

# GRAUER & WEIL (INDIA) LIMITED

## BOARD OF DIRECTORS

Umeshkumar N. More	Chairman & Managing Director
Vinod Haritwal	CEO & Executive Director
Rameshkumar R. More	Director
Nirajkumar U. More	Director
Madan Mohan Chaturvedi	Director
Rohan Shah	Director
Rohitkumar R. More	Whole Time Director
Rajender Guleria	Whole Time Director

## COMMITTEES

### AUDIT COMMITTEE

Rameshkumar R. More	Chairman
Nirajkumar U. More	Member
Madan Mohan Chaturvedi	Member

### SHAREHOLDERS COMMITTEE

Nirajkumar U. More	Chairman
Rameshkumar R. More	Member
Vinod Haritwal	Member

## EXECUTIVES

### PRESIDENTS

Rattan Ramchandani
Vinay Gupta
R. S. Sharma

### VICE PRESIDENTS

Mala Singh
Tanaz Basrur
M. T. Rara
M. A. Srisailam
Rattan Sharma

### SR. GM & COMPANY SECRETARY

Suhas G. Kulkarni
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### AUDITORS

M. M. Nissim & Co. - Chartered Accountants
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### BANKERS

Central Bank of India
Punjab National Bank

### REGISTERED OFFICE

'Growel House', Akurli Road, Kandivli (East), Mumbai – 400 101.

### PLANTS

- 'Growel House', Akurli Road, Kandivli (East), Mumbai – 400 101
- 407, GIDC Industrial Estate, Vapi – 396 195. (Gujarat).
- Plot No. 31 & 32, Industrial Estate, Barotiwala – 174 103, (Himachal Pradesh).
- 215/1, Plot No. 10, Dadra Industrial Estate, Dadra – 396 191. (Dadra & Nagar Haveli.-U.T.)
- Survey No. 66, Village-Dhanore, Taluka-Khed, District-Pune, Maharashtra.

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# GRAUER & WEIL (INDIA) LIMITED

## NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the 46th Annual General Meeting of the members of GRAUER & WEIL [INDIA] LIMITED will be held on Saturday, July 31, 2004 at 11 a. m. at the Registered Office of the Company at 'Growel House', Akurli Road, Kandivli [East], Mumbai-400 101 to transact with or without modification[s], the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Profit and Loss Account for the year ended March 31, 2004 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To sanction the declaration and payment of Dividend on Equity Shares for the year ended March 31, 2004.
3. To appoint a Director in place of Mr. Nirajkumar U. More, who retires from office by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rohitkumar R. More, who retires from office by rotation, and being eligible offers himself for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

### SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modification(s), the following Resolutions:

#### 6. AS AN ORDINARY RESOLUTION:

**"RESOLVED THAT** Mr. Madan Mohan Chaturvedi who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on March 30, 2004 and who holds office up to the date of this Annual General Meeting and being eligible offers himself for appointment and in respect of whom the Company has received a notice in writing from a member under Section 257 and other applicable provisions, if any, of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company."

#### 7. AS AN ORDINARY RESOLUTION:

**"RESOLVED THAT** Mr. Rohan Shah who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on March 30, 2004 and who holds office up to the date of this Annual General Meeting and being eligible offers himself for appointment and in respect of whom the Company has received a notice in writing from a member under Section 257 and other applicable provisions, if any, of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company."

#### 8. AS AN ORDINARY RESOLUTION:

**"RESOLVED THAT** Mr. Rajender Guleria who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on March 30, 2004 and who holds office up to the date of this Annual General Meeting and being eligible offers himself for appointment and in respect of whom the Company has received a notice in writing from a member under Section 257 and other applicable provisions, if any, of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company."

#### 9. AS AN ORDINARY RESOLUTION:

**"RESOLVED THAT** subject to such approvals, consents and sanctions as may be necessary and further subject to such terms, conditions, stipulations and restrictions as may be imposed by the Authorities while granting such approvals, consents, and sanctions, the consent of the Members be and is hereby accorded pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 to the appointment of Mr. Rohitkumar R. More as a Whole time Director of the Company for a period of Five Years from August 1, 2003 on the terms and conditions including the remuneration payable to him as a Wholetime Director and the minimum remuneration payable to him in the event of absence or inadequacy of profits in any year as under:

- a) Consolidated Salary of Rs.25000/- per month in the scale of Rs.25,000/-p.m. to Rs.50,000/- p.m.

## GRAUER & WEIL (INDIA) LIMITED

- b) Perquisites: In addition to the Consolidated salary, Mr. Rohitkumar R. More shall be entitled to the perquisites and benefits like:
- (i) Medical allowance including reimbursement as per the rules of the Company subject to a maximum of Rs.15000/- per year.
  - (ii) Leave with full pay and all allowances as per the rules of the Company,
  - (iii) Leave Travel Concession/Allowance for self and family including dependents as per the rules of the Company,
  - (iv) Yearly encashment of leave as per the rules of the Company,
  - (v) Contribution to provident fund, superannuation fund and gratuity fund as per the rules of the Company,
  - (vi) Provision of car with driver,
  - (vii) Free telephone facility at residence and use of Mobile phone for the business of the Company.
  - (viii) and all other payments in the nature of perquisites and benefits as agreed by the Board of Directors subject to such limits for the remuneration and perquisites as is laid down by the Government in Schedule XIII to the Companies Act, 1956 and/or changes/variations/modifications made/that may be made therein from time to time.

The Board is authorised to alter and vary the terms and conditions of the appointment provided, however, that the remuneration payable shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956 as existing or as amended, modified or re-enacted from time to time.

### MINIMUM REMUNERATION:

The remuneration as above including perquisites shall nevertheless be paid as minimum remuneration in the event of absence or inadequacy of profits in any financial year subject to the condition that the remuneration shall not without the approval of the Central Government, if required, exceed the limits specified in Section II of Part II of Schedule XIII of the Companies Act, 1956 computed on the basis of the effective capital of the Company as defined in the explanation under Section II to Schedule XIII of the Companies Act 1956 as in force for the time being or as may be amended in the future.

**FURTHER RESOLVED THAT** the Board of Directors be and it is hereby authorised to take all such steps and to do all such acts and deeds as may be necessary to give effect to the above Resolution."

### 10. AS AN ORDINARY RESOLUTION:

**"RESOLVED THAT** subject to such approvals, consents and sanctions as may be necessary and further subject to such terms, conditions, stipulations and restrictions as may be imposed by the Authorities while granting such approvals, consents, and sanctions, the consent of the Members be and is hereby accorded pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 to the appointment of Mr. Rajender Guleria as a Whole time Director of the Company for a period of Five Years from April 1, 2004 on the terms and conditions including the remuneration payable to him as a Whole time Director and the minimum remuneration payable to him in the event of absence or inadequacy of profits in any year as under.

(A) Salary and Allowances of Rs.53,000/- per month in the scale of Rs.50,000/- to Rs.90,000/- per month.

(B) Perquisites: In addition to the Consolidated salary, Mr. Rajender Guleria shall be entitled to the perquisites and benefits like:

- (i) Medical allowance including reimbursement as per the rules of the Company subject to a maximum of Rs.15000/- per year.
- (ii) Leave with full pay and all allowances as per the rules of the Company,
- (iii) Leave Travel Concession/Allowance for self and family including dependents as per the rules of the Company,
- (iv) Yearly encashment of leave as per the rules of the Company,
- (v) Contribution to provident fund, superannuation fund and gratuity fund as per the rules of the Company,
- (vi) Provision of car with driver,
- (vii) Free telephone facility at residence and use of Mobile phone for Company purpose.

## GRAUER & WEIL (INDIA) LIMITED

(viii) and all other payments in the nature of perquisites and benefits as agreed by the Board of Directors subject to such limits for the remuneration and perquisites as is laid down by the Government in Schedule XIII to the Companies Act, 1956 and/or changes/variations/modifications made/that may be made therein from time to time.

The Board is authorised to alter and vary the terms and conditions of the appointment provided, however, that the remuneration payable shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956 as existing or as amended, modified or re-enacted from time to time.

### MINIMUM REMUNERATION:

The remuneration as above including perquisites shall nevertheless be paid as minimum remuneration in the event of absence or inadequacy of profits in any financial year subject to the condition that the remuneration shall not without the approval of the Central Government, if required, exceed the limits specified in Section II of Part II of Schedule XIII of the Companies Act, 1956 computed on the basis of the effective capital of the Company as defined in the explanation under Section II to Schedule XIII of the Companies Act 1956 as in force for the time being or as amended in the future.

**FURTHER RESOLVED THAT** the Board of Directors be and is hereby authorised to take all such steps and to do all such acts and deeds as may be necessary to give effect to the above Resolution."

### 11. AS A SPECIAL RESOLUTION:

**"RESOLVED THAT**, pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 including any statutory modification or re-enactment thereof for the time being and as may be amended /enacted from time to time, and in accordance with the provisions of the Memorandum and Articles of Associations of the Company and in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as in force and subject to such other approvals, consents, permissions and sanctions, as may be required from the appropriate authorities or bodies and subject to such conditions as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee of the Board, for the time being authorized by the Board of Directors to exercise the powers conferred on the Board of Directors by this resolutions), the consent of the Company be and is hereby accorded to the Board of Directors of the Company to issue, offer and allot equity stock options convertible in to Equity Shares of the aggregate nominal face value not exceeding Rs. 50,00,000 (Rupees Fifty Lacs only) directly or through the medium of warrants/fully convertible debentures and/or any other appropriate instrument(s) or security to the present and future employees and Directors of the Company (hereinafter referred to as "Employees") under an Employee Stock Option Plan (hereinafter referred to as "the Plan" or "ESOP") at such price and other terms and conditions and in such tranche/s as the Board may in its absolute discretion think fit.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, but subject to the terms as approved by the members, the Board / Committee be and is hereby authorized to implement the Plan with or without modifications and variations, in one or more tranches in such manners as the Board / Committee may determine.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the securities/shares allotted under the Plan, on the stock exchanges where the Company's shares are listed, as per the terms and conditions of the listing agreement with the concerned stock exchanges and other applicable guidelines, rules and regulations.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board / Committee be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments, writings as it may in its absolute discretion deem necessary, proper or desirable and pay fees and commissions and incur expenses in relation thereto.

**RESOLVED FURTHER THAT** the Board / Committee be and is hereby authorized to settle any question, difficulty or doubt that may arise in relation to the implementation of the Plan including the offer / issue, allotment and utilization of the proceeds and in relation to the shares (including to amend or modify any of the terms thereof ) issued herein without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approvals thereto expressly by authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred in a manner the Board deems fit to any Committee of Directors of the Company to give effect to the aforesaid resolution.

## **GRAUER & WEIL (INDIA) LIMITED**

**RESOLVED FURTHER THAT** the equity shares to be issued as stated aforesaid shall rank pari-passu with all then existing equity shares of the Company including for the purpose of payment of dividend.

**Registered Office:**

**'Growel House',  
Akurli Road, Kandivli [East],  
Mumbai - 400 101.**

**June 30, 2004**

**For & on behalf of the Board of  
Grauer & Weil [India] Limited**

**Vinod Haritwal  
CEO & Executive Director**

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

**THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

2. The Register of Members and the Share Transfer Books of the Company will remain closed from **Tuesday 27<sup>th</sup> July, 2004 to Saturday 31<sup>st</sup> July, 2004** (both days inclusive).
3. The Dividend on Equity Shares as recommended by the Board of Directors of the Company, when sanctioned at the Annual General Meeting of the Company will be paid on or after July 31, 2004:
  - i) to those members of the Company whose names stand registered in the Company's Register of Members at the end of business hours on July 26, 2004. OR
  - ii) in respect of shares held in electronic form, to those "deemed members" whose names appear on the statements of beneficial ownership furnished by the National Securities Depository Limited [ NSDL ] and Central Depository Services [ India ] Limited [ CDSL ], at the end of business hours on July 26, 2004.
4. Pursuant to the provisions of Section 205A of the Companies Act, 1956, unclaimed Dividend up to the year ended March 31, 1995 has been transferred to the credit of the General Revenue Account of the Central Government. The members who have not received the dividend for the said year may claim the amount from the Registrar of Companies, Maharashtra, CGO Complex, 2<sup>nd</sup> Floor, "A" Wing, CBD-Belapur, Navi Mumbai – 400 614, Telephone No. 2757 6802.

Members are hereby informed that Dividends which remain unclaimed / unencashed over a period of 7 years have to be transferred by the Company to The Investors Education & Protection Fund, constituted by the Central Government under Sections 205A & 205C of the Companies Act, 1956.

Members should note that under the amended provisions of section 205B of the Companies Act, 1956 no claim could be made by the shareholders for the unclaimed Dividends, which have been transferred to the credit of The Investors Education & Protection Fund.

Members who have not yet encashed their dividend warrant(s) for the financial year ended March 31, 1997 and onwards are requested to claim the amount forthwith from the Company.

5. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
6. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting, since copies of the Annual Report will not be distributed at the meeting.
7. The Company has listed its shares on Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 under Security Code No. 505710. The Company is regular in payment of the Listing Fee to the Exchange.
8. (a) In view of Circular issued by the SEBI for appointing common agency for both mode of transfer of shares i.e. Physical as well as Dematerialised, the Company has appointed **M/s. INTIME SPECTRUM REGISTRY LIMITED** as Registrar & Transfer Agent of the Company. Members are therefore requested to send their grievances to them for early disposal at the address given below.
  - (b) Members holding Shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below AND in case their shares are held in dematerialised form, this information should be passed on directly to their respective Depository Participants and not to the Company.

**M/s. INTIME SPECTRUM REGISTRY LIMITED,**

**[Unit: Grauer & Weil [India] Limited]**

**C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup [West], Mumbai - 400 078.**

**Phones: (022) 5555 5454. Fax: (022) 5555 5353. Email: isrl@vsnl.com**

## GRAUER & WEIL (INDIA) LIMITED

9. (a) Members are informed that in order to avoid fraudulent encashment of dividend warrants they should send to the Registrar and Transfer Agent of the Company at the address given above under the signature of the Sole/First Joint holder the information relating to Name and Address of the Banker along with the Pin Code Number and Bank Account Number to print on the Dividend Warrants.  
(b) Members desirous of availing the facility of Electronic Credit of Dividend are requested to send ECS Form to the Registrar and Transfer Agent of the Company at the address given above.  
(c) Members holding shares in dematerialized form and desirous to change or correct the bank account details should send the same immediately to the concerned Depository Participant. Members are also requested to give MICR Code to the Depository Participant.
10. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
11. Members/Proxies holding their Shares in Physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
12. Members who are holding shares in dematerialised form are requested to bring their Client ID and DP Id numbers for easy identification at the meeting.
13. An explanatory statement as required under Section 173 of the Companies Act, 1956 is enclosed herewith in respect of Special Business.
14. In all correspondence with the Company, members are requested to quote their Folio Number and in case their shares are held in dematerialised form, they must quote their DP ID and client ID Numbers.

## GRAUER & WEIL (INDIA) LIMITED

### LISTING REQUIREMENTS:

As required under Clause 49 [vi] of the Listing Agreement, given below are the details of the Director(s) who retire by rotation and are eligible for re-appointment (Resolution at Item Nos. 3 to 4):

<b>A. Name</b>	:	<b>MR. NIRAJKUMAR U. MORE.</b>
Age	:	34 Years [Date of birth: 03/11/1969].
Qualifications	:	B.Sc. from Huron University, U.S.A., with Business Administration.

Mr. Nirajkumar U. More is associated with the Company since August 12, 1993.

### OTHER DIRECTORSHIPS:

1. Bombay Paints Ltd.
2. Poona Bottling Company Pvt. Ltd.
3. Waluj Beverages Pvt. Ltd.
4. Radhakishan Nandlal Pvt. Ltd.
5. Bubna More & Co. Pvt. Ltd.
6. Gorav Investment Pvt. Ltd.
7. Growel Investment Ltd.
8. Ridhi Sidhi Ltd.
9. Growel Softech Ltd.
10. Growel Energy Company Ltd.
11. Digikore Design Ltd.
12. Digikore Studios Ltd.
13. Nikmo Finance Pvt. Ltd.

### COMMITTEE MEMBERSHIPS:

Audit Committee	:	Grauer & Weil [ India ] Limited.
Share Holders Grievances Committee	:	Grauer & Weil [ India ] Limited.

<b>B. Name</b>	:	<b>MR. ROHITKUMAR R. MORE</b>
Age	:	31 Years [Date of birth: 7/1/1973].
Qualifications	:	B.E. (Mech.)

Mr. Rohitkumar R. More is associated with the Company since March 14, 2003.

### OTHER DIRECTORSHIPS :

1. Poona Bottling Company Pvt. Ltd.
2. Waluj Beverages Pvt. Ltd.
3. Growel Goema (India) Ltd.
4. Growel Softech Ltd.
5. Digikore Studios Ltd.

### COMMITTEE MEMBERSHIPS:

Nil

**EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956**

**ITEM NO.6 TO 8:**

In view of growing activities of the Company and with a view to broad base the Board Mr. Madan Mohan Chaturvedi, Mr. Rohan Shah and Mr. Rajender Guleria were appointed as additional directors of the Company w.e.f. March 30, 2004.

Mr. Madan Mohan Chaturvedi is a practising Chartered Accountant and has an experience of over 25 years in the field of business strategic advisory including corporate taxation. He has been very active in the affairs of the Institute of Chartered Accountants of India. He is also a director in M/s M.M.C Financial Services Private Limited and M/s Varah Securities Private Limited.

Mr. Rohan Shah is an eminent practicing Advocate and has over two decades of experience in economic laws and indirect taxation and the Company avails his expert advice on legal matters.

Mr. Rajender Guleria is a Science graduate and has done MBA (Marketing) and has over two decades of experience. He is with the Company since 1996 and has been a key person in setting up and shaping the Barotiwala Plant of the Company and is looking after its day-to-day operations. He is also a Director of Growel Energy Company Limited.

It is therefore, desirable to appoint Mr. Madan Mohan Chaturvedi, Mr. Rohan Shah and Mr. Rajender Guleria as Directors of the Company.

In the Interest of the Company, the Board recommends passing of the resolutions at item numbers 6 to 8 of the Notice.

Mr. Madan Mohan Chaturvedi, Mr. Rohan Shah, and Mr. Rajender Guleria are interested in the respective resolutions as the same are related to their own appointment.

None of the other directors of the Company is/are in any way concerned or interested in the resolutions.

**ITEM NO. 9:**

Mr. Rohitkumar R. More was appointed as a Director of the Company w.e.f. March 14, 2003. Considering the time and efforts put in by Mr. Rohitkumar R. More in the affairs of the Company, the Board at its meeting held on July 31, 2003, subject to requisite statutory approvals decided to remunerate him by way of salary and other perquisites as per the rules of the Company and therefore appointed him as a whole time Director of the Company for a period of 5 [Five] years w.e.f. August 1, 2003.

Mr. Rohitkumar R. More is based at Pune and looks after day-to-day operations of the Company's Engineering Division.

Mr. Rohitkumar R. More is a Mechanical Engineer and has Management experience of over 10 years.

In the Interest of the Company, the Board recommends the resolution.

Mr. Rohitkumar R. More is interested in the resolution as it relates to his own appointment. Mr. Rameshkumar R. More is interested in the resolution being related to Mr. Rohitkumar R. More.

None of the other directors of the Company is/are in any way concerned or interested in the resolution.

This may be treated as an abstract / Memorandum under Section 302 of the Companies Act, 1956

**ITEM NO. 10:**

Mr. Rajender Guleria was appointed as a Director of the Company w.e.f. March 30, 2004. Before March 30, 2004 he was working as a Vice-President of the Company and was in-charge of its Unit at Barotiwala. At the Board meeting held on March 30, 2004, the board, subject to requisite statutory approvals as may be required decided that he be remunerated by way of salary and other perquisites as per the rules of the Company and be appointed as a whole time Director of the Company for a period of 5 [Five] years w.e.f. April 1, 2004.

Mr. Rajender Guleria is based at Barotiwala and looks after day-to-day operations of the Company at Barotiwala plant.

Mr. Rajender Guleria is a B.Sc. and MBA (Marketing) and has business management experience of over two decades.

In the Interest of the Company, the Board recommends the resolution.

Except Mr. Rajender Guleria, none of the directors of the Company is / are in any way concerned or interested in the resolution.

This may be treated as an abstract / Memorandum under Section 302 of the Companies Act, 1956

**ITEM NO. 11:**

The Employee Stock Option Plan (ESOP) has been designed to foster a sense of ownership and belonging among Employees / Directors. The Board has therefore, subject to the approval of shareholders and other requisite sanctions as may be required, approved on 30<sup>th</sup> June, 2004 issue, offer, allotment of equity shares through ESOP upto aggregate face value not exceeding Rs.50 Lacs on the following broad terms and conditions.

## GRAUER & WEIL (INDIA) LIMITED

The information required as per the clause 6.2 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 is given below:

The total number of options/ equity shares earmarked for grant	:	5,00,000 (Five Lacs) equity shares of Rs.10 (Rs. Ten) each
Identification of classes of employees entitled to participate in the Stock options	:	Such of the permanent employees and Directors of the Company as the Board may decide subject to the applicable regulatory requirements and guidelines issued by the SEBI.
Requirements of vesting and maximum period of vesting.	:	The vesting period shall vary from one year to Five years from the date of grant of the options to the Employees / Directors. The options could be granted in tranches and could vest in tranches. The number of Stock options made available to Employees / Directors could vary at the discretion of the Board / Committee.
Exercise price and pricing formula	:	The equity shares would be issued to eligible Employees / Directors at a price (Exercise Price) that may be determined by the Board / Committee from time to time after taking into account the Market price and / or book value of the share.
Exercise period and process of exercise	:	Up to five years from the date of vesting. Process involves intimation of exercise of options to the designated officer of the Company.
The appraisal process for the determining the eligibility of employees to the stock options	:	The Board / Committee will decide the eligibility of Employees / Directors from time to time
Maximum number of options to be issued per employee and in aggregate	:	The number of options to be issued per employee will be decided by the Board / Committee from time to time.

The Company shall conform to the accounting policies specified in Clause 13.1 of the SEBI (Employee Stock Option Scheme and Employee Stock purchase Scheme) Guidelines, 1999.

The member's consent is sought to authorize the Board of Directors to issue / earmark additional equity shares under ESOP in the manner set out in the resolution. The Directors recommend the resolution set out at item No.11 of the notice for approval of the members.

None of the Directors is concerned or interested in the resolution. In case the stock options are made available to the Directors of the company, then such Directors may be deemed to be interested in the above resolution.

**Registered Office:**

**'Growel House',  
Akurli Road, Kandivli [East],  
Mumbai - 400 101.**

**June 30, 2004**

**For & on behalf of the Board of  
Grauer & Weil [India] Limited**

**Vinod Haritwal  
CEO & Executive Director**

# GRAUER & WEIL (INDIA) LIMITED

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have great pleasure in presenting their 46th Annual Report together with the Audited accounts for the year ended March 31, 2004.

FINANCIAL RESULTS	YEAR ENDED	YEAR ENDED
	31.03.2004	31.03.2003
	RS. MILLION	RS. MILLION
Gross Sales	1051.176	1005.054
Profit before depreciation, tax and appropriations	66.383	65.014
Profit before tax	44.324	45.369
Provision for current tax and deferred tax	1.543	0.075
Net Profit	42.781	45.294
Previous year adjustments	-	0.799
Add : Balance brought forward from previous year	5.887	5.679
Profit available for disposal	48.668	51.772
Proposed Dividend and tax thereon	6.924	6.155
Transfer to General Reserve	36.652	39.730
Profit carried forward	5.092	5.887

### DIVIDEND:

Your Directors recommend payment of dividend for the year ended March 31, 2004 of 6% on Equity shares of Rs.10 each. This dividend is payable on the enhanced capital of the Company after the 2:1 bonus issue made last year.

### OPERATIONS:

Although the growth in sales during the year was a modest 5%, the Company continued to maintain its leadership position in the core business. The increased focus on exploring export markets is bringing in desired results. Production at both the newly set up plants at Barotiwala and Dadra reached optimum levels.

A full analysis and discussion on the business outlook is included in this Annual Report under the heading, "Management discussion and analysis", as **Annexure 'A'** to this Report.

### 'GROWEL PLAZA' - THE MALL:

As you all are aware your company has undertaken to set up a shopping and entertainment mall namely, 'Growel Plaza', at its Kandivli site in Mumbai. The Mall will house hyper market, multiplex, departmental stores, shops, restaurants and other recreational facilities. The project is being designed by an expert firm of architects M/s.KMD, based in San-Francisco; USA. The work on the first phase of the project is nearing completion. This phase should be operational by end of 2004. The entire project is expected to be completed by the end of 2005-06.

### RESEARCH & DEVELOPMENT:

The surface finishing scenario is changing at a very fast pace due to environmental issues and demand for high quality products at low cost. R&D at Growel is playing a crucial role by introducing eco-friendly processes such as new generation Non Cyanide Alkaline Zinc and Zinc Alloy plating, low temperature cleaners and blackening processes, high speed high cathode efficiency plating processes, non Chrome Passivation and top coats to increase the corrosion resistance of plated parts.

### FIXED DEPOSITS:

The Company's balance of deposits as on March 31, 2004 was Rs.7.936 million. There were no un-paid fixed deposits as of March 31, 2004.

Unclaimed matured fixed deposits of Rs.35,887/- including interest of Rs.8,887/- which were lying with the Company unclaimed for more than 7 years have been transferred to the Investor Education and Protection Fund as required under the provisions of the Companies Act, 1956.



# GRAUER & WEIL (INDIA) LIMITED

## BOARD OF DIRECTORS:

During the year Shri. Nandlal More, our past chairman passed away. Late Shri. Nandlal More had stewarded the company for over three decades. The Board will miss his guidance greatly.

The Board has appointed, Mr. Madan Mohan Chaturvedi, Mr. Rohan Shah and Mr. Rajender Guleria as additional Directors of the Company with effect from March 30, 2004. Their term will expire at the forth coming Annual General Meeting of the Company. Being eligible, they have offered themselves for re-appointment and the Board recommends that they be re-appointed. The Company has received the required notices alongwith security deposits from members proposing their candidature as directors of the Company.

Mr. Ashok Kanodia resigned from Directorship during the year due to his preoccupations. Your board places on record its appreciation for the contributions made by Mr. Ashok Kanodia during his tenure as a director of your Company.

As per the provisions of the Companies Act, 1956, and in terms of the Articles of Association of the Company, Mr. Nirajkumar U. More and Mr. Rohitkumar R. More, Directors of your Company retire by rotation and being eligible, have offered themselves for re-appointment.

## CORPORATE GOVERNANCE:

Your Company has ensured compliance of the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchange. A separate report on Corporate Governance together with Auditors' Certificate on its compliance are included in this Annual Report as per **Annexure 'B'**.

## DIRECTORS RESPONSIBILITY STATEMENT:

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed.
2. Appropriate policies have been selected and applied consistently and judgments and estimates wherever made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2004.
3. Proper and sufficient care has been taken 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 fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.

## CONSOLIDATED FINANCIAL STATEMENTS:

As stipulated by Clause 32 of the Listing Agreement with the Stock Exchange, the Consolidated Financial Statements have been prepared by your Company in accordance with the requirements of Accounting Standard 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India. The audited Consolidated Financial Statements together Auditor's Report thereon form part of the Annual Report.

