

GRAUER & WEIL (INDIA) LIMITED

BOARD OF DIRECTORS

Umeshkumar N. More	Chairman & Managing Director
Rameshkumar R. More	Director
Nirajkumar U. More	Director
Madan Mohan Chaturvedi	Director
Rohan Shah	Director
Vinod Haritwal	CEO & Executive 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
M. T. Rara
Tanaz Basrur
M. A. Srisailam
Rattan Sharma
D. K. Bhardwaj

SR. GM & COMPANY SECRETARY

M. B. Nihalani

AUDITORS

M. M. Nissim And 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

- 215/1, Plot No. 10, Dadra Industrial Estate, Dadra-396191 (Dadra & Nagar Haveli-U.T.)
- 407, GIDC Industrial Estate, Vapi – 396 195. (Gujarat).
- Plot No. 31 & 32, Industrial Estate, Barotiwala – 174 103, (Himachal Pradesh).
- Survey No. 66, Village-Dhanore, Taluka-Khed, District-Pune, (Maharashtra).

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the 47th Annual General Meeting of the members of GRAUER & WEIL [INDIA] LIMITED will be held on Saturday, August 6, 2005 at 2 p. m. at the 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, 2005 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, 2005.
3. To appoint a Director in place of Mr. Vinod Haritwal, who retires from office by rotation, and being eligible offers himself for re-appointment.
4. 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.
5. To appoint a Director in place of Mr. Rohan Shah, who retires from office by rotation, and being eligible offers himself for re-appointment.
6. 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:

7. 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 it 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 re-appointment of Mr. UMESHKUMAR N. MORE as Managing Director of the Company for a period of Five Years from January 1, 2006 on the terms and conditions including the remuneration payable to him as the Managing Director and the minimum remuneration payable to him in the event of absence or inadequacy of profits in any year, as follows:

A. Salary: Upto Rs. 1,00,000/- per month as may be decided by the Board from time to time.

B. Perquisites:

In addition to the salary, Mr. Umeshkumar N. More shall be entitled to the perquisites and allowances like medical reimbursement and leave travel concession for self and his family including dependents, club fees, premium for medical and personal accident insurance and all other payments in the nature of perquisites and allowances as agreed by the Board of Directors shall be subject to such limits for these remuneration and perquisites as is laid down by the Government in Schedule XIII and/or changes / variations / substitutions made / that may be made therein from time to time.

FURTHER RESOLVED THAT the Board be and is hereby 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.

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

PROVIDED THAT the remuneration as above shall not in any financial year exceed 5% of the Net Profits (where the Company has only one such managerial personnel) OR 10% of the Net Profits if the Company has more than one managerial person for all of them put together.

GRAUER & WEIL (INDIA) LIMITED

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 or 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 Para 3 of Section II to Schedule XIII of the Companies Act 1956 as in force for the time being or as amended in the future.

8. AS A SPECIAL RESOLUTION:

"RESOLVED THAT upon the recommendation made by the Board of Directors of the Company and pursuant to the provisions of Articles of Association of the Company and subject to other provisions of the Companies Act, 1956 and subject to all other approvals as may be necessary from any authority, a sum of Rs. 2,55,75,450 [Rupees Two Crores Fifty Five Lakhs Seventy Five Thousand Four Hundred and Fifty Only] out of credit balance standing in the General Reserve Account of the Company be capitalised and set free for distribution amongst the shareholders registered, on Register of Members of the Company as members as on record date as may be fixed by the Board in consultation with the Stock Exchange and be applied in paying up 25,57,545 [Twenty Five Lakhs Fifty Seven Thousand Five Hundred and Forty Five] fully paid BONUS EQUITY SHARES of Rs.10 [Rupees Ten only] each amongst such Shareholders in the ratio of 1 [One] new Equity Share for every 4 [Four] existing issued Equity shares.

RESOLVED FURTHER THAT the said 25,57,545 [Twenty Five Lakhs Fifty Seven Thousand Five Hundred and Forty Five] new Equity Shares be issued and allotted as fully paid up Bonus Equity Shares and shall rank pari passu from the date of allotment with the existing Equity Shares and shall be subject to the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board of Directors be and is hereby authorised to take all steps and give directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise herein as they may in their absolute discretion deem fit."

9. AS A SPECIAL RESOLUTION:

RESOLVED THAT the Company do hereby accord its consent under the provisions of Section 314 of the Companies Act, 1956 and other applicable provisions of Law to the appointment of Mr. Abhishek R. More relative of a Director of the Company in the Management Cadre of the Company at a Salary in the scale of Rs. 25,000/- to Rs. 50,000/- together with usual allowances, benefits and perquisites as applicable to other employees of the Company.

10. AS A SPECIAL RESOLUTION:

RESOLVED THAT the Company do hereby accord its consent under the provisions of Section 314 of the Companies Act, 1956 and other applicable provisions of Law to the appointment of Mrs. Pallavi N. More relative of a Director of the Company in the Management Cadre of the Company at a Salary in the scale of Rs. 15,000/- to Rs. 50,000/- together with usual allowances, benefits and perquisites as applicable to other employees of the Company.

