92.48	60,41.58
Cash and bank balances	16	7,73.89	4,17.53
Short-term loans and advances	13	8,71.94	10,62.52
Other current assets	14.2	2,54.31	2,99.28
		150,72.49	116,74.98
TOTAL		285,80.69	238,45.19
Summary of significant accounting policies	2.3		
The accompanying notes are an integral part of the consolidated financial statements. 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: 25 May 2012			
For and on behalf of the Board of Directors of Excel Industries Limited A. C. SHROFF Chairman and Managing Director S. R. POTDAR Executive Director S. K. SINGHVI Company Secretary Place : Mumbai Date: 25 May 2012			
U. A. SHROFF Executive Vice Chairperson KAILAS DABHOLKAR Vice President – Finance and Taxation			

EXCEL INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Notes	Current Year (₹ in Lacs)	Previous Year (₹ In Lacs)
INCOME			
Revenue from operations (gross)	17	339,10.89	293,40.52
Less: Excise duty		23,61.41	18,42.23
Revenue from operations (net)		315,49.48	274,98.29
Other income	18	5,38.12	3,32.94
Total revenue (I)		320,87.60	278,31.23
EXPENSES			
Cost of materials consumed	19	172,61.91	133,88.04
Purchase of traded goods	20	7,17.39	6,19.77
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	20	(3,70.53)	(4,81.23)
Employee benefits expense	21	41,51.17	39,39.29
Other expenses	22	72,20.56	66,50.43
Total Expenses (II)		289,80.50	241,16.30
Profit before depreciation and amortisation, interest, exceptional item, tax and prior period adjustments (EBITDA) (I-II)		31,07.10	37,14.93
Depreciation and amortisation expense	23	9,69.65	9,74.28
Finance costs	24	8,91.91	6,72.39
Profit before exceptional item and tax, prior period adjustments		12,45.54	20,68.26
Exceptional item	25	7,24.01	—
Profit before tax and prior period adjustments		19,69.55	20,68.26
Tax expenses			
Current tax (MAT PAYABLE)		3,65.88	7,04.30
MAT Credit Entitlement		(12.59)	(0.31)
Deferred tax		36.61	(98.67)
Total tax expense		3,89.90	6,05.32
Profit after tax but before prior period adjustments		15,79.65	14,62.94
Add/(Less): Prior period adjustments [Net of tax of ₹ 31.41 lacs (Previous Year: ₹ 24.36 lacs)]		(46.50)	(105.25)
Add/(Less): Provision for taxation in respect of earlier years		1.88	16.07
Add/(Less): Share of Profit in an Associate Company		1.65	25.21
Add/(Less): Share of Loss in an Associate Company in Earlier Year		—	(0.51)
Profit for the year		15,36.68	13,98.46
Earnings per equity share [nominal value of share ₹ 5/- (Previous Year: ₹ 5/-)]	26	14.09	12.82
Basic and Diluted (in ₹) computed on the basis of profit for the year		14.09	12.82
Summary of significant accounting policies	2.2		
The accompanying notes are an integral part of the consolidated financial statements. 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: 25 May 2012 For and on behalf of the Board of Directors of Excel Industries Limited A. C. SHROFF Chairman and Managing Director S. R. POTDAR Executive Director S. K. SINGHVI Company Secretary U. A. SHROFF Executive Vice Chairperson KAILAS DABHOLKAR Vice President – Finance and Taxation Place : Mumbai Date: 25 May 2012			

EXCEL INDUSTRIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	For the year ended March 31, 2012		For the year ended March 31, 2011	
	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and Extraordinary Item		12,45.54		20,68.26
Adjustments for :				
Depreciation and Amortisation Expense	9,19.38		9,23.19	
Amortisation of Intangible Assets	50.27		51.09	
Share of loss in Partnership Firm	0.02		—	
Bad Debts/Sundry Debit Balances Written Off (Net)	6.03		1,17.91	
Loss/(Profit) on sale of Tangible Assets	38.24		7.70	
Loss/(Profit) on sale of Investments	(4.61)		(3.86)	
Provision for Gratuity/Leave Encashments	2,83.42		3,05.10	
Tangible Assets written off	92.84		1,86.11	
Provision for Doubtful receivables/Advances	7.52		10.50	
Sundry Credit Balances written back	(5.16)		(41.84)	
Provision for Diminution in value of investments written back	(38.29)		(13.28)	
Interest Income	(35.60)		(27.27)	
Dividend Income	(1,49.22)		(1,48.66)	
Finance Cost	7,19.54		5,65.22	
Unrealised exchange loss	38.12		9.71	
Share of Dividend from Associate Company	0.54		0.22	
Short/(Excess) Provision for other items (Net)	(69.52)		8.51	
		18,53.52		19,50.35
Operating Profit before working capital changes		30,99.06		40,18.61
Adjustments for:				
Trade and other receivables & Loans & Advances	(20,80.42)		(5,18.18)	
Inventories	(9,06.05)		(4,72.36)	
Trade Payables & other liabilities	17,72.85		10,22.16	
		(12,13.62)		31.62
Cash generated from Operations		18,85.44		40,50.23
Direct taxes paid		3,48.35		5,15.40
		15,37.09		35,34.83
Prior Period Adjustments (Other than Taxation)		(46.50)		(1,05.25)
Net cash from/(used in) Operating Activities (A)		14,90.59		34,29.58
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of tangible assets includes capital advances		(23,97.68)		(10,24.44)
Purchase of Intangible Assets		(23.87)		(54.02)
Proceeds of tangible assets		7,58.38		1,13.06
Purchase of Investments		(28.48)		(5,02.45)
Sale of Investments		36.41		3.86
Sundry Loans returned/(given)		2.50		29.00
Interest received		32.16		33.83
Dividend received		1,49.22		1,48.66
Net Cash from/(used in) Investing Activities (B)		(14,71.36)		(12,52.50)

EXCEL INDUSTRIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	For the year ended March 31, 2012 (₹ in Lacs)	For the year ended March 31, 2011 (₹ in Lacs)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds from borrowings (Gross)	35,85.88	10,26.95
Repayment of borrowings (Gross)	(20,14.86)	(22,85.54)
Dividend Paid	(4,04.98)	(2,16.40)
Interest Paid	(6,89.57)	(5,29.21)
Tax on distributed Profits	(66.34)	(36.23)
Net cash from/(used in) Financing Activities (C)	4,10.13	(20,40.42)
Net increase in cash and cash equivalents (A+B+C)	4,29.36	1,36.66
Cash and cash equivalents at the beginning of the year	4,17.53	2,80.87
Cash and cash equivalents at the end of the year	8,46.89	4,17.53
Components of Cash and Cash Equivalents:		
1. Cash on hand	0.01	—
2. Bank Balances in India:		
With Scheduled Banks:		
(i) In Unpaid Dividend Accounts *	12.85	8.87
(ii) In Current Accounts	4,58.26	1,66.33
(iii) In Deposits	1,10.23	73.00
(iv) In Margin Money Accounts	2,63.09	1,69.17
(v) Unrealised Exchange loss/(gain)	2.45	0.16
	8,46.89	4,17.53
Note:		
* Cash and cash equivalents include ₹ 12.85 lacs (Previous Year ₹ 8.87 lacs) in respect of unpaid dividend, the balance of which is not available to the Company.		
As per our attached report of even date	For and on behalf of the Board of Directors of Excel Industries Limited	
For S. R. BATLIBOI & CO.	A. C. SHROFF	U. A. SHROFF
Firm Registration No.: 301003E	Chairman and Managing Director	Executive Vice Chairperson
Chartered Accountants	S. R. POTDAR	KAILAS DABHOLKAR
per Vijay Maniar	Executive Director	Vice President – Finance and Taxation
Partner	S. K. SINGHVI	
Membership No. 36738	Company Secretary	
Place : Mumbai	Place : Mumbai	
Date: 25 May 2012	Date: 25 May 2012	

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

1. CORPORATE INFORMATION

The holding Company is a Public Company domiciled in India and incorporated holding under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The holding Company is engaged in manufacturing of Chemicals and Environmental products. Chemicals comprising of Industrial and Specialty chemicals and Pesticides Intermediates. Environmental products comprising of Soil Enricher, Bio - Pesticides and other Bio-products and is also engaged in manufacturing activity on behalf of third parties. Excel Bio Resources Limited is a wholly owned subsidiary of the holding Company and is in the process of exploring business opportunities in the areas of renewable bio-resources, waste management, renewable energy and biotechnological processes. Kamaljiyot Investments Limited, another wholly owned subsidiary of the Holding Company, is primarily engaged in activities of Investment Holding and Financing.

2. CONSOLIDATION:

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

Name of the Subsidiary Companies	Country of Incorporation	% of Group Holding	
		As at March 31, 2012	As at March 31, 2011
Kamaljiyot Investments Limited	India	100%	100%
Excel Bio Resources Limited (w.e.f. September 30, 2011)	India	100%	—

- (b) For the purpose of preparation of consolidated financial statements, the investments of the group in its associate company are accounted for using the Equity Method. The investments in the associate Company 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	
		As at March 31, 2012	As at March 31, 2011
Rom Vijay Bioo Tech Private Limited	India	24.00%	24.00%
Excel Bio Resources Limited (upto September 29, 2011)	India	—	49.02%

- (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 March 31, 2012 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 and comprise of the consolidated balance sheet, consolidated statement of profit and loss, and notes, other statements and explanatory material that form an integral part thereof.
- (e) The financial statement of the subsidiaries and associate Company drawn upto the same reporting date viz. year ended March 31, 2012 has been used for the purpose of consolidation.
- (f) The Consolidated Financial Statements of the Holding Company and its Subsidiary Companies 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.
- (g) Changes have been made in the accounting policies followed by each of the subsidiaries and associate to the extent they were material and identifiable from their respective audited accounts to make them uniform with the accounting policies followed by the holding Company. Where it has not been practicable to use uniform accounting policies in preparing the consolidated financial statements, the different accounting policies followed by each of the Group companies are stated in Note No. 2.2 below, if material.
- (h) During the year, the Group has acquired Excel Bio Resources Limited on September 30, 2011. This acquisition has the effect of increase in assets, liabilities and results by ₹ 50.70 lacs, ₹ 0.57 lac and ₹ (0.75) lac respectively in the consolidated financial statements.