## AUDITORS:

M/s. M. M. Nissim & Co. Chartered Accountants, Auditors of the Company are retiring at the ensuing Annual General Meeting. They are eligible for re-appointment and have expressed their willingness to act as auditors, if re-appointed. The Company has received a certificate from them that they are qualified under section 224 (1) of the Companies Act, 1956, for appointment as Auditors of the Company. Members are requested to consider their appointment at a remuneration to be decided by the Board of Directors for the financial year ending March 31, 2005 as set out in the Notice convening the Meeting.

## AUDITORS' OBSERVATIONS:

The observations of the auditors contained in their Report have been adequately dealt with in the Notes to the Accounts given in Schedule "P", which are self explanatory and, therefore, do not call for any further comments.

## AUDIT COMMITTEE:

In accordance with the provisions of the Listing Agreement and Corporate Governance the Company had constituted an Audit Committee. The committee currently comprises of the following Directors viz., Mr. Rameshkumar R. More, Mr. Madan Mohan Chaturvedi and Mr. Nirajkumar U. More as members. The Audit Committee acts in accordance with the terms of reference specified from time to time by the Board.

## PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

The information pursuant to 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 are given in **Annexure "C"** to this report.

## GRAUER & WEIL (INDIA) LIMITED

### PARTICULARS OF EMPLOYEES:

None of the employees of the Company came within the purview of the information required u/s 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975 as amended.

### SUBSIDIARY COMPANIES:

#### (A) GROWEL ENERGY COMPANY LIMITED:

After receiving permission of HIMURJA, the State Nodal Agency, the project for generation of Hydro Power at Ani in Himachal Pradesh has been transferred to Growel Energy Company Ltd., a fully owned subsidiary of the company. The Company is awaiting clarity on the options for sale of power after enactment of new Electricity Act. The setting up of the project can commence only thereafter.

#### (B) POONA BOTTLING COMPANY PRIVATE LIMITED:

The arbitration proceedings over the dispute with M/s. Hindustan Coca-Cola Beverages Pvt. Ltd. continued during the year. As a result of this and other related litigations forced upon the Company, the Company was left with no alternative but to keep the bottling operations closed during the year.

As required under the Provisions of the Companies Act, 1956 the audited Statement of Accounts of POONA BOTTLING COMPANY PRIVATE LIMITED and GROWEL ENERGY COMPANY LIMITED, subsidiary companies of your Company are attached herewith along with Auditor's Reports.

A statement under section 212 of the Companies Act, 1956 is also attached herewith.

### LISTING:

The Equity Shares of the Company are at present listed with the Mumbai Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

The Company is regular in payment of listing fee.

### SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION:

The Company has taken all the necessary steps for safety and environmental control and protection at all its plants.

### ACKNOWLEDGMENT:

The Directors wish to convey their appreciation to the Company's shareholders, customers, suppliers, bankers, distributors and all the technology partners for the support they have given to the Company and the confidence, which they have reposed in its management and the employees for the commitment and dedication shown by them.

### Registered Office:

'Growel House',  
Akurli Road, Kandivli [East],  
Mumbai - 400 101.

Place: Mumbai  
June 30, 2004

For & on behalf of the Board of  
Grauer & Weil [India] Limited

Vinod Haritwal - CEO & ED  
Nirajkumar U More - Director  
Rameshkumar R. More - Director

**ANNEXURE – 'A' TO DIRECTORS' REPORT  
MANAGEMENT DISCUSSION AND ANALYSIS**

**BUSINESS:**

The main business of the Company is manufacturing and sale of:

- a. Chemicals required for metal finishing, their intermediates and other specialty chemicals
- b. Electroplating plants, their components, effluent treatment plants and other engineering products

**OPPORTUNITIES, THREATS, RISKS, CONCERNS AND OUTLOOK:**

Although the Company faced heavy pressure of stiff competition from National and International quarters, the sales of the Company continued to register growth. Production at the newly set up plant at Dadra grew substantially to compensate for the sagging performance at the manufacturing plant in Mumbai. The increasing cost of operations in Mumbai have been bearing considerable pressure on the viability of this plant. Consequently, operations at the Mumbai plant during the ensuing year may be minimal.

Exports contributed Rs.102 million to the gross sales of the Company. The focus on exports will be further intensified in the ensuing years.

The construction of a shopping and entertainment Mall at Kandivli commenced during the year under review. First phase of this Mall will become operational in the current year. This project is expected to contribute in substantial measure to the revenue as well as the profitability of the Company in future.

**EXPORTS:**

The exports of the company grew by 3% as compared to the previous year, however your management is pursuing much higher goals to achieve exponential growths in the coming years.

**PERFORMANCE OF THE COMPANY:**

Despite competitive pressures, both at domestic and international markets and disruption due to relocation of the Engineering plant and major construction activity undertaken for the mall, your Company achieved a gross turnover of Rs.1051 million representing 5% growth over the previous year.

Barring unforeseen circumstances the current year is expected to achieve a moderate growth.

**HUMAN RESOURCES:**

Human resources are invaluable assets of your Company. Therefore, your Company continues to provide thrust to enhance and update the skills and knowledge of its human resources at all locations by implementing many in house training programs and deputing selected employees to suitable national and international forums to keep them abreast of the latest developments in the industry and economy. Employees are provided modern management tools like SAP, Kaizan, etc.

With a view to further motivate excellence; the Company has introduced new packages of rewards linked to performance and success. The employees who have completed 25 years of service with the Company are felicitated on the Annual Day celebrations.

With the implementation of VRS the Company is steadily approaching Right Sizing of its human resources.

The company has under its employment 448 officers and workmen.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Internal Control Systems are designed to ensure the reliability of financial and other record and accountability of executive action to the management's authorisation. The Statutory Auditors have evaluated the system of internal controls of the Company and have reported that the same are adequate and commensurate with the size of the Company and nature of its business.

To improve the efficiency and effectiveness of the internal control systems, the Company has implemented at all its locations SAP, an ERP system which provides for checks and balances and improvements in controls. Barring the initial teething trouble this system is expected to streamline many of the internal processes in the day-to-day operations of the Company.

## GRAUER & WEIL (INDIA) LIMITED

The internal control systems are reviewed by the top Management and by the Audit Committee of the Board and proper follow up action is ensured wherever required.

### FINANCIAL PERFORMANCE:

The highlights of the financial performance of the Company for the year under review are as under:

- a. The Net Profit for the year is marginally lower than that of the previous year.
- b. The Company spent Rs.87 million on Capital Expenditure.
- c. The investment in Working capital decreased by Rs.12 million.
- d. The net term borrowings decreased by Rs.16 million on account of repayments. The long term Debt Equity ratio of the Company is at a comfortable 0.2 : 1. The construction of first phase of the mall during the year was entirely funded by internal accruals. The financial closure for the Mall Project has been achieved.
- e. The Equity Capital of the Company doubled on account of a 1 for 2 bonus approved by the shareholders in the last Annual General Meeting. The Book Value of the share as at March 31, 2004 stood at Rs.33 per share.

### CAUTIONARY STATEMENT:

Statement in the Management Discussion and Analysis describing the Company's objectives, expectations, estimates or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in Government regulations, tax laws, economic developments within the country and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis, of any subsequent developments, events or information.

**ANNEXURE - 'B' TO DIRECTORS' REPORT  
REPORT ON CORPORATE GOVERNANCE**

**INTRODUCTION:**

Corporate Governance is crucial to the very existence of a company as it builds confidence and trust with all the stakeholders of a company. The importance of Corporate Governance lies in the contribution it makes to the overall growth and direction of the business, management accountability and transparency and above all, equitable treatment for all the stakeholders.

A detailed report on implementation by the Company of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange, is set out below:

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company believes that sound Corporate practices based on openness, credibility and accountability is essential to its long term success. These practices will ensure that the Company, having regard to competitive exigencies, conduct its affairs in a way that would build confidence of its various stakeholders in it, and its Board's integrity.

**2. BOARD OF DIRECTORS:**

As per the listing Agreement the board should have an optimum combination of both Executive and Non-Executive Directors. The composition of the Board of Directors with reference to the number of Executive and Non-Executive Directors meets with the requirements of Clause 49(1)(A) of the Listing Agreement. The Chairman being Executive Director, as per Listing Agreement, the Company should have minimum 4 Independent Directors whereas the Company has 6 Independent Directors.

The Board of Your company has 4 [Four] Executive Directors and 4 [Four] Non-Executive Directors. The number of independent Directors is 6 [Six].

The details of composition of the Board, category, attendance of Directors at Board Meetings during the financial year and last Annual General Meeting, number of other Directorships and other Committee Memberships are given below:

Name of Director	Category	No. Of Board Meeting attended	Attendance at last AGM	No. Of Other Directorships Held		Outside committee Position Held	
				Public	Private	Mem.	Chmn.
Mr. Umeshkumar More	CMD	7	YES	7	5	—	—
Mr. Vinod Haritwal	CEO & ED	7	YES	7	3	—	—
Mr. Rameshkumar More	NED	7	YES	4	4	—	—
Mr. Nirajkumar More	NED	7	NO	7	6	—	—
Mr. Rohitkumar R. More	WTD	7	NO	3	2	—	—
Mr. Rohan Shah*	NED	1	—	—	—	—	—
Mr. Madan Mohan Chaturvedi*	NED	1	—	—	2	—	—
Mr. Rajender Guleria*	WTD	1	—	1	—	—	—
Mr. Ashok Kanodia **	NED	3	NO	1	1	—	—

\*appointed on March 30, 2004.

\*\* Resigned on March 30, 2004

CMD stands for Chairman & Managing Director.

CEO & ED stands for Chief Executive Officer & Executive Director.

NED stands for Non-Executive Director

WTD stands for Whole-Time Director

During the financial year ended March 31, 2003, 7 [Seven] Board meetings were held on 28/04/2003, 16/06/2003, 31/07/2003, 12/09/2003, 31/10/2003, 29/01/2004 and 30/03/2004.

## GRAUER & WEIL (INDIA) LIMITED

### 3. COMMITTEES OF DIRECTORS:

Non-executive Directors provide guidance to operating management on policy matters as well as in monitoring the actions of operating management. This involvement is formalized through constitution of designated committees of the board. The Committees are intended to provide regular exchange of information and ideas between the non-executive Directors and the operating management.

The Board has constituted Committees which conform to the requirements of clause 49 of the Listing Agreement with the Stock Exchange and Companies Act, 1956.

#### 3.1 AUDIT COMMITTEE:

The Company has a qualified and independent Audit Committee comprising of 3 Non-Executive Directors. The broad terms of reference of the Audit Committee are in consonance with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

There were 3 [Three] meetings of the Committee during the year.

The names of members of committee and their attendance are as follows:

Name of the Members	Status	No. of Meetings Attended
MR. RAMESHKUMAR R. MORE	CHAIRMAN	3
MR. NIRAJKUMAR U. MORE	MEMBER	3
MR. VINOD HARITWAL*	MEMBER	3
MR. ROHITKUMAR R. MORE*	MEMBER	3
MR. MADAN MOHAN CHAURVEDI **	MEMBER	Nil

\* Resigned from the Committee on 30/03/2004.

\*\*Appointed on the Committee on 30/03/2004.

All the members have the financial and accounting knowledge.

Mr. Suhas Kulkarni, Company Secretary of the Company acts as a Secretary of the Committee.

The Sr. General Manager – Accounts and the Statutory Auditors are invitees to Audit Committee meetings.

The Chairman of the Committee was present at the Annual General Meeting held on July 31, 2003 to attend the shareholder's queries.

#### 3.2. REMUNERATION:

The Company has not constituted Remuneration Committee (being a non-mandatory requirements). All matters relating to review and approval of compensation payable to the Executive and Non-Executive Directors are considered by the Board within the overall limits approved by the Members.

The Company pays remuneration to its Managing Director, Executive Director and Wholtime Directors by way of salary, perquisites and allowances. The remuneration has been paid as approved by the Board, in accordance with the approval of the Shareholders and within the overall ceiling prescribed by Section 198 and 309 of the Companies Act.

## GRAUER & WEIL (INDIA) LIMITED

Given below are the details of remuneration paid to Directors during the financial year 2003-04: [Amount in Rs.]

Director	Sitting Fees	Salary & allowances	Perquisites
Mr. Umeshkumar More	—	1294200	430920
Mr. Vinod Haritwal	—	1243200	141400
Mr. Rameshkumar More	3500	—	—
Mr. Ashok Kanodia	—	—	—
Mr. Nirajkumar More	3500	—	26400
Mr. Rohitkumar R. More	1500	224000	14400
Mr. Rohan Shah	—	—	—
Mr. Madan Mohan Chaturvedi	—	—	—
Mr. Rajender Guleria	—	4064	228

### 3.3. SHAREHOLDERS' COMMITTEE:

The Company has constituted a Shareholders' Committee to specifically redress the Investors' complaints relating to transfer of shares, non-receipt of balance sheet, non-receipt of dividend etc.

The Shareholders' Committee met 2 [Two] times during the year ended March 31, 2004.

The composition of the Shareholders' Committee and details of the meetings attended by the Directors are given below:

NAMES OF MEMBERS	CATEGORY	NO. OF MEETINGS ATTENDED DURING THE YEAR 2003-2004
Mr. NIRAJKUMAR MORE	CHAIRMAN	2
Mr. VINOD HARITWAL	MEMBER	2
Mr. RAMESH KUMAR MORE	MEMBER	2

Mr. Suhas Kulkarni, Company Secretary is the Compliance Officer.

### DETAILS OF INVESTORS COMPLAINTS RECEIVED DURING THE YEAR:

SR. NO.	NATURE OF COMPLAINTS	RECEIVED	DISPOSED	PENDING
1.	Non-receipt of Dividend Warrants	24	24	Nil
2.	Non-receipt of Bonus Shares	22	22	Nil
3.	Non-receipt of Share Cert. After Transfer	9	9	Nil
4.	Non-receipt of Annual Report	4	4	Nil
5.	Non-receipt of Demat Credit/Remat Certificate	20	20	Nil
6.	Non-receipt of Exchange of Certificates	1	1	Nil
7.	Non-receipt of Rejected DRFs	6	6	Nil
<b>TOTAL</b>		<b>86</b>	<b>86</b>	<b>Nil</b>

Three complaints received from shareholders relating to non-receipt of dividend/bonus shares are under investigation by authorities as there are claims to the title of the same shares from multiple shareholders.

# GRAUER & WEIL (INDIA) LIMITED

## 4. GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

FINANCIAL YEAR	DATE	TIME	VENUE
31.03.2003	31.07.2003	3:30 P.M.	Registered Office
31.03.2002	28.09.2002	3.00 P.M.	Registered Office
31.03.2001	28.09.2001	3.30 P.M.	Registered Office

No special resolution was put through postal ballot last year.

## 5. DISCLOSURES:

- 5.1. Details of related party transactions with its Promoters, Directors or the Management, their Subsidiaries or Relatives etc., during the year are disclosed in Schedule "P", however, none of these transactions have a potential conflict with the interests of the Company at large.
- 5.2. The Company has complied with the requirements of the Stock Exchange, SEBI, and other Statutory Authorities on all matters relating to Capital Markets during the last three years. In respect of complaints filed under Section 211 and 217 of the Companies Act by the Registrar of Companies, Maharashtra, Mumbai against the Managing Director and Executive Director, the said offences have been compounded based on the application made by them, by the Regional Director, Western Region, Mumbai. Complaints filed against non-executive directors are before the appropriate Court for their discharge from the said complaint.

## 6. MEANS OF COMMUNICATION:

- 6.1. Quarterly results are published in prominent daily newspapers viz., Free Press Journal and Navshakti.
- 6.2. All items required to be covered in the Management Discussion and Analysis have been included in the Annexure 'B' to the Director's Report.
- 6.3. The Company has its own website and all the vital information relating to the Company and its products are displayed on the web site. Address of the website is **www.growel.com**

## 7. GENERAL SHAREHOLDERS INFORMATION:

- 7.1. ANNUAL GENERAL MEETING : 46th Annual General Meeting.  
DAY & DATE : Saturday, July 31, 2004.  
TIME : 11 a. m.  
VENUE : Registered Office.

### 7.2. FINANCIAL CALENDAR:

- \* Financial reporting for the quarter ended June 30, 2004 : End of July, 2004.
- \* Financial reporting for the quarter ended Sept.30, 2004 : End of Oct.,2004.
- \* Financial reporting for the quarter ended Dec. 31, 2004 : End of Jan., 2005.
- \* Financial reporting for the Year ended March 31, 2005 : End of June,2005.

7.3. **DATE OF BOOK CLOSURE: 27/07/2004 TO 31/07/2004 [Both days inclusive].**

7.4. **RECORD DATE OF PAYMENT OF DIVIDEND: 26/07/2004.**

### 7.5. SHARE TRANSFER SYSTEM:

Share transfer requests received in physical mode as well as in electronic mode is generally processed and completed by the Registrar & Transfer Agent within a period of 15 days from the date of receipt thereof, if the documents are clear in all respects.

## GRAUER & WEIL (INDIA) LIMITED

### 7.6. REGISTRAR AND TRANSFER AGENT:

The Company has appointed the below mentioned agency as Registrars and Share Transfer Agent ( RTA ) for both physical and demat segment of Equity Shares of the Company :

#### **M/s. INTIME SPECTRUM REGISTRY LIMITED,**

[Unit: Grauer & Weil [India] Limited ]

C-13, Pannalal Silk Mills Compound, LBS Marg,

Bhandup [ West ], Mumbai - 400 078.

Phones : (022) 5555 5353 Fax : (022) 5555 5353.

Email : isrl@vsnl.com

### 7.7. COMPLIANCE OFFICER :

Mr. Suhas Kulkarni, Company Secretary

### 7.8. COMPANY SECRETARY :

Mr. Suhas Kulkarni, Company Secretary

### 7.9. ADDRESS FOR CORRESPONDENCE:

Share Department:

GRAUER & WEIL [ INDIA ] LIMITED

'Growel House', Akurli Road, Kandivli [ East ], Mumbai - 400 101.

Tel: 022-5699 3000. Fax : 022-5699 3010.

E-mail: hq@growel.com

### 7.10. LISTING:

The Stock Exchange,

Phiroz Jeejeebhoy Towers,

Dalal Street, Mumbai - 400 001.

Tel: 022-2272 1234/1333. Fax: 022-2272 2041.

### 7.11. STOCK CODE OF THE COMPANY:

The Stock Exchange, Mumbai

Scrip Name : GRAUER & WEIL [ INDIA ] LIMITED

Scrip Code : 505710.

Electronic Mode: INE266D01013.

### 7.12. DEPOSITORY CONNECTIVITY: NSDL and CDSL.

### 7.13. ISIN NO. FOR THE COMPANY'S SECURITY: INE266D01013.

### 7.14. DEMATERIALISATION OF SHARES:

As on March 31, 2004, 28,29,244 Shares representing 27.66% of total Equity Shares were held in dematerialised form with NSDL and CDSL.

Member can hold shares in electronic forms and trade the same in Depository System. However, they may hold the same in physical form also.

## GRAUER & WEIL (INDIA) LIMITED

### 7.15. STOCK PRICE DATA: [ AS PROVIDED BY THE REGISTRAR ].

Stock Market price data for the year:

Company's Share		
Month	High (Rs.)	Low (Rs.)
April, 2003	18.50	15.25
May, 2003	22.75	16.30
June, 2003	31.80	19.70
July, 2003	30.00	26.50
August, 2003	34.75	25.50
Sept., 2003	31.40	17.10
October, 2003	21.50	17.45
Nov., 2003	25.80	16.30
Dec., 2003	61.80	21.60
January, 2004	73.00	44.50
Feb., 2004	53.00	43.00
March, 2004	47.00	32.70

### 7.16. SHAREHOLDING PATTERN AS ON MARCH 31, 2004:

Category	No. Of shares held	% of shareholding
Promoters & Associates	5006,796	48.94
Mutual Funds & UTI	1,650	0.02
Banks & Financial Institutions	2,700	0.02
Private Bodies Corporate	587,484	5.74
Indian Public	3996,477	39.07
NRI/OCBs	635,073	6.21
<b>Total</b>	<b>102,30,180</b>	<b>100.00</b>

### 7.17. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2004:

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto 500	3117	619168	6.05
501-1000	1202	848172	8.29
1001-2000	581	851007	8.32
2001-3000	112	283788	2.77
3001-4000	56	199386	1.95
4001-5000	26	121181	1.19
5001-10000	51	343885	3.36
10001 & above	41	6963593	68.07
<b>Total</b>	<b>5186</b>	<b>10230180</b>	<b>100</b>

## **GRAUER & WEIL (INDIA) LIMITED**

### **7.18. PLANT LOCATIONS:**

- a. 'Growel House', Akurli Road, Kandivli [ East ], Mumbai - 400 101.
- b. 407, GIDC Industrial Estate, Vapi - 396 195. [ Gujarat ]
- c. Plot No.31 & 32, Industrial Estate, Barotiwala - 174 103. [ H. P. ].
- d. 215/1, Plot No. 10, Dadra Industrial Estate, Dadra – 396 191. (Dadra & Nagar Haveli.-U.T.)
- e. Survey No.66, Village-Dhanore, Taluka-Khed, District-Pune, Maharashtra.

### **7.19. COMPLIANCE :**

A certificate has been obtained from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance and is attached to this report.

#### **Registered Office:**

**'Growel House',  
Akurli Road, Kandivli [East],  
Mumbai - 400 101.**

**Place: Mumbai  
June 30, 2004**

**For & on behalf of the Board of  
Grauer & Weil [India] Limited**

**Vinod Haritwal - CEO & ED  
Nirajkumar U More - Director  
Rameshkumar R. More - Director**

## **GRAUER & WEIL (INDIA) LIMITED**

### **AUDITORS' CERTIFICATE**

**To**  
**The Members,**  
**GRAUER & WEIL (INDIA) LIMITED,**

We have examined the compliance of conditions of Corporate Governance by GRAUER & WEIL [ INDIA ] LIMITED, for the year ended on March 31, 2004, 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 review of the 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 clause 49 of the Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the report given by the Registrars of the Company to the Investors' Grievance Committee, as on 31<sup>st</sup> March, 2004 there were no investor grievance matters against the Company remaining unattended/pending for more than 30 days.

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 M. M. Nissim & Co.**  
**Chartered Accountants**

**P. P. BHANDARI**  
**Partner**

**Mumbai**  
**June 30, 2004**

# GRAUER & WEIL (INDIA) LIMITED

## ANNEXURE 'C' TO DIRECTORS' REPORT

### COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

#### A. CONSERVATION OF ENERGY:

- (1) ENERGY CONSERVATION MEASURES TAKEN:
  - i) Reaction time of reactors is reduced by 20%.
  - ii) Introduced natural inverter so that D.G. set operation is not necessary when electrical power is off.
  - iii) Installed evaporators to reduce the quantity of effluents instead of direct electrical heating.
  - iv) Reduced horsepower of various equipments wherever it is possible.
  - v) Timers are fixed on stirring vessels to avoid over stirring.
  - vi) Lights are switched off during day time whenever natural light is sufficient for working.
- (2) ADDITIONAL INVESTMENTS AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY:

It is proposed to take further steps for the conservation of energy during the current year.
- (3) IMPACT OF THE ABOVE MEASURES:

Energy saving with resultant reduction in cost.
- (4) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER **FORM - "A"**

#### B. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption as per **Form - "B"**.

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- (1) Activities relating to exports, initiatives taken to develop export markets:

The actual exports achieved in 2003-2004 were Rs.101.99 Million, as compared to Rs.99.28 Million in 2002-2003.
- (2) Total foreign exchange used and earned: **Rupees**
  - (i) Total foreign exchange used
    - (a) On import of raw materials, components, spare parts and capital goods. 102,061,488
    - (b) Expenditure in foreign currencies for Business Travel, Seminars, Dividend and Royalties etc. 10,248,716
  - (ii) Total foreign exchange earned 101,985,176

Registered Office:

'Growel House',  
Akurli Road, Kandivli [East],  
Mumbai - 400 101.

Place: Mumbai  
June 30, 2004

For & on behalf of the Board of  
Grauer & Weil [India] Limited

Vinod Haritwal - CEO & ED  
Nirajkumar U More - Director  
Rameshkumar R. More - Director

# GRAUER & WEIL (INDIA) LIMITED

## FORM - A

### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY 2003-2004.

PARTICULARS	2003-2004	2002-2003
<b>A. POWER AND FUEL CONSUMPTION</b>		
1. ELECTRICITY		
a) Purchased Units	<b>1,850,685</b>	1,976,774
Total amount (Rs.)	<b>8,432,270</b>	8,452,259
Average Rate/Unit (Rs.)	<b>4.56</b>	4.28
b) Own generation	Limited electric power was generated through D.G. Sets installed exclusively for the purpose of emergency supply whenever there was power shortage to keep the emergency system working.	
2. FURNACE/OTHER OIL		
Quantity (Litres)	<b>2,05,992</b>	184,898
Total Cost (Rs.)	<b>3,045,497</b>	2,619,097
Average rate (Rs. per litre)	<b>14.78</b>	14.17

### B. CONSUMPTION PER UNIT OF PRODUCTION:

As the Company manufactures different types of custom-built plants and chemicals for various applications, it is impracticable to work out the cost of usage of energy on a per unit basis.

# GRAUER & WEIL (INDIA) LIMITED

## FORM - B

Form for disclosure of particulars with respect to Technology Absorption 2003-2004.

### A. RESEARCH & DEVELOPMENT:

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

- i) Eliminate use of poisonous cyanide chemicals from plating.
- ii) Elimination of Hexavalent Chrome from plating and passivation solution.
- iii) Introduce high speed plating processes.
- iv) Reduce energy cost by increasing the cathode efficiency.
- v) Cost reduction.
- vi) Reduce import by developing new organic compounds and export.

#### 2) Benefits derived as a result of the above R & D:

Introduced forth generation of Noncyanide Alkaline Zinc, High Speed Electroless Nickel, Nonchromate Passivation Processes. Low temperature cleaner and steel blackening processes, new organic compounds are manufactured to replace imported and are being exported. R & D activities are monitored by the new version of **ISO 9001 : 2000 Quality Management System**.

#### 3) Future plan of action:

R & D divisions will work to increase corrosion resistance of plated components, reduce the energy consumption, introduce new raw materials to reduce cost. To maintain safe environment in and around manufacturing units, **ISO 14000** will be introduced in all the chemical divisions. **Kaizen technique** will be introduced to improve the productivity and minimize waste.

#### 4) Expenditure on R & D:

	<b>2003-2004</b>	2002-2003
	<b>Rupees</b>	Rupees
a) Capital	<b>2,872,461</b>	2,795,897
b) Recurring	<b>3,331,283</b>	4,248,987
c) Total	<b>6,203,744</b>	7,044,884
d) Total R & D expenditure as a percentage of total Turnover	<b>0.76%</b>	0.91%

## GRAUER & WEIL (INDIA) LIMITED

### B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

#### 1) Efforts, in brief made towards technology absorption, adaptation and innovation:

- i) Teams of technical personnel were deputed to various international conferences and exhibitions.
- ii) Technical executive of Hawking International, England; visited to study the new requirement of electrophoretic lacquers.

#### 2) Benefits derived as a result of the above efforts:

Following new products, which are in development stage, will be made available for marketing.