Registered Office:
'Growel House',
Akurli Road, Kandivli [East],
Mumbai - 400 101.
June 30, 2005

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

Umeshkumar N. More
Chairman & Managing 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 August 2, 2005 to Saturday August 6, 2005** (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 August 8, 2005:
 - 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 August 1, 2005. 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 August 1, 2005.
4. Pursuant to the provisions of Section 205A of the Companies Act, 1956, unclaimed Dividend up to the year ended March 31, 1997 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, 2nd 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, 1998 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

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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. 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.
14. An explanatory statement as required u/s.173 of the Companies Act, 1956 is enclosed herewith in respect of Special Business.

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 5):

A. Name : **MR. VINOD HARITWAL**
Age : 46 Years [Date of birth: 05/10/1958].
Qualifications : B.Com., ACA, ACS,LLB.

Mr. Vinod Haritwal is associated with the Company since May 18, 1998.

OTHER DIRECTORSHIPS:

1. Bombay Paints Ltd.
2. Growel Softech Ltd.
3. Digikore Studios Ltd.
4. Digikore Design Ltd.
5. Growel Energy Company Ltd.
6. Nikmo Finance Pvt. Ltd.
7. Growel Entertainment Pvt. Ltd.
8. Aayurved Biotech Pvt. Ltd.
9. Team Personnel Solution Pvt. Ltd.
10. Growel Investment Ltd.
11. Ridhi Sidhi Ltd.

COMMITTEE MEMBERSHIPS:

Share Holders Grievances Committee : Grauer & Weil [India] Limited.
Shareholding in the Company : 250 Equity Shares

B. Name : **MR. RAMESHKUMAR R. MORE**
Age : 55 Years [Date of birth: 30/06/1950].
Qualifications : B.Com.

Mr. Rameshkumar R. More is associated with the Company since March 24, 1982.

OTHER DIRECTORSHIPS:

1. Poona Bottling Company Pvt. Ltd.
2. Waluj Beverages Pvt. Ltd.
3. Indoswe Engineering Ltd.
4. Avanti Cables Pvt. Ltd.
5. Digikore Designs Ltd.
6. Growel Softech Ltd.

COMMITTEE MEMBERSHIPS:

Audit Committee : Grauer & Weil [India] Limited.
Share Holders Grievances Committee : Grauer & Weil [India] Limited.
Shareholding in the Company : 1728 Equity Shares

C. Name : **MR. ROHAN SHAH**
Age : 42.5 Years [Date of birth: 12/01/1963].
Qualifications : B.Com., LLB.
Expertise : Advocate.

Mr. Rohan Shah is associated with the Company since March 30, 2004.

OTHER DIRECTORSHIPS: NIL

COMMITTEE MEMBERSHIPS: NIL

Registered Office:
'Growel House',
Akurli Road, Kandivli [East],
Mumbai - 400 101.
June 30, 2005

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

Umeshkumar N. More
Chairman & Managing Director

EXPLANATORY STATEMENT U/S. 173 OF THE COMPANIES ACT, 1956:

ITEM NO. 7:

It is proposed to re-appoint Mr. Umeshkumar N. More as Managing Director of the Company for a further period of 5 [Five] years from January 1, 2006 as his present term is expiring on December 31, 2005.

The terms and conditions including the remuneration payable to Mr. Umeshkumar N. More as Managing Director of the Company are set out in the Resolution.

In the interest of the Company, the Board recommends the Resolution as set out at item No. 7 of the Notice for the approval of the members.

This may be treated as an abstract of the terms of the appointment pursuant to section 302 of the Companies Act, 1956.

Mr. Umeshkumar N. More may be deemed to be concerned or interested in this resolution as it relates to his own appointment. Mr. Nirajkumar U. More being related to Mr. Umeshkumar N. More may be deemed to be concerned or interested in the resolution. None of the other Directors of the Company are concerned or interested in the resolution.

ITEM NO. 8:

In view of the satisfactory reserves built up by the Company and considering its future business plan, the Board of Directors of the Company at their meeting held on June 30, 2005 has recommended capitalisation of an amount of Rs. 2,55,75,450 [Rupees Two Crores Fifty Five Lakhs Seventy Five Thousand Four Hundred and Fifty Only] out of credit balance standing in the General Reserve Account of the Company by issuing 25,57,545 [Twenty Five Lakhs Fifty Seven Thousand Five Hundred and Forty Five] Bonus Equity Shares in the ratio of 1 [One] Equity Share for every 4 [Four] existing Equity Shares held in the Company on Record Date. The Bonus Issue as proposed meets the guidelines issued by the Department of Company Affairs and SEBI.

The said 25,57,545 new Equity Shares shall be allotted as fully paid up Bonus Equity Shares and shall rank Pari Passu from the date of allotment with the existing Equity Shares and shall be subject to the Memorandum and Articles of Association of the Company. The Board recommends the resolution.

The Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of their shareholdings in the Company.

ITEM NO. 9:

Mr. Abhishek R. More was appointed as a General Manager of the Company on August 1, 2003.

Mr. Abhishek R. More is based at Pune and look after systems of the Company operations at Pune.

Mr. Abhishek R. More is a PGDBEM from EDI and considering his management experience of over 10 years, the Board has decided to appoint him as General Manager [Systems] of the Company for a remuneration as mentioned in the resolution.

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

Mr. Ramesh Kumar R. More and Mr. Rohit Kumar R. More, Directors may be deemed to be concerned or interested in this resolution being related to Mr. Abhishek R. More. None of the other Directors of the Company are concerned or interested in the resolution.