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

2.1 BASIS OF PREPARATION

The Consolidated financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The group has prepared these consolidated financial statements to comply in all material respects with the accounting standards notified under the *Companies (Accounting Standards) Rules, 2006, (as amended)* and the relevant provisions of the Companies Act, 1956. The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of assets of Holding Company for which revaluation is carried out. The accounting policies have been consistently applied by the group are consistent with those used in the previous year.

The consolidated financial statement of the group have been prepared on a line by line basis by adding together the book value of subsidiary companies like items of assets, liabilities, income and expenses after eliminating intra group balances and the unrealised profit/loss on intra group transactions.

The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.2 PRESENTATION AND DISCLOSURE OF CONSOLIDATED FINANCIAL STATEMENTS

All assets and liabilities have been classified as current or non-current as per the group normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the group has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the group, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The group has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Tangible fixed assets

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

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

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(d) Depreciation on tangible fixed assets

(i) 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.

(ii) 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 and 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 September 30, 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.

(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) 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.

(g) Leases

Where the group is 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 statement of profit and loss on a straight-line basis over the lease term.

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Where the group is the lessor

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

(h) 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. 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.

(i) Impairment of tangible and intangible assets

- (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.

(j) Government grants and subsidies

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

(k) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

(l) Inventories

Raw materials, containers, packing materials, stores and spares are valued at 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 of raw materials, containers and stores and spares is determined on a moving weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on absorption costing basis at actuals.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(m) Revenue recognition

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

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been 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

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

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 or Duty Drawback Scheme as per the Export and Import Policy in respect of exports made under the said Scheme is included under the note "Revenue from Operations" as 'Exports incentives'.

Dividends

Dividend income is recognised when the Group's right to receive dividend is established by the reporting 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.

(n) Foreign currency translation

Foreign currency transactions and balances

(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 retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Group 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 entered into to hedge foreign currency risk of an existing asset/liability

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense/income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period.

(o) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due.

Retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contribution is charged to the statement of profit and loss 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.

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.

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.

Actuarial gains/losses are recognised immediately to the statement of profit and loss and are not deferred.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss immediately.

(p) Income taxes

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 reporting 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 group 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.

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

At each reporting date the Group 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 reporting date. The Group 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 Group 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 statement of profit and loss and shown as MAT Credit Entitlement. The Group reviews the same at each reporting date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal Income Tax during the specified period.

(q) Segment reporting

Identification of segments

The Group'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 Group operate.

Inter-segment transfers

The Group generally accounts for inter-segment sales and transfers at cost plus appropriate margins.

Allocation of common costs

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

Unallocated items

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

Segment accounting policies

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

(r) 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.

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(s) Provisions

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(t) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

(u) Cash and cash equivalents

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

(v) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Group has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Group does not include depreciation and amortisation expense, finance costs and tax expense.

(w) Derivatives

Subsidiary Company – Kamalijot Investments Limited

All derivatives, are measured using the mark-to-market principle with the resulting losses thereon being recorded in the statement of profit and loss. For derivatives which are outstanding as on the reporting date, the Company adopts a conservative approach and ignores the anticipated profit on such transactions and no credit is taken in the statement of profit and loss.

Initial margins paid for entering into the contract are disclosed in the Balance Sheet as Current Investments as it is represented by way of investment in units of LiquidBeEs (Mutual Fund). The dividend earned on such units of LiquidBeEs is further invested in purchase of additional LiquidBeEs. These LiquidBeEs are pledged as Margin for trading in Futures and Option Segment of NSE Niftyindex and have been disclosed as restricted investment. Also refer Note 41.

As on the reporting date, the profit/loss on open positions are accounted for as follows:

Credit balance in the "Nifty Index" being anticipated profit, is ignored and no credit is taken in the statement of profit and loss.

Debit balance in the "Nifty Index" being anticipated loss, is provided in the statement of profit and loss.

On the final settlement or squaring up of contracts for equity index/stock futures, the profit or loss is calculated as difference between settlement/squared up price and contract price and disclosed in the statement of profit and loss under the head profit/loss on securities.

"Nifty Index/Stock Option Premium Account" represents the premium paid or received for buying or selling the options, respectively. Premium income should amortise over the period of option.

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

3. SHARE CAPITAL

	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
Authorised shares		
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 fully paid-up shares		
1,09,05,630 (Previous Year: 1,09,05,630) Equity Shares of ₹ 5/- each fully paid	5,45.28	5,45.28
	5,45.28	5,45.28

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2012		March 31, 2011	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs
Equity Shares				
At the beginning of the period	10,905,630	5,45.28	10,905,630	5,45.28
Fresh issue of shares during the period	—	—	—	—
Outstanding at the end of the period	10,905,630	5,45.28	10,905,630	5,45.28

(b) Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 5/- per share. Each holder of equity share carries one vote and is entitled to dividend that may be declared by the Board of Directors, which is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2012, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 2/- (Previous Year: ₹ 3.75/-)

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Holding Company

	March 31, 2012		March 31, 2011	
Name of the shareholder	Nos.	% holding in the class	Nos.	% holding in the class
Equity shares of ₹ 5/- each fully paid:				
Life Insurance Corporation of India	1,012,799	9.29%	1,012,799	9.29%
Anshul Specialty Molecules Limited	1,890,205	17.33%	1,890,205	17.33%
Utkarsh Chemicals Private Limited	1,378,944	12.64%	1,184,255	10.86%

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

4. RESERVES AND SURPLUS

	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
Capital reserve		
(a) Profit on purchase of debentures	0.01	0.01
(b) Government grants/subsidies	70.00	70.00
	<u>70.01</u>	<u>70.01</u>
Capital Redemption Reserve	0.02	0.02
Securities premium account	1,81.08	1,81.08
General reserve:		
Balance as per the last financial statements	92,04.07	81,04.07
Add: amount transferred from surplus balance in the statement of profit and loss	12,00.00	11,00.00
Closing balance	<u>104,04.07</u>	<u>92,04.07</u>
Surplus in the statement of profit and loss:		
Balance as per the last financial statements	11,59.68	13,36.52
Add: Profit for the year	15,36.68	13,98.46
Add/(less): Reduction in Reserves on cessation of Associate Company	(1.44)	—
Goodwill generated in acquisition of Subsidiary	0.75	—
Less: Appropriations		
Proposed equity dividend [Amount per share ₹ 2/- (Previous Year: ₹ 3.75/-)]	(2,18.11)	(4,08.96)
Tax on proposed equity dividend	(35.38)	(66.34)
Transfer to general reserve	(12,00.00)	(11,00.00)
	<u>(14,53.49)</u>	<u>(15,75.30)</u>
Net surplus in the statement of profit and loss	<u>12,42.18</u>	<u>11,59.68</u>
Total	<u>118,97.36</u>	<u>106,14.86</u>

5. LONG-TERM BORROWINGS

	Non-current portion		Current maturities	
	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
From bank:				
Under vehicle finance scheme (secured)	—	—	—	0.46
From other:				
Under vehicle finance scheme (secured)	21.14	28.54	18.87	12.70
Deposits (unsecured):				
From shareholders	76.10	1,85.26	1,56.61	40.80
From public	4,47.91	12,51.28	9,99.66	3,62.67
Total	<u>5,45.15</u>	<u>14,65.08</u>	<u>11,75.14</u>	<u>4,16.63</u>
The above amount includes:				
Secured borrowings	21.14	28.54	18.87	13.16
Unsecured borrowings	5,24.01	14,36.54	11,56.27	4,03.47
Amount disclosed under the head "other current liabilities" (Refer Note 9)	—	—	(11,75.14)	(4,16.63)
Total	<u>5,45.15</u>	<u>14,65.08</u>	<u>—</u>	<u>—</u>

- Term loan under vehicle finance from bank amounting to ₹ Nil (Previous Year: ₹ 0.46 lac) is secured by hypothecation of the vehicles acquired by utilising the said loans and is repayable in equated monthly installments till November 7, 2011. The loan carries the interest @ 14% p.a.
- Term loan under vehicle finance from a financial institution amounting to ₹ 40.01 lacs (Previous Year: ₹ 41.24 lacs) carrying interest rate ranging from 12% to 14%, repayable in equated monthly installments and is secured by hypothecation of the vehicles acquired by utilising the said loan.
- Deposit from shareholders are repayable after two and three years from the respective dates of deposits and carry the interest @ 9.5% p.a. and @ 10% p.a. respectively.
- Deposit from public are repayable after two and three years from the respective dates of deposits and carry the interest @ 9.5% p.a. and @ 10% p.a. respectively.