- i) Development of zinc-nickel alloy plating process.
- ii) Trivalent chrome plating process.
- iii) Post passivation top coats to increase corrosion resistance.

#### 3) Particulars of technologies imported during last 5 years.

##### a) Technology imported :

- i) Automatic control systems for surface finishing plants – **M/s. Richard Utikal GmbH, Germany.**
- ii) New generation electrophoretic lacquers – **M/s. Hawking International, England.**
- iii) New generation Filtration and agitation by **M/s. Serfilco Inc. U.S.A.**
- iv) Plating plants from **M/s. Manz GmbH, Germany.**
- v) Highly corrosion resistant Dacrotising process from **M/s. Kabushili Kaisha Nippon Dacro Shamrock, Japan.**

##### b) Year imported:

- i) 2002-03
- ii) 2001-02
- iii) 2001-02
- iv) 2000-01
- v) 1997-98

##### c) Has technology been fully absorbed:

In progress 3.a.i and 3.a.ii

Fully absorbed for 3.a.iii and 3.a.iv

# GRAUER & WEIL (INDIA) LIMITED

## AUDITORS' REPORT

### TO THE SHAREHOLDERS OF GRAUER & WEIL (INDIA) LIMITED.

We have audited the attached Balance Sheet of GRAUER & WEIL (INDIA) LIMITED, as at 31<sup>st</sup> March, 2004 and also the attached Profit and Loss Account and the cash flow statement of the Company 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.

We conducted our audit in accordance with the Indian auditing standards issued by the Institute of Chartered Accountants of India. Our audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates and judgements made by the management in the preparation of financial statements and evaluating the overall financial statement presentation.

We planned and performed our audit, so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements and to provide a reasonable basis for our opinion and report that :

- 1) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2) Further to our comments referred to in paragraph 1 above.
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit.
  - b) 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 the books.
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement, under Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
  - e) On the basis of written representations received from the Directors as on March, 31 2004 and taken on record by the Board of Directors, we report and certify that none of the Directors is disqualified from being appointed as Director under Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- 3) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Note No.8, regarding non disclosure of debts due to Small Scale Industrial undertaking read together with other Notes thereof, give the information as required by the Companies Act, 1956 in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India.
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2004.
  - ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
  - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For M. M. Nissim & Co.**  
**Chartered Accountants**

**P. P. BHANDARI**  
**Partner**  
**Mem. No. 32218**  
**Mumbai**  
**June 30, 2004**

**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT OF EVEN DATE**

- i. (a) The Company has compiled item-wise lists of only Plant & Machinery. In respect of other assets, we are informed that the Company is still in the process of compiling proper records to show the necessary particulars.  
(b) As explained to us, the assets have been physically verified by the management in accordance with a phased programme of verification which in our opinion, is reasonable, considering the size & nature of its business. We are informed that discrepancies, if any, will then be dealt with in the accounts once the process of compilation is complete.  
(c) The Company has not disposed off any substantial part of its Fixed Assets so as to affect its going concern.
- ii. (a) As explained to us, Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
(b) In our opinion, the procedures of physical verifications of Inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) On the basis of our examination of the inventory records of the Company, we are of the opinion that the Company is maintaining proper records of its inventory. The discrepancies noticed on verification between the physical stocks and book records have been properly dealt with in the books of account.
- iii. (a) The Company has during the year granted unsecured loans to three Companies listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.302.25 Lacs and the year end balance of Loans granted to such parties was Rs.232.30 Lacs. The Company has not taken any loan secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.  
(b) In our opinion, the rate of interest and other terms and conditions on which Unsecured loans have been granted to Companies listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.  
(c) The Companies have repaid the principal amounts as stipulated and have been regular in the payment of interest.  
(d) There is no overdue amount of loans granted to Companies listed in the register maintained under section 301 of the Companies Act, 1956.
- iv. (a) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. (a) On the basis of the audit procedures performed by us and according to the information, explanations and representations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance to contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of rupees five lacs in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market prices at that time.
- vi. In our opinion, the Company has complied with the provisions of Section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rule, 1975 with regards to deposits accepted from the public.
- vii. *The Company does not have a formal internal audit system.* However, in our opinion, there are adequate internal control procedures commensurate with the size and nature of its business.
- viii. We are informed that the Central Government has not prescribed the maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 for any of the products of the Company.
- ix. (a) The Company is regular in depositing undisputed statutory dues including, Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other Statutory Dues applicable to it, with the appropriate authorities.

## GRAUER & WEIL (INDIA) LIMITED

- (b) On the basis of our examination of the documents and records, the disputed Excise Duty amounted to Rs.103.70 Lacs has not been deposited with appropriate authorities as the matter is pending before Central Excise and Service Tax Appellate Tribunal.
- x. The Company has neither accumulated losses at the end of the financial year nor has it incurred cash losses, both, in the financial year under report and the immediately preceding financial year.
  - xi. On the basis of records examined by us, the Company has not defaulted in repayment of its dues to banks.
  - xii. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.
  - xiii. The Company is not a chit fund or nidhi or mutual benefit fund or society and hence the provisions of Clause 4 (xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
  - xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4 (xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
  - xv. According to the information and explanations given to us and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
  - xvi. On the basis of the records examined by us and relying on the information compiled by the Company for co-relating the funds raised to the end use of the term loans, we have to state that, the Company has, prima-facie, applied the term loans for the purpose for which they were raised.
  - xvii. According to the information and explanations, given to us and on an overall examination, of the Financial Statements of the Company, we are of the opinion that, prima-facie, no funds raised on short term basis have been used for long term investments. No long term funds have been used to finance short term assets except for working capital amounting to Rs.402.45 Lacs.
  - xviii. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
  - xix. The Company has not issued any debentures during the year.
  - xx. The Company has not raised any money through a public issue, during the year.
  - xxi. According to the information and explanations given to us and to the best of our knowledge and belief no fraud on or by the Company, has been noticed or reported by the Company during the year.

**For M. M. Nissim & Co.**  
**Chartered Accountants**

**P. P. BHANDARI**  
**Partner**  
**Mem. No. 32218**  
**Mumbai**  
**June 30, 2004**

# GRAUER & WEIL (INDIA) LIMITED

## BALANCE SHEET AS AT MARCH 31, 2004

	Schedule	Rupees	As At 31st March, 2004 Rupees	As At 31st March, 2003 Rupees
<b>SOURCES OF FUNDS</b>				
SHAREHOLDERS FUNDS				
Share Capital	A	102,301,800		68,201,200
Reserves and Surplus	B	<u>249,091,932</u>		<u>247,335,998</u>
			<b>351,393,732</b>	<b>315,537,198</b>
LOAN FUNDS				
Secured Loans	C	228,580,687		226,444,336
Unsecured Loans	D	<u>11,382,746</u>		<u>10,327,415</u>
			<b>239,963,433</b>	<b>236,771,751</b>
DEFERRED TAX				
Deferred Tax Liabilities		53,423,348		54,347,137
Deferred Tax Assets		<u>(7,545,172)</u>		<u>(6,811,416)</u>
			<b>45,878,176</b>	<b>47,535,721</b>
			<u><b>637,235,341</b></u>	<u><b>599,844,670</b></u>
<b>APPLICATION OF FUNDS</b>				
FIXED ASSETS				
Gross Block	E	516,023,741		495,864,252
Less: Depreciation		<u>169,929,282</u>		<u>151,273,156</u>
Net Block		346,094,459		344,591,096
Capital Work in Progress		<u>58,661,093</u>		<u>384,870</u>
			<b>404,755,552</b>	<b>344,975,966</b>
INVESTMENTS	F		<b>3,559,298</b>	<b>7,278,574</b>
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	G	142,931,275		140,044,636
Sundry Debtors		158,566,165		145,303,425
Cash and Bank Balances		10,784,405		7,363,305
Other Current Assets		123,049		118,970
Loans and Advances		<u>75,469,737</u>		<u>58,760,713</u>
		<u><b>387,874,631</b></u>		<u><b>351,591,049</b></u>
Less: CURRENT LIABILITIES AND PROVISIONS	H			
Current Liabilities		137,720,239		95,348,953
Provisions		<u>31,091,085</u>		<u>25,639,757</u>
		<u><b>168,811,324</b></u>		<u><b>120,988,710</b></u>
NET CURRENT ASSETS			<b>219,063,307</b>	<b>230,602,339</b>
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	I		<b>9,857,184</b>	<b>16,987,791</b>
			<u><b>637,235,341</b></u>	<u><b>599,844,670</b></u>
Notes to Accounts	P			

As per our Report of even date  
for M. M. NISSIM & CO.  
Chartered Accountants

VINOD HARITWAL  
NIRAJKUMAR U. MORE  
RAMESHKUMAR R. MORE

- CEO & Executive Director  
- Director  
- Director

P. P. BHANDARI  
Partner  
MEM No.: 32218

SUHAS KULKARNI

- Sr. GM & Company Secretary

Mumbai, 30th June, 2004

Mumbai, 30th June, 2004



# GRAUER & WEIL (INDIA) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2004

	Schedule	For the year ended March 31, 2004 Rupees	For the year ended March 31, 2003 Rupees
<b>INCOME</b>			
Sales	J	819,156,117	772,364,835
Other Income	K	18,067,631	14,156,639
		<u>837,223,748</u>	<u>786,521,474</u>
<b>EXPENDITURE</b>			
Materials	L	475,783,935	443,681,165
Salaries, Wages and other benefits	M	93,574,476	80,566,117
Other Expenses	N	183,075,201	172,280,724
Interest	O	18,406,594	24,979,599
Depreciation		22,060,000	19,644,616
		<u>792,900,206</u>	<u>741,152,221</u>
<b>PROFIT BEFORE TAXATION</b>		<b>44,323,542</b>	45,369,253
PROVISION FOR TAXATION			
Current Tax		3,200,000	4,000,000
Deferred Tax		(1,657,545)	(3,924,430)
<b>PROFIT AFTER TAX</b>		<b>42,781,087</b>	45,293,683
Excess Provision of Income Tax written back		—	245,370
Refund of Income Tax of earlier year		—	553,563
Add: Balance Brought Forward		5,887,198	5,679,220
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>48,668,285</b>	<u>51,771,836</u>
<b>APPROPRIATIONS</b>			
Proposed Dividend		6,138,108	5,456,096
Tax on Proposed Dividend		786,445	699,062
Transfer to General Reserve		36,651,800	39,729,480
		<u>43,576,353</u>	<u>45,884,638</u>
Balance carried to Balance Sheet		<u>5,091,932</u>	<u>5,887,198</u>
<b>BASIC AND DILUTED EARNINGS PER SHARE</b>		<b>4.18</b>	<b>4.51</b>
Notes to Accounts	P		

As per our Report of even date  
for M. M. NISSIM & CO.  
Chartered Accountants

VINOD HARITWAL - CEO & Executive Director  
NIRAJKUMAR U. MORE - Director  
RAMESHKUMAR R. MORE - Director

P. P. BHANDARI  
Partner  
MEM No.: 32218

SUHAS KULKARNI - Sr. GM & Company Secretary

Mumbai, 30th June, 2004

Mumbai, 30th June, 2004

# GRAUER & WEIL (INDIA) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2004

Rupees	For the year ended March 31, 2004 Rupees	For the year ended March 31, 2003 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	<b>44,323,542</b>	45,369,253
Adjustments for:		
Depreciation	<b>22,060,000</b>	19,644,616
Diminution in Value of Investments	—	1,921,619
(Profit) / Loss on sale of Fixed Assets	<b>1,538,546</b>	108,187
(Profit) / Loss on sale of Investements	<b>(1,360,716)</b>	—
Interest Paid	<b>18,406,594</b>	24,979,599
Interest Received	<b>(6,783,584)</b>	(4,616,314)
Dividend and Income from units	<b>(2,250)</b>	(14,693)
Wealth Tax	<b>84,703</b>	88,579
Technical knowhow fees written off	<b>282,387</b>	452,987
Provision for doubtful Debts	<b>1,362,545</b>	2,140,623
VRS Compensation written off	<b>5,484,934</b>	5,484,934
ERP Expenses written off	<b>1,363,287</b>	1,363,287
	<b>42,436,446</b>	51,553,424
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<b>86,759,988</b>	96,922,677
Adjustments for:		
(Increase) / Decrease in Trade and other receivables	<b>(27,436,646)</b>	(70,839,026)
(Increase) / Decrease in Inventories	<b>(2,886,639)</b>	(17,257,470)
Increase / (Decrease) in Trade and other payables	<b>43,249,546</b>	28,870,940
	<b>12,926,261</b>	(59,225,556)
CASH GENERATED FROM OPERATIONS	<b>99,686,249</b>	37,697,121
Direct Taxes Paid	<b>(3,986,446)</b>	(2,689,756)
	<b>(3,986,446)</b>	(2,689,756)
NET CASH FROM OPERATING ACTIVITIES	<b>95,699,803</b>	35,007,365

## GRAUER & WEIL (INDIA) LIMITED

	For the year ended March 31, 2004 Rupees	For the year ended March 31, 2003 Rupees
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Capital Expenditure/Technical know-how fees	(86,632,337)	(64,163,631)
Sale of Fixed Assets	3,254,206	2,717,286
Purchase of Investments	-	(75,000)
Sale of Investments	5,079,992	-
Interest received	6,783,584	4,616,314
Dividend and Income from Units	2,250	14,693
NET CASH USED IN INVESTING ACTIVITIES	<u>(71,512,305)</u>	<u>(56,890,338)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings (Net)	3,191,681	52,036,271
Interest Paid	(17,978,426)	(24,737,998)
Dividend Paid	(5,979,653)	(5,021,936)
NET CASH FROM FINANCING ACTIVITIES	<u>(20,766,398)</u>	<u>22,276,337</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>3,421,100</u>	<u>393,364</u>
CASH AND CASH EQUIVALENTS	3,421,100	393,364
Opening balance	7,363,305	6,969,941
Closing balance	10,784,405	7,363,305

As per our Report of even date  
for M. M. NISSIM & CO.  
Chartered Accountants

VINOD HARITWAL -  
NIRAJKUMAR U. MORE -  
RAMESHKUMAR R. MORE -

CEO & Executive Director  
Director  
Director

P. P. BHANDARI  
Partner  
MEM No.: 32218

SUHAS KULKARNI -

Sr. GM & Company Secretary

Mumbai, 30th June, 2004

Mumbai, 30th June, 2004

# GRAUER & WEIL (INDIA) LIMITED

## SCHEDULES ANNEXED TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Rupees	As At 31st March, 2004 Rupees	As At 31st March, 2003 Rupees
<b>SCHEDULE A: SHARE CAPITAL</b>		
AUTHORISED		
25,000,000 (Previous year 10,000,000)		
Equity Shares of Rs.10 each	<u>250,000,000</u>	<u>100,000,000</u>
ISSUED, SUBSCRIBED AND PAID-UP		
10,230,180 (Previous Year 6,820,120)		
Equity Shares of Rs.10 each fully paid-up	<u>102,301,800</u>	<u>68,201,200</u>
NOTE: Of the above,		
(1) 154,500 Equity shares were allotted as fully paid-up pursuant to contracts without payment being received in cash.		
(2) 9,035,950 Equity shares (including 3,410,060 shares allotted on 12/09/03) were allotted as fully paid-up Bonus Shares by capitalisation of Capital Reserve, Capital redemption reserve and Securities Premium account		
<b>SCHEDULE B: RESERVES AND SURPLUS</b>		
CAPITAL RESERVE		
As per Last Balance Sheet	-	190,000
Add: Partly paid convertible Debentures forfeited		
Less: Utilised for issue of bonus shares	-	<u>190,000</u>
	-	-
CAPITAL REDUMPTION RESERVE		
Less: Utilised for issue of bonus shares	-	65,000
	-	<u>65,000</u>
	-	-
SECURITIES PREMIUM ACCOUNT		
As per Last Balance Sheet	21,448,800	55,294,400
Less: Utilised for issue of bonus shares	<u>21,448,800</u>	<u>33,845,600</u>
	-	21,448,800
GENERAL RESERVE		
As per Last Balance Sheet	220,000,000	180,270,520
Less: Utilised for issue of bonus shares	<u>12,651,800</u>	-
	<u>207,348,200</u>	<u>180,270,520</u>
Add: Transferred from Profit and Loss Account	<u>36,651,800</u>	<u>39,729,480</u>
	<b>244,000,000</b>	220,000,000
PROFIT AND LOSS ACCOUNT		
	<b>5,091,932</b>	5,887,198
	<u><b>249,091,932</b></u>	<u>247,335,998</u>

## GRAUER & WEIL (INDIA) LIMITED

	As At 31st March, 2004 Rupees	As At 31st March, 2003 Rupees
<b>SCHEDULE C: SECURED LOANS</b>		
Credit Facilities from Banks		
Term Loans (Repayable within one year Rs.16.57 million, Previous Year Rs.12.31 million)	<b>51,566,114</b>	62,060,309
VRS Term Loans (Repayable within one year Rs.5.63 million, Previous Year Rs.5.63 million)	<b>11,553,233</b>	17,307,139
Working Capital Facilities	<b>156,628,572</b>	135,609,739
Hire Purchase Credits	<b>8,832,768</b>	11,467,149
	<b><u>228,580,687</u></b>	<b><u>226,444,336</u></b>

### NOTES:

- 1] Term Loans and VRS Term Loans from Banks are secured by a pari passu first charge by way of hypothecation of company's movable assets at its Kandivli and Barotiwala plants and exclusive first charge at its Dadra plant as applicable, and further secured by mortgage by way of deposit of title deeds of immovable properties of the company at its Kandivli, Barotiwala and Dadra Plants. This excludes specified fixed assets exclusively charged in the Hire purchase agreements and Term Loans, and also excludes stock and book debts.
- 2] Working Capital Facilities are secured by hypothecation of all stocks and book debts and are further secured by a pari passu charge by way of mortgage by deposit of title deeds of the assets of the company at its Kandivli & Barotiwala plants.
- 3] Hire Purchase Credits are secured by Hypothecation of specific Assets purchased under the Scheme.

### SCHEDULE D: UNSECURED LOANS

1] Fixed Deposits (Repayable within one year Rs.2.75 million, Previous year Rs.0.40 million)	<b>7,878,000</b>	6,918,000
2] Dealer Deposits	<b>3,504,746</b>	3,409,415
	<b><u>11,382,746</u></b>	<b><u>10,327,415</u></b>

# GRAUER & WEIL (INDIA) LIMITED

## SCHEDULE E: FIXED ASSETS

(Value in Rs.)

Sr. No.	Description	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK			
		As at 01-04-2003	Additions during the year	Sales/ adjustments during the year	As at 31-03-2004	Upto 31-03-2003	Deduction for Sale/ Adjustments	For the Year	Upto 31-03-2004	As at 31-03-2004	As at 31-03-2003
1.	Land										
	a) Freehold	8,630,849	-	-	<b>8,630,849</b>	-	-	-	-	<b>8,630,849</b>	8,630,849
	b) Leasehold	5,081,046	-	-	<b>5,081,046</b>	449,169	-	65,672	<b>514,841</b>	<b>4,566,205</b>	4,631,877
2.	Buildings	155,741,262	2,582,780	1,546,619	<b>156,777,423</b>	22,905,562	1,044,387	3,575,039	<b>25,436,214</b>	<b>131,341,209</b>	132,835,700
3.	Plant & Machinery	187,149,506	12,911,216	494,647	<b>199,566,075</b>	74,690,012	68,724	9,769,238	<b>84,390,526</b>	<b>115,175,549</b>	112,459,494
4.	Laboratory and Scientific Research Equipment	65,903,652	2,872,461	-	<b>68,776,113</b>	28,919,456	-	2,911,111	<b>31,830,567</b>	<b>36,945,546</b>	36,984,196
5.	Furniture Fittings and Fixture	26,842,745	3,063,865	-	<b>29,906,610</b>	13,708,018	-	1,577,143	<b>15,285,161</b>	<b>14,621,449</b>	13,134,726
6.	Office Equipments	13,812,681	1,716,286	-	<b>15,528,967</b>	4,491,331	-	1,145,448	<b>5,636,779</b>	<b>9,892,188</b>	9,321,350
7.	Vehicles	32,702,511	5,209,506	6,155,359	<b>31,756,658</b>	6,109,607	2,290,762	3,016,349	<b>6,835,194</b>	<b>24,921,464</b>	26,592,904
		495,864,252	28,356,114	8,196,625	<b>516,023,741</b>	151,273,155	3,403,873	22,060,000	<b>169,929,282</b>	<b>346,094,459</b>	344,591,096
	Previous Year	411,999,956	89,026,836	5,162,540	<b>495,864,252</b>	133,965,607	2,337,067	19,644,616	<b>151,273,156</b>	<b>344,591,096</b>	278,034,349

### Note:

1. Building includes residential premises at Vapi amounting to Rs.521866/- for which conveyance is yet to be executed by the company and includes premises in Co-Operative Societies and the cost of shares allotted by the Societies.
2. Vehicles include Rs.11,638,781 being cost of vehicles not registered in the name of the company.

# GRAUER & WEIL (INDIA) LIMITED

	As At 31st March, 2004		As At 31st March, 2003			
	Nos.	Rupees	Rupees	Nos.	Rupees	Rupees
<b>SCHEDULE F: INVESTMENTS, (NON-TRADE, LONG TERM)</b>						
(At Cost less permanent diminution in value)						
<b>SHARES</b>						
<b>Quoted</b>						
In fully paid-up Equity shares of Rs.10/- each						
Arihant Threads Limited	2,100	6,300	2,100		6,300	
Bombay Paints Limited	117,150	345,593	117,150	1,148,213		
Less: Permanent diminution in value				802,620		
		<u>345,593</u>				<u>345,593</u>
Crystal Software Solutions Limited	8,600	43,100	8,600		43,100	
Federal Bank Limited (sold during the year)			750		135,500	
Ginni Filaments Limited	900	14,400	900		14,400	
United Phosphorus Limited (sold during the year)			12,068		3,499,720	
Universal Cables Limited	5,800	319,000	5,800		319,000	
Indo-French Bio-tech Enterprises Limited	89,800	89,800	89,800		89,800	
<b>Unquoted</b>						
In Subsidiary Company						
Poona Bottling Co. Pvt. Limited	145,950	619,000	145,950		619,000	
(Fully paid-up equity shares of Rs.100/- each)						
Growel Energy Company Ltd.	49,400	494,000	49,400		494,000	
(Fully paid-up Equity shares of Rs.10/- each)						
<b>Others</b>						
In fully paid-up Equity shares of Rs.10/- each						
Growel Goema (I) Limited	149,980	1,499,800	149,980		1,499,800	
Shree Vaishnavi Dyeing & Printing Ltd.	1,500	6,000	1,500		6,000	
Kishco Cutlery Limited	11,700	1	11,700		175,500	
Less: Permanent diminution in value					175,499	
		<u>1</u>			<u>1</u>	
Growel Softech Ltd.	37,000	37,000	37,000		980,500	
Less: Permanent diminution in value					943,500	
		<u>37,000</u>			<u>37,000</u>	
Saraswat Cooperative Bank Ltd.	2,500	25,000	2,500		25,000	
Rasik Plast Limited	13,500	1	13,500		1	
Sunflag Iron & Steel Co. Limited	2,000	1	2,000		1	
Surflux Health Centres Limited	1,000	1	1,000		1	
Temptation Foods Limited	49,600	1	49,600		1	
<b>UNITS</b>						
Unit Trust of India-Unit Scheme 1964			7,392		84,056	
(Redeemed during the year)						
<b>NATIONAL SAVINGS CERTIFICATES</b>						
		60,300			60,300	
<b>Total</b>		<u>3,559,298</u>			<u>7,278,574</u>	

	As At March 31, 2004		As At March 31, 2003	
	Cost Rs.	Market value Rs.	Cost Rs.	Market value Rs.
Aggregate value of Quoted Investments	818,193	561,798	4,453,413	2,206,865
Aggregate value of Unquoted Investments	2,741,105		2,825,161	
	<u>3,559,298</u>		<u>7,278,574</u>	

# GRAUER & WEIL (INDIA) LIMITED

	Rupees	As At 31st March, 2004 Rupees	As At 31st March, 2003 Rupees
<b>SCHEDULE G: CURRENT ASSETS, LOANS AND ADVANCES</b>			
<b>I. CURRENT ASSETS</b>			
(i) Inventories			
Stores, Spares and Packing Materials	7,021,136		7,710,588
Raw Materials	78,103,054		79,966,115
Work-in-progress	20,178,795		11,546,781
Finished Goods	29,323,785		35,568,507
Goods in Transit	<u>8,304,505</u>		<u>5,252,645</u>
		<b>142,931,275</b>	<u>140,044,636</u>
(ii) Sundry Debtors			
Exceeding six months:			
Secured	51,812		-
Unsecured - Considered good	25,588,340		13,283,128
- Considered doubtful	<u>6,728,868</u>		<u>5,366,323</u>
	<b>32,369,020</b>		18,649,451
Less: Provision for doubtful Debts	<u>6,728,868</u>		<u>5,366,323</u>
	<b>25,640,152</b>		<u>13,283,128</u>
Other Debts:			
Secured	1,926,950		636,194
Unsecured-considered good	<u>130,999,063</u>		<u>131,384,103</u>
	<b>132,926,013</b>		<u>132,020,297</u>
		<b>158,566,165</b>	145,303,425
(iii) Cash and Bank balances			
Cash on hand	1,096,579		1,117,137
With Scheduled Banks:			
In Current Accounts	9,375,801		5,828,544
In Fixed Deposits	312,025		362,025
(includes Rs.220,000/- on account of unclaimed Dividend, Previous year Rs.270,000/-)			
In Margin accounts	<u>-</u>		<u>55,600</u>
		<b>10,784,405</b>	<u>7,363,305</u>
(iv) Other Current Assets			
Interest Receivable	118,969		118,970
Interest Accrued but not due	<u>4080</u>		<u>-</u>
		<b>123,049</b>	118,970
<b>II. LOANS AND ADVANCES</b>			
(Unsecured considered good)			
Loans to staff	1,425,876		1,563,112
Inter Corporate Loans	31,220,564		19,992,700
Advances recoverable in cash or in kind or for value to be received (Refer Note No.5)	5,592,423		4,972,354
Advances for Capital Expenditure	442,533		3,951,313
Advance to Suppliers	16,202,717		11,534,814
Deposits	5,234,940		5,452,380
Prepaid expenses	2,186,934		1,516,639
Income Tax	9,408,724		5,506,981
Balances with Excise Department	<u>3,755,026</u>		<u>4,270,421</u>
		<b>75,469,737</b>	<u>58,760,714</u>
		<b>387,874,631</b>	<u>351,591,050</u>

# GRAUER & WEIL (INDIA) LIMITED

	Rupees	As At 31st March, 2004 Rupees	As At 31st March, 2003 Rupees
<b>SCHEDULE H: CURRENT LIABILITIES &amp; PROVISIONS</b>			
(a) CURRENT LIABILITIES			
Acceptances	61,140		67,802
Sundry Creditors (Refer Note. No.8)	76,199,846		45,317,225
Advance from customers	27,579,995		14,435,614
Investor Education and Protection Fund*	671,151		475,046
Interest accrued but not due	839,660		411,492
Other Liabilities	323,68,447		34,641,774
		<b>137,720,239</b>	<b>95,348,953</b>
(b) PROVISIONS			
Provision for Income Tax	10,000,000		6,800,000
Proposed Dividend	6,138,108		5,456,096
Tax on Proposed Dividend	786,445		699,062
Provision for Leave encashment	2,132,644		1,954,120
Provision for Gratuity	12,033,888		10,730,479
		<b>31,091,085</b>	<b>25,639,757</b>
		<b>168,811,324</b>	<b>120,988,710</b>

\*The figures reflect the position as at 31st March, 2004. The Actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates.