GRAUER & WEIL (INDIA) LIMITED

ITEM NO. 10:

Mrs. Pallavi N. More was appointed as a General Manager [Corporate Communications] of the Company on October 1, 2002. Subsequently she was promoted to Vice President [Marketing] of GROWEL'S 101.

Mrs. Pallavi N. More is based at Mumbai and look after day to day Marketing Affairs of the Company's Shoppertainment project at Mumbai.

Mrs. Pallavi N. More is a B.Sc [Maths, Physics & Computer Science] and considering her vide experience of over 10 years, the Board has decided to appoint her as General Manager [Corporate Communications] of the Company for a remuneration as mentioned in the resolution.

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

Mr. Umeshkumar N. More and Mr. Nirajkumar U. More, Directors may be deemed to be concerned or interested in this resolution being related to Mrs. Pallavi N. More. None of the other Directors of the Company are concerned or interested in the resolution.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have great pleasure in presenting their 47th Annual Report together with the Audited accounts of the Company for the year ended March 31, 2005.

FINANCIAL RESULTS	YEAR ENDED	YEAR ENDED
	31.03.2005	31.03.2004
	RS. MILLION	RS. MILLION
Gross Sales	1230.421	981.006
Profit before depreciation, tax and appropriations	93.800	66.383
Profit before tax	70.874	44.324
Provision for current tax and deferred tax	11.211	1.543
Net Profit	59.663	42.781
Previous year adjustments	0.364	–
Add : Balance brought forward from previous year	5.092	5.887
Profit available for disposal	65.119	48.668
Proposed Dividend and tax thereon	6.999	6.924
Transfer to General Reserve	50.000	36.652
Profit carried forward	8.120	5.092

DIVIDEND:

Your Board has recommended payment of dividend for the year ended March 31, 2005 at 6% on Equity shares of Rs.10 each and seeks your approval for the same.

BONUS SHARES:

Encouraged by the continuing healthy performance and with a view to improve liquidity and valuation, the Board has recommended issue of Bonus Shares in ratio of 1 [One] Equity Share for every 4 [Four] existing Equity Shares held in the Company by capitalising a part of the General Reserves.

OPERATIONS:

The year under review saw a healthy growth in all revenue and profitability parameters. While the Gross Sales of the Company grew by 25% over last year, the growth in sales of the Engineering Division (56%) and Export Sales (45%) was much higher. The profit before tax correspondingly increased by 60%.

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:

The shopping and entertainment mall being set up by the Company was christened as "Growel's 101". The first phase of the project is almost complete. The Hyper Market viz. "Big Bazaar" opened its store in mid May, 2005 whereas the multiplex is expected to be operational in August, 2005. Work on second phase of the project has just commenced.

JOINT VENTURE WITH SIDASA, Spain

Your Company signed a Joint Venture agreement with SIDASA of Spain for a variety of chemicals required by the automotive industry. SIDASA is at the forefront of the technologies involved in these products and your Company expects to benefit immensely from this association.

RESEARCH & DEVELOPMENT:

To foster technical excellence and to maintain its leadership position through development of value added products, your Company continues to accord a high priority to R&D.

The focus of future R&D activity of the Company is towards offering products that are biodegradable, save on energy consumption and comply with ELV directive of the European Union.

GRAUER & WEIL (INDIA) LIMITED

FIXED DEPOSITS:

The Company's balance of deposits as on March 31, 2005 was Rs.7.59 million. There were no un-paid fixed deposits as of March 31, 2005.

Unclaimed matured fixed deposits of Rs. 16,599/- including interest of Rs. 4599/- which were not claimed as on 31st March, 2005 has been reflected in books as payable to Investor Education & Protection Fund. The said amount shall be transferred to the Investor Education & Protection Fund on due dates.

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, Mr. Rameshkumar R. More and Mr. Rohan Shah, Directors of your Company retire by rotation and being eligible, have offered themselves for re-appointment.

It is proposed to re-appoint Mr. Umesh Kumar More as Managing Director of the Company for a further period of 5 years w.e.f. January 1, 2006. Necessary resolution is set out in the notice.

CORPORATE GOVERNANCE:

Your Company fully subscribes to the standards set out by the Securities And Exchange Board of India's Corporate Governance practices and 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, 2005.
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 And 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, 2006 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.

GRAUER & WEIL (INDIA) LIMITED

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

The information pursuant to section 217 (l) (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.

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:

The Detailed Project Report filed by the Company for setting up a 5 MW Hydel Power project at Ani, Kulu was cleared by HIMURJA. 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. The bottling operations of the Company continued to remain 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.

APPRECIATION:

The Directors wish to place on record their appreciation of the dedication and commitment of your Company's employees to the growth of your Company. Their unstinted support has been and continues to be integral to your Company's ongoing success.

Your Directors wish to thank the Central and State Governments, banks, shareholders, customers, suppliers and business associates for their continued co-operation and support.

Registered Office:
'Growel House',
Akurli Road, Kandivli [East],
Mumbai - 400 101.
June 30, 2005

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

Umeshkumar N. More
Chairman & Managing 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.

During the year a healthy all round growth was registered by the Company in Sales and profits. The aggregate revenues have risen by 25% while operating profits grown from Rs. 85 Million to Rs. 114 Million In 2005.