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

6. DEFERRED TAX LIABILITY (NET)

	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
Deferred tax liability		
Depreciation/Amortisation	16,22.68	16,13.82
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current/earlier years but allowed for tax purpose on payment basis	1,87.58	1,97.69
Provision for doubtful debts and advances	13.76	11.36
Other disallowances	15.09	—
Unabsorbed capital loss	—	35.13
	2,16.43	2,44.18
Total	14,06.25	13,69.64

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.

7. PROVISIONS

	Long-term		Short-term	
	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
Provision for employee benefits				
Provision for gratuity (Refer Note 27)	7.96	—	1,25.00	1,39.14
Provision for leave benefits	5,28.78	4,61.40	29.15	56.49
	5,36.74	4,61.40	1,54.15	1,95.63
Other provisions				
Provision for taxation [net of advance tax of ₹ 26,46.07 lacs (Previous Year: ₹ 21,29.92 lacs)]	—	—	4,34.34	4,25.74
Provision for fringe benefit tax [net of advance tax of ₹ Nil (Previous Year: ₹ 28.25 lacs)]	—	—	—	0.25
Proposed equity dividend	—	—	2,18.11	4,08.96
Provision for tax on distributed profits	—	—	35.38	66.34
	—	—	6,87.83	9,01.29
Total	5,36.74	4,61.40	8,41.98	10,96.92

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

8. SHORT-TERM BORROWINGS	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
From banks		
Cash credit and packing credit (secured)	37,46.61	16,80.78
Working capital demand loan (secured)	9,90.26	9,99.97
Foreign currency buyer's credit loan (unsecured)	10,89.29	4,16.34
	58,26.16	30,97.09
From others		
Inter corporate deposits (unsecured)	—	2,00.00
	58,26.16	32,97.09
The above amount includes		
Secured Borrowing	47,36.87	26,80.75
Unsecured Borrowing	10,89.29	6,16.34
Cash credit, packing credit and working capital demand loan from bank are secured by hypothecation of all tangible movable assets both present and future including stock of raw materials, finished goods, goods in process, stores and trade receivables etc and is further secured by a second charge on the fixed assets at Roha and Lote Parshuram. The cash credit, packing credit and working capital demand loan is repayable on demand and carries interest rates @ 9% to 14% p.a.		
Outstanding foreign currency buyer's credit loan are unsecured and carry an interest rate ranging from libor plus 282 bps to 350 bps.		
9. OTHER CURRENT LIABILITIES	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
Trade payables (including acceptances) (Refer Note 36 for details of dues to micro and small enterprises)	(A)	
	45,14.16	38,39.88
	45,14.16	38,39.88
Other liabilities		
Current maturities of long-term borrowings (Refer Note 5)	11,75.14	4,16.63
Interest accrued but not due on borrowings	1,07.52	77.55
Interest accrued and due on borrowings	—	3.00
Investor education and protection fund will be credited by following amounts (as and when due):		
Unpaid dividend	12.85	8.87
Unpaid matured deposits	22.19	9.79
Advances against orders	5,19.51	1,17.24
Capex creditors	2,88.71	2,59.30
Statutory liabilities	1,76.48	1,05.43
Sundry deposits	1,16.18	1,00.00
Nifty Index/Stock Option Premium Account (Refer Note 41)	0.16	—
Others	48.87	57.23
	(B)	
	24,67.61	11,55.04
Total (A + B)	69,81.77	49,94.92

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

10. TANGIBLE ASSETS

(₹ in Lacs)

	Land free hold	Land lease hold**	Leasehold improvements	Buildings	Plant and machinery	Data processing equipments	Electrical installation	Laboratory equipments	Furniture fixture and office equipments	Vehicles	Technical books	Total
Cost / Valuation (gross block)												
At April 1, 2010	1,72.91	2,84.71	23.43	22,11.96	163,19.65	8,51.94	4,88.35	2,30.88	6,54.46	2,63.97	8.09	215,10.35
Additions	—	—	—	83.11	9,79.25	57.28	38.01	16.01	15.88	43.75	1.14	12,34.43
Disposals	—	—	—	4.19	12,92.80	70.52	1.46	35.05	53.87	33.12	—	14,91.01
At March 31, 2011	1,72.91	2,84.71	23.43	22,90.88	160,06.10	8,38.70	5,24.90	2,11.84	6,16.47	2,74.60	9.23	212,53.77
Acquisition of Subsidiary	—	—	—	—	0.02	0.29	—	—	0.23	—	—	0.54
Additions	—	—	—	9,73.17	8,36.42	49.80	10.63	19.32	39.39	43.16	0.19	19,72.08
Disposals	1.06	—	—	1.07	3,90.13	77.48	1.58	—	46.46	19.04	—	5,36.82
At March 31, 2012	1,71.85	2,84.71	23.43	32,62.98	164,52.41	8,11.31	5,33.95	2,31.16	6,09.63	2,98.72	9.42	226,89.57
Depreciation												
At April 1, 2010	—	42.50	3.55	6,55.43	87,96.17	6,69.55	3,34.31	2,17.63	5,11.00	1,77.34	5.58	114,13.06
Charge for the year	—	4.65*	8.52	94.86	7,80.53	40.25	26.23	6.00	25.84	28.64	0.61	10,16.13
Disposals/adjustments	—	—	—	1.15	8,39.02	(0.20)	24.31	34.27	49.16	29.37	—	9,77.08
At March 31, 2011	—	47.15	12.07	7,49.14	87,37.68	7,10.00	3,36.23	1,89.36	4,87.68	1,76.61	6.19	114,52.11
Acquisition of Subsidiary	—	—	—	—	—	0.22	—	—	0.15	—	—	0.37
Charge for the year	—	4.64*	8.52	1,05.00	6,68.87	39.67	25.96	8.53	27.73	30.00	0.46	9,19.38
Disposals/adjustments	—	—	—	0.45	2,22.30	99.77	1.58	—	40.34	16.35	—	3,80.79
At March 31, 2012	—	51.79	20.59	8,53.69	91,84.25	6,50.12	3,60.61	1,97.89	4,75.22	1,90.26	6.65	119,91.07
Net Block												
At March 31, 2011	1,72.91	2,37.56	11.36	15,41.74	72,68.42	1,28.70	1,88.67	22.48	1,28.79	97.99	3.04	98,01.66
At March 31, 2012	1,71.85	2,32.92	2.84	24,09.29	72,68.16	1,61.19	1,73.34	33.27	1,34.41	1,08.46	2.77	106,98.50

Notes: a. * Amount written off in respect of leasehold land.
b. Buildings include cost of shares in co-operative housing societies ₹ 0.01 lac (Previous Year: ₹ 0.01 lac).
c. Buildings include buildings given on operating lease:
Gross book value ₹ 1,99.70 lacs (Previous Year: ₹ 1,99.70 lacs)
Accumulated depreciation ₹ 78.66 lacs (Previous Year: ₹ 77.36 lacs)
Depreciation for the year ₹ 3.25 lacs (Previous Year: ₹ 1.30 lacs)
Net block ₹ 1,17.79 lacs (Previous Year: ₹ 1,21.04 lacs)
d. ** Includes ₹ 2 lacs (Previous Year : ₹ 2 lacs) being 50 % share of interest in Joint Venture.

11. INTANGIBLE ASSETS

(₹ in Lacs)

	Trade marks	Computer software	Export product registration	Goodwill	Total
Cost (Gross block)					
At April 1, 2010	7.00	1,86.34	—	—	1,93.34
Additions/purchase	—	—	54.02	—	54.02
Disposals	—	—	—	—	—
At March 31, 2011	7.00	1,86.34	54.02	—	2,47.36
Additions/purchase	—	—	23.12	0.75*	23.87
Disposals	—	—	9.44	—	9.44
At March 31, 2012	7.00	1,86.34	67.70	0.75	2,61.79
Amortisation					
At April 1, 2010	7.00	1,00.82	—	—	1,07.82
Charge for the year	—	46.59	4.50	—	51.09
Disposals	—	—	—	—	—
At March 31, 2011	7.00	1,47.41	4.50	—	1,58.91
Charge for the year	—	38.95	11.32	—	50.27
Disposals	—	0.02	—	—	0.02
At March 31, 2012	7.00	1,86.34	15.82	—	2,09.16
Net Block					
At March 31, 2011	—	38.93	49.52	—	88.45
At March 31, 2012	—	—	51.88	0.75	52.63