## SCHEDULE I: MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Technical Know-how Fees	282,386	564,773
Compensation under VRS	5,484,937	10,969,870
ERP Project Implementation expenses	4,089,861	5,453,148
	<b>9,857,184</b>	<b>16,987,791</b>

## SCHEDULE J: SALES

Gross Sales	982,303,697	932,159,439
Inter Division Transfers as per contra	68,871,950	72,894,816
	<b>1,051,175,647</b>	<b>1,005,054,255</b>
Less: Excise duty	114,439,513	108,817,758
Less: Trade Discount	117,580,017	123,871,662
	<b>232,019,530</b>	<b>232,689,420</b>
	<b>819,156,117</b>	<b>772,364,835</b>

# GRAUER & WEIL (INDIA) LIMITED

Rupees	For the year ended 31st March, 2004 Rupees	For the year ended 31st March, 2003 Rupees
<b>SCHEDULE K: OTHER INCOME</b>		
Plating and Service charges (Gross)*	3,576,232	5,419,707
Miscellaneous Receipts (Gross)*	5,247,423	2,955,925
Interest Received (Gross)*	6,783,584	4,616,314
Profit on sale of Assets (Net)	—	—
Profit on sale of Investments	1,360,716	—
Exchange Fluctuation	577,426	—
Dividend on investments (Gross)*	2,250	14,693
License Fees	520,000	1,150,000
	<u>18,067,631</u>	<u>14,156,639</u>
*Tax Deducted at source	<u>774,978</u>	<u>621,242</u>
<b>SCHEDULE L: MATERIALS</b>		
RAW MATERIALS CONSUMED		
Opening Stock	79,966,115	75,532,531
Add: Purchases	414,063,605	393,132,519
	<u>494,029,720</u>	468,665,050
Less: Transferred to consumables	—	2,860,996
Less: Closing Stock	<u>78,103,054</u>	79,966,115
	<u>415,926,666</u>	385,837,939
Inter Division Transfers as per contra (Net of Cenvat Credits availed Rs.9,492,505/- Previous year Rs.1,016,7872/-)	<u>59,379,445</u>	<u>62,726,944</u>
	<u>475,306,111</u>	448,564,883
PURCHASE FOR RESALE	4,305,433	2,366,051
LESS / (ADD): INCREASE/(DECREASE) IN STOCKS		
Opening Stock		
Work-in-Progress	11,546,781	8,214,818
Finished Goods	35,568,507	32,791,128
	<u>47,115,288</u>	<u>41,005,946</u>
Closing Stock		
Work-in-Progress	20,178,795	11,546,782
Finished Goods	29,323,785	35,568,507
	<u>49,502,580</u>	<u>47,115,289</u>
	<u>2,387,292</u>	6,109,343
Variation in Excise Duty on Opening and Closing Stock of finished goods	<u>(1,440,317)</u>	<u>(1,140,425)</u>
	<u>475,783,935</u>	<u>443,681,165</u>
<b>SCHEDULE M: SALARIES, WAGES AND OTHER BENEFITS</b>		
Salaries, Wages, Bonus etc.	71,078,166	58,811,077
Contribution to Provident and Other Funds	5,542,541	6,204,227
Welfare Expenses	11,468,835	10,065,879
Compensation paid under Voluntary Retirement Scheme written off	5,484,934	5,484,934
	<u>93,574,476</u>	<u>80,566,117</u>

# GRAUER & WEIL (INDIA) LIMITED

	Rupees	For the year ended 31st March, 2004 Rupees	For the year ended 31st March, 2003 Rupees
<b>SCHEDULE N: OTHER EXPENSES</b>			
Stores, Spares and Loose Tools Consumed		8,887,655	7,192,871
Packing Expenses		23,098,908	25,573,542
Job Charges / Labour Charges		13,860,193	9,193,234
Power and Fuel		12,912,626	12,554,860
Drawings, Designs and Layout Expenses		259,700	79,600
Rent		5,188,304	3,373,647
Rates and Taxes		2,573,067	1,991,735
Repairs:			
Buildings	2,378,401		1,378,071
Plant & Machinery	3,247,972		2,745,125
Others	5,291,168		4,701,853
		<b>10,917,541</b>	8,825,048
Insurance		2,552,148	2,538,183
Freight and Forwarding		12,670,318	9,783,946
Research and Development		3,331,283	4,248,987
Printing and Stationery		4,087,679	4,726,385
Postage and Telephones		8,662,129	7,213,566
Vehicle Expenses		5,152,927	4,021,910
Travelling Expenses		10,585,477	9,738,373
Conveyance Expenses		4,734,553	4,464,918
Legal and Professional Fees		6,604,697	3,546,753
Sales Tax		14,319,095	20,780,044
Excise Duty		132,699	92,149
Advertisement & Sales Promotion		5,995,570	6,997,662
Auditors' Remuneration:			
Audit Fees	108,000		108,000
Tax Audit / Taxation Matters	32,400		117,900
Other Matters	112,800		54,550
Reimbursement of Expenses	17,531		3,254
		<b>270,731</b>	283,704
Directors' Sitting Fees		8,500	6,000
Royalty		767,018	509,669
Technical Know-how - fees written off		282,387	452,987
ERP Expenses written off		1,363,287	1,363,287
Bad Debts written off		-	42,332
Provision for Doubtful Debts		1,362,545	2,140,623
Wealth Tax		84,703	88,579
Loss on Sale of Assets (Net)		1,538,546	108,187
Diminution in Value of Investments		-	1,921,619
Donations		14,569	42,503
Exchange Fluctuation		-	1,206,312
Miscellaneous Expenses		20,856,346	17,177,509
		<b>183,075,201</b>	172,280,724
<b>SCHEDULE O: INTEREST</b>			
On Fixed Loans		5,435,695	7,403,431
On Others		12,970,899	17,576,168
		<b>18,406,594</b>	24,979,599

**SCHEDULE P: NOTES FORMING PART OF THE ACCOUNTS**

**1. Significant Accounting Policies**

**a. Basis of Accounting :** The accounts have been prepared on the accrual basis of accounting, under the historical cost convention in accordance with the Companies Act, 1956 and the applicable Accounting Standards issued by the Institute of Chartered Accountants of India.

**b. Use of Estimates :** The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect, the reported amount of assets and liabilities on the date of the financial statement and a reported amount of revenues and expenses during the reporting period. Difference between the actual expenses and estimates are recognised in the period in which the results are known / materialised.

**c. Revenue Recognition :** Revenue from the sale of goods are recognised upon passage of title to the customer which generally coincides with their delivery. Claims, if any, in respect of sales are accounted for as and when settled.

Inter Division Transfers are accounted for at transfer price and are shown as such in the Profit and Loss Account and debited to the respective accounts. Equipment manufactured by the Engineering Division for use by other divisions are included in the Sales at transfer price and are capitalised by other division. Intra division transfer for captive consumption (Research and Development) are accounted for at transfer price, as sales, and debited to Research and Development expenditure.

Benefit on account of entitlement to import duty free materials under the "Duty Entitlement Exemption Certificate" (DEEC) is accounted in the year of import.

**d. Fixed Assets and Depreciation :**

i. Fixed Assets are stated at cost of acquisition including expenditure incurred during construction/erection period less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributed cost of bringing the asset to working condition for its intended use.

ii. Expenditure incurred during the developmental and preliminary stages of Company's new projects are carried forward under the head capital work in Progress.

iii. Depreciation is provided in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956 :

- On Written Down Value basis in respect of all assets acquired before 01/04/91 at Kandivli Unit.
- On straight line basis in respect of all other assets.

iv. Premium on leasehold land is not amortised since it is paid for a perpetual lease.

**e. Investments :** Investments are for long term and valued at cost of acquisition. Provision is made for depletion in market value of investments, if the same is considered permanent in nature by the management.

**f. Inventories :**

i. Inventories are valued as follows :

Stores, Spares, Raw Materials and Packing Materials – at cost. Finished Goods and Work – In – Progress – at lower of cost and net realisable value.

ii. Cost of Raw Materials, Stores, Spares and Packing Materials is determined on FIFO Basis. Cost of Finished Goods and Work – In – Progress is determined by considering materials, labour and other related direct expenses.

**g. Research and Development :** Research and Development expenditure of revenue nature is written off in the year in which it is incurred and expenditure of capital nature is included in fixed assets and depreciation is provided on such assets as applicable.

**h. Retirement Benefits :** Retirement benefits as per service rules of the Company i.e. Gratuity, contributions to Provident Fund, Leave Encashment and Superannuation Fund are accounted on accrual basis and are charged to the Profit and Loss Account.

- i. **Foreign Currency Transactions** : Transactions arising in foreign currencies during the year are recorded at the exchange rates prevailing on the date of the transactions. Foreign Currency Assets and Liabilities are converted into Rupee equivalent at the exchange rates prevailing at the date of the Balance Sheet. Where the Company has entered into forward exchange contracts, the liabilities / assets are recorded at the contracted rate and the difference between the contracted rate and the rate at the date of the transaction is recognised over the life of the contract. Gain or loss on the restatement of the foreign currency transactions is reflected in the Profit and Loss Account, except gain or loss on transactions relating to acquisition of Fixed Assets which is adjusted to the carrying amount of Fixed Assets.
- j. **Customs Duty And Excise Duty** : Customs Duty and Excise Duty have been accounted on the basis of both payments made in respect of goods cleared as well as on provision made for goods lying in bonded warehouse.
- k. **Borrowing Costs** : Borrowing Costs that are attributable to the acquisition of or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying assets is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.
- l. **Income Taxes** : Provision is made for Income Tax liability estimated to arise on the results for the year at the current rate of tax in accordance with the Income Tax Act, 1961.

Deferred Income Tax is provided, using the liability method, on all temporary differences at the Balance Sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred Tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable profits will be available against which such deferred tax assets can be realised.

Deferred Tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date.

**m. Segment Reporting :**

- i. **Identification of Segments** : The Company's operating business are organised and managed separately according to the nature of the products and services provided, with each segment representing strategic business unit that offers different products and serves different markets.
- ii. **Segment Revenue & Results** : The Income and Expenses which are not directly attributable to business segment are shown as unallocated income and expenses.
- iii. **Segment Assets & Liabilities** :

Segment Assets include all operating assets used by the business segment and consists principally all Fixed Assets, Debtors, Inventories and Advances. Segment Liabilities primarily include Creditors, Other Liabilities / Provisions. Common assets and liabilities that cannot be allocated to any segment are shown as a part of unallocated corporate assets and liabilities.

**n. Leases :**

Operating Lease payments are recognised on a straight line basis over the lease term.

**o. Miscellaneous Expenditure :**

The deferred revenue expenditure disclosed under miscellaneous expenditure are amortised as follows :

- i. Technical know-how fees over a period of 5 years.
- ii. Specialised Softwares over a period of 5 years.
- iii. Compensation paid under Voluntary Retirement Scheme over a period of 5 years.

**p. Contingent Liabilities :**

Contingent Liabilities are not provided for and are disclosed by way of notes.

## GRAUER & WEIL (INDIA) LIMITED

2. In the opinion of the Board, the Current Assets, Loans and Advance are approximately of the value stated if realised in the ordinary course of the business.

### 3. Contingent Liabilities not provided for:

	2003-2004 (Rs. in '000)	2002-2003 (Rs. in '000)
a) Guarantees issued by Bank, Counter guaranteed by the Company	11,020	15,786
b) Disputed excise duty liabilities not acknowledged as debt.	11,737	14,190
c) Export bills Discounted	609	

### 4. Remuneration to Managing director /directors

i] Salary and allowances	2604	2220
ii] Contribution to Provident Fund and other funds*	162	223
iii] Perquisites	613	912
iv] Sitting Fees	9	6
	*3388	*3361

\*Excluding Contribution / Provision for Gratuity and Leave Encashment

### 5. Loans and Advances includes:

a) Amount due from Subsidiary Company on account of expenses		
(i) On account of expenses	695	660
(ii) Share application money pending allotment	5	-
b) Amount due from following parties		

#### Shares held by the Loanee company

	Amount Outstanding	Maximum Balance during the year	No. of shares held at the year end	Maximum No. of shares held during the year
(i) Subsidiaries				
1) Poona Bottling Co. Pvt. Ltd.	131	306	Nil	Nil
2) Growel Energy Co. Ltd.	564	564	Nil	Nil
(ii) Companies in which Directors are interested				
1) Growel Investment Limited	2239	8308	Nil	Nil
2) Ridhi Sidhi Limited	20269	20269	100320	100320
3) Growel Softech Limited	27	78	Nil	Nil
4) Bombay Paints Limited	-	700	Nil	Nil

6. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)

<b>33617</b>	2145
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7. The Company has taken various premises under operating leases. These are generally not non-concealable and range between 11 months to 3 years and above and are renewable by mutual consent on mutually agreeable terms. Lease payments are recognised in the Profit and Loss Account under the head "rent".

## GRAUER & WEIL (INDIA) LIMITED

8. The Company has no information as to whether any of its suppliers constitute small scale industrial undertakings and therefore, the amount due to such suppliers has not been identified.

### 9. Particulars of Installed Capacity and Production:

(As certified by the Management)

Sr. No.	Items	Unit	Installed Capacity	Production* Quantity
1.	Electroplating Chemicals and Enthone Chemicals	Tons	<b>16,800</b> (16800)	<b>6,567</b> (6866)
2.	Electroplating Basic Chemicals	Tons	<b>700</b> (700)	<b>262</b> (251)
3.	Intermediatory Chemicals	Tons	<b>1200</b> (1200)	<b>1228</b> (1156)
4.	Electroplating Equipments	**	**	**

\* Includes Production for Captive Consumption & Free Samples.

\*\* The Company is manufacturing different types of Plants and equipments on made to order basis quantity-wise information is not feasible.

## GRAUER & WEIL (INDIA) LIMITED

### 10. Particulars of stocks and turnover

	Opening Stock		Closing Stock		Turnover	
	Quantity Tons	Value Rs. in Million	Quantity Tons	Value Rs. in Million	Quantity Tons	Value Rs. in Million
<b>Manufacturing</b>						
1 Electroplating Chemicals	<b>280.00</b> (260.00)	<b>30.28</b> (25.56)	<b>210.00</b> (280.00)	<b>22.18</b> (30.28)	<b>6,587.00</b> (6,800.00)	<b>772.44</b> (758.86)
2 Electroplating Basic Chemicals	<b>5.00</b> (8.00)	<b>0.64</b> (1.21)	<b>5.00</b> (5.00)	<b>0.92</b> (0.64)	<b>261.00</b> (251.00)	<b>41.77</b> (34.16)
3 Intermeditory Chemicals	<b>42.00</b> (35.00)	<b>4.45</b> (5.78)	<b>40.00</b> (42.00)	<b>6.03</b> (4.45)	<b>1,230.00</b> (1,055.00)	<b>128.41</b> (114.31)
4 Electroplating Equipments @						<b>100.92**</b> (91.87)**
5 Captive Consumption (R&D)						<b>1.30***</b> (2.10)***
6 Free Sample						<b>0.44***</b> (0.65)***
7 Others						<b>3.73***</b> (0.01)***
						<b>1,049.01</b> (1,001.96)
<b>Trading</b>						
Chemicals	<b>1.00</b> (1.00)	<b>0.20</b> (0.24)	<b>1.00</b> (1.00)	<b>0.19</b> (0.20)	<b>9.00</b> (9.00)	<b>2.16</b> (3.09)

@ The Company is manufacturing different types of Plants and Equipments on made to order basis, quantity-wise information is not feasible.

Items 1,2 & 3 Includes inter division transfer Rs.68.87 Million (Previous year Rs.72.89 Million).

\*\* Includes inter division transfer Rs.0.23 Millions (Previous year Rs.2.39 Million).

\*\*\* Other includes sale of chemicals for which Quantity-wise bifurcation have not been ascertained by the company.

Note: Figure in bracket are in respect of Previous year

# GRAUER & WEIL (INDIA) LIMITED

## 11. Raw materials & bought out components consumed

(Rs. In Million)

	Units	2003-2004		2002-2003	
		Quantity	Value @	Quantity	Value@
Inorganic Compounds	Tons	<b>5458.79</b>	<b>189.75</b>	4139.66	175.65
Organic Compounds	Tons	<b>2680.17</b>	<b>218.10</b>	2374.74	212.45
Metals	Tons	<b>22.43</b>	<b>12.20</b>	19.12	8.12
Mild Steel & Angles, Beams					
Channels, Sheets, Rods and Flats	Tons	<b>92.48</b>	<b>7.58</b>	21.99	4.36
Stainless Steel, Rods, Sheets & Flats	Tons	<b>9.29</b>	<b>8.12</b>	1.91	1.85
Electric Motors	Nos.	<b>714.00</b>	<b>2.15</b>	242.00	3.17
Rectifiers	Nos.	<b>173.00</b>	<b>4.44</b>	64.00	2.68
Others			<b>32.97</b>		40.28
<b>Total</b>			<b>475.31</b>		<b>448.56</b>

@ Includes inter division transfers

	%	Rs. in Million	%	Rs. in Million
Imported	<b>24</b>	<b>116.06</b>	22	97.49
Indigenous	<b>76</b>	<b>359.25</b>	78	351.07
<b>Total</b>	<b>100</b>	<b>475.31</b>	100	448.56

# GRAUER & WEIL (INDIA) LIMITED

## 12. SEGMENT REPORTING

The following tables present revenue and profit / (loss) information regarding business / geographical segments for the year ended 31st March, 2004 and certain assets and liabilities information regarding business and geographical segments as at 31st March 2004.

### (a) Primary Segment Reporting by business segments

(Rs. In '000)

	Chemical	Engineering	Total
<b>Segment revenue</b>	<b>731615</b>	<b>87315</b>	<b>818930</b>
	(693111)	(76860)	(769971)
Add: Inter segment Revenue		<b>226</b>	<b>226</b>
		(2394)	(2394)
<b>Total</b>	<b>731615</b>	<b>87541</b>	<b>819156</b>
	(693111)	(79254)	(772365)
<b>Segment Results</b>	<b>105193</b>	<b>-16342</b>	<b>88851</b>
	(92802)	(-3040)	(89762)
Less: Interest			<b>18407</b>
			(24980)
Less: Other Unallocable Expenditure net of unallocable Income			<b>26120</b>
			(19413)
<b>Profit Before Tax</b>			<b>44324</b>
			(45369)
Less: Provision for current tax & Deferred tax			<b>1543</b>
			(75)
<b>Profit After Tax</b>			<b>42781</b>
			(45294)
Segment Assets	<b>575319</b>	<b>88249</b>	<b>663568</b>
	(578102)	(69457)	(647559)
Unallocated corporate Assets			<b>142478</b>
			(73274)
<b>Total Assets</b>			<b>806046</b>
			(720833)
Segment Liabilities	<b>96643</b>	<b>51631</b>	<b>148274</b>
	(76450)	(28814)	(105264)
Unallocated corporate Liabilities			<b>306378</b>
			(300032)
<b>Total Liabilities</b>			<b>454652</b>
			(405296)
Capital Expenditure	<b>24280</b>	<b>1556</b>	
	(77202)	(233)	
Depreciation	<b>18529</b>	<b>593</b>	
	(16556)	(632)	
Non Cash Expenditure	<b>3965</b>	<b>4528</b>	
	(4479)	(5011)	

### (b) Secondary segment reporting by geographical segment

	Domestic	Exports	Total
Revenue	<b>714438</b>	<b>104718</b>	<b>819156</b>
	(669784)	(102581)	(772365)
Total Assets	<b>785085</b>	<b>20961</b>	<b>806046</b>
	(696288)	(24545)	(720833)

Note: Previous year's figures are in brackets

## GRAUER & WEIL (INDIA) LIMITED

### 13. Related party disclosures

(i).List of Related Parties

#### Subsidiaries

Poona Bottling Company Pvt. Ltd.  
Growel Energy Company Ltd.

#### Associates

Growel Goema (I) Ltd.

#### Key Management Personnel and the enterprises of Key Management Personnel and their relatives with whom the company had transactions

Mr. Umeshkumar N. More	Chairman & Managing Director
Mr. Vinod Haritwal	CEO & Executive Director
Mr. Rameshkumar R. More	Director
Mr. Nirajkumar U. More	Director
Mr. Rohitkumar R. More	Director
Mr. Rajender Guleria	Director

Bombay Paints Limited  
Growel Investment Limited  
Growel Softech Limited  
Digikore Designs Limited  
Digikore Studios Limited  
Shree MPJ Builders Pvt. Ltd.  
Ridhi Sidhi Limited  
Bubna More & Co. Pvt. Ltd.  
Radhakishan Nandlal Pvt. Ltd.

#### Relatives of Key Management Personnel

Mrs. Premlata U. More  
Mrs. Pallavi N. More  
Mrs. Draupadidevi N. More  
Mr. Abhishek R. More  
Mrs. Kirty R. Guleria

# GRAUER & WEIL (INDIA) LIMITED

## ii) Transactions with Related Parties

(Rs. In '000)

Transactions	Subsidiaries	Key Management Personnel (KMP)	Enterprises of KMP	Relatives of KMP	Total 2003-04	Total 2002-03
Sales			13029		<b>13029</b>	1789
Purchases			4363		<b>4363</b>	2619
Interest Received			2995		<b>2995</b>	1975
Interest Paid		432			<b>432</b>	
Rent Recieved			291	1	<b>292</b>	266
Rent Paid	791		96	384	<b>1271</b>	816
Purchase of Assets			4757		<b>4757</b>	
Construction			38365		<b>38365</b>	
Services			3635		<b>3635</b>	2386
Salaries				458	<b>458</b>	90
Share application	5				<b>5</b>	
Director's Fees		9			<b>9</b>	6
Managerial Remuneration		3379			<b>3379</b>	3355
Loans advanced	190		24077		<b>24267</b>	47943
Repayment of Loans advanced	190		15534		<b>15724</b>	26909
<b>Outstanding Balances as on 31st March, 2004</b>						
Loans & Advances	695		31248		<b>31943</b>	21110
Debtors			10935		<b>10935</b>	
Current Liabilities			13017		<b>13017</b>	569

No amount has been provided as doubtful debts or advances written off or written back in the year in respect of debts due from / to above related parties.

### 14. Earnings Per Share

Calculation of Earnings per share for the year ended 31.03.2004

		31.03.2004	31.03.2003
Profit for the year	Rs.	<b>42,781,087</b>	46,092,616
Weighted average number of equity shares (Face Value Rs.10 per share)	Nos.	<b>10,230,180</b>	10,230,180
Basic Earnings per share		<b>4.18</b>	4.51

Note: The Bonus share issue, being an issue during the year without consideration, the number of equity shares are adjusted for both reporting periods.

## GRAUER & WEIL (INDIA) LIMITED

### 15. Deferred Tax

The break up of Net Deferred Tax Liability as on 31.3.2004 is as under:

Rs. in '000

	As at March 31, 2004		As at March 31, 2003	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Difference between Book Value of Depreciable Assets as per books and WDV for Tax purpose		53386		54225
Provision for Doubtful Debts, Leave Encashment, Gratuity & Diminution in value of Investments	7478		6255	
Expenditure disallowable under Section 43B			278	
Other Items giving rise to timing differences	67	37	278	122
<b>Total</b>	<b>7545</b>	<b>53423</b>	<b>6811</b>	<b>54347</b>
Net deferred Tax Liability		45878		47536
Net amount (credited) to Profit & Loss Account		(1,658)		(3,924)

2003-2004  
Rs. In Million

2002-2003  
Rs. In Million

### 16. C. I. F. Value of Imports

(a) Raw Materials	100.14	77.89
(b) Components & Spare Parts	0.71	0.19
(c) Capital Goods	1.44	1.11

### 17. Remittances in Foreign Currency

Dividend (Net of Taxes)	0.34	0.18
Number of Non-Resident Shareholders	2	2
Number of Shares held by Non-Residents on which dividend was remitted	420000	210000
Year for which dividend was remitted	2002-2003	2001-2002

### 18. Expenditure in Foreign Currency

(On Payment basis)		
(a) Travelling	3.02	2.15
(b) Royalty (Net of Taxes)	0.41	0.56
(c) Seminar & Exhibition	—	0.07
(d) Fees & Registration	0.03	0.02
(e) Advertisement	0.52	—
(f) Membership and subscription	0.04	—
(g) Professional fees	4.34	—
(h) Bank charges	0.01	—
(i) Interest on FC Loan	1.53	—

## GRAUER & WEIL (INDIA) LIMITED

	2003-2004 Rs. In Million	2002-2003 Rs. In Million
<b>19. Earnings in Foreign Currency</b>		
F. O. B. Value of Exports	101.99	99.28

20. Previous years figures have been regrouped and / or rearranged wherever considered necessary to make them comparable with those of current year.

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As per our Report of even date	VINOD HARITWAL	-	CEO & Executive Director
Signatures in blue 'A' to 'P'	NIRAJKUMAR U. MORE	-	Director
Chartered Accountants	RAMESHKUMAR R. MORE	-	Director
P. P. BHANDARI			
Partner	SUHAS KULKARNI	-	Sr. GM & Company Secretary
MEM No.: 32218			
Mumbai, 30th June, 2004	Mumbai, 30th June, 2004		

# GRAUER & WEIL (INDIA) LIMITED

Statement pursuant to PART IV of Schedule VI to the Companies act, 1956

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

### I. Registration Details:

Registration No.      State Code

Balance Sheet

Date                      Month                      Year

### II. Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue	Rights Issue
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text"/> <input type="text"/>
Bonus Issue	Private Placement
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="1"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text"/> <input type="text"/>

### III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="6"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="6"/>

#### Source of Funds

Paid-up Capital	Reserve & Surplus
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="2"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="2"/>
Secured Loans	Unsecured Loans
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="1"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="3"/>
Deferred Tax Liabilities	
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="8"/>	

#### Application of Funds

Net Fixed Assets	Investments
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="6"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="9"/>
Net Current Assets	Misc. Expenditure
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="3"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text" value="9"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="7"/>
Accumulated Losses	
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text"/> <input type="text"/>	

# GRAUER & WEIL (INDIA) LIMITED

## IV. Performance of Company (Amount in Rs. Thousands)

Turnover

8  1  9  1  5  6

Total Expenditure

7  9  2  9  0  0

Profit/Loss Before Tax

+ -  
    4  4  3  2  4

Profit/Loss After Tax

+ -  
    4  2  7  8  1

(Please tick Appropriate box + for Profit, - for loss)

Earning Per Share in Rs.