OPPORTUNITIES, THREATS, RISKS, CONCERNS AND OUTLOOK:

Continued healthy growth in the sales and production of the Company's customer segments should continue to fuel a healthy growth in near future. The competition from national as well as international competitors is intensifying. The constantly changing requirements of the customers and development of newer technologies and applications pose a constant challenge for the Company to keep pace with this change or face decline. The Company continues to associate with international manufacturers to offer the widest and latest options to its customers. During the year under review a joint venture agreement was signed with SIDASA, Spain to offer wider and better product options to our customers in automotive segment. This should help the Company gain a larger market share of this segment.

All the chemical plants of the Company have been certified under ISO 9001:2000 and the plant at Barotiwala under ISO 14000. Plans are afoot to obtain certification of other chemical plants under ISO 14000 and of the engineering facility under ISO 9001:2000 in the ensuing year. These certifications do not only improve efficiencies and effectiveness of systems but also improve the company's ratings with quality conscious customers.

EXPORTS:

The exports of the company grew by 45% as compared to the previous year, however your management is continuing to pursue much higher goals to achieve exponential growth in the coming years.

PERFORMANCE OF THE COMPANY:

Most of the customers of the Company's products witnessed growth in sales leading to a corresponding growth in the sales of the Company. The efforts to build a larger sales & service international network has started paying off, however, considering the market potential, a lot remains to be done.

The Engineering division was able to register a significant growth in sales as also cut down costs significantly and therefore, were able to achieve a net profit after a gap of many years. All the production units particularly the plants at Dadra and Vapi adequately coped up with the requirements of increased volumes. Production at the Kandivali plant of the Company has since been discontinued.

The shopping and entertainment Mall at Kandivli is nearing completion of its Phase I. The Hyper Market was opened by "Big Bazaar" in May, 2005. The multiplex is expected to be operational by August, 2005.

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

HUMAN RESOURCES:

An elaborate training and development plan was introduced for upgradation of the quality and skills of Human resources, an invaluable asset of your Company. The plan aims to provide thrust to enhance and update the skills and knowledge of its human resources at all locations through 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.

With a view to motivate excellence, the Company continues to link rewards with performance and success. The employees who have completed 25 years of service with the Company are felicitated on the Annual Day celebrations.

GRAUER & WEIL (INDIA) LIMITED

Purposeful career paths are chalked out for employees in different job bands depending on their performance and competence level.

The company has under its employment 470 officers and workmen.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has appropriate Internal Control Systems and the said systems are designed to ensure the reliability of financial and other record and accountability of executive action to the management's authorisation. All operating parameters are monitored and controlled. Regular internal audits and checks ensure that responsibilities are executed effectively. 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. This system is expected to streamline many of the internal processes in the day-to-day operations of the Company.

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 has grown significantly by 39 %.
- b. The Company spent Rs.157 million on Capital Expenditure.
- c. The investment in Working capital increased by Rs.3 million.
- d. The net term borrowings increased by Rs. 79 million on account of loans to fund the Shop attainment project. The long term Debt Equity ratio of the Company is at a comfortable 0.40 :1 . The construction of second phase of the mall will increase the long term borrowings of the Company. The financial closure for the Mall Project has been achieved.

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.

GRAUER & WEIL (INDIA) LIMITED

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

INTRODUCTION:

GROWEL is committed to the adoption of and adherence to best Governance practices in the true spirit, at all times. Our governance practices are a product of self desire and reflected in our strategic thought process.

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 is fully compliant with the recommendations of the prevailing and applicable Corporate Governance Code.

Our Company's compliance with requirements are presented in the subsequent sections of the report.

2. BOARD OF 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 Board of your Company comprises of 8 Directors. 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 N. More	CMD	4	YES	5	7	—	—
Mr. Vinod Haritwal	CEO & ED	5	YES	7	4	—	—
Mr. Rameshkumar R. More	NED	5	YES	3	3	—	—
Mr. Nirajkumar U. More	NED	4	YES	7	7	—	—
Mr. Rohitkumar R. More	WTD	3	NO	2	3	—	—
Mr. Rohan Shah	NED	1	NO	—	—	—	—
Mr. Madan Mohan Chaturvedi	NED	2	YES	—	2	—	—
Mr. Rajender Guleria	WTD	2	NO	1	—	—	—

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, 2005, 5 [FIVE] Board meetings were held on 25/05/2004, 30/06/2004, 31/07/2004, 30/10/2004 and 31/01/2005.

3. COMMITTEES OF DIRECTORS:

For better Corporate Governance, promoting transparency and for enhancing the credibility of the financial disclosures of the Company, 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.

GRAUER & WEIL (INDIA) LIMITED

3.1 AUDIT COMMITTEE:

The Company has an Audit Committee at the board level with the powers and the role that are in accordance with Clause 49 II [C] and [D] of the Listing Agreement. The Committee acts as a link between the Management, the Statutory Auditors and the Board of Directors and oversees the financial reporting process of the Company.

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. The Audit Committee comprises of Three Independent Directors.

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. MADAN MOHAN CHAURVEDI	MEMBER	3

All the members have the financial and accounting knowledge.

Mr. M. B. Nihalani, Company Secretary and Sr. GM - Accounts of the Company acts as a Secretary of the Committee.