Note: * Goodwill on account of acquiring a company

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

12.1 NON-CURRENT INVESTMENTS (Long Term Investments)	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
Trade Investments (valued at cost unless otherwise stated)		
Investments in equity instruments (quoted)		
2,45,760 (Previous Year: 2,45,760) Equity Shares of ₹ 5/- each fully paid-up in Excel Crop Care Limited	3,66.26	3,66.26
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
A	6,75.26	6,75.26
Unquoted equity instruments		
Investment in joint ventures		
4,68,000 (Previous Year: 4,68,000) Equity Shares of Hong Kong \$ 1 each fully paid-up in Wexsam Limited, Hong Kong (Refer Note 40)	27.26	27.26
Less: Provision for diminution in value of investments	27.26	27.26
B	—	—
Investment in associates		
Nil (Previous Year: 2,50,000) Equity Shares of ₹ 10/- each fully paid up in Excel Bio Resources Limited	—	24.45
10,812 (Previous Year: 10,812) Equity Shares of ₹ 10/- each fully paid-up in Romvijay Bio Tech Private Limited	51.24	13.89
C	51.24	38.34
Others		
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
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
D	4,63.83	4,63.83
Total Trade Investment (E = A+B+C+D)	11,90.33	11,77.43
Non-Trade Investments (valued at cost unless otherwise stated)		
Investments in equity instruments (quoted)		
4,285 (Previous Year: 4,285) Equity Shares of ₹ 10/- each fully paid-up in TIL Limited	1.54	1.54
35,900 (Previous Year: 35,900) Equity Shares of ₹ 10/- each fully paid-up in Bank of India	16.16	16.16
10,075 (Previous Year: 10,075) Equity Shares of ₹ 10/- each fully paid-up in Aimco Pesticides Limited	1.02	1.02
608,493 (Previous Year: 6,08,493) Equity Shares of ₹ 10/- each fully paid-up in Transpek Industry Limited (Refer Note No. 1 below)	5,18.67	5,18.67
1,500 (Previous Year: 1,500) Equity Shares of ₹ 2/- each fully paid-up in Astra Microwave Products Limited	1.64	1.64
8 (Previous Year: 8) Equity Shares of ₹ 10/- each fully paid-up in Bayer Cropscience Limited	0.01	0.01
40 (Previous Year: 40) Equity Shares of ₹ 2/- each fully paid-up in Birla Precision Technologies Limited	—	—
2,000 (Previous Year: 1,000) Equity Shares of Rupee 1/- each fully paid-up in Carborundum Universal Limited	1.77	1.77
3,500 (Previous Year: 5,000) Equity Shares of Rupee 1/- each fully paid-up in Elgi Rubber International Limited	1.96	1.96
375 (Previous Year: 375) Equity Shares of ₹ 10/- each per Equity Shares in Gujarat Lease Financing Limited	0.58	0.58

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

12.1 NON-CURRENT INVESTMENTS (Long Term Investments)	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
4,700 (Previous Year: 4,700) Equity Shares of ₹ 10/- each fully paid-up in Gujarat State Financial Corporation	0.94	0.94
1,000 (Previous Year: 1,000) Equity Shares of Rupee 1/- each fully paid-up in Hindalco Industries Limited	1.84	1.84
100 (Previous Year: 100) Equity Shares of ₹ 10/- each fully paid-up in Indokern Limited	0.02	0.02
420 (Previous Year: 420) Equity Shares of ₹ 10/- each fully paid-up in Lloyds Finance Limited	0.17	0.17
6,000 (Previous Year: 10,000) Equity Shares of ₹ 10/- each fully paid-up in Mangalore Chemicals & Fertilizers Limited	2.56	4.27
10 (Previous Year: 5) Equity Shares of ₹10/- each fully paid-up in Monsanto India Limited	0.03	0.03
300 (Previous Year: 300) Equity Shares of ₹ 10/- each fully paid-up in Navin Fluorine International Limited	1.13	1.13
Nil (Previous Year: 400) Equity Shares of ₹ 5/- each fully paid-up in Reliance Communication Limited	—	2.65
1,000 (Previous Year: 1,000) Equity Shares of ₹ 10/- each fully paid-up in Shah Foods Limited	0.10	0.10
4,000 (Previous Year: 4,000) Equity Shares of Rupee 1/- each fully paid-up in Sona Koyo Steering Systems Limited	1.36	1.36
1,600 (Previous Year: 400) Equity Shares of Rupee 1/- each fully paid-up in Sterlite Industries Limited	3.23	3.23
5 (Previous Year: 5) Equity Shares of ₹ 5/- each fully paid-up in Syngenta India Limited	0.01	0.01
230 (Previous Year: 785) Equity Shares of ₹ 10/- each fully paid-up in Ultratech Cements Limited	2.19	7.96
100 (Previous Year: 100) Equity Shares of ₹ 2/- each fully paid-up in Uniphos Enterprises Limited	0.01	0.01
500 (Previous Year: 800) Equity Shares of ₹ 2/- each fully paid-up in V I P Industries Limited	0.13	1.06
121 (Previous Year: 121) Equity Shares of ₹ 10/- each fully paid-up in Zenith Birla India Limited	0.34	0.34
	5,57.41	5,68.47
Less: Provision for diminution in value of investments	7.38	9.71
F	5,50.03	5,58.76
Investments in equity instruments (unquoted)		
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
50,000 (Previous Year: 50,000) Equity Shares of ₹ 10/- each fully paid-up in Biotech Consortium India Limited	5.00	5.00
1,000 (Previous Year: 1,000) Equity Shares of ₹ 10/- each fully paid-up in Alpica Finance Limited	1.00	1.00
4,900 (Previous Year: 4,900) Equity Shares of ₹ 10/- each fully paid-up in Ashok Organic Industries Limited	7.84	7.84
31,750 (Previous Year: 31,750) Equity Shares of ₹ 10/- each fully paid-up in TML Industries Limited	9.75	9.75
10,000 (Previous Year: 30,000) Equity Shares of ₹ 10/- each fully paid-up in Vishwakarma Finance and Asset Management Services Limited	0.67	2.00
	24.51	25.84
Less: Provision for diminution in value of investments	9.87	8.84
G	14.64	17.00

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

12.1 NON-CURRENT INVESTMENTS (Long Term Investments)		As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
Other Investments (quoted)			
1,725 (Previous Year: Nil) Equity Shares of ₹ 10/- each fully paid-up in Goldman Sachs Mutual Fund - NIFTYBEES		8.73	—
	H	8.73	—
Total Non-Trade Investment (I = F+G+H)	I	5,73.40	5,75.75
Total Non-Current Investments (excluding Diminution)		18,08.24	17,98.97
Less: Provision for diminution in value of investments		44.51	45.81
Total Non-Current Investments (E+I)		17,63.73	17,53.16
		As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
Notes:			
1. (a) Aggregate of Quoted Investments:			
Long Term Investments:			
Cost (Net of provision for diminution)		16,97.85	16,97.85
Market Value		7,58.28	21,76.06
(b) Aggregate of Unquoted Investments:			
Cost (Net of provision for diminution)		65.88	55.34
Note:			
1. 1,09,681 (Previous Year: 2,06,681) Equity shares of ₹ 10 each of Transpek Industry Limited, have restriction on their transfer, due to lock-in period applicable upto 26th May, 2012, in terms of the Scheme of Issue of equity shares on a preferential basis, in accordance with the guidelines of SEBI, and the Listing Agreement entered into between Transpek Industry Limited and Bombay Stock Exchange.			
12.2 CURRENT INVESTMENTS		As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
(Valued at lower of cost and fair value, unless stated otherwise)			
Unquoted Mutual Funds (at cost):			
(a) 44,838.626 units (Previous Year: Nil) of SBIMF – MIF FRP Savings Plus Bonds Plan of ₹ 10 each		5.00	—
(b) 39,572.929 units (Previous Year: Nil) of UTI Short Term Income Fund of ₹ 10 each		5.00	—
		10.00	—
Other Investments (at cost):			
Goldman Sachs Mutual Fund Liquid Benchmark (ETS – LiquidBeEs) (Quoted)			
(a) 650.851 (Previous Year: Nil) LiquidBeEs (Note: 623.000 LiquidBeEs are pledged as Margin for Trading in Futures & Option Segment of NSE – Nifty index) (Refer Note 41)		6.51	—
(b) 324.120 (Previous Year: Nil) LiquidBeEs (Refer Note 41)		3.24	—
		9.75	—
Total Current Investments		19.75	—
Aggregate amount of quoted investments [Market value ₹ 9.75 lacs (Previous Year: ₹ Nil)]		9.75	—
Aggregate amount of unquoted investments		10.00	—

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

13. LOANS AND ADVANCES		Non-current		Current	
		As at	As at	As at	As at
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Capital advances					
Unsecured, considered good	(A)	74.63	1,62.49	—	—
Security deposits					
Unsecured, considered good	(B)	2,41.68	1,90.20	—	—
Advances recoverable in cash or kind					
Unsecured, considered good		—	—	3,04.61	6,36.86
Unsecured, considered doubtful		—	—	35.00	35.00
		—	—	3,39.61	6,71.86
Provision for doubtful advances		—	—	(35.00)	(35.00)
	(C)	—	—	3,04.61	6,36.86
Other loans and advances					
Dues from Share, Stock & Commodity Brokers		—	—	0.76	—
Advance income-tax (net of provision for taxation [₹ Nil Previous Year ₹ 3.90 Lacs])		—	—	—	1.42
Minimum Alternative tax Credit Entitlement		—	—	12.90	0.31
Prepaid expenses		9.51	9.97	1,59.54	83.97
Loans		34.56	29.39	29.12	26.76
Balances with statutory/government authorities		—	—	3,65.01	3,13.20
	(D)	44.07	39.36	5,67.33	4,25.66
Total	(A+B+C+D)	3,60.38	3,92.05	8,71.94	10,62.52
14. TRADE RECEIVABLES AND OTHER ASSETS		Non-current		Current	
		As at	As at	As at	As at
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Unsecured, considered good unless stated otherwise					
Outstanding for a period exceeding six months from the date they are due for payment		—	—	1,19.71	1,02.58
Unsecured, considered good		—	—	7.52	—
Doubtful		—	—	1,27.23	1,02.58
		—	—	(7.52)	—
Less: Provision for doubtful receivables		—	—	1,19.71	1,02.58
Other receivables		—	—	82,72.77	59,39.00
Unsecured, considered good		—	—	83,92.48	60,41.58
Total		—	—	83,92.48	60,41.58
14.1 Trade receivables		Non-current		Current	
		As at	As at	As at	As at
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Unsecured, considered good unless stated otherwise					
Outstanding for a period exceeding six months from the date they are due for payment		—	—	1,19.71	1,02.58
Unsecured, considered good		—	—	7.52	—
Doubtful		—	—	1,27.23	1,02.58
		—	—	(7.52)	—
Less: Provision for doubtful receivables		—	—	1,19.71	1,02.58
Other receivables		—	—	82,72.77	59,39.00
Unsecured, considered good		—	—	83,92.48	60,41.58
Total		—	—	83,92.48	60,41.58