4  -  1  8

Dividend Rate %

0  6

## V. Generic Names of Three Principal Products/Services of the company (As per monetary terms)

Item Code No.  
(ITC Code)

3  8  2  3  -  9  0  -  1  1

Product Description

E L E C T R O P L A T I N G S A L T S

Item Code No.  
(ITC Code)

8  5  4  3  -  3  0  -  0  0

Product Description

E L E C T R O P L A T I N G  
 M A C H I N E R Y A N D P A R T S

Item Code No.  
(ITC Code)

3  2  1  5  -  9  0  -  0  9

Product Description

P C B - I N K

As per our Report of even date  
for M. M. NISSIM & CO.  
Chartered Accountants

P. P. BHANDARI  
Partner  
MEM No.: 32218

Mumbai, 30th June, 2004

VINOD HARITWAL  
NIRAJKUMAR U. MORE  
RAMESHKUMAR R. MORE

SUHAS KULKARNI

Mumbai, 30th June, 2004

- CEO & Executive Director  
- Director  
- Director

- Sr. GM & Company Secretary



## GRAUER & WEIL (INDIA) LIMITED

### STATEMENT ATTACHED TO THE BALANCE SHEET AS AT MARCH 31, 2004

#### PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956.

Name of the Subsidiary Company	:	POONA BOTTLING COMPANY PVT. LIMITED	GROWEL ENERGY COMPANY LIMITED
1. Financial year ending	:	March 31, 2004	March 31, 2004
2. Date from which it became subsidiary	:	November 15, 1970	January 04, 2002
3. Extent of the holding Company's interest at the financial year end of the subsidiary	:	145,950 Equity Shares of Rs.100/- each (77.22%)	49,400 Equity Shares of Rs.10/- each (98.80%)
4. The Net aggregate amount of the Subsidiary's profits less losses, so far as it concerns the members of the Holding Company and is not dealt within the Holding Company's account :			
a) For the financial year mentioned against item 1 above	:	Rs.4,968,124 (LOSS)	NIL
b) For the previous financial years of the subsidiary since it became the holding Company's Subsidiary	:	Rs.24,448,840 (LOSS)	NIL
5. A. The net aggregate amount of the subsidiary's profit less losses for the financial year, mentioned against item 1 above, so far as those profits are dealt within the Holding Company's account.	:	NIL	NIL
B. The Net aggregate amount of the subsidiary's profits less losses for the previous financial year of the subsidiary, since it became the holding Company's subsidiary, so far as those profits are dealt within the Holding Company's account.	:	Rs.1,638,850	NIL

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<b>As per our Report of even date for M. M. NISSIM &amp; CO. Chartered Accountants</b>	<b>VINOD HARITWAL</b>	-	<b>CEO &amp; Executive Director</b>
	<b>NIRAJKUMAR U. MORE</b>	-	<b>Director</b>
	<b>RAMESHKUMAR R. MORE</b>	-	<b>Director</b>
<b>P. P. BHANDARI Partner MEM No.: 32218</b>	<b>SUHAS KULKARNI</b>	-	<b>Sr. GM &amp; Company Secretary</b>
<b>Mumbai, 30th June, 2004</b>	<b>Mumbai, 30th June, 2004</b>		

# POONA BOTTLING COMPANY PRIVATE LIMITED

## BOARD OF DIRECTORS

UMESHKUMAR N. MORE – Chairman

RAMESHKUMAR R. MORE

NIRAJKUMAR U. MORE

ROHITKUMAR R. MORE

GORAV R. MORE

## AUDITORS

M/s R.N. Bhansali & Co.

Chartered Accountants

7-10, Horniman Circle,

Fort, Mumbai – 400 023.

## BANKERS

BANK OF INDIA

## REGISTERED OFFICE & FACTORY

410/1, 411/2, Mumbai – Pune Road,

Dapodi, Pune – 411 012.

## BRANCH OFFICE

Plot No 30,

Ahmednagar Aurangabad Road,

Near Garware Polyster Company,

Waluj,

Aurangabad – 411 133.

# POONA BOTTLING COMPANY PRIVATE LIMITED

## NOTICE TO THE MEMBERS

NOTICE is hereby given that the 45th Annual General Meeting of the members of POONA BOTTLING COMPANY PRIVATE LIMITED will be held on Friday, July 30, 2004 at 10.00 A. M. at the Registered Office of the Company at 410/1, 411/2, Mumbai-Pune Road, Dapodi, Pune - 411 012 to transact with or without modification[s], the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31, 2004 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rameshkumar R. More, who retires from office by rotation, and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rohitkumar R. More, who retires from office by rotation, and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

### Registered Office:

410/1, 411/2, Bombay - Pune Road,  
Dapodi, Pune - 411 012.  
June 30, 2004.

For & on behalf of the Board  
FOR POONA BOTTLING COMPANY PRIVATE LIMITED

RAMESHKUMAR R. MORE

DIRECTOR

### NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

# POONA BOTTLING COMPANY PRIVATE LIMITED

## DIRECTORS' REPORT TO THE SHAREHOLDERS:

Your Directors present their 45th Annual Report together with the Audited accounts for the year ended March 31, 2004.

### OPERATIONS:

The status of operations remained unchanged during the year. The reference to Arbitration made by your company in the dispute with Hindustan Coca-Cola Beverages Pvt. Ltd. is now at final stages of hearing before the Arbitration Tribunal. The suit filed by Hindustan Coca-Cola Beverages Pvt. Ltd., is still sub-judice. The disputes filed by the employees of the Company are also before the concerned judicial authorities. Despite best of efforts, the company could not carry on any profitable business during the year. Since the closure of the plants, the company has been making losses.

The Directors are of the view that the Company is still a viable business undertaking if the outcome of the legal matters is decided in favour of the Company. If the legal matters are not decided in favour of the Company, then considering the value of the Company's business undertaking and considering the discussions the Company has had with other companies in the business of manufacture and distribution of soft drinks, the Directors are hopeful of changing the scenario.

With the accumulated losses incurred in the last three years amounting to more than 100% of the peak, Net-worth, the Company has become a sick industrial undertaking under the definition of the Sick Industrial Companies Act / the Companies Act as may be applicable. A reference is being made to the Appropriate Authority as required under the said Acts.

### DIVIDEND:

Due to non-availability of sufficient profits, your Board has decided not to recommend any dividend for the year ended March 31, 2004.

### FIXED DEPOSITS:

Your Company has neither invited nor accepted any Fixed Deposits during the financial year 2003-2004.

### BOARD OF DIRECTORS:

As per the Provisions of the Companies Act, 1956, Mr. Rameshkumar R. More and Mr. Rohitkumar R. More, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

### DIRECTORS RESPONSIBILITY STATEMENT:

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed except as explained in the Notes to Balance Sheet and profit and Loss Account.
2. Appropriate policies have been selected and applied consistently and have made judgments and estimates wherever made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2004.
3. Proper and sufficient care has been taken 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 fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.

### AUDITORS:

M/s. R. N. Bhansali & Co. Chartered Accountants, Auditors of the Company are retiring at the ensuing Annual General Meeting. They are eligible for re-appointment and have expressed their willingness to act as auditors, if re-appointed. The Company has received a certificate from them that they are qualified under section 224 (1) of the Companies Act, 1956, for appointment as Auditors of the Company. Members are requested to consider their appointment at a remuneration to be decided by the Board of Directors for the financial year ending March 31, 2005 as set out in the Notice convening the Meeting.

## **POONA BOTTLING COMPANY PRIVATE LIMITED**

### **AUDITORS' OBSERVATIONS:**

The observations of the auditors contained in their Report have been adequately dealt with in the Notes to the Accounts given in Schedule "J" which are self explanatory and, therefore, do not call for any further comments.

### **SECRETARIAL COMPLIANCE CERTIFICATE:**

As required under the provisions of the Companies Act, 1956, Secretarial Compliance Certificate issued by a Practicing Company Secretary is enclosed and forms part of the Director's Report.

### **PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

Since there were no manufacturing activities during the year, the provisions of 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 are not applicable.

### **PARTICULARS OF EMPLOYEES:**

None of the employees of the Company came within the purview of the information required u/s 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975 as amended.

### **SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION:**

The Company has taken all the necessary steps for safety and environmental control and protection at all its plants.

### **Registered Office:**

410/1, 411/2,  
Bombay - Pune Road,  
Dapodi, Pune - 411 012.

June 30, 2004.

**For & on behalf of the Board**  
**FOR POONA BOTTLING COMPANY PRIVATE LIMITED**

**RAMESHKUMAR R. MORE**  
**NIRAJKUMAR U. MORE**

**DIRECTORS**

# POONA BOTTLING COMPANY PRIVATE LIMITED

## SECRETARIAL COMPLIANCE CERTIFICATE

COMPANY NO. 11-011307.

AUTHORISED SHARE CAPITAL: RS.300,00,000/-.

PAID UP SHARE CAPITAL: RS.189,00,000/-.

### The Members,

**M/s. POONA BOTTLING COMPANY PRIVATE LIMITED**

**410/1,411/2, Mumbai-Pune Road,**

**DAPODI, PUNE - 411 012.**

I have examined the registers, records, books and papers of **M/s. POONA BOTTLING COMPANY PRIVATE LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ended on **MARCH 31, 2004**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in ANNEXURE - 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as required with the Registrar of Companies or other authorities as prescribed under the Act and the rules made hereunder wherever applicable as per ANNEXURE – 'B'.
3. The Company being a Private Limited Company has minimum prescribed paid up Capital and number of members during the said financial year.
4. The Board of Directors duly met 7 [ SEVEN ] times during the aforesaid Financial Year i.e. on 10/04/2003, 16/06/2003, 31/07/2003, 16/08/2003, 31/10/2003, 15/11/2003 AND 29/01/2004 and in respect of each meeting proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company did not closed its Register of Members during the financial year.
6. The Company held its Annual General Meeting during the year in time i.e. on 31<sup>st</sup> July, 2004 and in respect of which proper notice was given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
7. NO Extra Ordinary General Meeting was held during the financial year.
8. The Company has not given or advanced any amount as defined in Section 295 of the Companies Act, 1956.
9. The Company has not entered into contracts falling within the purview of Section 297 of the Act.
10. The Company has complied with the provisions of Section 301 of the Companies Act, 1956.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approval from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has:
  - i. Delivered all the certificates on allotment of Shares in accordance with the provisions of the Companies Act, 1956.
  - ii. Duly complied with the requirements of Section 217 of the Act.
  - iii. Other clauses are not applicable.
14. The Board of Directors of the Company is duly constituted.
15. There was no appointment of Managing Director or whole time Director during the financial year under review.
16. The company has not appointed any Sole Selling Agents during the year.

## POONA BOTTLING COMPANY PRIVATE LIMITED

17. DURING THE YEAR THE STATUS OF THE COMPANY WAS CHANGED FROM PUBLIC LIMITED COMPANY TO PRIVATE LIMITED COMPANY AND NECESSARY COMPLIANCES OF THE ACT WERE MADE AND FRESH CERTIFICATE AFTER ADDING WORD PRIVATE WAS OBTAINED FROM THE OFFICE OF THE REGISTRAR OF COMPANIES, MAHARASHTRA.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any Equity Shares during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares/debentures and hence the question of redemption of preference shares/debentures does not arise during the financial year under review.
22. There were no transactions necessitating the Company to keep in abeyance the rights of dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company being a Private Limited Company, provisions of Section 293 (1) (d) of the Act are not applicable.
25. The Company being a Private Limited Company, provisions of section 372A of the Companies Act, 1956 are not applicable.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the Object of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to Name of the company during the year under scrutiny. [EXCEPT AS MENTIONED IN CLAUSE 17 ABOVE].
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny. [EXCEPT AS MENTIONED IN CLAUSE 17 ABOVE].
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. As the Company has laid off all its employees I was informed that there were no payments effected on account of Provident Fund and State Insurance dues with the appropriate authorities.

**[MAHESH SONI]**

**PRACTISING COMPANY SECRETARY**

**FCS: 3706; COP: 2324.**

**Place: Mumbai,**

**Date: June 30, 2004**

## POONA BOTTLING COMPANY PRIVATE LIMITED

### ANNEXURE - 'A' TO THE SECRETARIAL COMPLIANCE CERTIFICATE :

Name of the Company : M/s. POONA BOTTLING COMPANY PRIVATE LIMITED.

#### DETAILS OF REGISTERS MAINTAINED :

Sr. No.	Section Number	Name of Register
1.	108	Share Transfer Register
2.	150	Register of Members
3.	193	Minutes of all meetings of Board of Directors
4.	193(1)	Minutes of General Meetings
5.	301	Register of Contracts.
6.	303	Register of Directors.
7.	125	Register of Charge.
8.	209/210	Books of Accounts

### ANNEXURE - 'B' TO THE SECRETARIAL COMPLIANCE CERTIFICATE

Name of the Company : M/s. POONA BOTTLING COMPANY PRIVATE LIMITED.

#### DETAILS OF FORMS FILED WITH THE REGISTRAR OF COMPANIES :

Sr. No.	Document/ Under Section	Filed on	Whether filed in time	Whether additional fee paid
1	Annual Return U/s. 159.	04/09/2003.	Yes	No.
2	Balance Sheet U/s. 210.	04/09/2003.	No.	Yes.
3	Secretarial Compliance Certificate U/s. 383A.	04/09/2003.	No.	Yes.
4.	Form 23 U/s. 31/192	04/09/2003.	No.	Yes.
5	Application for Change in status of Company U/s. 43A[4].	18/07/2003.	Yes.	No.

[MAHESH SONI]

**PRACTISING COMPANY SECRETARY**

**FCS: 3706; COP: 2324.**

**Place: Mumbai,**

**Date: June 30, 2004**

# POONA BOTTLING COMPANY PRIVATE LIMITED

## AUDITORS' REPORT

We have audited the attached Balance Sheet of **POONA BOTTLING COMPANY PRIVATE LIMITED** as at 31st March, 2004 and also the Profit and Loss Account 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.

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.

- 1.00 As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such check of the books and records of the Company as we considered appropriate and on the basis of the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2.00 Further to our comments in the Annexure referred to above, we report that:
  - 2.01 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;
  - 2.02 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 and proper returns adequate for the purposes of our audit have been received from Aurangabad branches not visited by us.
  - 2.03 In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report are in compliance with the accounting standards referred to in section 211(3C) of the Companies Act, 1956 and are in agreement with the books of account.
  - 2.04 On the basis of written representations received from the directors, as on 31st March, 2004, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2004 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - 2.05 In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with schedules A to J give the information required by the Companies Act, 1956, in the manner so required and **subject to the following** give a true and fair view in conformity with the accounting principles generally accepted in India:

### In Schedule "J"

**Clause 1(b)(iii) regarding non-amortization of leasehold land.**

**Clause 1(g) regarding accounting of certain items on cash basis which is not in accordance with section 209(3)(b) of the Companies Act, 1956.**

**Clause 2(a)i regarding the determination of the business purchase agreement, and the closure of plant and consequent effect on the going concern assumption in preparation of accounts & inability to verify inventories and cash due to the said closure.**

**Clause 2(a)j & ii regarding the claims against the Company not acknowledged as debts**

**Clause 5 regarding non provision of Debtors considered doubtful amounting to Rs.598.11 Lakhs and the non provision of advances considered doubtful amounting to Rs.39.35 Lakhs due to which the losses have been understated by Rs.637.46 Lakhs and consequentially the Current Assets have been overstated by that amount.**

**Clause 6 regarding non confirmation of balances**

## **POONA BOTTLING COMPANY PRIVATE LIMITED**

in the case of

- a. Balance Sheet, of the state of affairs of the Company as at 31st March, 2004;
  - b. Profit and Loss Account, of the profit / loss for the year ended on that date. and
  - c. Cash Flow Statement, of the cash flows for the year ended on that date.
- 

**For R. N. Bhansali & Co.  
Chartered Accountants**

**A. G. Deshpande  
(Partner)**

**Mumbai  
Dated: June 30, 2004.**

**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT OF EVEN DATE**

1. (a) The records of fixed assets are being compiled. Hence we are unable to comment on the same.  
(b) We are informed that physical verification of fixed assets and reconciliations with the financial records will be carried out on compilation of the fixed asset register. Further we were informed that the bottles and cases in market given on or without deposits could not be verified physically.
2. (a) In view of clause 2 to schedule "J" of the Balance Sheet and due to the closure of the plant and due to the stocks lying with third parties the stocks of inventories have not been physically verified and hence we are not in a position to comment upon clause 2 of the Companies (Auditor's Report) Order 2003.  
(b) ***The Company has not provided for reduction in the value of stock of spares due to efflux of time while valuing the closing stock as on 31<sup>st</sup> March, 2004 as management is of the opinion that the spares do not deteriorate.***
3. (a) The Company has granted loans to Nine parties covered in the register maintained U/s.301 of the Act the maximum amount of total loan outstanding during the year is Rs.9,97,71,042/- and the closing balance as at 31<sup>st</sup> March, 2004 amounted to Rs.8,31,76,801/- .  
(b) As no agreements have been entered into with the parties covered U/s. 301 of the Companies Act, 1956 for the loans granted we are unable to give any opinion whether the loans granted by the company are prejudicial to the interests of the Company.  
(c) In the absence of any agreements with the parties covered U/s. 301 of the Companies Act, 1956 we are unable to offer any comments on the regularity of the repayments of the loans.  
(d) In the absence of any agreements with the parties covered U/s. 301 of the Companies Act, 1956 we are unable to comment on whether any overdue instalments exceeding Rs.100,000/- to be received in respect of loans granted by the Company are there are not.
4. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and nature of its business.
5. (a) To the best of our knowledge and belief and according to the information given to us, we are of the opinion that the transactions that need to be entered into the register maintained U/s.301 of the Companies Act, 1956 have been so entered.  
(b) There are no transactions of purchases of goods, materials and sale of goods, materials & services made in pursuance of contracts or agreements entered in the register maintained U/s. 301 of the Act aggregating during the year to Rs.500,000/- or more in respect of each party other than charging amenity charges to Grauer & Weil (India) Limited and Growel Softech Limited amounting to Rs.790,677/- and Rs.721,046/- respectively. We were informed that the rates whereof cannot be compared with the prevailing market rates as the same are not available.
6. During the year the Company has not accepted any deposits from public as contemplated U/s.58A & 58AA of the Act and the rules framed there under.
7. The Company has no internal audit system.
8. The Central Government has not prescribed the maintenance of Cost Records U/s.209(1)(d) of the Companies Act, 1956.
9. According to the information and explanations given to us and on the basis of our examination of the books of accounts there are no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess, Investor Education & Protection Fund and any other statutory dues which were outstanding as at 31<sup>st</sup> March, 2004 for the period of more than 6 months from the date they became payable.  
Further we were informed that the Company has no employees during the period hence Clause 9 of the Companies (Auditor's Report) Order, 2003 issued by the Central Government, in terms of section 227(4A) of the Companies Act, 1956 in respect of payment of Provident Fund and Employee's state provident fund dues is not applicable.
10. The accumulated losses of the Company as on 31<sup>st</sup> March, 2004 stand at Rs.204,20,332/- which exceeds 50% of its entire net worth at Rs.272,90,906/-. Further the cash losses were at Rs.24,22,126/- and Rs.40,21,007/- for the year ended 31<sup>st</sup> March, 2004 & 31<sup>st</sup> March, 2003 respectively.

## POONA BOTTLING COMPANY PRIVATE LIMITED

11. The Company did not have any outstanding debentures or any outstanding loans from any financial institutions or banks during the year.
12. According to the information and explanations given to us the Company has not granted loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund/nidhi/mutual benefit fund/societies hence Clause 13 of the Companies (Auditor's Report) Order, 2003 issued by the Central Government, in terms of section 227(4A) of the Companies Act, 1956 is not applicable.
14. According to the Information & explanations given to us and on the basis of our verification of the books and other documents, the Company has not traded in shares, securities, debentures and other securities hence no separate records have been maintained of the transactions and contracts of purchases and sale of the investments other than the records of such transactions in the books of accounts of the Company and timely entries have been made therein. Further we were informed that the investments in hand as on 31<sup>st</sup> March, 2004 were in the Company's own name.
15. We were informed that there were no guarantees issued by the Company for loans taken by others from banks or financial institutions.
16. The Company has taken no term loans during the year.
17. According to the information and explanations the Company has raised no new loans during the year and that there are no loans outstanding as on 31<sup>st</sup> March, 2004.
18. The Company has made no preferential allotments of shares during the year to parties and Companies covered in the register maintained under section 301 of the Act.
19. As the Company did not have any outstanding debentures during the year. Accordingly no securities have been created.
20. The Company has not raised funds through public issue during the year.
21. According to the information and explanations given to us, no frauds on or by the Company has been noticed or reported during the year.

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**For R. N. Bhansali & Co.**  
**Chartered Accountants**

**A. G. Deshpande**  
**(Partner)**

**Mumbai**  
**Dated: June 30, 2004.**

# POONA BOTTLING COMPANY PRIVATE LIMITED

## BALANCE SHEET AS AT MARCH 31, 2004

	Schedule		As At March 31, 2004	As At March 31, 2003
		Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS</b>				
SHAREHOLDERS FUNDS				
Share Capital	A	18,900,000		18,900,000
Reserves & Surplus	B	<u>8,390,906</u>		<u>8,465,327</u>
			<b>27,290,906</b>	27,365,327
DEFERRED TAX LIABILITY			<b>2,975,652</b>	7,151,256
			<b><u>30,266,558</u></b>	<b><u>34,516,583</u></b>
<b>APPLICATION OF FUNDS</b>				
FIXED ASSETS				
Gross Block	C	210,957,958		210,957,958
Less Depreciation		<u>146,307,046</u>		<u>137,828,101</u>
Net Block			<b>64,650,912</b>	73,129,857
INVESTMENTS	D		<b>4,733,751</b>	6,256,913
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
Inventories	E	10,620,542		10,719,810
Bottles & Cases		87,055,075		87,055,075
Sundry Debtors		59,811,449		71,885,433
Cash and Bank Balances		931,866		1,021,782
Loans and Advances		<u>89,721,486</u>		<u>79,150,391</u>
		<b>248,140,418</b>		<b>249,832,491</b>
<b>Less: CURENT LIABILITIES AND PROVISIONS</b>	F			
Curent Liabilities		307,678,855		308,778,354
Provisions		—		—
		<b><u>307,678,855</u></b>		<b><u>308,778,354</u></b>
<b>NET CURRENT ASSETS</b>			<b>(59,538,437)</b>	(58,945,863)
<b>MISCELLANEOUS EXPENDITURE</b> (To the extent not written off or adjusted)	G		—	14,650
<b>PROFIT AND LOSS ACCOUNT</b>				
As per Last Year Balance Sheet		14,061,026		—
During the Year		<u>6,359,306</u>	<b>20,420,332</b>	<u>14,061,026</u>
Total			<b><u>30,266,558</u></b>	<b><u>34,516,583</u></b>
Notes to Accounts	J			

As per our attached Report of even date  
For M/s. R. N. BHANSALI & COMPANY  
Chartered Accountants

A. G. DESHPANDE  
Partner

Mumbai  
June 30, 2004

RAMESHKUMAR R. MORE  
NIRAJKUMAR U. MORE

Director  
Director

Mumbai  
June 30, 2004

**POONA BOTTLING COMPANY PRIVATE LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2004**

	Schedule	For the year ended March 31, 2004 Rupees	For the year ended March 31, 2003 Rupees
<b>INCOME</b>			
Interest		25,939	5,577,032
Other Income	H	2,351,216	1,153,959
		<u>2,377,155</u>	<u>6,730,991</u>
<b>EXPENDITURE</b>			
Operating and Other Expenses	I	4,799,281	10,751,998
Depreciation	C	8,478,945	9,835,966
		<u>13,278,226</u>	<u>20,587,964</u>
<b>LOSS BEFORE TAXATION</b>		10,901,071	13,856,973
Provision for Taxation		-	-
Current year		-	-
Deferred Tax		(4,175,604)	(914,596)
<b>LOSS FOR THE YEAR AFTER TAXATION</b>		6,725,467	12,942,377
Add: Short Provision for Income Tax		-	854,493
Add/(less): Prior Period Adjustment		(291,740)	(186,818)
		<u>6,433,727</u>	<u>13,610,052</u>
Less: Transferred from Revaluation Reserve		74,421	83,978
		<u>6,359,306</u>	<u>13,526,074</u>
Add: Balance Brought Forward		14,061,026	73,188,949
<b>NET LOSS FOR THE YEAR</b>		<u>20,420,332</u>	<u>86,715,023</u>
<b>APPROPRIATIONS</b>			
Transfer from General Reserve		-	72,653,997
Deficit Carried to Balance Sheet		20,420,332	14,061,026
		<u>20,420,332</u>	<u>86,715,023</u>
<b>Notes to Accounts</b>	J		

As per our attached Report of even date  
For M/s. R. N. BHANSALI & COMPANY  
Chartered Accountants

RAMESHKUMAR R. MORE  
NIRAJKUMAR U. MORE

Director  
Director

A. G. DESHPANDE  
Partner

Mumbai  
June 30, 2004

Mumbai  
June 30, 2004

# POONA BOTTLING COMPANY PRIVATE LIMITED

## SCHEDULES ANNEXED TO BALANCE SHEET

	Rupees	As At March 31, 2004 Rupees	As At March 31, 2003 Rupees
<b>SCHEDULE A:</b>			
SHARE CAPITAL			
AUTHORISED 300,000 Equity Shares of Rs.100/- each		<u>30,000,000</u>	<u>30,000,000</u>
ISSUED AND PAID-UP			
189,000 Equity Shares of Rs.100/- each fully paid up		<u>18,900,000</u>	<u>18,900,000</u>
<b>Note:</b>			
(1) Out of the above, 145,950 Equity Shares are held by Grauer & Weil (I) Ltd the holding company			
(2) 180,000 Equity Shares of Rs.100/-each were allotted as fully paid up bonus shares by capitalisation of reserves			
<b>SCHEDULE B:</b>			
RESERVES & SURPLUS			
Capital Reserve			
As per last Balance Sheet		103,121	103,121
Revaluation Reserve			
As per last Balance Sheet	8,362,206		8,446,184
Less: Transferred to Profit & Loss Account	74,421		83,978
		<u>8,287,785</u>	<u>8,362,206</u>
General Reserve			
As per Last Balance sheet	-		80,719,849
Less:			
Deferred Tax Liability of Previous Year	-		8,065,852
Debit Balance in Profit and Loss Account	-		72,653,997
		-	
		<u>8,390,906</u>	<u>8,465,327</u>



# POONA BOTTLING COMPANY PRIVATE LIMITED

	Rupees	As At March 31, 2004 Rupees	As At March 31, 2003 Rupees
<b>SCHEDULE E: CURRENT ASSETS LOANS &amp; ADVANCES</b>			
<b>(I) CURRENT ASSETS</b>			
(i) INVENTORIES (as taken, valued and certified by the Management)			
Stores & Spares	<b>1,763,778</b>		1,863,046
Traded Goods (Refer Note 2 b Schedule "J")	<b>8,856,764</b>		8,856,764
		<b>10,620,542</b>	<u>10,719,810</u>
(ii) Bottles & Cases (Refer Note 2 b Schedule "J")		<b>87,055,075</b>	87,055,075
(iii) Sundry Debtors (Unsecured, considered good) See note 5 Schedule "J" Outstanding for a period exceeding six months		<b>59,811,449</b>	71,885,433
(iv) Cash and Bank Balances			
Cash on hand	<b>711,630</b>		548,985
Balances With Scheduled Banks In Current Account	<b>220,236</b>		472,797
		<b>931,866</b>	<u>1,021,782</u>
<b>(II) LOANS AND ADVANCES</b> (unsecured considered good unless otherwise stated)			
Loans	<b>83,176,801</b>		69,256,802
Deposits	<b>1,061,941</b>		1,061,941
Share Application Money Pending Allotment			2,325,000
Advance Income Tax /Tax deducted at source	<b>38,675</b>		30,371
Advances recoverable in cash or in kind or for value to be received			
Considered good	<b>5,444,069</b>		6,476,277
Considered doubtful	<b>340,017</b>		340,017
	<b>5,784,086</b>		<u>6,816,294</u>
Less: Provision for doubtful advances	<b>340,017</b>		340,017
	<b>5,444,069</b>		<u>6,476,277</u>
		<b>89,721,486</b>	79,150,391
		<b>248,140,418</b>	<u>249,832,491</u>

# POONA BOTTLING COMPANY PRIVATE LIMITED

## SCHEDULE F: CURRENT LIABILITIES & PROVISIONS

	As At March 31, 2004 Rupees	As At March 31, 2003 Rupees
a) CURRENT LIABILITIES:		
Sundry creditors	4,154,106	4,552,828
Deposits from Dealers	567,500	567,500
Deposit against bottles & cases	55,660,974	55,660,974
Advances from customers	2,638,741	2,442,769
Other Liabilities	996,008	1,892,757
From Hindustan Coca Cola Beverages Pvt Ltd. (See Note no 2 Schedule "J")	243,661,526	243,661,526
	<u>307,678,855</u>	<u>308,778,354</u>
b) PROVISIONS:		
Provision for Taxation	-	-
	<u>307,678,855</u>	<u>308,778,354</u>

## SCHEDULE G: MISCELLANEOUS EXPENSES

(to the extent not written off or adjusted)

Preliminary Expenses	14,650	29,300
Less Written off during the year	14,650	14,650
	<u>-</u>	<u>14,650</u>

## SCHEDULE H: OTHER INCOMES

Compensation Received	1,679,523	160,000
Sale of scrap	-	435,173
Sundry Balances Written Back	313,555	456,438
Profit on Sale of Assets	-	75,048
Profit on sale of Investment	351,838	8,286
Dividends recieved (Gross)	6,300	19,014
	<u>2,351,216</u>	<u>1,153,959</u>

## SCHEDULE I : OPERATING & OTHER EXPENSES

Rent, Rates and Taxes	305,103	275,816
Power, Fuel & Water	719,221	445,313
Postage and Telephone	88,182	147,423
Travelling & Conveyance	432,358	775,343
Printing & Stationery	40,770	72,862
Membership & Subscription	26,988	45,711
Vehicle Expenses	8,884	35,632
Legal & Professional Fees	2,023,777	3,508,216
Auditors' Remuneration	43,200	40,000
Repair to Machinery	225,260	817,758
Repair to Building	18,756	-
Repair to Other Assets	10,119	610,822
Insurance	74,981	86,058
Advertisement	5,000	12,562
Entertainment	64,069	154,641
Security Charges	406,121	341,977
General Charges	192,574	226,743
Preliminary Expenses Written off	14,650	14,650
Damaged stock of stores, rawmaterials etc written off	99,268	226,055
Irrecoverable Advances written off	-	2,570,649
Investments Written Off	-	3,750
Provision for Doubtful advances	-	340,017
	<u>4,799,281</u>	<u>10,751,998</u>

# POONA BOTTLING COMPANY PRIVATE LIMITED

## SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2004

### SCHEDULE J: NOTES ON ACCOUNTS

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### a) Basis of accounting.