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, 2004 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 Wholetime 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 2004-05: [Amount in Rs. 000]

Director	Sitting Fees	Salary & allowance	Perquisites
Mr. Umeshkumar R. More	—	1363	64
Mr. Vinod Haritwal	—	1603	182
Mr. Rameshkumar R. More	2.5	—	—
Mr. Nirajkumar U. More	2.0	—	26
Mr. Rohitkumar R. More	—	336	26
Mr. Rohan Shah	0.5	—	—
Mr. Madan Mohan Chaturvedi	1.0	—	—
Mr. Rajender Guleria	—	832	37

3.3. SHAREHOLDERS' COMMITTEE:

The Company has constituted a Shareholders' Committee at board level to strengthen the investor relations and to inter-alia look into issues relating to Shareholder Grievances pertaining to transfer of shares, non receipt of declared dividends, non receipt of Annual Report, issues concerning de-materialisation etc.

The Shareholders' Committee met 3 [Three] times during the year ended March 31, 2005.

The composition of the Shareholders' Committee and details of the meetings attended by the Directors during the year 2004-05 are given below:

NAMES OF MEMBERS	CATEGORY	NO. OF MEETINGS ATTENDED
Mr. NIRAJKUMAR MORE	CHAIRMAN	3
Mr. VINOD HARITWAL	MEMBER	3
Mr. RAMESH KUMAR MORE	MEMBER	3

Mr. M. B. Nihalani, 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	17	17	Nil
2.	Non-receipt of Bonus Shares	19	19	Nil
3.	Non-receipt of Share Cert. After Transfer	3	3	Nil
4.	Non-receipt of Annual Report	3	3	Nil
5.	Non-receipt of Demat Credit/Remat Certificate	7	7	Nil
6.	Non-receipt of Exchange of Certificates	1	1	Nil
7.	Non-receipt of Rejected DRFs	2	2	Nil
TOTAL		52	52	Nil

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
31.03.2004	31.07.2004	11.00 A.M.	Registered Office
31.03.2003	31.07.2003	3.30 P.M.	Registered Office
31.03.2002	28.09.2002	3.00 P.M.	Registered Office

No special resolution was put through postal ballot last year.

5. DISCLOSURES:

5.1. Details of related party transactions

There are no material transactions with related parties that require separate disclosure. A comprehensive list of related party transactions as required by the Accounting Standard [AS] 18 issued by the Institute of Chartered Accountants of India, is given in Schedule "P" to the Accounts in the Annual Report.

5.2. Pecuniary relationship or transactions of the Non-Executive Directors

There are no material transaction with any non-executive as well as Independent Directors of the Company that requires a separate disclosure.

5.3. Details on the use of proceeds from public issues, right issues, preferential issues etc.

No funds have been raised through issue of equity or debt in the form of public or rights or preferential issues during the year under review.

5.4. Details of information on appointment of new/re-appointment of Directors

A brief resume, nature of expertise in specific functional areas, names of companies in which the person already hold directorship and membership of committees of the Board and his shareholding in the Company forms part of the notice of the Annual General Meeting, annexed to this Annual Report.

5.5. Details of non-compliances, penalties etc. imposed on the Company by SEBI or Stock Exchange or any other statutory authority on any matter related to capital market, during the last three years:

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 Directors, the said offences have been compounded based on the application made by them, by the Regional Director, Western Region, Mumbai.

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	:	47th Annual General Meeting.
DAY & DATE	:	Saturday, August 6, 2005.
TIME	:	2 p. m.
VENUE	:	'Growel House', Akurli Road, Kandivli [East], Mumbai-400 101.

GRAUER & WEIL (INDIA) LIMITED

7.2. FINANCIAL CALENDAR:

- * Financial reporting for the quarter ended June 30, 2005 : End of July, 2005.
- * Financial reporting for the quarter ended Sept.30, 2005 : End of Oct.,2005.
- * Financial reporting for the quarter ended Dec. 31, 2005 : End of Jan., 2006.
- * Financial reporting for the Year ended March 31, 2006 : End of June,2006.

7.3. DATE OF BOOK CLOSURE: 02/08/2005 TO 06/08/2005 [Both days inclusive].

7.4. RECORD DATE OF PAYMENT OF DIVIDEND: 01/08/2005.

7.5. SHARE TRANSFER SYSTEM:

Share Transfer Requests are received at the registered office of the Company as well as directly at RTAs office. RTA does the verification and processing of documents. In order to comply with the requirement of SEBI circular Nos. SMD/POLICY/CIR-10/02 dated May 7, 2002 to effect transfer of shares within one month, the RTA has been authorised to process, approve and effect transfer of shares on behalf of the Company at fortnightly intervals. The share certificates duly endorsed for transfer are returned to shareholders within stipulated time of 30 days.

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. M. B. Nihalani, Company Secretary

7.8. COMPANY SECRETARY:

Mr. M. B. Nihalani, 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.

GRAUER & WEIL (INDIA) LIMITED

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, 2005, 31,71,635 Shares representing 31% 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.