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

14.2 Other assets		Non-current		Current	
		As at	As at	As at	As at
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Unsecured, considered good unless stated otherwise	(A)				
Non-current bank balance (Refer Note 16)		73.00	—	—	—
Unamortised premium on forward contract	(B)	—	—	—	4.04
Others					
Open Position in Commodity Market (Refer Note 41)		—	—	18.01	—
MAT Credit Entitlement		—	—	9.21	—
TDS Receivable		—	—	1.97	—
Interest receivable		—	—	10.42	6.98
Export benefit receivable		—	—	1,10.16	1,65.58
Income tax refund receivable		—	—	92.74	91.44
Miscellaneous receivables		—	—	11.80	31.25
	(C)	—	—	2,54.31	2,95.24
Total	(A + B + C)	73.00	—	2,54.31	2,99.28

15. INVENTORIES (Valued at lower of cost or net realisable value)		As at	As at
		March 31, 2012	March 31, 2011
		₹ in Lacs	₹ in Lacs
Raw materials (including stock-in-transit ₹ 5,60.90 lacs (Previous Year: ₹ 2,59.22 lacs) (Refer Note 19)		14,55.29	12,63.16
Packing materials (Refer Note 19)		1,10.94	1,13.10
Finished goods (Refer Note 20)		12,57.19	12,11.56
Work-in-progress (Refer Note 20)		9,84.66	7,80.74
Traded goods (Refer Note 20)		2,42.32	1,21.34
Stores and spares [including fuel and coal] (including stock-in-transit ₹ 3,26.95 lacs (Previous Year: ₹ Nil)		7,09.72	3,64.17
		47,60.12	38,54.07

16. CASH AND BANK BALANCES		Non-current	Current
		As at	As at
		March 31, 2012	March 31, 2011
		₹ in Lacs	₹ in Lacs
Cash and cash equivalents			
Cash on Hand		—	0.01
Balances with banks			
In current accounts (*)		—	4,60.71
In unpaid dividend accounts		—	12.85
		—	4,73.56
Other bank balances			
Deposits with original maturity for more than 12 months		73.00	37.23
Margin money deposits		—	2,63.09
		73.00	3,00.32
Amount disclosed under non-current assets (Refer Note 14.2)		(73.00)	—
Total		—	7,73.89

* includes ₹ 0.05 lac (Previous Year ₹ 0.05 lac) being 50% share of interest in Joint Venture

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

17. REVENUE FROM OPERATIONS	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Revenue from operations		
Sale of products		
Finished goods	314,17.08	261,23.23
Traded goods	10,82.68	11,30.91
Sale of services		
Processing charges	7,80.43	14,33.93
Royalty/Technical fees	2,04.10	2,14.99
Other operating revenue		
Export incentives	1,92.53	1,94.06
Scrap sales	2,01.17	1,88.33
Commission received	32.90	55.07
Revenue from operations (gross)	339,10.89	293,40.52
Less: Excise duty (Refer note below)	23,61.41	18,42.23
Revenue from operations (net)	315,49.48	274,98.29
Note: Excise duty on sales amounting to ₹ 2,361.41 lacs (Previous Year: ₹ 1,842.23 lacs) has been reduced from sales in statement of profit and loss.		
18. OTHER INCOME	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Interest income on		
Bank deposits	16.83	13.07
Income tax refund	4.48	7.70
Others	14.29	14.20
Dividend income		
On Current Investments	0.40	—
On Long-term Investments	1,48.82	1,48.66
Rent	37.88	—
Exchange gain(loss)	1,47.36	—
Excess/(short) accrual written back (net) (Refer Note 34)	69.52	—
Sales tax refund	28.12	15.80
Profit on securities (net)		
Sale of Long Term Investments	4.61	48.65
Trading in Future and Option Contracts in NIFTYINDEX	1.13	—
Interest Rate Arbitrage Contracts	0.37	—
Diminution in value of Investments written back (Net)	38.29	13.28
Others	26.02	71.58
	5,38.12	3,32.94

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

19. COST OF MATERIALS CONSUMED		Current Year ₹ in Lacs	Previous Year ₹ in Lacs
(a) Raw materials			
Inventory at the beginning of the year		12,63.16	13,80.11
Add: Purchases		166,65.76	125,02.93
		179,28.92	138,83.04
Less: Inventory at the end of the year		14,55.29	12,63.16
	(A)	164,73.63	126,19.88
(b) Packing materials			
Inventory at the beginning of the year		1,13.10	83.28
Add: Purchases		7,86.12	7,97.98
		8,99.22	8,81.26
Less: Inventory at the end of the year		1,10.94	1,13.10
	(B)	7,88.28	7,68.16
Total	(A + B)	172,61.91	133,88.04

20. (INCREASE)/DECREASE IN INVENTORIES		Current Year ₹ in Lacs	Previous Year ₹ in Lacs	(Increase)/Decrease ₹ in Lacs
Inventories at the end of the year				March 31, 2012
Finished goods	12,57.19	12,11.56	(45.63)	
Work-in-progress	9,84.66	7,80.74	(2,03.92)	
Traded goods	2,42.32	1,21.34	(1,20.98)	
	24,84.17	21,13.64	(3,70.53)	
Inventories at the beginning of the year				March 31, 2011
Finished goods	12,11.56	9,20.26	(2,91.30)	
Work-in-progress	7,80.74	5,99.47	(1,81.27)	
Traded goods	1,21.34	1,12.68	(8.66)	
	21,13.64	16,32.41	(4,81.23)	
	(3,70.53)	(4,81.23)		

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

21. EMPLOYEE BENEFITS EXPENSE	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Salaries, wages and bonus	32,99.12	31,45.52
Contribution to provident and other funds	3,02.14	2,79.73
Provision/payment of gratuity (Refer Note 27)	1,71.82	1,89.23
Provision for other retirement benefits	1,11.60	1,15.87
Workmen and staff welfare expenses	2,66.49	2,08.94
	<u>41,51.17</u>	<u>39,39.29</u>
22. OTHER EXPENSES	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Consumption of stores and spares (Refer Note 37)	58.68	46.02
Processing charges	2,90.79	2,10.97
Excise duty	69.31	25.60
Power and fuel	25,01.61	22,47.06
Effluent expenses	3,53.55	3,08.53
Rent (Refer Note 30)	34.00	30.75
Rates and taxes	58.03	63.19
Insurance	61.13	50.56
Repairs and maintenance		
— Plant and machinery	11,48.36	10,07.71
— Buildings	84.68	48.59
— Others	89.07	63.23
Sales commission and discounts	1,08.52	95.80
Travelling and conveyance	1,66.07	1,53.50
Legal and professional fees	2,53.48	2,28.92
Directors' sitting fees	2.60	3.30
Payment to auditor (refer details below)	29.45	25.42
Exchange differences (net)	—	22.82
Bad debts/sundry debit balances written off	6.03	1,17.91
Share in Loss of Partnership Firm	0.02	0.02
Freight outward and forwarding expenses	7,76.38	7,26.41
Charity and donations	30.77	29.71
Provision for doubtful receivables/advances	7.52	10.50
Tangible assets written off	92.84	1,86.11
(Excess)/Short Provision of earlier years (Refer Note 34)	—	8.51
Loss on Sale of Mutual Fund Units	0.39	—
Loss on sale of fixed assets (net)	37.54	9.96
Other	9,59.74	9,29.33
Total	<u>72,20.56</u>	<u>66,50.43</u>
Payment to auditor	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
As auditor:		
Audit fee	10.84	10.44
Tax audit fees	4.11	4.00
Limited review	2.25	1.75
In other capacity:		
Taxation matters	9.87	7.53
Certification fees and other matters	1.84	1.30
Reimbursement of expenses	0.54	0.40
	<u>29.45</u>	<u>25.42</u>

EXCEL INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

23. DEPRECIATION AND AMORTISATION EXPENSES		
	Current Year	Previous Year
	₹ in Lacs	₹ in Lacs
Depreciation on tangible assets	9,19.38	9,23.19
Amortisation of intangible assets	50.27	51.09
	9,69.65	9,74.28
24. FINANCE COSTS		
	For the year ended	For the year ended
	March 31, 2012	March 31, 2011
	₹ in Lacs	₹ in Lacs
Interest	7,19.54	5,65.22
Bank and financial charges	1,34.25	97.46
Exchange difference and loss on buyer's credit	38.12	9.71
Total	8,91.91	6,72.39
25. EXCEPTIONAL ITEM		
	Current Year	Previous Year
	₹ in Lacs	₹ in Lacs
Exceptional item (Refer Note 38)	7,24.01	—
26. EARNINGS PER SHARE (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
	Current Year	Previous Year
	₹ in Lacs	₹ in Lacs
Profit after tax as per statement of profit and loss	15,79.65	14,62.94
Add/Less: Reconciliation items	(42.97)	(64.48)
Net profit for calculation of basic/diluted EPS	15,36.68	13,98.46
	Nos.	Nos.
Weighted average number of equity shares in calculating basic EPS	10,905,630	10,905,630
Effect of dilution	—	—
Weighted average number of equity shares in calculating diluted EPS	10,905,630	10,905,630

EXCEL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

27. DETAILS OF EMPLOYEE BENEFITS

(I) Defined Benefit Plan Gratuity

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.