Financial Statements are prepared under the historical cost convention on a going concern basis in accordance with the applicable accounting standards

##### b) Fixed Assets and Depreciation

- i. Fixed assets are stated at cost/valued less accumulated depreciation.
- ii. Depreciation has been provided on written down value method at the rate and the manner specified in Schedule XIV of the Companies Act, 1956.
- iii. Lease monies paid for leasehold land are not amortized over the period of lease.

##### c) Bottles & Cases

Bottles and Cases are valued at the deposit rate prevailing as on 31<sup>st</sup> March, 1999

##### d) Inventories

Stores, Spares and Raw Materials are valued at Cost. Traded Goods are valued at lower of the cost or net realisable value. Cost is determined on FIFO basis.

##### e) Investments

Investments are valued at cost. Provision is made for depletion in market value of investments, if the same is considered permanent in nature by the management.

##### f) Deferred Tax Asset / (Liability)

Deferred Tax Liability on account of timing difference between taxable income and accounting income for the year is accounted for by applying the tax rates and laws enacted or substantially enacted as of the balance sheet date. Deferred Tax Assets are recognised only to the extent of virtual certainty of its realisation or adjustment against deferred tax liability.

##### g) Dividend on shares & Mutual Funds are accounted on cash basis.

#### 2. a) CLAIMS AGAINST COMPANY NOT ACKNOWLEDGED AS DEBTS

- i. Pursuant to the resolution passed by the Shareholders on 29<sup>th</sup> June 1999, the company had entered into a Business Purchase Agreement (BPA) with Hindustan Coca-Cola Beverages Pvt. Ltd. (HCC) for sale of its entire 'soft drink business undertaking' on slump sale basis and had received an advance of Rs.243.70 millions. The company had also entered into a Contract Pack Agreement with HCC. All the assets of the company had been hypothecated/mortgaged to HCC under the BPA.

On 14.2.2000 HCC terminated the BPA with immediate effect and the contract pack agreement effective 21.2.2000 and demanded refund of the advance amount of Rs.243.70 millions along with interest @ 24% p.a. The company's operations of the soft drink business were suspended from that date. The company has not accepted the said claim and the matter is sub-judice. The company has evoked an arbitration clause under the BPA and the arbitration proceedings are in progress.

Upon termination of Contract packing Agreement by Hindustan Coca Cola Pvt. Ltd., the production activities at the bottling unit stopped with effect from 21.2.2000. While the management of the Company was considering laying off of the employees, the Union of the employees of the Company filed a complaint in Industrial Court, Pune and the Court, by an interim order dated 22.3.2000, ordered the Company to pay the employees who were members of the Union and were on the muster roll of the Company an amount equal to 50% of the basic and DA though there was no production. By a subsequent order dated 20.3.2001, the Court instructed the Company to pay full wages/salaries to its employees from February 2000. On being aggrieved by the said order the Company filled an appeal before the honorable High Court, Mumbai. The Hon'ble High Court ordered the Company to continue to pay an amount equal to 50% of the basic and the DA till final disposal of the appeal.

## POONA BOTTLING COMPANY PRIVATE LIMITED

With a view to limit the ongoing costs, the company closed its bottling unit under the Industrial Dispute Act with effect from 2.8.2001 and retrenched all its employees from that date. The employees of the company filed complaints in the Industrial Court, Pune the matter is sub judice. The company has made payments as per the interim orders of the Industrial Court, Pune and High Court, Mumbai. Further the said matter was remanded back to the industrial court pune who have given a verdict against the Company by ordering the Company to pay the wages to employees who have not accepted their compensation. The Company has preferred an appeal against the order of the said Industrial Court and that a stay has been applied for by the Company before the honourable high court Mumbai. Liability, if any, arising from the final orders in the aforesaid complaints/appeals will be provided for as and when the same is determined.

- ii. Guarantees given by the Company to banks/financial institutions of Rs.425.00 Lacs have been invoked by the banks financial institution. The Company has contested the said invocation and the matter is pending before the Debts Recovery Tribunal and the Mumbai High Court. Liability, if any, dependant on the result of the said dispute shall be provided as and when determined.
- b) Pending completion of the sale agreement, the Bottles and Cases and Traded Goods lying with HCC are carried at value in the books as on the date of possession.
- c) The Company continues to carry on its other business activities and as such the accounts are prepared on a going concern basis.
- d) On account of the losses no provision for Dividend and Tax has been made.

	2003-2004	2002-2003
3. Contingent Liabilities not provided for		
a) Disputed Excise Duty liability	<b>592,89</b>	592,89
b) Disputed Sales tax liability	<b>18.60</b>	18.60
c) Guarantees given on behalf of a Company in which a Director is interested	-	425.00
4. In the opinion of the Board current assets, loans and advances are of the approximate value stated if realized in the ordinary course of business.		
5. No provision is made in accounts in respect of debtors - Rs.598.11 Lacs and advances - Rs.39.35 Lacs, outstanding for a considerable period of time, as the management is hopeful of full recovery.		
6. Balances on Debtors, Creditors, deposits, advances and stock of bottles and trade goods with third parties with or without deposit are subject to confirmation and reconciliation, if any.		
7. The Company has adopted Accounting Standard 22 (AS-22), "Accounting for Taxes on Income". The net deferred tax asset for the current year of Rs.41.75 lakhs has been accounted for by adjusting the same against deferred tax liability carried forward from the earlier year.		

	As at March 31, 2004		As at March 31, 2003	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Liabilities
Difference between Book Value of Depreciable Assets as per books and WDV for Tax purpose		<b>12706</b>		13679
Provision for Doubtful Advances,	<b>122</b>		122	
Expenditure allowable on payment basis		<b>155</b>	309	
Other Items giving rise to timing differences	<b>40999</b>	<b>31236</b>	37332	31235
Total	<b>41121</b>	<b>44097</b>	37763	44914
Net deferred Tax Liability		<b>2976</b>		7151
Net amount charged to Profit & Loss Account	<b>4175</b>			(915)

## POONA BOTTLING COMPANY PRIVATE LIMITED

### 8. RELATED PARTY TRANSACTION DISCLOSURES

#### Related Parties

##### **Holding Company**

Grauer & Weil (India) Limited.

##### **Companies in which Key Management Personnel are interested.**

Growel Investment Limited

Growel Softech Limited

Digikore Design Limited

Digikore Studios Limited

Shree MPJ Builders Private Limited

Shree MPJ Cement Works Private Limited

Ridhi Sidhi Limited

Bubna More & Co Private Limited

Radhakishan Nandlal Private Limited

Waluj Beverages Private Limited

Gorav Investment Private Limited

##### **Key Management Personnel**

Mr. Umeshkumar N. More

Mr. Rameshkumar R. More

Mr. Nirajkumar U. More

Mr. Rohitkumar R. More

Mr. Gorav R. More

##### **Relatives of Key Management**

Mrs. Premlata U. More

Mrs. Umadevi R. More

Mrs. Pallavi N. More

Mrs. Zhumkha R. More

# POONA BOTTLING COMPANY PRIVATE LIMITED

## SUMMARY OF RELATED PARTY TRANSACTIONS

(Value in Rs.)

Name	Compensation	Interest Charged	Loans/ Advances Given	Loans/ Advances Recovered	Debtors Realisation	Loans Received	Loans Repaid
With Companies in which key management personnel are interested	888846	21047	38374468	24454469	9281164	Nil	Nil
With Holding Company	790677	Nil	Nil	Nil	Nil	190000	190000

## DETAILS OF CLOSING BALANCES OF RELATED PARTIES AS ON 31ST MARCH, 2004.

(Value in Rs.)

Name	Debtors	Loans	Advances	Current Liabilities
With Companies in which key management personnel are interested	27648717	83176801	148693	74252
With Holding Company	Nil	Nil	Nil	131722

### 9. Earning per share

Calculation of Earning per share for the year ended 31.3.2004

		31.3.2004	31.3.2003
Loss for the Year After Tax	Rs.	<b>6725467</b>	12,942,377
Weighted Average number of equity shares (Face Value Rs.100/- per share)	Nos.	<b>189,000</b>	189,000
Basic and Diluted Earnings per share		<b>(35.58)</b>	(68.48)

10. The Company's operations during the year predominantly relate to finance and investment activities.

11. The requirements of Accounting Standard issued by the Institute of Chartered Accountants of India in respect of "Segment Reporting" are not applicable.

### 12. Prior Period Adjustments

	Debit	Credit
Excise Duty	-	500
Sales Tax	-	382,277
Property Tax	6,084	-
Professional Fees	71,500	-
Others	-	3,691
Courier Charges	1,507	-
Repairs	10,468	-
Travelling	5,169	-
Net Adjustments Credit		<u>(291,740)</u>

## POONA BOTTLING COMPANY PRIVATE LIMITED

13. AUDITORS REMUNERATION	<b>2003-2004</b>	2002-2003
Audit Fees	<b>25,000</b>	25,000
Tax Audit Fees	<b>15,000</b>	15,000
	<b>40,000</b>	40,000

14. The installed capacity is 2.78 million cases of soft drink. As the bottling operations of the Company are suspended the details in respect of production and sale has not been provided.

15. Details of Closing Stock of Traded items

Item	Unit	As at March 31 <sup>st</sup> 2004		As at March 31 <sup>st</sup> 2003	
		Quantity	Value	Quantity	Value
Visi Coolers	Nos.	<b>350</b> (350)	<b>6,761,820</b> (6,761,820)	350 (350)	6,761,820 (6,761,820)
Chest Coolers	Nos.	<b>140</b> (140)	<b>1,754,554</b> (1,754,554)	140 (140)	1,754,554 (1,754,554)
Ice Boxes	Nos.	<b>264</b> (264)	<b>340,390</b> (340,390)	264 (264)	340,390 (340,390)
Total			<b>8,856,764</b> (8,856,764)		8,856,764 (8,856,764)

(Figures in brackets relates to previous year)

	<b>2003-2004</b>	2002-2003
16. Value of Imports on CIF Basis	<b>Nil</b>	Nil

17. There have been no transactions in foreign exchange during the year. (Previous Year Nil).

18. Figures of the previous year have been re grouped and re classified wherever necessary to correspond with the figures of the current period.

### SIGNATURE TO SCHEDULES 'A' TO 'J'

As per our attached Report of even date

As per our attached Report of even date  
For M/s. R. N. BHANSALI & COMPANY  
Chartered Accountants

RAMESHKUMAR R. MORE  
NIRAJKUMAR U. MORE

Director  
Director

A. G. DESHPANDE  
Partner

Mumbai  
June 30, 2004

Mumbai  
June 30, 2004

# POONA BOTTLING COMPANY PRIVATE LIMITED

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

### I. Registration Details:

Registration No.   1  1  3  0  7

State Code  1  1

Balance Sheet  3  1  0  3  2  0  0  4  
 Date Month Year

### II. Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue

N  I  L

Rights Issue

N  I  L

Bonus Issue

N  I  L

Private Placement

N  I  L

### III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

3  0  2  6  7

Total Assets

3  0  2  6  7

### Source of Funds

Paid-up Capital

1  8  9  0  0

Reserve & Surplus

8  3  9  1

Secured Loans

N  I  L

Unsecured Loans

N  I  L

Deferred Tax Liabilities

2  9  7  6

### Application of Funds

Net Fixed Assets

6  4  6  5  1

Investments

4  7  3  4

Net Current Assets

-  5  5  5  3  8

Misc. Expenditure

0  0

Accumulated Losses

2  0  4  2  0

# POONA BOTTLING COMPANY PRIVATE LIMITED

## IV. Performance of Company (Amount in Rs. Thousands)

Turnover

					2	3	7	7
--	--	--	--	--	---	---	---	---

Total Expenditure

					1	3	2	7	8
--	--	--	--	--	---	---	---	---	---

Profit/Loss Before Tax

+	-					1	0	9	0	1
---	---	--	--	--	--	---	---	---	---	---

Profit/Loss After Tax

+	-						6	7	2	5
---	---	--	--	--	--	--	---	---	---	---

(Please tick Appropriate box + for Profit, - for loss)

Earning Per Share in Rs.

			N	I	L			
--	--	--	---	---	---	--	--	--

Dividend Rate %

0	0
---	---

## V. Generic Names of Three Principal Products/Services of the company (As per monetary terms)

Item Code No. (ITC Code)

			2	2	0	2	-	1	3
--	--	--	---	---	---	---	---	---	---

Product Description

N	O	N	A	L	C	O	H	O	L	I	C								
B	E	V	E	R	A	G	E	S											

Item Code No. (ITC Code)

			2	2	0	2	-	1	3
--	--	--	---	---	---	---	---	---	---

Product Description

N	O	N	A	L	C	O	H	O	L	I	C								
B	E	V	E	R	A	G	E	S											

Item Code No. (ITC Code)

			2	2	0	2	-	1	2
--	--	--	---	---	---	---	---	---	---

Product Description

N	O	N	A	L	C	O	H	O	L	I	C								
B	E	V	E	R	A	G	E	S											

As per our attached Report of even date  
For M/s. R. N. BHANSALI & COMPANY  
Chartered Accountants

RAMESHKUMAR R. MORE  
NIRAJKUMAR U. MORE

Director  
Director

A. G. DESHPANDE  
Partner

Mumbai  
June 30, 2004

Mumbai  
June 30, 2004

**POONA BOTTLING COMPANY PRIVATE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2004**

	Rupees	For the Year ended March 31, 2004 Rupees	For the Year ended March 31, 2003 Rupees
A) CASH FLOW FROM OPERATING ACTIVITIES			
NET (LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS		<b>(10,901,071)</b>	(13,856,973)
Adjustments for			
Depreciation	<b>8,478,945</b>		9,835,966
(Profit) / Loss on sale of Investments	<b>(351,838)</b>		(8,286)
(Profit) / Loss on Sale of Fixed Assets	-		(75,048)
Dividend	<b>(6,300)</b>		(19,014)
Prior Period Items	<b>291,740</b>		186,818
Short/Excess Provision for Income Tax	-		(854,493)
Provision for Doubtful Advance	-		340,017
Inventories Written Off	<b>99,268</b>		226,055
Preliminary Expenses written off	<b>14,650</b>		14,650
Investments written off	-		3,750
	<u>-</u>	<b>8,526,465</b>	<u>9,650,415</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		<b>(2,374,606)</b>	(4,206,558)
Adjustments for (Increase) / Decrease in Trade and other receivables	<b>1,502,889</b>		12,706,977
Increase / (Decrease) in Trade and other payables	<b>(1,099,499)</b>		(4,098,809)
		<b>403,390</b>	8,608,168
NET CASH FROM OPERATING ACTIVITIES		<b>(1,971,216)</b>	<u>4,401,610</u>
B) CASH FLOW FROM INVESTING ACTIVITIES			
Sale of Fixed Assets		-	85,000
Investment in Mutual Funds / Shares		<b>1,875,000</b>	(5,998,127)
Dividend received		<b>6,300</b>	19,014
		<b>1,881,300</b>	<u>(5,894,113)</u>
C) CASH FLOW FROM FINANCING ACTIVITIES		-	-
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)		<b>(89,916)</b>	<u>(1,492,503)</u>
Opening Balance		<b>1,021,782</b>	2,514,285
Closing Balance		<b>931,866</b>	1,021,782

As per our attached Report of even date  
For M/s. R. N. BHANSALI & COMPANY  
Chartered Accountants

RAMESHKUMAR R. MORE  
NIRAJKUMAR U. MORE

Director  
Director

A. G. DESHPANDE  
Partner

Mumbai  
June 30, 2004

Mumbai  
June 30, 2004



# **GROWEL ENERGY COMPANY LIMITED**

## **BOARD OF DIRECTORS**

UMESHKUMAR N. MORE

NIRAJKUMAR U. MORE

VINOD HARITWAL

RAJENDER GULERIA

## **AUDITORS**

M/S M.M. Nissim & Co.

Chartered Accountants

## **REGISTERED OFFICE**

'Growel House', Akurli Road, Kandivli (East), Mumbai – 400 101.

# GROWEL ENERGY COMPANY LIMITED

## NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the Third Annual General Meeting of the members of GROWEL ENERGY COMPANY LIMITED will be held on Friday, July 30, 2004 at 2.00 P.M. at the Registered Office of the Company at 'Growel House', Akurli Road, Kandivli [East], Mumbai – 400 101 to transact with or without modification[s], the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the period ended March 31, 2004 and the Balance Sheet as on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vinod Haritwal who retires from office by rotation, and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rajender Guleria who retires from office by rotation, and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

**Registered Office:**

**For & on behalf of the Board  
FOR GROWEL ENERGY COMPANY LIMITED**

**'GROWEL HOUSE', Akurli Road,  
Kandivli [ East ], Mumbai – 400 101.**

**NIRAJKUMAR U. MORE**

**June 30, 2004.**

**DIRECTOR**

### NOTES :

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

# GROWEL ENERGY COMPANY LIMITED

## DIRECTORS' REPORT TO THE SHAREHOLDERS:

Your Directors present their 3<sup>rd</sup> Annual Report together with the Audited accounts for the period ended March 31, 2004.

### OPERATIONS:

After obtaining Certificate for Commencement of Business, your company represented to Grauer & Weil (India) Ltd., that the Company is now in a position to take up the mini Hydel Power Project of 5 MW on river Ani (Behna) in Kullu district of Himachal Pradesh. After obtaining the permission of HIMURJA, the State Nodal Agency, Grauer & Weil (India) Ltd has transferred the project to the Company. Balance formalities in this regard are being completed.

The Detailed Project Report for the project filed by Grauer & Weil (India) Ltd has been approved by HIMURJA. The slow pace of Power Sector reforms and ambiguity in policies has required your Company to wait for opportunate time to sign the Implementation Agreement and Power Purchase Agreement.

### DIVIDEND:

As there was no activity during the year, your Board has decided not to recommend any dividend for the period ended March 31, 2004.

### FIXED DEPOSITS:

Your Company has neither invited nor accepted any Fixed Deposits during the financial year 2003-2004.

### BOARD OF DIRECTORS:

As per the Provisions of the Companies Act, 1956 and in terms of the Articles of Association of the Company, Mr. Vinod Haritwal and Mr. Rajender Guleria, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

### DIRECTORS RESPONSIBILITY STATEMENT :

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed except as explained in the Notes to Balance Sheet and Profit and Loss Account.
2. Appropriate policies have been selected and applied consistently and have made judgments and estimates wherever made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2004.
3. Proper and sufficient care has been taken 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 fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.

### AUDITORS:

M/s. M. M. Nissim & Co. Chartered Accountants, Auditors of the Company appointed by the board are retiring at the ensuing Annual General Meeting. They are eligible for re-appointment and have expressed their willingness to act as auditors, if re-appointed. The Company has received a certificate from them that they are qualified under section 224 (1) of the Companies Act, 1956, for appointment as Auditors of the Company. Members are requested to consider their appointment at a remuneration to be decided by the Board of Directors for the financial year ending March 31, 2005 as set out in the Notice convening the Meeting.

### PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

Since there were no manufacturing activities during the year, the provisions of 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 are not applicable.

## **GROWEL ENERGY COMPANY LIMITED**

### **PARTICULARS OF EMPLOYEES:**

There were no employees in the Financial Year under question.

### **SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION :**

Since the Company does not have any physical assets or facilities no steps for safety and environmental control are required to be taken.

---

#### **Registered Office:**

'GROWEL HOUSE', Akurli Road,  
Kandivli [ East ], Mumbai – 400 101.

June 30, 2004.

For & on behalf of the Board  
**FOR GROWEL ENERGY COMPANY LIMITED**

**NIRAJKUMAR U. MORE**  
**VINOD HARITWAL**

**DIRECTORS**

# GROWEL ENERGY COMPANY LIMITED

## AUDITORS' REPORT

### TO THE SHAREHOLDERS OF GROWEL ENERGY COMPANY LIMITED,

We have audited the attached Balance Sheet of GROWEL ENERGY COMPANY LIMITED, as at 31<sup>st</sup> March, 2004 and the cash flow statement of the Company 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.

We conducted our audit in accordance with the Indian auditing standards issued by the Institute of Chartered Accountants of India. Our audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates and judgements made by the management in the preparation of financial statements and evaluating the overall financial statement presentation.

We planned and performed our audit, so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements and to provide a reasonable basis for our opinion and report that :

- 1) As required by the Companies (Auditors' Report) Order, 2003 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 2) Further to our comments referred to in paragraph 1 above.
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit.
  - b) 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 the books.
  - c) The Balance Sheet and Cash Flow Statement, dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, to the extent applicable.
  - e) On the basis of written representations received from the Directors as on March, 31 2004 and taken on record by the Board of Directors, we report and certify that none of the Directors is disqualified from being appointed as Director under Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- 3) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes thereof, give the information as required by the Companies Act, 1956 in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India.
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2004.
  - ii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For M. M. Nissim & Co.**  
**Chartered Accountants**

**P. P. BHANDARI**  
**Partner**  
**Mem. No.: 32218**  
**Mumbai**  
**June 30, 2004**

## **GROWEL ENERGY COMPANY LIMITED**

### **ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT OF EVEN DATE**

- i. The Company has neither granted nor taken any loans secured or unsecured from Companies, firms or other parties covered in the register maintained U/s.301 of the Companies Act, 1956.
- ii. The Company is regular in depositing:
  - (a) Undisputed Statutory dues, payable including Provident Fund, Investor Education and Protect Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and any other statutory dues.
  - (b) According to the information and explanations given to us there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute.
- iii. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- iv. According to the information and explanation given to us the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- v. The Company has not obtained any term loan during the year.
- vi. According to the information and explanation given to us and on an overall examination of the Financial Statements of the Company, we are of the opinion that, Prima-facie, as at the close of the year, an amount of Rs.9,311/- stands utilised for short term purposes. The Company has not raised any funds on short term basis.
- vii. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

The other Clauses (i), (ii), (iv), (v), (vi), (vii), (viii), (x), (xi), (xiii), (xiv), (xviii), (xix) & (xx) of the said order are, in our opinion, not applicable to this Company.