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, 2004	42.70	34.15
May, 2004	53.50	34.10
June, 2004	45.95	33.00
July, 2004	38.00	32.55
August, 2004	52.80	35.00
Sept., 2004	47.90	39.20
October, 2004	60.50	44.55
Nov., 2004	65.75	48.00
Dec., 2004	84.70	53.25
January, 2005	100.00	65.00
Feb., 2005	85.00	75.25
March, 2005	89.90	70.00

7.16. SHAREHOLDING PATTERN AS ON MARCH 31, 2005:

Category	No. Of shares held	% of shareholding
Promoters & Associates	5005,318	48.93
Mutual Funds & UTI	1,650	0.02
Banks & Financial Institutions	14,411	0.14
Private Bodies Corporate	643,573	6.29
Indian Public	3918,054	38.30
NRI/OCBs	647,174	6.32
Total	102,30,180	100.00

GRAUER & WEIL (INDIA) LIMITED

7.17. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2005:

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto 500	2724	514030	5.02
501-1000	961	690731	6.75
1001-2000	491	731141	7.15
2001-3000	101	256979	2.51
3001-4000	55	196179	1.92
4001-5000	23	107646	1.05
5001-10000	58	407657	3.99
10001 & above	49	7325817	71.61
Total	4462	10230180	100

7.18. PLANT LOCATIONS:

- 407, GIDC Industrial Estate, Vapi - 396 195. [Gujarat]
- Plot No.31 & 32, Industrial Estate, Barotiwala - 174 103. [H. P.].
- 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.

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.
June 30, 2005

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

Umeshkumar N. More
Chairman & Managing 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, 2005, 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 31st March, 2005 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 And Co.
Chartered Accountants

P. P. BHANDARI
Partner
M. No.: 32218
Mumbai
June 30, 2005

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) Introduced natural inverter for lighting purposes whenever electrical power is off.
- ii) Instead of using the incinerators for drying the liquid and semi-solid sludge, natural energy such as ponds is constructed to evaporate the liquid and sludge are dried under sun-light.
- iii) Pneumatic systems are introduced and mixing blenders are used to prevent the excess running of machineries.
- iv) Production per unit are measured on a regular basis thereby creating awareness of energy conservation.
- v) Plants are designed in such as way so that, maximum circulation of air resulting in lower running of fans and exhausts.
- vi) People are trained on conservation of energy.

(2) ADDITIONAL INVESTMENTS AND PROPOSALS, IF ANY, BEING IMPLRMENTED 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 2004-2005 were Rs. 144.29 Million, as compared to Rs. 101.99 Million in 2003-2004.

(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.	143,766,937
(b) Expenditure in foreign currencies for Business Travel, Seminars, Dividend and Royalties etc.	16,839,984
(ii) Total foreign exchange earned	144,291,265

Registered Office:

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

Place: Mumbai
June 30, 2005

For & on behalf of the Board of

Grauer & Weil [India] Limited

Umeshkumar N. More - Chairman & Managing Director
Vinod Haritwal - CEO & ED
Nirajkumar U More - Director

GRAUER & WEIL (INDIA) LIMITED

FORM - A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY 2004-2005.

PARTICULARS	2004-2005	2003-2004
A. POWER AND FUEL CONSUMPTION		
1. ELECTRICITY		
a) Purchased Units	2,000,219	1,850,685
Total amount (Rs.)	9,141,825	8,432,270
Average Rate/Unit (Rs.)	4.57	4.56
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)	213,755	2,05,992
Total Cost (Rs.)	3,173,841	3,045,497
Average rate (Rs. per litre)	14.85	14.78

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.

FORM - B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION 2004-2005.

A. RESEARCH & DEVELOPMENT:

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

- i) Introduction of trivalent chrome plating.
- ii) High speed electro less nickel with higher metal turnover.
- iii) Metal alloy based on binary plating system i.e. zinc-iron, zinc-nickel, tin- cobalt etc. for higher corrosion resistance tec.
- iv) Hexavalent chrome free passivation system.
- v) Lead and cadmium free electroless nickel.
- vi) Preparation of organic intermediates for both captive consumption as well as for export.
- vii) Ternary alloy plating like zinc-iron-cobalt for superb corrosion resistance.

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

- i) Reduction of expensive waste treatment due to environmental pollution of hexavalent chrome.
- ii) Removal of hexavalent chrome /chrome salts in the plating processes which are highly carcinogenic and hazardous.
- iii) Due to implementation of ISO 9001 : 2000 Quality Management System, R&D activities are strictly monitored by regular internal and external audits.
- iv) With the collaboration of multinationals like M/s Sidasa, M/s Hawkings, etc. the overall standards of plating information if broadened.
- v) Introduction of trivalent chrome passivation not only provides higher corrosion resistance but is also environment friendly.
- vi) With new electroless nickel process higher metal turnover is possible.

3) Future Plan of Action:

- i) R&D division would work towards the zero dumping concept in the pretreatment process.
- ii) It would comply with the federal environment standards to meet specific requirement ELV directive of European Union irespect of toxic and carcinogenic chemicals.
- iii) Involve in project with higher cathode efficiency thereby reducing the energy consumption.
- iv) Produce new intermediates for plating leading to reduction of import costs.
- v) Use of eco-friendly process, non-fluoborate based tin lead plating, biodegradable cleaners etc.
- vi) Ternary and quaternary element based alloy plating for ultimate corrosion resistance.