The following tables summarise the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

(a) The amounts recognised in the Statement of profit and loss are as follows:

Defined Benefit Plan

	Current Year Gratuity (₹ in Lacs)	Previous Year Gratuity (₹ in Lacs)
Current service cost	87.75	87.07
Interest cost on benefit obligation	1,42.44	1,24.70
Expected return on plan assets	(1,47.84)	(1,24.40)
Net actuarial (gain)/loss recognised in the year	89.47	1,01.86
Amount included under the head personnel expenses in Note 21 of Expenses.	1,71.82	1,89.23

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

	As at 31st March, 2012 Defined Benefit Plan - Gratuity (Funded) (₹ in Lacs)	As at 31st March, 2011 Defined Benefit Plan - Gratuity (Funded) (₹ in Lacs)
Present value of funded obligation	19,67.88	17,26.60
Less :Fair value of plan assets	18,34.92	15,87.46
Net Liability included under the head Long term Provision in Note 7	1,32.96	1,39.14

(c) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

	As at 31st March, 2012 Gratuity (₹ in Lacs)	As at 31st March, 2011 Gratuity (₹ in Lacs)
Opening defined benefit obligation	17,26.60	15,11.45
Interest cost	1,42.44	1,24.70
Current service cost	87.75	87.07
Benefits paid	(68.86)	(91.80)
Actuarial (gains)/losses on obligation	79.95	95.18
Closing defined benefit obligation	19,67.88	17,26.60

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

	As at 31st March, 2012 Gratuity (₹ in Lacs)	As at 31st March, 2011 Gratuity (₹ in Lacs)
Opening fair value of plan assets	15,87.46	12,94.78
Expected return	1,47.84	1,24.40
Contributions by employer	1,78.00	2,66.76
Benefits paid	(68.86)	(91.80)
Actuarial gains/(losses)	(9.52)	(6.68)
Closing fair value of plan assets	18,34.92	15,87.46

EXCEL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

27. DETAILS OF EMPLOYEE BENEFITS (Contd.)

	As at 31st March, 2012 Gratuity (₹ in Lacs)	As at 31st March, 2011 Gratuity (₹ in Lacs)
(e) Expected contribution to defined benefit plan for the year 2012-13	1,25.00	1,50.00
(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)	86.82%	85.28%
Insurer Managed Funds (Aviva Life Insurance Company India Limited)	13.18%	14.72%
	100%	100%
The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in the expected rate of return on assets due to the improved stock market scenario		
(g) The principal actuarial assumptions at the Balance Sheet date:	Gratuity Current Year	Gratuity Previous Year
Discount rate	8.50%	8.25%
Expected rate of return on 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 :

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

	(₹ in Lacs)				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	19,67.88	17,26.60	*	*	*
Plan assets	18,34.92	15,87.46	*	*	*
Surplus/(deficit)	(1,32.96)	(1,39.14)	*	*	*
Experience adjustments on plan	1,16.83	2,03.59	*	*	*
Experience adjustments on plan assets	9.53	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 three years on the ground that such information is not available with the Holding Company.

(II) Defined contribution Plans:

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

Current service cost included under the head Contribution to provident and other funds in Note 21 'Employee Benefits Expense'

	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
Provident Fund	1,58.98	1,40.57
Family Pension Fund	62.30	62.62
Superannuation Fund	74.06	70.41

EXCEL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

28. SEGMENT INFORMATION						
1. Information About Primary Business Segments:				Previous Year (₹ in Lacs)		
Particulars	Chemicals	Environment	Total	Chemicals	Environment	Total
REVENUE:						
External Revenue:	307,11.79	11,12.46	318,24.25	263,90.79	12,14.49	276,05.28
Un-allocated revenue :			2,63.35			2,25.95
Total Revenue:			320,87.60			278,31.23
RESULT:						
Segment result:	30,57.26	1,53.23	32,10.49	34,23.61	2,70.57	36,94.18
Un-allocated expenditure net of un-allocated income:			11,19.54			10,58.78
Finance Costs			8,91.91			6,72.39
Profit before taxation and exceptional item but after prior period adjustments:			11,99.04			19,63.01
Add : Exceptional item			7,24.01			—
Profit/(Loss) after exceptional item but before tax			19,23.05			19,63.01
Current:						
Provision for Taxation:						
Current:			3,65.88			7,04.30
In respect of earlier years:			1.88			16.07
Minimum Alternative Tax (Entitlement)			(12.59)			(0.31)
Deferred tax:			36.61			(98.67)
Add/(Less): Share of Associate Company			1.65			24.70
Profit/(Loss) after tax:			15,36.68			13,98.46
OTHER INFORMATION:						
Segment Assets:	233,24.92	9,06.90	242,31.82	197,60.28	8,74.74	206,35.02
Un-allocated Assets:			43,48.87			32,10.17
Total Assets:			285,80.69			238,45.19
Segment Liabilities:	(46,23.05)	(6,97.68)	(53,20.73)	(42,40.21)	(2,57.35)	(44,97.56)
Un-allocated Liabilities:			(108,17.32)			(81,87.49)
Total Liabilities:			(161,38.05)			(126,85.05)
Segment Capital expenditure:	10,84.02	67.28	11,51.30	11,00.35	13.41	11,13.76
Un-allocated Capital expenditure:			8,43.89			1,74.69
Segment Depreciation and Amortisation:	7,88.29	83.14	8,71.43	7,99.82	81.19	8,81.01
Un-allocated Depreciation and Amortisation:			98.22			93.27
Segment Non-cash expenses other than Depreciation and Amortisation:	95.89	3.34	99.23	2,82.65	31.87	3,14.52
Un-allocated Non-cash expenses other than Depreciation and Amortisation:			7.15			—
2. Information About Secondary Business Segments:						
	Domestic	Exports	Total	Domestic	Exports	Total
Revenue:	258,10.67	62,76.93	320,87.60	216,08.14	62,23.09	278,31.23
Carrying amount of Assets:	269,79.54	16,01.15	285,80.69	227,28.95	11,16.24	238,45.19
Capital Expenditure:	19,95.95	—	19,95.95	12,88.45	—	12,88.45
3. Notes:						
1.	The Group is organised into two business segments namely:					
	(a) Chemicals – Comprising of Industrial and Specialty Chemicals and Pesticides Intermediates.					
	(b) Environment – Comprising of Soil enricher, Bio – pesticides and other Bio products.					
2.	Segment revenue in the above segments includes sales, export incentives, processing charges and other income from operations.					
3.	Segment Revenue in the geographical segments considered for disclosure are as follows :					
	(a) Revenue within India includes sales to customers located within India.					
	(b) Revenue outside India includes sales to customers located outside India.					
4.	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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

29. RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Associates

RomVijay Bioo Tech Private Limited

Excel Bio Resources Limited (upto September 29, 2011)

Jointly Controlled Entity

Wexsam Limited, Hong Kong

M/s. Multichem Industries

Enterprises owned or significantly influenced by Key Management Personnel or their relatives

Agrocel Industries Limited

Anshul Specialty Molecules Limited

C. C. Shroff Research Institute

C. C. Shroff Self Help Centre

Dipkanti Investments & Financing Private Limited

Development & Eco Friendly Enterprises

Excel Crop Care Limited

Excel Crop Care (Europe) NV

Good Rasayan Limited

Hyderabad Chemical Limited

Hyderabad Chemical Products Limited

Kutch Crop Services Limited

Mumukshu Finance & Services Private Limited

Pritami Investments Private Limited

Rashtriya Seva Trust

Samarth Gram Vikas Trust

Shrodip Investments Private Limited

Shroff Foundation Trust

Shrujan

Transpek Industry Limited

Transpek-Silox Industry Limited

Transpek Industry (Europe) Limited

TML Industries Limited

Utkarsh Chemicals Private Limited

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)

Relatives of Key Management Personnel

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

(Late) Smt. Shanti Govindji Shroff (Mother of Shri Atul G. 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(a) Sale/purchase of goods & services and other transactions