**For M. M. Nissim & Co.  
Chartered Accountants**

**P. P. BHANDARI  
Partner  
Mem. No.: 32218**

**Mumbai  
June 30, 2004**

# GROWEL ENERGY COMPANY LIMITED

## BALANCE SHEET AS AT MARCH 31, 2004

	Schedule	Rupees	As At 31st March, 2004 Rupees	As At 31st March, 2003 Rupees
<b>SOURCES OF FUNDS</b>				
SHAREHOLDERS FUNDS				
Share Capital	A		500,000	500,000
<b>LOAN FUNDS</b>				
Unsecured Loans	B		558,572	543,524
			<u>1,058,572</u>	<u>1,043,524</u>
<b>APPLICATION OF FUNDS</b>				
CURRENT ASSETS LOANS AND ADVANCES:				
Cash and Bank Balances	C	9,311		10,481
Less: CURRENT LIABILITIES AND PROVISIONS:				
Share Application Money		5,000		-
Sundry Creditors		5,400		5,400
		<u>10,400</u>		<u>5,400</u>
NET CURRENT ASSETS			(1,089)	5,081
MISCELLANEOUS EXPENDITURE: (To the extent not written off or adjusted)	D		1,059,661	1,038,443
			<u>1,058,572</u>	<u>1,043,524</u>
NOTES TO ACCOUNTS	E			

As per our Report of even date  
for M. M. NISSIM & CO.  
Chartered Accountants

NIRAJKUMAR U. MORE - Director  
VINOD HARITWAL - Director

P. P. BHANDARI  
Partner

Mumbai, 30th June, 2004

Mumbai, 30th June, 2004

# GROWEL ENERGY COMPANY LIMITED

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2004

	Rupees	For the year ended March 31, 2004 Rupees	For the year ended March 31, 2003 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>			
(Increase) / Decrease in Trade and other receivables			(100,000)
Increase / (Decrease) in Trade and other payables	<u>0</u>		<u>5,400</u>
CASH FLOW BEFORE EXTRAORDINARY ITEMS		<b>0</b>	<u>(94,600)</u>
EXTRAORDINARY ITEMS			
Preliminary Expenses			(78,039)
Pre-operative Expenses	<u>(21,218)</u>		<u>(860,404)</u>
		<u>(21,218)</u>	<u>(938,443)</u>
NET CASH FROM OPERATING ACTIVITIES		<b>(21,218)</b>	(1,033,043)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
		<b>NIL</b>	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares			500,000
Share Application Money received	<b>5,000</b>		-
Proceeds from borrowings	<u>15,048</u>		<u>543,524</u>
NET CASH FROM FINANCING ACTIVITIES		<b>20,048</b>	1,043,524
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>		<u><b>(1,170)</b></u>	<u>10481</u>
<b>CASH AND CASH EQUIVALENTS</b>			
Closing Balance		<b>9,311</b>	10481
Less: Opening Balance		<b>10,481</b>	-
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS		<u><b>(1,170)</b></u>	<u>10481</u>

As per our Report of even date  
for M. M. NISSIM & CO.  
Chartered Accountants

NIRAJKUMAR U. MORE - Director  
VINOD HARITWAL - Director

P. P. BHANDARI  
Partner

Mumbai, 30th June, 2004

Mumbai, 30th June, 2004

# GROWEL ENERGY COMPANY LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

	As At 31st March, 2004 Rupees	As At 31st March, 2003 Rupees
<b>SCHEDULE A: SHARE CAPITAL</b>		
SHARE CAPITAL		
AUTHORISED		
250,000 Equity Shares of Rs.10 each	<u>2,500,000</u>	<u>2,500,000</u>
ISSUED AND PAID-UP		
50,000 Equity Shares of Rs.10 each, fully paid-up (Of the above, 49,400 Equity Shares are held by Grauer & Weil (India) Limited) - the holding company)	<u>500,000</u>	<u>500,000</u>
<b>SCHEDULE B: UNSECURED LOANS</b>		
UNSECURED LOANS		
From A Corporate Body Grauer & Weil (India) Limited - the holding company	<u>558,572</u>	<u>543,524</u>
<b>SCHEDULE C: CASH AND BANK BALANCES</b>		
Cash on hand	1,681	5,781
Balance with a Scheduled Bank In a Current Account	<u>7,630</u>	<u>4,700</u>
	<u>9,311</u>	<u>10,481</u>
<b>SCHEDULE D: MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Preliminary Expenses	78,039	78,039
Pre-operative Expenses	<u>981,622</u>	<u>960,404</u>
	<u>1,059,661</u>	<u>1,038,443</u>

# GROWEL ENERGY COMPANY LIMITED

## SCHEDULE E: NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2004

### 1. Significant Accounting Policies -

The accounts have been prepared on the accrual basis of accounting, under the historical cost convention in accordance with the Companies Act, 1956 and the applicable Accounting Standards issued by the Institute of Chartered Accountants of India.

### 2 The break-up of Preliminary expenses / Pre-operative expenses is as under:

(a) Preliminary Expenses:

Particulars	Amount (Rs.)
Filing Fees and Cost of Stamp Papers	72,194
Professional Fees	5,000
Other Expenses	845
<b>TOTAL</b>	<b>78,039</b>

(b) Pre-operative Expenses are as under:

Particulars	Amount (Rs.)
Processing Fees	100,000
Professional Fees	784,837
Travelling Expenses	23,495
Advertisement	44,495
Audit Fees	10,800
Other Expenses	17,995
<b>TOTAL</b>	<b>981,622</b>

3 The Company has not carried out any business activity during the year and as such no Profit and Loss Account is prepared and additional information pursuant to Para 3 and 4 of Part II of Schedule VI of the Companies Act, 1956 is not given.

### Signature to schedules 'A' to 'E'

As per our Report of even date  
for M. M. NISSIM & CO.  
Chartered Accountants

NIRAJKUMAR U. MORE - Director  
VINOD HARITWAL - Director

P. P. BHANDARI  
Partner

Mumbai, 30th June, 2004

Mumbai, 30th June, 2004

# GROWEL ENERGY COMPANY LIMITED

## BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE

1	Company's Registration details	
a)	Registration No.	134438
b)	State Code	11
c)	Balance Sheet Date	31st March 2004
2	Capital raised during the year	(Amount in Rs. Thousand)
a)	Public Issue	—
b)	Right Issue	—
c)	Bonus Issue	—
d)	Private Placement	—
3	Details of Mobilisation and Development of funds	(Amount in Rs. Thousand)
a)	Total Liabilities	1,059
b)	Total Assets	1,059
	Sources of Funds	
a)	Paid up Capital	500
b)	Reserves & Surplus	—
c)	Secured Loans	—
d)	Unsecured Loans	559
	Application of Funds	
a)	Net Fixed Assets	—
b)	Investments	—
c)	Net Current Assets	(1)
d)	Misc. Expenditure	1,060
e)	Accumulated Losses	—
4	Performance of Company	(Amount in Rs. Thousand)
a)	Turnover	—
b)	Total Expenditure	—
i)	Profit / Loss before Tax	—
ii)	Profit / Loss after Tax	—
iii)	Earning per share in Rs.	—
iv)	Dividend rate %	—
5	Generic names of three principal products / services of company (as per monetary terms)	
a)	Item code No. (ITC Code)	—
b)	Product Description	—

As per our Report of even date  
for M. M. NISSIM & CO.  
Chartered Accountants

NIRAJKUMAR U. MORE - Director  
VINOD HARITWAL - Director

P. P. BHANDARI  
Partner

Mumbai, 30th June, 2004

Mumbai, 30th June, 2004

### AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

#### TO THE BOARD OF DIRECTORS GRAUER & WEIL (INDIA) LIMITED

1. We have audited the attached Consolidated Balance Sheet of the Grauer & Weil (India) Limited ('the Company'), and its subsidiaries (the Company and its subsidiaries constitute 'the Group') as at March 31, 2004 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on the date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and 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 statements presentation. We believe that our audit provides a reasonable basis of our opinion.
3. (a) The financial statements of subsidiaries which in the aggregate represent total assets as at March 31, 2004 of Rs.3175.25 Lacs and total revenue for the year ended on that date of Rs.23.77 Lacs and of an associate which reflect the Group's share of loss, upto March 31, 2003 of Rs.7.78 Lacs have been audited (except as indicated in 3(b) below) by other auditors and we have relied upon such audited financial statements for the purpose of our examination of the consolidated financial statements.  
  
(b) As stated in Note 9, as the audited financial statements for the year ended March 31, 2004 of Growel Goema (India) Ltd., associate of the Company is not available, no effect has been given in the Consolidated Financial statement of the groups share of Profit / Loss in the Associate for the current year.
4. Attention is invited to the following Notes in Schedule 'Q' to the Consolidated Financial Statements:  
  
(a) Note 8 regarding non-disclosure of debts due to small scale industrial workings.  
  
(b) Note 10 regarding going concern basis.  
  
(c) Note 11 regarding non-provision of debts and advances amounting to Rs.637.46 Lacs.
5. Subject to our remarks in para 3(b) and 4 above:  
  
(a) We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' and Accounting Standard 23 'Accounting for Investments in Associates in Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company, its subsidiaries and associate included in the consolidated financial statements.  
  
(b) On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries and associate, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i. In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2004;
  - ii. In the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Group for the year ended on that date; and

## CONSOLIDATED ANNUAL REPORT 2003-2004

- iii. In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.
- 

As per our Report of even date  
for M. M. NISSIM & CO.  
Chartered Accountants

P. P. BHANDARI  
Partner  
MEM. NO.: 32218

Mumbai  
30th June, 2004

# CONSOLIDATED ANNUAL REPORT 2003-2004

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2004

	Schedule	Rupees	As At March 31, 2004 Rupees	As At March 31, 2003 Rupees
<b>SOURCES OF FUNDS</b>				
SHAREHOLDERS FUNDS				
Share Capital	A	102,301,800		68,201,200
Reserves and Surplus	B	<u>264,289,551</u>		<u>262,037,798</u>
			<b>366,591,351</b>	330,238,998
MINORITY INTEREST	C		<b>1,570,697</b>	3,036,300
LOAN FUNDS				
Secured Loans	D	228,580,687		226,444,336
Unsecured Loans	E	<u>11,382,746</u>		<u>10,327,415</u>
			<b>239,963,433</b>	236,771,751
DEFERRED TAX				
Deferred Tax Liabilities		97,520,023		62,412,989
Deferred Tax Assets		<u>(48,666,195)</u>		<u>(7,726,012)</u>
			<b>48,853,828</b>	54,686,977
			<b>656,979,309</b>	<u>624,734,026</u>
<b>APPLICATION OF FUNDS</b>				
FIXED ASSETS				
Gross Block	F	726,981,700		706,822,210
Less: Depreciation		<u>316,236,328</u>		<u>289,101,257</u>
Net Block		410,745,372		417,720,953
Capital Work in Progress		<u>58,661,093</u>		<u>384,870</u>
			<b>469,406,465</b>	418,105,823
INVESTMENTS	G		<b>7,957,643</b>	13,442,060
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	H	240,606,892		237,819,521
Sundry Debtors		218,377,614		217,188,858
Cash and Bank Balances		11,725,582		8,395,568
Other Current Assets		123,049		118,970
Loans and Advances		<u>164,495,929</u>		<u>137,367,581</u>
		<b>635,329,066</b>		<u>600,890,497</u>
Less: CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	I	445,272,773		404,132,709
Provisions		<u>31,091,085</u>		<u>25,639,757</u>
		<b>476,363,858</b>		<u>429,772,466</u>
NET CURRENT ASSETS			<b>158,965,208</b>	171,118,031
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	J		<b>10,916,845</b>	18,040,884
PROFIT AND LOSS ACCOUNT			<b>9,733,148</b>	4,027,228
			<b>656,979,309</b>	<u>624,734,026</u>
Basis of Consolidation, significant Accounting Policies, Notes to Accounts Q				

As per our Report of even date  
for M. M. NISSIM & CO.  
Chartered Accountants

VINOD HARITWAL  
NIRAJKUMAR U. MORE  
RAMESHKUMAR R. MORE

- CEO & Executive Director  
- Director  
- Director

P. P. BHANDARI  
Partner  
MEM No.: 32218

SUHAS KULKARNI

- Sr. GM & Company Secretary

Mumbai, 30th June, 2004

Mumbai, 30th June, 2004



# CONSOLIDATED ANNUAL REPORT 2003-2004

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2004

	Schedule	As At March 31, 2004 Rupees	As At March 31, 2003 Rupees
<b>INCOME</b>			
Sales	K	819,156,117	772,364,835
Other Income	L	20,444,788	20,812,582
		<u>839,600,905</u>	<u>793,177,417</u>
<b>EXPENDITURE</b>			
Materials	M	475,883,203	443,907,222
Salaries, Wages and other benefits	N	93,574,476	80,566,117
Other Expenses	O	187,775,214	181,788,118
Interest	P	18,406,594	24,979,599
Depreciation		30,538,945	29,480,582
		<u>806,178,432</u>	<u>760,721,638</u>
<b>PROFIT BEFORE TAX</b>		<b>33,422,473</b>	<b>32,455,779</b>
<b>PROVISION FOR TAXATION</b>			
Current Tax		3,200,000	4,000,000
Deferred Taxes		(5,833,149)	(4,839,026)
<b>PROFIT AFTER TAX</b>		<b>36,055,622</b>	<b>33,294,805</b>
Short Provision of income Tax of earlier year		-	(609,123)
Refund of income Tax of earlier year		-	553,563
Prior Period Adjustments		291,740	186,818
		<u>36,347,362</u>	<u>33,426,063</u>
Transfer from Revaluation Reverse		74,421	83,978
Balance Brought forward		(4,027,228)	(50,837,287)
<b>NET PROFIT / LOSS BEFORE MINORITY INTEREST</b>		<b>32,394,555</b>	<b>(17,327,246)</b>
Share of Minority Interest		1,448,650	3,081,240
		<u>33,843,205</u>	<u>(14,246,600)</u>
Amount Prior to appropriations (including Minority Interest)			
Less Proposed Dividend		6,138,108	5,456,096
Tax on Proposed Dividend		786,445	699,062
Transfer to General Reserve		36,651,800	(16,373,936)
		<u>(9,733,148)</u>	<u>(4,027,228)</u>
<b>Basic and Diluted Earnings per share</b>		<b>3.70</b>	<b>3.58</b>

**Basis of Consolidation, significant Accounting Policies and Notes to Accounts**

Q

As per our Report of even date for M. M. NISSIM & CO. Chartered Accountants	VINOD HARITWAL NIRAJKUMAR U. MORE RAMESHKUMAR R. MORE	- - -	CEO & Executive Director Director Director
P. P. BHANDARI Partner MEM No.: 32218 Mumbai, 30th June, 2004	SUHAS KULKARNI	-	Sr. GM & Company Secretary
	Mumbai, 30th June, 2004		

# CONSOLIDATED ANNUAL REPORT 2003-2004

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2004

	Rupees	For the Year ended March 31, 2004 Rupees	For the Year ended March 31, 2003 Rupees
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>			
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		<b>33,422,473</b>	32,455,779
Adjustments for			
Depreciation	<b>30,538,945</b>		29,480,582
Diminution in Value of Investments	—		978,119
(Profit) / Loss on Sale of Fixed Assets	<b>1,538,546</b>		33,139
(Profit) Loss on Sale of Investments	<b>(1,712,554)</b>		—
Interest Paid	<b>18,406,594</b>		24,979,599
Interest Received	<b>(6,809,525)</b>		(10,193,346)
Wealth Tax	<b>84,703</b>		88,579
Dividend and Income from units	<b>(8,550)</b>		(33,707)
Technical know-how fees written off	<b>282,387</b>		452,987
Provision for Doubtful Debts	<b>1,362,545</b>		2,140,623
Provision for Doubtful Advances	—		340,017
Prior Period Adjustments (Sales Tax Refund)	<b>291,740</b>		186,818
VRS Compensation written off	<b>5,484,934</b>		5,484,934
Investments written off	—		3,750
Preliminary Expenses written off	<b>14,650</b>		14,650
ERP Expenses written off	<b>1,363,287</b>		1,363,287
		<b>50,837,702</b>	55,320,031
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		<b>84,260,175</b>	87,775,810
Adjustments for :			
(Increase)/Decrease in Trade and other receivables	<b>(25,773,682)</b>		(61,977,728)
(Increase)/Decrease in Inventories	<b>(2,787,371)</b>		(17,031,415)
Increase/(Decrease) in Trade and other payables	<b>42,018,324</b>		26,712,533
		<b>13,457,271</b>	(52,296,610)
CASH GENERATED FROM OPERATIONS		<b>97,717,446</b>	35,479,200
Direct Taxes Paid	<b>(3,994,750)</b>		(1,090,047)
		<b>(3,994,750)</b>	(1,090,047)
CASH FLOW BEFORE EXTRAORDINARY ITEMS		<b>93,722,696</b>	34,389,153
EXTRAORDINARY ITEMS		<b>(21,218)</b>	(1,038,443)
NET CASH FROM OPERATING ACTIVITIES		<b>93,701,478</b>	33,350,710

## CONSOLIDATED ANNUAL REPORT 2003-2004

	For the Year ended March 31, 2004 Rupees	For the Year ended March 31, 2003 Rupees
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Capital Expenditure / Technical know-how fees	(86,632,337)	(64,163,631)
Sale of Fixed Assets	3,254,206	2,802,286
Purchase of Investments	(2,325,000)	(6,081,413)
Sale of Investments	9,279,992	—
Interest Received	6,809,525	10,193,346
Dividend and Income from Units	8,550	33,707
	<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES	(69,605,064)	(57,215,705)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Payment of Borrowing (Net)	3,191,679	52,036,271
Proceeds from Equity Share Capital of Subsidiary Co.	—	500,000
Interest Paid	(17,978,426)	(24,737,998)
Dividend Paid	(5,979,653)	(5,021,936)
	<hr/>	<hr/>
NET CASH FROM FINANCING ACTIVITIES	(20,766,400)	22,776,337
	<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	3,330,014	(1,088,658)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS	3,330,014	(1,088,658)
Opening Balance	8,395,568	9,484,226
Closing Balance	11,725,582	8,395,568

As per our Report of even date  
for M. M. NISSIM & CO.  
Chartered Accountants

VINOD HARITWAL  
NIRAJKUMAR U. MORE  
RAMESHKUMAR R. MORE

- CEO & Executive Director  
- Director  
- Director

P. P. BHANDARI  
Partner  
MEM No.: 32218

SUHAS KULKARNI

- Sr. GM & Company Secretary

Mumbai, 30th June, 2004

Mumbai, 30th June, 2004

# CONSOLIDATED ANNUAL REPORT 2003-2004

## SCHEDULES ANNEXED TO THE CONSOLIDATED BALANCE SHEET & PROFIT AND LOSS ACCOUNT

	Rupees	As At March 31, 2004 Rupees	As At March 31, 2003 Rupees
<b>SCHEDULE A: SHARE CAPITAL</b>			
AUTHORISED			
25,000,000 (Previous Year 10,000,000) Equity Shares of Rs.10 each		<u>250,000,000</u>	<u>100,000,000</u>
ISSUED, SUBSCRIBED AND PAID-UP			
10,230,180 (Previous year 6,820,120) Equity Shares of Rs.10 each fully paid up		<u>102,301,800</u>	<u>68,201,200</u>
NOTE: Of the above,			
(1) 154,500 Equity shares were allotted as fully paid-up pursuant to a contract without payment being received in cash.			
(2) 9,035,950 Equity Shares (including 3,410,060) Shares allotted on 12.09.03) were allotted as fully paid - up Bonus Shares by capitalisation of Capital Reserve. Capital redemption reserve and Securities Premium account.			
<b>SCHEDULE B: RESERVES AND SURPLUS</b>			
CAPITAL RESERVE			
As per Last Balance Sheet	79,630		269,630
Add: Partly paid Convertible Debentures forfeited			190,000
Less: Utilised for issue of bonus shares	—	<u>79,630</u>	<u>79,630</u>
CAPITAL RESERVE (ON CONSOLIDATION)		<b>13,976,000</b>	13,976,000
CAPITAL REDEMPTION RESERVE	—		65,000
Less: Utilised for issue of bonus shares	—		<u>65,000</u>
REVALUATION RESERVE		—	—
As per Last Balance Sheet	6,457,295		6,522,143
Less: Transferred to Profit and Loss Account	<u>57,468</u>		<u>64,848</u>
		<b>6,399,827</b>	6,457,295
SECURITIES PREMIUM ACCOUNT			
As per Last Balance Sheet	21,448,800		55,294,400
Less: Utilised for issue of bonus shares	<u>21,448,800</u>		<u>33,845,600</u>
		—	21,448,800
GENERAL RESERVE			
As per Last Balance Sheet	220,076,073		242,602,387
Less : Utilised for issue of bonus shares	<u>12,651,800</u>		—
Less : Deferred Tax Liability (Net) of Previous Year	—		<u>6,228,451</u>
	<u>207,424,273</u>		236,373,936
Add. : Share of Accumulated Profit / (Loss) in respect of Investment in Associate Companies for Prior periods (Net)	<u>(241,979)</u>		76,073
Add. : Transfer from Profit and Loss Account	<u>36,651,800</u>		<u>(16,373,936)</u>
		<b>243,834,094</b>	220,076,073
		<u>264,289,551</u>	<u>262,037,798</u>

## CONSOLIDATED ANNUAL REPORT 2003-2004

	Rupees	As At March 31, 2004 Rupees	As At March 31, 2003 Rupees
<b>SCHEDULE C: MINORITY INTEREST</b>			
Minority interest in equity			
43050 Equity shares held by minority interest		<b>4,305,000</b>	4,305,000
6000 equity shares held by minority interest		<b>6000</b>	6000
Minority interest in non-equity;			
Balance as on 1.04.2003	<b>(1,274,700)</b>		3,663,071
Less: Share of loss for the year	<b>(1,448,650)</b>		(3,081,240)
Less: Share of transfer from revaluation reserve in loss for the year	<b>(16,953)</b>		(19,130)
Less: Share of loss in deferred tax liability of previous year	<u>—</u>		(1,837,401)
		<b>(2,740,303)</b>	(1,274,700)
		<u><b>1,570,697</b></u>	<u>3,036,300</u>
<b>SCHEDULE D: SECURED LOANS</b>			
(1) Credit Facilities from Banks			
(a) Term Loans		<b>51,566,114</b>	62,060,309
(Repayable within one year Rs.16.57 million, Previous year Rs.12.31million)			
(b) VRS Term Loans		<b>11,553,233</b>	17,307,139
(Repayable within one year Rs.5.63 million, Previous year Rs.5.63 million)			
(c) Working Capital Facilities		<b>156,628,572</b>	135,609,739
(2) Hire Purchase Credits		<b>8,832,768</b>	11,467,149
		<u><b>228,580,687</b></u>	<u>226,444,336</u>
<b>SCHEDULE E : UNSECURED LOANS</b>			
(1) Fixed Deposits		<b>7,878,000</b>	6,918,000
(Repayable within one year Rs.2.75 million, previous year Rs.0.40 million)			
(2) Dealer Deposits		<b>3,504,746</b>	3,409,415
		<u><b>11,382,746</b></u>	<u>10,327,415</u>

# CONSOLIDATED ANNUAL REPORT 2003-2004

## SCHEDULE F: FIXED ASSETS

(Value in Rs.)

Sr. Description No.	GROSS BLOCK (AT COST)			As at 31-03-2004	DEPRECIATION			NET BLOCK		
	As at 01-04-2003	Additions during the year	Sales/ adjustments during the year		Up to 31-03-2003	Deduction for Sale/ Adjustments	For the Year	Up to 31-03-2004	As at 31-03-2004	As at 31-03-2003
1. Land										
a) Freehold	16,454,279	-	-	<b>16,454,279</b>	-	-	-	-	<b>16,454,279</b>	16,454,279
b) Leasehold	5,082,107	-	-	<b>5,082,107</b>	449,169	-	65,672	<b>514,841</b>	<b>4,567,266</b>	4,632,938
2. Buildings	173,463,357	2,582,780	1,546,619	<b>174,499,518</b>	31,205,209	1,044,387	4,216,021	<b>34,376,842</b>	<b>140,122,676</b>	142,258,149
3. Plant & Machinery	301,959,581	12,911,216	494,647	<b>314,376,150</b>	163,166,814	68,724	13,467,410	<b>176,565,500</b>	<b>137,810,651</b>	138,792,767
4. Laboratory and Scientific Research Equipment	65,903,652	2,872,461	-	<b>68,776,113</b>	28,919,456	-	2,911,111	<b>31,830,566</b>	<b>36,945,546</b>	36,984,196
5. Furniture Fittings and Fixture	29,561,439	3,063,865	-	<b>32,625,304</b>	16,033,824	-	1,648,256	<b>17,682,081</b>	<b>14,943,224</b>	13,527,615
6. Office Equipments	13,812,681	1,716,286	-	<b>15,528,967</b>	4,491,331	-	1,145,448	<b>5,636,779</b>	<b>9,892,188</b>	9,321,350
7. Bottles & cases	67,479,299	-	-	<b>67,479,299</b>	38,430,827	-	4,040,643	<b>42,471,470</b>	<b>25,007,829</b>	29,048,472
8. Vehicles	33,105,815	5,209,506	6,155,359	<b>32,159,962</b>	6,404,626	2,290,762	3,044,384	<b>7,158,249</b>	<b>25,001,713</b>	26,701,189
	706,822,210	28,356,114	8,196,625	<b>726,981,700</b>	289,101,257	3,403,873	30,538,945	<b>316,236,328</b>	<b>410,745,372</b>	417,720,953
Previous Year	623,365,657	89,026,836	5,570,283	<b>706,822,210</b>	262,355,533	2,734,858	29,480,582	<b>289,101,257</b>	<b>417,720,953</b>	361,010,125

### Note:

1. Building includes residential premises at Vapi amounting to Rs.521866/- for which conveyance is yet to be executed by the company and includes premises in Co-Operative Societies and the cost of shares allotted by the Societies.
2. Vehicles include Rs.11,638,781 being cost of vehicles not registered in the name of the company.

## CONSOLIDATED ANNUAL REPORT 2003-2004

	<u>As At</u> <u>March 31, 2004</u> <u>Rupees</u>	<u>As At</u> <u>March 31, 2003</u> <u>Rupees</u>
<b>SCHEDULE G: INVESTMENTS, (NON TRADE, LONG TERM)</b>		
(At Cost Less Permanent diminution in value)		
A) In Associates		
a) Carrying cost of investments in associates (see note below)	<b>2,277,394</b>	2,556,373
B) Others		
a) Fully paid Equity share (Quoted)	<b>858,693</b>	6,463,933
b) Fully paid Equity share (Unquoted)	<b>2,603,005</b>	883,925
c) Units in Mutual Funds	<b>2,158,251</b>	6,090,469
d) National Savings Certificates	<b>60,300</b>	60,300
	<b>7,957,643</b>	16,055,000
Less: Permanent diminution in value	-	2,612,940
	<b><u>7,957,643</u></b>	<b><u>13,442,060</u></b>

**Note:**

The Investments in associates are accounted for in accordance with As 23

"Accounting for Investments in Associates in Consolidated Financial Statements" effective from 1st April, 2002. These investments have been recorded at cost, as adjusted for share of profit / (loss) of said associate companies. The break-up of investments is as follows:

Name of Associate	Country of Incorporation	No. of Shares	Ownership interest %	Original Cost of Investment	Amt of Goodwill / (Capital Reserve) in Original Cost	Accumulated Profit / (Loss) as at year end
Growel Goema (I) Ltd.	India	149980	30.00 %	1,499,800	NIL	777,594

# CONSOLIDATED ANNUAL REPORT 2003-2004

	Rupees	As At March 31, 2004 Rupees	As At March 31, 2003 Rupees
<b>SCHEDULE H : CURRENT ASSETS, LOANS AND ADVANCES</b>			
<b>I. CURRENT ASSETS</b>			
(i) Inventories (As taken, valued and certified by the management)			
Stores, Spares and Packing Materials	8,784,914		9,573,634
Raw Materials	78,103,054		79,966,115
Work-in-progress	20,178,795		11,546,781
Finished Goods	29,323,785		35,568,507
Trade Goods	8,856,764		8,856,764
Bottles & Cases	87,055,075		87,055,075
Goods in Transit	<u>8,304,505</u>		<u>5,252,645</u>
		<b>240,606,892</b>	<u>237,819,521</u>
(ii) Sundry Debtors Exceeding six months			
Secured	51,812		
Unsecured - Considered good	85,399,789		85,168,561
- Considered doubtful	<u>6,728,868</u>		<u>5,366,323</u>
	<b>92,180,469</b>		90,534,884
Less: Provision for doubtful Debts	<u>6,728,868</u>		<u>5,366,323</u>
	<u>85,451,601</u>		<u>85,168,561</u>
Other Debts			
Secured	1,926,950		636,194
Unsecured - Considered good	<u>130,999,063</u>		<u>131,384,103</u>
	<u>132,926,013</u>		<u>132,020,297</u>
		<b>218,377,614</b>	217,188,858
(iii) Cash and Bank balances			
Cash on hand	1,809,890		1,671,903
With Scheduled Banks:			
In Current Accounts	9,603,667		6,306,041
In Fixed Deposits	312,025		362,025
(includes Rs.220000/- on account of unclaimed Dividends, Previous year Rs.270000)			
In Margin accounts	<u>—</u>		<u>55,600</u>
		<b>11,725,582</b>	8,395,568
(iv) Other Current Assets		<b>123,049</b>	118,970
<b>II. LOANS AND ADVANCES</b>			
(Unsecured considered good, unless otherwise stated)			
Loans to Staff	1,425,876		1,563,112
Inter Corporate Loans	114,397,365		89,249,502
Advances recoverable in cash or in kind or for value to be received (including Rs.340017 considered doubtful and provided for)	<u>10,341,198</u>		<u>10,905,107</u>
Advances for Capital Expenditure	442,533		3,951,313
Advances to Suppliers	16,202,717		11,534,814
Deposits	6,296,881		6,514,321
Prepaid expenses	2,186,934		1,516,639
Income Tax	9,447,399		5,537,352
Share Application money Pending allotment	<u>—</u>		<u>2,325,000</u>
Balances with Excise Department	<u>3,755,026</u>		<u>4,270,421</u>
		<b>164,495,929</b>	137,367,581
		<u><b>635,329,066</b></u>	<u>1,520,118,415</u>

## CONSOLIDATED ANNUAL REPORT 2003-2004

	Rupees	As At March 31, 2004 Rupees	As At March 31, 2003 Rupees
<b>SCHEDULE I: CURRENT LIABILITIES &amp; PROVISIONS</b>			
<b>(a) CURRENT LIABILITIES</b>			
Acceptances	61,140		67,802
Sundry Creditors	80,222,231		49,870,053
Deposits from Dealers	567,500		567,500
Deposits for bottles & cases	55,660,974		55,660,974
Advance from customers	30,218,736		16,878,383
Investor Education and Protection Fund*	671,151		475,046
Interest accrued but not due	839,660		411,492
Other Liabilities	33,369,855		36,539,931
From Hindustan Coca-Cola Beverages Pvt. Ltd.	<u>243,661,526</u>		<u>243,661,526</u>
		<b>445,272,773</b>	404,132,709
<b>(b) PROVISIONS</b>			
Provision for Income Tax	10,000,000		6,800,000
Proposed Dividend	6,138,108		5,456,096
Tax on Proposed Dividend	786,445		699,062
Provision for Leave encashment	2,132,644		1,954,120
Provision for Gratuity	<u>12,033,888</u>		<u>10,730,479</u>
		<b>31,091,085</b>	25,639,757
		<b>476,363,858</b>	<u>429,772,466</u>

\* The figures reflect the position as at 31st March, 2004. The Actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates.