4) Expenditure on R & D:

	2004-2005	2003-2004
	Rupees	Rupees
a) Capital	5,580,873	2,872,461
b) Recurring	1,935,737	3,331,283
c) Total	7,516,610	6,203,744
d) Total R & D expenditure as a percentage of total Turnover	0.76%	0.82%

GRAUER & WEIL (INDIA) LIMITED

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

- a) The agreement with M/s Hawkings – U.K. has been renewed to introduce high quality – both aesthetics and durable, electrophoretic lacquer coating. Specialised matt electrophoretic technology is a new invention from this new Amendment. Various types of dyes can be incorporated to produce infinite Range of colours such as Gold, Copper, Jet Black, and Brass Finishes at most economical cost.
- b) Joint venture company entrepreneurship has been planned with M/s Sidasa SA – Spain to introduce highly durable zinc and zinc alloys to achieve much higher corrosion resistance to the applied coatings. These coatings are needed to be applied on automobile components to meet the stringent demand of automotive OEM's. As a part of this joint venture, the company has launched Some series of eco-friendly process eliminating the usage of carcinogenic hexavalent chrome.

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

- a) Variety of decorative finishes to meet the changing needs of users.
- b) Highly corrosion resistant and environmentally friendly substitute for many other finishing processes.

3) Particulars of technologies imported

a) Technology imported :

- i) New Generation Filtration and agitation by M/s Serfilco Inc., U.S.A.
- ii) New generation electrophoretic lacquers – M/s Hawking International, England
- iii) Highly corrosion resistant chrome process from Kabushiki Kaisha Nippon Dacro Shamrock, Japan.
- iv) Hexavalent chrome free passivation, post passivation and plating processes form M/s Sidasa.

b) Year imported:

- i) 2001-02
- ii) 2001-02
- iii) 2004-05
- iv) 2004-05

c) Has technology been fully absorbed:

- Partially absorbed

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 31st March, 2005 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 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, 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, 2005 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, Note No.10 on change in method of valuation of closing stock and 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 March, 2005.
 - 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 And Co.
Chartered Accountants

P. P. BHANDARI
Partner
Mem. No. 32218
Mumbai
June 30, 2005

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

- i. (a) The Company has compiled itemwise 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 verification 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 five Companies listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 245.58 Lacs and the year end balance of Loans granted to such parties was Rs. 40.63 Lacs.
(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.
(e) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the clauses 4(iii) (f) and (g) of the order are not applicable.
- iv. (a) In our opinion, there are adequate internal control systems 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 and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. (a) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, we are of the opinion that particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register maintained under that section.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of rupees five lacs in respect of each party during the year have been made at prices which are prima-facie, reasonable having regard to prevailing market prices at that time except that in respect of certain specialized services availed no comparison of prices could be made as we were informed that there are no prevailing market prices.
- vi. In our opinion, the Company has complied with the provisions of Section 58A, 58AA or any other relevant provisions 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.

GRAUER & WEIL (INDIA) LIMITED

- 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, Service Tax, Customs Duty, Excise Duty, Cess and other Statutory Dues with the appropriate authorities, where applicable.
(b) According to the records of the company, there are no dues in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Cess, which are disputed, except for Excise Duty amounting to Rs. 32.05 Lacs which is not deposited, since the matters are pending before Central Excise and Service Tax Appellate Tribunal.
- x. The Company has no accumulated losses at the end of the financial year and has not incurred cash losses, in the current financial year and in the immediately preceding financial year.
- xi. The Company has not defaulted in repayment of its dues to banks. The company has not borrowed by way of debentures and from Financial Institutions.
- 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 Clauses 4 (xiii) (a) to (d) of the Order, are not applicable to the Company.
- xiv. The Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4 (xiv) of the Order, are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from 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.
- 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 And Co.
Chartered Accountants

P. P. BHANDARI
Partner
Mem. No. 32218

Mumbai
June 30, 2005

GRAUER & WEIL (INDIA) LIMITED

BALANCE SHEET AS AT MARCH 31, 2005

	Schedule	Rupees	As At 31st March, 2005 Rupees	As At 31st March, 2004 Rupees
SOURCES OF FUNDS				
SHAREHOLDERS FUNDS				
Share Capital	A	102,301,800		102,301,800
Reserves and Surplus	B	<u>302,120,475</u>		<u>249,091,932</u>
			404,422,275	351,393,732
LOAN FUNDS				
Secured Loans	C	272,872,757		228,580,686
Unsecured Loans	D	<u>21,903,503</u>		<u>11,382,746</u>
			294,776,260	239,963,432
DEFERRED TAX				
Deferred Tax Liabilities		48,787,100		53,423,348
Deferred Tax Assets		<u>(6,197,950)</u>		<u>(7,545,172)</u>
			42,589,150	45,878,176
			741,787,685	637,235,340
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	E	467,223,252		516,023,741
Less: Depreciation (including Impairment)		<u>141,416,094</u>		<u>169,929,282</u>
Net Block		325,807,158		346,094,459
Capital Work in Progress & Capital Advances		<u>189,595,898</u>		<u>61,035,691</u>
			515,403,056	407,130,150
INVESTMENTS	F		3,650,948	3,559,298
CURRENT ASSETS, LOANS AND ADVANCES G				
Inventories		165,655,136		142,931,275
Sundry Debtors		195,686,755		158,566,165
Cash and Bank Balances		14,234,434		10,784,405
Other Current Assets		128,594		123,049
Loans and Advances		<u>56,466,061</u>		<u>69,362,203</u>
		432,170,980		381,767,097
Less: CURRENT LIABILITIES AND PROVISIONS	H			
Current Liabilities		164,879,894		133,987,304
Provisions		<u>47,283,979</u>		<u>31,091,085</u>
		212,163,873		165,078,389
NET CURRENT ASSETS			220,007,107	216,688,708
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	I		2,726,574	9,857,184
			741,787,685	637,235,340
Notes to Accounts	P			