		(₹ in Lacs)										
	Year ended	Sale of goods	Sale of services	Dividend Received	Interest Received	Purchase of traded goods	Purchase of Services	Dividend Paid	Purchase of Shares	Charity & Donation	Amount owed by related parties	Amount owed to related parties
Enterprises owned or significantly influenced by key management personnel or their relatives												
Excel Crop Care Limited	31-Mar-12	33,73.74	8,00.15	9.22	—	—	—	5.47	25.00	—	12,21.44	6.03
	31-Mar-11	26,32.07	13,00.24	6.25	—	—	—	—	—	—	983.02	—
Agrocel Industries Limited	31-Mar-12	15,22.56	—	—	—	11,80.79	—	—	—	—	3,93.07	3,13.52
	31-Mar-11	1,73.40	—	—	1.83	1,54.69	—	—	—	—	29.96	1,28.99
Anshul Specialty Molecules Limited	31-Mar-12	1.20	—	—	—	0.78	—	70.88	—	—	—	—
	31-Mar-11	26.06	—	—	—	4.34	—	37.80	—	—	17.35	4.89
TML Industries Limited	31-Mar-12	0.15	—	0.26	—	1.08	—	5.87	—	—	—	—
	31-Mar-11	—	3.18	13.33	—	—	—	3.13	—	—	—	—
Transmetal Limited	31-Mar-12	—	—	—	—	—	—	—	—	—	—	—
	31-Mar-11	91.95	—	—	—	—	—	0.65	—	—	—	—
Hyderabad Chemical Products Limited	31-Mar-12	68.99	—	—	—	—	—	1.76	—	—	9.51	—
	31-Mar-11	60.15	—	—	—	—	—	0.94	—	—	12.74	—
C. C. Shroff Self - Help Centre	31-Mar-12	—	—	—	—	1.37	—	—	—	—	—	0.58
	31-Mar-11	—	—	—	—	0.35	—	—	—	—	—	—
C. C. Shroff Research Institute	31-Mar-12	—	—	—	—	—	0.61	—	—	—	—	—
	31-Mar-11	—	—	—	—	—	0.26	—	—	—	—	—
Good Rasyan Limited	31-Mar-12	—	—	—	—	—	47.79	—	—	—	—	5.64
	31-Mar-11	0.30	—	—	—	—	48.77	—	—	—	—	7.85
Samarth Gram Vikas Trust	31-Mar-12	—	—	—	—	—	—	—	—	—	—	—
	31-Mar-11	—	—	—	—	0.35	—	—	—	—	—	—
Dipkanti Investment & Financing Private Limited	31-Mar-12	—	—	—	—	—	—	3.36	—	—	—	—
	31-Mar-11	—	—	—	—	—	—	1.79	—	—	—	—
Hyderabad Chemical Limited	31-Mar-12	—	—	—	—	—	—	5.62	—	—	—	—
	31-Mar-11	—	—	—	—	—	—	3.00	—	—	—	—
Utkarsh Chemicals Private Limited	31-Mar-12	—	—	—	—	—	—	48.41	—	—	—	—
	31-Mar-11	—	—	—	—	—	—	23.67	—	—	—	—
Mumukshu Finance & Services Private Limited	31-Mar-12	—	—	—	—	—	—	—	—	—	—	—
	31-Mar-11	—	—	—	—	—	—	1.43	—	—	—	—
Pritami Investments Private Limited	31-Mar-12	—	—	—	—	—	—	2.99	—	—	—	—
	31-Mar-11	—	—	—	—	—	—	1.60	—	—	—	—
Shrodip Investments Private Limited	31-Mar-12	—	—	—	—	—	—	1.10	—	—	—	—
	31-Mar-11	—	—	—	—	—	—	0.59	—	—	—	—

EXCEL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Related Party Transactions (Contd.)

(₹ in Lacs)												
	Year ended	Sale of goods	Sale of services	Dividend Received	Interest Received	Purchase of traded goods	Purchase of Services	Dividend Paid	Purchase of Shares	Charity & Donation	Amount owed by related parties	Amount owed to related parties
Shroff Foundation Trust	31-Mar-12	—	—	—	—	—	—	—	—	—	—	—
	31-Mar-11	—	—	—	—	—	—	—	—	4.00	—	—
Rashtriya Seva Trust	31-Mar-12	—	—	—	—	—	—	—	—	1.50	—	—
	31-Mar-11	—	—	—	—	—	—	—	—	1.50	—	—
Transpek Industry (Europe) Limited	31-Mar-12	—	—	—	—	—	46.03	—	—	—	—	—
	31-Mar-11	—	—	—	—	—	82.10	—	—	—	—	—
Transpek-Silox Industry Limited	31-Mar-12	—	—	1,12.08	—	—	—	—	—	—	—	—
	31-Mar-11	—	—	1,12.08	—	—	—	—	—	—	—	—
Romvijay Bioo Tech Private Limited	31-Mar-12	—	—	0.54	—	—	—	—	—	—	—	—
	31-Mar-11	—	—	0.22	—	—	—	—	—	—	—	—
Mrs. Usha A. Shroff	31-Mar-12	—	—	—	—	—	—	—	0.47	—	—	—
	31-Mar-11	—	—	—	—	—	—	—	—	—	—	—
Mr. D. K. Shroff	31-Mar-12	—	—	—	—	—	—	—	0.50	—	—	—
	31-Mar-11	—	—	—	—	—	—	—	—	—	—	—
Mr. R. A. Shroff	31-Mar-12	—	—	—	—	—	—	—	0.01	—	—	—
	31-Mar-11	—	—	—	—	—	—	—	—	—	—	—
Mr. A. C. Shroff	31-Mar-12	—	—	—	—	—	—	—	0.01	—	—	—
	31-Mar-11	—	—	—	—	—	—	—	—	—	—	—
Mr. H. A. Shroff	31-Mar-12	—	—	—	—	—	—	—	0.01	—	—	—
	31-Mar-11	—	—	—	—	—	—	—	—	—	—	—
Others	31-Mar-12	—	—	—	—	—	—	13.91	—	—	—	—
	31-Mar-11	—	—	—	—	—	—	7.40	—	—	—	—

(b) Loans given and repayment thereof

(₹ in Lacs)			
	Year ended	Loans given	Repayment
Enterprises owned or significantly influenced by Key Management Personnel or their relatives			
Transpek Industry (Europe) Limited	31-Mar-12	46.03	—
	31-Mar-11	81.80	—
			Amount owed by related parties
			10.13
			4.25

EXCEL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Related Party Transactions (Contd.)		
(c) Payments to Key Managerial Personnel		
	31-Mar-12	(₹ in Lacs) 31-Mar-11
Mr. A. C. SHROFF – Chairman & Managing Director		
Salary, bonus and contribution to PF	49.90	46.36
Commission	—	29.25
Dividend Paid	3.12	1.66
Loan Taken	1.00	—
Loan Repaid	1.00	—
Mrs. U. A. SHROFF – Executive Vice Chairperson		
Salary, bonus and contribution to PF	46.61	43.71
Commission	—	27.00
Dividend Paid	0.24	0.13
Mr. S. R. POTDAR – Executive Director		
Salary, bonus and contribution to PF	44.33	38.09
Commission	—	22.50
Dividend Paid	0.07	0.04
Mr. D. K. SHROFF – Director		
Sitting Fees	0.50	0.65
Dividend Paid	0.32	0.17
Mr. A. G. SHROFF – Director		
Sitting Fees	0.20	0.20
Dividend Paid	2.24	1.20
Mr. K. C. SHROFF – Relative of Key Management Personnel		
Retirement Benefits	3.60	8.62
30. 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.		
	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Lease payments for the year	28.15	28.06
Sub-lease payments received during the year	Nil	Nil
Minimum lease payments as at 31st March		
(a) Not later than one year	28.91	26.72
(b) Later than one year but not later than five years	44.55	42.61
(c) Later than five years	Nil	Nil
The holding 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 reporting date. Current Year: ₹ Nil (Previous Year: ₹ Nil)		
Future Minimum Lease payments		
(a) Not later than one year	31.40	38.40
(b) Later than one year but not later than five years	1,17.40	1,31.20
(c) Later than five years	Nil	Nil

EXCEL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

31. RESEARCH AND DEVELOPMENT COSTS	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Research and Development costs, as certified by the Management, debited to the statement of profit and loss are as under:		
*Revenue expenses debited to Research and Development Expenses Account and other heads of accounts	2,34.72	2,07.59
Depreciation on Research and Development Equipment	43.23	44.76
	2,77.95	2,52.35
*includes ₹ 71.01 lacs, ₹ 52.19 lacs and ₹ 80.44 lacs (Previous Year: ₹ 64.94 lacs ₹ 38.33 lacs and ₹ 72.91 lacs) in respect of Research and Development units at Roha, Lote and Mumbai respectively in respect which application for approval is made to Department of Science & Industrial Research, Ministry of Science & Technology.		
Capital Expenditure incurred during the year on Research and Development [including capital expenditure on qualifying assets of ₹ Nil, ₹ 1.38 lac and ₹ Nil (Previous Year: ₹ 23.82 lacs ₹ 10.78 lacs and ₹ 20.76 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].	21.95	57.14
32. CONTINGENT LIABILITIES	As At March 31, 2012 ₹ in Lacs	As At March 31, 2011 ₹ in Lacs
Bills discounted	1,07.80	—
Disputed Income-tax liability	6,50.50	9,09.74
Disputed Excise duty liability	4,27.98	1,79.52
Disputed Sales tax liability	34.09	34.09
Disputed service tax liability	19.46	2.49
Guarantees given by Holding Company's Bankers on behalf of the Company to third parties	69.20	36.20
Claims against the Holding Company not acknowledged as debts	13.46	13.46
Liability in respect of claim made by workers and contract labourers	Amount not ascertainable	Amount not ascertainable
33. CAPITAL AND OTHER COMMITMENTS	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	4,42.62	2,29.50
34. (SHORT)/EXCESS ACCRUALS WRITTEN BACK (NET) COMPRISES OF THE FOLLOWING	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Raw Materials	—	0.70
Export Incentives	3.52	2.63
Excise Duty	34.78	13.41
Employee benefits expenses	29.97	(25.93)
Discount	0.03	—
Others	1.22	0.68
	69.52	(8.51)

EXCEL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

35. FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES OUTSTANDING AS AT BALANCE SHEET DATE

	Currency	For the year ended March 31, 2012 ₹ in Lacs	For the year ended March 31, 2012 Foreign Currency Value in Lacs	For the year ended March 31, 2011 ₹ in Lacs	For the year ended March 31, 2011 Foreign Currency Value in Lacs
(a) Forward contract – Buy for Hedging Purpose					
(i) Loans	USD	11,11.27	21.84	4,20.90	9.41
(ii) Interest/Other Expenses	USD	—	—	—	—
(b) Un-hedged Foreign Currency Exposure on					
(i) Import Creditors	USD	7,96.23	13.52	4,69.73	9.26
	GBP	1.30	0.02	81.40	1.13
(ii) Export Trade Receivables	USD	14,94.93	29.39	9,77.39	21.86
	EURO	87.24	1.29	41.41	0.66
(iii) Commission receivable	GBP	—	—	31.24	0.43
(iv) Loan taken	USD	—	—	4,20.90	9.41
(v) Bank Balance	USD	18.98	0.38	16.68	0.38

36. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

The identification of Micro, Small and Medium enterprises is based on the management's knowledge of their status. The Group has not received any intimation from suppliers regarding their status under "The Micro, Small and Medium Enterprises Development Act, 2006".