### SCHEDULE J: MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Technical Know-how Fees	282,386	564,773
Compensation under VRS	5,484,937	10,969,870
ERP Project Implementation expenses	4,089,861	5,453,148
Preliminary Expenses	78,039	92,689
Pre-operative Expenses	<u>981,622</u>	<u>960,404</u>
		<b>10,916,845</b>
		<u>18,040,884</u>

## CONSOLIDATED ANNUAL REPORT 2003-2004

	Rupees	2003-04 Rupees	2002-03 Rupees
<b>SCHEDULE K: SALES</b>			
Gross Sales	<b>982,303,697</b>		932,159,439
Inter Division Transfers as per contra	<b>68,871,950</b>		72,894,816
		<b>1,051,175,647</b>	1,005,054,255
Less: Excise Duty	<b>114,439,513</b>		108,817,758
Less: Trade Discount & Commission	<b>117,580,017</b>		123,871,662
		<b>232,019,530</b>	
		<b>819,156,117</b>	772,364,835
<b>SCHEDULE L: OTHER INCOME</b>			
Plating and Service charges (Gross)*		<b>3,576,232</b>	5,419,707
License Fees		<b>520,000</b>	1,150,000
Miscellaneous Receipts (Gross)*		<b>5,247,423</b>	3,391,098
Interest Received (Gross)*		<b>6,809,525</b>	10,193,346
Profit on sale of Assets (Net)		-	-
Profit on Investments		<b>1,712,554</b>	8,286
Amenity charges		<b>1,679,523</b>	160,000
Exchange Fluctuation		<b>577,426</b>	-
Dividend on Investments (Gross)*		<b>8,550</b>	33,707
Sundry Creditors written Back		<b>313,555</b>	456,438
		<b>20,444,788</b>	20,812,582
		<b>774,978</b>	621,242
* Tax Deducted at Source			

## CONSOLIDATED ANNUAL REPORT 2003-2004

	Rupees	2003-04 Rupees	2002-03 Rupees
<b>SCHEDULE M: MATERIALS</b>			
<b>RAW MATERIALS CONSUMED</b>			
Opening Stock	81,829,161		77,621,632
Add: Purchases	<u>414,063,605</u>		<u>393,132,519</u>
	495,892,766		470,754,151
Less: Transferred to consumables			2,860,996
Less: Closing Stock	<u>79,866,832</u>		<u>81,829,161</u>
		<b>416,025,934</b>	386,063,994
Inter Division Transfers as per contra (Net of Cenvat Credits availed Rs.9,492,505. Previous year Rs.10,167,872)		<u>59,379,445</u>	<u>62,726,944</u>
		<b>475,405,379</b>	448,790,938
Purchase for Resale		<b>4,305,433</b>	2,366,051
<b>LESS / (ADD): INCREASE / (DECREASE) IN STOCKS</b>			
Opening Stock			
Work-in-Progress	11,546,781		8,214,818
Finished Goods	<u>35,568,507</u>		<u>32,791,128</u>
	47,115,288		41,005,946
Closing Stock			
Work-in-Progress	20,178,795		11,546,781
Finished Goods	<u>29,323,785</u>		<u>35,568,507</u>
	49,502,580		47,115,288
		<b>2,387,292</b>	6,109,342
Variation in Excise Duty on Opening & Closing Stock of finished goods		<b>(1,440,317)</b>	(1,140,425)
		<u>475,883,203</u>	<u>443,907,222</u>
<b>SCHEDULE N: SALARIES, WAGES AND OTHER BENEFITS</b>			
Salaries, Wages, Bonus etc.		<b>71,078,166</b>	58,811,077
Contribution to Provident and Other Funds		<b>5,542,541</b>	6,204,227
Welfare Expenses		<b>11,468,835</b>	10,065,879
Compensation paid under Voluntary Retirement Scheme written off		<b>5,484,934</b>	5,484,934
		<u>93,574,476</u>	<u>80,566,117</u>

## CONSOLIDATED ANNUAL REPORT 2003-2004

	Rupees	2003-04 Rupees	2002-03 Rupees
<b>SCHEDULE O: OTHER EXPENSES</b>			
Stores, Spares and Loose Tools Consumed		8,887,655	7,192,871
Packing Expenses		23,098,908	25,573,542
Job Charges / Labour Charges		13,860,193	9,193,234
Power and Fuel		13,631,847	13,000,173
Drawings, Designs and Layout Expenses		259,700	79,600
Rent		5,188,304	3,373,647
Rates and Taxes		2,878,170	2,267,551
Repairs:			
Buildings	2,397,157		1,378,071
Plant & Machinery	3,473,232		3,562,883
Others	5,301,287		5,312,675
		<b>11,171,676</b>	<b>10,253,628</b>
Insurance		2,627,129	2,624,241
Freight and Forwarding		12,670,318	9,783,946
Research and Development		3,331,283	4,248,987
Printing and Stationery		4,128,449	4,799,247
Postage and Telephones		8,750,311	7,360,989
Vehicle Expenses		5,161,811	4,057,542
Travelling Expenses		11,017,835	10,513,716
Conveyance Expenses		4,734,553	4,464,918
Legal and Professional Fees		8,628,474	7,054,969
Sales Tax		14,319,095	20,780,044
Excise Duty		132,699	92,149
Advertisement & Sales Promotion		6,064,639	7,164,865
Auditors' Remuneration:			
Audit Fees	151,200		148,000
Tax Audit / Taxation matters	32,400		117,900
Other matters	112,800		54,550
Reimbursement of Expenses	17,531		3,254
		<b>313,931</b>	<b>323,704</b>
Directors' Fees		8,500	6,000
Royalty		767,018	509,669
Technical know-how fees written off		282,387	452,987
ERP Expenses written off		1,363,287	1,363,287
Bad Debts written off		-	42,332
Preliminary Expenses Written off		14,650	14,650
Provision for Doubtful Debts		1,362,545	2,140,623
Wealth Tax		84,703	88,579
Loss on Sale of Assets (Net)		1,538,546	33,139
Diminution in Value of Investments		-	978,119
Donations		14,569	42,503
Exchange Fluctuations		-	1,206,312
Miscellaneous Expenses		21,482,029	20,706,354
		<b>187,775,214</b>	<b>181,788,118</b>
<b>SCHEDULE P: INTEREST</b>			
Fixed Loans		5,435,695	7,403,431
Others		12,970,899	17,576,168
		<b>18,406,594</b>	<b>24,979,599</b>

# CONSOLIDATED ANNUAL REPORT 2003-2004

Schedule 'Q', Basis of Consolidation, Significant Accounting Policies and Notes on account forming part of the consolidated balance sheet and profit and loss account.

## 1. Basis of Consolidation:

The Consolidated financial statements relate to Grauer & Weil (India) Ltd., ('the Company'), its subsidiary companies and associates. The Company and its subsidiaries constitute the Group.

### a. Basis of Accounting:

- i. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2004.
- ii. The financial statements of the Group has been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India, and generally accepted accounting principles.

### b. Principles of consolidation:

The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses are fully eliminated.
- ii. The Accounting Standards (AS 23), 'Accounting for investments in Associates' in the Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India, has become effective for accounting periods commencing on or after April 1, 2002.

Accordingly, the Consolidated Financial Statements includes the share of profit / loss of the associate companies which has been accounted as per the 'Equity Method', as per which the share of profit / loss of each of the associate companies has been added to / deducted from the cost of investments.

An Associate is an enterprise in which the investor has significant influence and which is neither a Subsidiary nor a Joint Venture of the investor.

- iii. The excess of cost to the Company of its investments in the subsidiary companies over its share of the equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognised as 'goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment, is in excess of cost of investment of the Company, it is recognised as 'capital reserve' and shown under the head 'Reserves and Surplus' in the consolidated financial statements.
- iv. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

### c. Information on subsidiary companies.

The following subsidiary companies are considered in the consolidated financial statements :

	% voting power held as at March 31, 2004
i. Poona Bottling Company Pvt. Limited	77.22
ii. Growel Energy Company Limited	98.80

### d. The following Associate Company is considered in the consolidated financial statements :

	% voting power held as at March 31, 2004
i. Growel Goema (India) Limited	30%

## CONSOLIDATED ANNUAL REPORT 2003-2004

### 2. Significant Accounting Policies

a. The accounts have been prepared on the accrual basis of accounting, under the historical cost convention in accordance with the Companies Act, 1956 and the applicable Accounting Standards issued by the Institute of Chartered Accountants of India.

#### b. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect, the reported amount of assets and liabilities on the date of the financial statement and a reported amount of revenues and expenses during the reporting period. Difference between the actual expenses and estimates are recognised in the period in which the results are known / materialised.

#### c. Revenue Recognition:

Revenue from the sale of goods are recognised upon passage of title to the customer which generally coincides with their delivery. Claims, if any, in respect of sales are accounted for as and when settled.

Inter Division Transfers for captive consumption are accounted for at transfer price and are shown as such in the Profit and Loss Account and debited to the respective accounts. Equipment manufactured by the Engineering Division for use by other divisions are included in the Sales at transfer price and are capitalised by other division. Intra division transfer for captive consumption (Research & Development) are accounted for at transfer price, as sales, and debited to Research & Development expenditure.

Benefit on account of entitlement to import duty free materials under the "Duty Entitlement Exemption Certificate" (DEEC) is accounted in the year of import.

#### d. Fixed Assets and Depreciation:

- i. Fixed Assets are stated at cost of acquisition including expenditure incurred during construction/erection period less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributed cost of bringing the asset to working condition for its intended use.
- ii. Expenditure incurred during the developmental and preliminary stages of Company's new projects are carried forward under the head capital work in Progress.
- iii. Depreciation is provided in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956 :
  - On Written Down Value basis in respect of all assets acquired before 01/04/91 at Kandivli Unit.
  - On straight line basis in respect of all other assets.
  - On Written Down Value Basis in Poona Bottling Co. Ltd.
- iv. Premium on leasehold land is not amortised since it is paid for a perpetual lease.
- v. Bottles and cases are valued at the deposit rate prevailing as on 31<sup>st</sup> March, 1999.

#### e. Investments:

- i. Long Term Investments other than in associate companies are stated at cost less permanent diminution in value, if any.
- ii. Investment in associate companies are accounted as per "Equity Method" as per which the share of profits/ loss of each of the associate companies has been added to / deducted from the cost of investments.

## CONSOLIDATED ANNUAL REPORT 2003-2004

### f. Inventories:

- i. Inventories are valued as follows :  
Stores, Spares, Raw Materials and Packing Materials – at cost. Finished Goods and Work – In – Progress – at lower of cost and net realisable value.
- ii. Cost of Raw Materials, Stores, Spares and Packing Materials is determined on FIFO Basis. Cost of Finished Goods and Work – In – Progress is determined by considering materials, labour and other related direct expenses.

### g. Research and Development:

Research and Development expenditure of revenue nature is written off in the year in which it is incurred and expenditure of capital nature is included in fixed assets and depreciation is provided on such assets as applicable.

### h. Retirement Benefits:

Retirement benefits as per service rules of the Company i.e. Gratuity, contributions to Provident Fund , Leave Encashment and Superannuation Fund are accounted on accrual basis and are charged to the Profit and Loss Account.

### i. Foreign Currency Transactions:

Transactions arising in foreign currencies during the year are recorded at the exchange rates prevailing on the date of the transactions. Foreign Currency Assets and Liabilities are converted into Rupee equivalent at the exchange rates prevailing at the date of the Balance Sheet. Where the Company has entered into forward exchange contracts, the liabilities / assets are recorded at the contracted rate and the difference between the contracted rate and the rate at the date of the transaction is recognised over the life of the contract. Gain or loss on the restatement of the foreign currency transactions is reflected in the Profit and Loss Account, except gain or loss on transactions relating to acquisition of Fixed Assets which is adjusted to the carrying amount of Fixed Assets.

### j. Customs Duty And Excise Duty:

Customs Duty and Excise Duty have been accounted on the basis of both payments made in respect of goods cleared as well as on provision made for goods lying in bonded warehouse.

### k. Borrowing Costs :

Borrowing Costs that are attributable to the acquisition of or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying assets is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

### l. Income Taxes :

Provision is made for Income Tax liability estimated to arise on the results for the year at the current rate of tax in accordance with the Income Tax Act, 1961.

Deferred Income Tax is provided, using the liability method, on all temporary differences at the Balance Sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred Tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable profits will be available against which such deferred tax assets can be realised.

Deferred Tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or subsequently enacted at the balance sheet date.

### m. Segment Reporting :

The Group's reportable operating segments interalia consists of Chemical, Engineering and Bottling Operations.

- i. Identification of Segments :  
The Company's operating business are organised and managed separately according to the nature of the products and services provided, with each segment representing strategic business unit that offers different products and serves different markets.
- ii. Segment Revenue & Results:  
The Income and Expenses which are not directly attributable to business segment are shown as unallocated income and expenses .

## CONSOLIDATED ANNUAL REPORT 2003-2004

### iii. Segment Assets & Liabilities:

Segment Assets include all operating assets used by the business segment and consists principally all Fixed Assets, Debtors, Inventories and Advances. Segment Liabilities primarily include Creditors, Other Liabilities / Provisions. Common assets and liabilities that cannot be allocated to any segment are shown as a part of unallocated corporate assets and liabilities.

### n. Leases :

Operating Lease payments are recognised on a straight line basis over the lease term.

### o. Miscellaneous Expenditure :

The deferred revenue expenditure disclosed under miscellaneous expenditure are amortised as follows:

- i. Technical know-how fees over a period of 5 years.
- ii. Compensation paid under Voluntary Retirement Scheme over a period of 5 years.
- iii. ERP Project implementation expenses over a period of 5 years.
- iv. Preliminary expenses are over a period of 10 years.

### p. Contingent Liabilities:

Contingent Liabilities are not provided for and are disclosed by way of notes.

3. Contingent Liability not provided for	2003-2004 (Rs.in '000)	2002-2003 (Rs.in'000)
a) Unredeemed Bank Guarantees	11,020	15,786
b) Disputed excise duty demands	71,026	73,479
c) Disputed Sales Tax demands	1,860	1,860
d) Labour demands pending before appropriate authority		Amount not ascertainable
e) Claims against the Company not acknowledged as debts.	2,43,662	2,43,662
4. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	33,617	2,145
5. Remuneration to Managing Director / Directors		
i. Salary and Allowances	2,604	2,220
ii. Contribution to Provident Fund and other funds	162	223
iii. Perquisites	613	912
iv. Directors Sitting Fees	9	6
	<b>*3,388</b>	<b>*3,361</b>
	=====	=====

\*Excluding Contribution / Provision for Gratuity and Leave Encashment.

6. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of the business.
7. The Company has taken various premises under operating leases. These are generally not non-cancelable and range between 11 months to 3 years and above and are renewable by mutual consent on mutually agreeable terms. Lease payments are recognised in the Profit and Loss Account under the head "Rent".
8. The Company has no information as to whether any of its suppliers constitute small scale industrial undertakings and therefore, the amount due to such suppliers has not been identified.

## CONSOLIDATED ANNUAL REPORT 2003-2004

9. The Company has not given effect to the groups share of profit / loss of the associate for the current year, as the audited financial statements for the year ended 31<sup>st</sup> March, 2004 of Growel Goema (India) Ltd. associate of the Company are not available as required by Accounting Standard on accounting for investments in Associates (AS23).
10. The operations of a subsidiary Company, viz., Poona Bottling Co. Pvt. Ltd. have been stopped with effect from 2/8/2001 with a view to prevent further losses. The accounts of the Company for the year ended 31<sup>st</sup> March, 2004 have been prepared on "Going Concern" basis, as the Company is continuing to carry on its other activities.
11. No provision is made in accounts in respect of debtors - Rs.598.11 Lacs and advances Rs.39.35 Lacs, outstanding for a considerable period of time without any transaction, as the management is hopeful of full recovery.
12. Prior Period Adjustments;

	<u>DEBIT</u>	<u>CREDIT</u>
	Rs.	Rs.
Excise Duty		500
Property Tax	6,084	
Sales Tax		382,277
Prof. Fees	71,500	
Courier charges	1,507	
Repairs	10,468	
Travelling	5,169	
Others		3,691
<b>NET CREDIT</b>		<b>(291,740)</b>
		=====

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### 13. SEGMENT REPORTING

The following tables present revenue and profit/(loss) information regarding business / geographical segments for the year ended 31st March, 2004 and certain assets and liabilities information regarding business and geographical segments as 31st March, 2004.

(a) Primary Segment Reporting by business segment

(Rs. In '000)

	Chemical	Engineering	Bottling Operations	Total
<b>Segment revenue</b>	<b>731615</b>	<b>87315</b>		<b>818930</b>
	(693111)	(76860)		(769971)
Add: Inter segment Revenue		<b>226</b>		<b>226</b>
		(2394)		(2394)
<b>Total</b>	<b>731615</b>	<b>87541</b>		<b>819156</b>
	(693111)	(79254)		(772365)
<b>Segment Results</b>	<b>105193</b>	<b>-16342</b>	<b>-10901</b>	<b>77950</b>
	(92802)	(-3040)	(-13856)	(75906)
Less: Interest				<b>18407</b>
				(24980)
Less: Other Unallocable Expenditure net of unallocable Income				<b>26120</b>
				(18470)
<b>Profit Before Tax</b>				<b>33423</b>
				(32456)
Less: Provision for tax and Deferred tax				<b>-2633</b>
				(-839)
<b>Profit After Tax</b>				<b>36056</b>
				(33295)
Segment Assets	<b>575319</b>	<b>88249</b>	<b>317525</b>	<b>981093</b>
	(578102)	(69457)	(329234)	(976793)
Unallocated corporate Assets				<b>142518</b>
				(73686)
<b>Total Assets</b>				<b>1123611</b>
				(1050479)
Segment Liabilities	<b>96643</b>	<b>51631</b>	<b>307679</b>	<b>455953</b>
	(76450)	(28814)	(308778)	(414042)
Unallocated corporate Liabilities				<b>310800</b>
				(310225)
<b>Total Liabilities</b>				<b>766753</b>
				(724267)
Capital Expenditure	<b>24280</b>	<b>1556</b>		
	(77202)	(233)		
Depreciation	<b>18529</b>	<b>593</b>	<b>8479</b>	
	(16556)	(632)	(9836)	
Non Cash Expenditure	<b>3965</b>	<b>4528</b>	<b>15</b>	
	(4479)	(5011)	(2930)	

(b) Secondary segment reporting by geographical segment

	Domestic	Exports	Total
Revenue	<b>714438</b>	<b>104718</b>	<b>819156</b>
	(669784)	(102581)	(772365)
Total assets	<b>1102650</b>	<b>20961</b>	<b>1123611</b>
	(1025934)	(24545)	(1050479)

Note: Previous year's figures are in brackets

## CONSOLIDATED ANNUAL REPORT 2003-2004

### 14. Related party disclosures

(i). List of Related Parties

#### Associates

Growel Goema (I) Ltd.

#### Key Management Personnel and the enterprises of Key Management Personnel and their relatives with whom the company had transactions

Mr. Umeshkumar N. More	Chairman & Managing Director
Mr. Vinod Haritwal	CEO & Executive Director
Mr. Rameshkumar R. More	Director
Mr. Nirajkumar U. More	Director
Mr. Rohitkumar R. More	Director
Mr. Rajender Guleria	Director
Mr. Gorav More	Director

Bombay Paints Limited

Growel Investment Limited

Growel Softech Limited

Digikore Designs Limited

Digikore Studios Limited

Shree MPJ Builders Pvt. Ltd.

MPJ Cement Works Pvt. Ltd.

Ridhi Sidhi Limited

Bubna More & Co. Pvt. Ltd.

Radhakishan Nandlal Pvt. Ltd.

Waluj Beverages Pvt. Ltd.

Gorav Investment Pvt. Ltd.

#### Relatives of Key Management Personnel

Mrs. Premlata U. More

Mrs. Pallavi N. More

Mrs. Draupadidevi N. More

Mrs. Umadevi R. More

Mrs. Jhumka R. More

Mr. Abhishek R. More

Mrs. Kirty R. Guleria

# CONSOLIDATED ANNUAL REPORT 2003-2004

## II] TRANSACTIONS WITH RELATED PARTIES

(Rs. In '000)

Transactions	Key Management Personnel	Associate Companies	Relatives of KMP	Total 2003-04	Total 2002-03
Sales		13029		<b>13029</b>	1789
Purchases		4363		<b>4363</b>	2619
Interest Received		3016		<b>3016</b>	7290
Interest Paid	432			<b>432</b>	
Rent Recieved		291	1	<b>292</b>	266
Rent Paid		96	384	<b>480</b>	816
Purchase of Assets		4757		<b>4757</b>	
Investment in shares					2325
Construction		38365		<b>38365</b>	
Services		4524		<b>4524</b>	2546
Salaries			458	<b>458</b>	90
Director's Fees	9			<b>9</b>	6
Managerial Remuneration	3379			<b>3379</b>	3355
Loans advanced		62451		<b>62451</b>	52198
Repayment of loans advanced		39988		<b>39988</b>	39794
<b>Outstanding Balances as on 31st March 2004</b>					
- Loans & Advances		114574		<b>114574</b>	109233
- Debtors		38584		<b>38584</b>	35703
- Current Liabilities		13091		<b>13091</b>	579

No amount has been provided as doubtful debts or advances written off or written back in the year in respect of debts due from / to above related parties.

### 15. EARNING PER SHARE

Calculation of Earnings per share for the year ended 31.03.2004

		31.03.2004	31.03.2003
Profit / (Loss) after minority interest	Rs.	<b>33,843,205</b>	(14,246,006)
Add: Brought Forward Loss	Rs.	<b><u>4,027,228</u></b>	<u>50,837,287</u>
Profit for the year	Rs.	<b>37,870,433</b>	36,591,381
Weighted average number of equity shares (Face Value Rs.10 per share)	Nos.	<b>10,230,180</b>	10,230,180
Basic Earnings per share		<b>3.70</b>	3.58

Note: The Bonus share issue, being an issue during the year without consideration, the number of equity shares are adjusted for both reporting periods.

## CONSOLIDATED ANNUAL REPORT 2003-2004

### 16. DEFERRED TAX

The break up of Net Deferred Tax Liability as on 31.3.2004 is as under:

Rs. in '000

	As at March 31, 2004		As at March 31, 2003	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Difference between Book Value of Depreciable Assets as per books and WDV for Tax purpose		<b>66092</b>		67904
Provision for Doubtful Debts, Leave Encashment, Gratuity & Diminution in value of Investments	<b>7600</b>		6377	
Expenditure disallowable under Section 43B		<b>155</b>	587	
Other Items giving rise to timing differences	<b>41066</b>	<b>31273</b>	37610	31357
Total	<b>48666</b>	<b>97520</b>	44574	99261
Net deferred Tax Liability		<b>48854</b>		54687
Net amount (credited) / charged to Profit & Loss Account		<b>(5,833)</b>		(4,839)

20. Previous years figures have been regrouped and / or rearranged wherever considered necessary to make them comparable with those of current year.

#### Signatures to schedule 'A' to 'Q'

As per our Report of even date  
for M. M. NISSIM & CO.  
Chartered Accountants

VINOD HARITWAL  
NIRAJKUMAR U. MORE  
RAMESHKUMAR R. MORE

- CEO & Executive Director  
- Director  
- Director

P. P. BHANDARI  
Partner  
MEM No.: 32218

SUHAS KULKARNI

- Sr. GM & Company Secretary

Mumbai, 30th June, 2004

Mumbai, 30th June, 2004

**CONSOLIDATED ANNUAL REPORT 2003-2004**

**GRAUER & WEIL (INDIA) LIMITED**

**ANNUAL REPORT 2003-2004**

**ATTENDANCE SLIP**

**Regd. Office:** 'Growel House', Akurli Road, Kandivli (East), Mumbai - 400 101.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint Shareholders may obtain additional Attendance Slips on request.

NAME & ADDRESS OF THE SHAREHOLDER:

DPID No. / L.F.NO.	
--------------------	--

No. of Shares held:

I hereby record my presence at the 46th Annual General Meeting of the Company to be held on Saturday, July 31, 2004 at 11 a. m. at the registered office of the Company at 'GROWEL HOUSE', AKURLI ROAD, KANDIVLI [EAST], MUMBAI - 400 101.

SIGNATURE OF THE SHAREHOLDERS OR PROXY
--

**GRAUER & WEIL (INDIA) LIMITED**

**ANNUAL REPORT 2003-2004**

**PROXY**

**Regd. Office:** 'Growel House', Akurli Road, Kandivli (East), Mumbai - 400 101.

L. F. No. / DPID No.

I / we \_\_\_\_\_

of \_\_\_\_\_ being a member / members of GRAUER & WEIL (INDIA) LIMITED

hereby appoint \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to vote for me/us and on my/our behalf at the 46th Annual General Meeting of the Company to be held on Saturday, July 31, 2004 at 11 a. m. at the registered office of the Company at 'GROWEL HOUSE', AKURLI ROAD, KANDIVLI [EAST], MUMBAI - 400 101.

As witness my/our hand(s) this \_\_\_\_\_ day of July, 2004.

signed by the said \_\_\_\_\_



Note: The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