37. IMPORTED AND INDIGENOUS RAW MATERIALS AND STORES & SPARES CONSUMED

	Current Year March 31, 2012		Previous Year March 31, 2011	
	% of total consumption	Value ₹ Lacs	% of total consumption	Value ₹ Lacs
Raw Materials				
Imported	46%	75,48.85	49%	61,60.50
Indigenous	54%	89,24.77	51%	64,59.38
	100%	164,73.62	100%	126,19.88
Stores & Spares				
Imported	—	—	—	—
Indigenous	100%	58.68	100%	46.02
	100%	58.68	100%	46.02

38. EXCEPTIONAL ITEM

The development work on the Holding Company's plot of land at Jogeshwari has completed. The Holding Company has secured 41% of the constructed area in return for the transfer of 59% of its rights in the said plot of land for which the Holding Company has executed a Deed of Conveyance on 6th May 2011. Profit arising on the said transaction amounting to ₹ 724.01 lacs has been accounted in current year as an exceptional item.

39. PARTNERSHIP FIRM

The Group has 50% ownership interest in M/s. Multichem Industries, a partnership firm registered in India. The proportionate interest of the Group in the said entity as per latest available Balance Sheet as at March 31, 2012, is as under:

	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
Assets	2.21	2.20
Liabilities	—	—
Income	—	—
Expense	0.02	0.02

EXCEL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Details of investment in M/s. Multichem Industries, a partnership firm:

Name of the Partners	As at March 31, 2012		As at March 31, 2011	
	Capital ₹ in Lacs	Share of Profit or Loss %	Capital ₹ in Lacs	Share of Profit or Loss %
(a) Excel Crop Care Limited	2.00	50	2.00	50
(b) Kamalijyot Investments Limited	2.00	50	2.00	50
	<u>4.00</u>	<u>100</u>	<u>4.00</u>	<u>100</u>

40. JOINT VENTURE COMPANY

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 four 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. Further, the Group does not have any liability or contingent liability, which needs to be accounted with respect to the said jointly controlled entity.

41. DERIVATIVES

In accordance with the press release of The Institute of Chartered Accountants of India dated December 2, 2005, following are the quantitative disclosures of derivatives instruments outstanding as at March 31, 2012:

Particulars	No. of units		Value (₹ in Lacs)	
	Long	Short	Long	Short
Nifty Index Futures	—	500	—	0.11
Options	Written	Purchase	Written	Purchase
	5	—	0.16	—

The Company has entered into 5 written options which are outstanding as on 31 March 2012 which have been duly approved by the Board of Directors (Refer Note 12.2). The Company has adopted a conservative approach and has ignored the anticipated profit on such transactions and no credit is taken in the statement of profit and loss. Further as per RBI norms, Company is allowed to enter into derivatives including written options

All open positions are clearly accounted as per closing index and measured using the mark-to-market principle with the resulting losses thereon being recorded in the statement of profit and loss.

Further, the Company has entered into contract of spot arbitrage in National Spot Exchange Limited for purchase and sale of castor seeds commodity and profit/loss arising on the said transaction will be accounted on the expiry of the said contract. The amount paid under the said contract has been shown and disclosed under "Other Current Assets". (Refer Note 14.2)

42. 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 subsidiaries companies 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	Total Revenue	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
1	Kamalijyot Investments Limited	INR	1.00 1.00	1,99.98 (1,99.98)	145.24 (77.91)	6,42.54 (5,98.82)	2,97.32 (3,20.93)	6,22.17 (5,92.79)	70.20 (58.89)	68.15 (57.38)	0.50 (0.97)	67.33 (56.41)	— (—)
2	Excel Bio Resources Limited	INR	1.00	51.00	(0.75)	50.82	0.57	—	2.51	1.16	0.77	0.39	—

(Figures in brackets relate to the Previous Year)

Notes:

1. Details of Investment of Subsidiary company:

	₹ in Lacs
In equity shares (Quoted)	5,41.04
In equity shares (Unquoted)	61.38
In Mutual Fund(Quoted)	6.51
In Mutual Fund(Unquoted)	13.24
Total	<u>6,22.17</u>

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

EXCEL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

43. PREVIOUS YEAR FIGURES

Till the year ended March 31, 2012 the Group was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, The revised Schedule VI notified under the Companies Act 1956, has become applicable to the Group. The Group has reclassified previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

Also, in view of the acquisition of Excel Bio Resources Limited during the year as mentioned in Note No. 1 (h) above, the current year figures are not comparable with those of the previous year. Previous year's figures have been regrouped/rearranged wherever necessary.

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: 25 May 2012

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

A. C. SHROFF
Chairman and Managing Director

S. R. POTDAR
Executive Director

S. K. SINGHVI
Company Secretary

Place : Mumbai
Date: 25 May 2012

U. A. SHROFF
Executive Vice Chairperson

KAILAS DABHOLKAR
Vice President – Finance and Taxation

EXCEL INDUSTRIES LIMITED

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

1. Names of the subsidiary company	Kamaljyot Investments Limited	Excel Bio Resources Limited
2. The financial year of the subsidiary company ended on	31st March, 2012	31st March, 2012
3. Date from which it became subsidiary	30th July, 1984	30th September, 2011
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	5,10,000 equity shares of ₹ 10/- each
(b) Extent of holding	100%	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, 2012, amounted to:		
(i) for the subsidiary company's financial year ended as in (2) above	₹ 67,32,777	₹ 39,126
(ii) for previous financial years of the subsidiary company	₹ 27,89,356	₹ (-) 1,14,415
(b) dealt with in the accounts of Excel Industries Limited for the year ended 31st March, 2012, amounted to:		
(i) for the subsidiary company's financial year ended as in (2) above	₹ NIL	₹ NIL
(ii) for previous financial years of the subsidiary company	₹ NIL	₹ 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, 2012	NOT APPLICABLE	NOT APPLICABLE
7. Material changes between the end of the financial year of the subsidiary company and 31st March, 2012		
(a) fixed assets	} NOT APPLICABLE	} 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		

For and on behalf of the Board of Directors of Excel Industries Limited		
A. C. SHROFF Chairman & Managing Director	U. A. SHROFF Executive Vice Chairperson	S. R. POTDAR Executive Director
KAILAS DABHOLKAR Vice President – Finance and Taxation	S. K. SINGHVI Company Secretary	

Place : Mumbai, Date : 25th May, 2012
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[illegible]

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 above named Company hereby appoint
..... of
..... or failing him/her
of
as my/our proxy to vote for me/us on my/our behalf at the 51st ANNUAL GENERAL MEETING of the Company to be held on Friday, the 20th July, 2012,
and at any adjournment thereof.

Signed this day of 2012.

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

51st Annual General Meeting on Friday, 20th July, 2012

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 51st ANNUAL GENERAL MEETING of the Company held at Rama Watumull Auditorium, Kishinchand Chellaram College,
Dinshaw Wacha Road, Churchgate, Mumbai-400 020 on Friday, the 20th July, 2012 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.

**Every Small Step Is A Forward Step
Unstinted Support To The Cause - Hasat Khelat Paryavaran**

Excel was a co-sponsor to the Film Festival, held for the first time Konkan region from 22nd 2011.

The festival was aimed sensitivity, management of balance so very Sustainability.

35 documentaries, diversity, wild-marine were screened, besides discussions, nature walks competition, photographs 200 endangered species of the

Well known environmentalists besides

Mr. S. Y. Patankar from Lote site,

Kirloskar Vasundhara International in Ratnagiri in the eco-sensitive September to 25th September

at creating awareness, preservation and the the ecological important far

short films on bio-life, botanical varieties hosting seminars panel bird watching, photo exhibition exhibiting about world.'

the community, attended the festival.

Inaugurating the festival '..Vasundhara ..'

EVERY DAY IS EARTH DAY

New Vision - New Forays

ELECTRONIC MATERIALS IN THE ELECTRONIC WORLD

Excel recognizes the opportunity of rapid growth in the Indian Electronics markets where materials play a key role in enabling technologies that drive the devices to be faster, cheaper and brighter.

Excel participated in Inter Solar Cell Exhibition for the first time, announcing entry of Electronic Chemicals as a new business area.

PHARMACEUTICALS BUSINESS

Excel participated in the CPHI exhibition with the focus on pharmaceutical intermediates and APIs Finding encouraging responses from pharmaceuticals major and mid size companies for tie up in contract manufacturing, Excel is into active market survey and allied business development activities.



Excel Industries Limited
184-87, S. V. Road, Jogeshwari (W), Mumbai - 400 102