Schedules A to I and P referred to above form an integral part of the Balance Sheet
This is the Balance Sheet referred to in our report of even date

for M. M. NISSIM AND CO.
Chartered Accountants

UMESHKUMAR N. MORE
VINOD HARITWAL
NIRAJKUMAR U. MORE

- Chairman & Managing Director
- CEO & Executive Director
- Director

P. P. BHANDARI
Partner
MEM No.: 32218

MANOHAR B. NIHALANI

- Sr. GM & Company Secretary

Mumbai, 30th June, 2005

Mumbai, 30th June, 2005



GRAUER & WEIL (INDIA) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2005

	Schedule	For the year ended March 31, 2005 Rupees	For the year ended March 31, 2004 Rupees
INCOME			
Sales	J	984,515,494	758,479,081
Other Income	K	21,368,372	18,067,631
		<u>1,005,883,866</u>	<u>776,546,712</u>
EXPENDITURE			
Materials	L	533,994,061	415,106,900
Salaries, Wages and other benefits	M	105,861,714	93,574,476
Other Expenses	N	252,242,080	183,075,200
Interest	O	19,985,621	18,406,594
Depreciation		22,926,156	22,060,000
		<u>935,009,631</u>	<u>732,223,170</u>
PROFIT BEFORE TAX		<u>70,874,234</u>	<u>44,323,542</u>
PROVISION FOR TAXATION			
Current Tax		14,500,000	3,200,000
Deferred Taxes		(3,289,026)	(1,657,545)
PROFIT AFTER TAX		<u>59,663,260</u>	<u>42,781,087</u>
Excess Provision of Income Tax written back		364,260	-
		<u>60,027,521</u>	<u>42,781,087</u>
Add: Balance Brought Forward		5,091,932	5,887,198
PROFIT AVAILABLE FOR APPROPRIATION		<u>65,119,453</u>	<u>48,668,285</u>
APPROPRIATIONS			
Proposed Dividend		6,138,108	6,138,108
Tax on Proposed Dividend		860,870	786,445
Transfer to General Reserve		50,000,000	36,651,800
		<u>56,998,978</u>	<u>43,576,353</u>
Balance carried to Balance Sheet		<u>8,120,475</u>	<u>5,019,932</u>
BASIC AND DILUTED EARNINGS PER SHARE		5.87	4.18
Notes to Accounts	P		

Schedules J to P referred to above form an integral part of the Profit & Loss Account

This is the Profit & Loss Account referred to in our report of even date

for M. M. NISSIM AND CO.
Chartered Accountants

UMESHKUMAR N. MORE - Chairman & Managing Director
VINOD HARITWAL - CEO & Executive Director
NIRAJKUMAR U. MORE - Director

P. P. BHANDARI
Partner
MEM No.: 32218

MANOHAR B. NIHALANI - Sr. GM & Company Secretary

Mumbai, 30th June, 2005

Mumbai, 30th June, 2005

GRAUER & WEIL (INDIA) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2005

Rupees	For the year ended March 31, 2005 Rupees	For the year ended March 31, 2004 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	70,874,234	44,323,542
Adjustments for:		
Depreciation	22,926,156	22,060,000
(Profit) / Loss on sale of Fixed Assets	3,920,246	1,538,546
Loss on Assets Discarded	18,466,296	-
Loss on Impairment of Assets	180,501	-
(Profit) / Loss on sale of Investments	-	(1,360,716)
Interest Paid	19,985,621	18,406,594
Interest Received	(7,769,455)	(6,783,584)
Dividend and Income from units	(5,325)	(2,250)
Wealth Tax	103,980	84,703
Technical knowhow fees written off	282,386	282,387
Provision for doubtful Debts	(6,728,868)	1,362,545
VRS Compensation written off	5,484,934	5,484,934
ERP Expenses written off	1,363,287	1,363,287
	58,209,762	42,436,446
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	129,083,996	86,759,988
Adjustments for:		
(Increase) / Decrease in Trade and other receivables	(7,182,762)	(21,329,112)
(Increase) / Decrease in Inventories	(22,723,861)	(2,886,639)
Increase / (Decrease) in Trade and other payables	35,525,268	39,448,390
	5,618,645	15,232,639
CASH GENERATED FROM OPERATIONS	134,702,641	101,992,627
Direct Taxes Paid	(12,858,082)	(3,986,446)
NET CASH FROM OPERATING ACTIVITIES	121,844,559	98,006,181

GRAUER & WEIL (INDIA) LIMITED

	For the year ended March 31, 2005 Rupees	For the year ended March 31, 2004 Rupees
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital Expenditure/Technical know-how fees	(156,563,530)	(89,006,935)
Sale of Fixed Assets	2,797,424	3,254,206
Purchase of Investments	(91,650)	-
Sale of Investments	-	5,079,992
Interest received	7,769,455	6,783,584
Dividend and Income from Units	5,325	2,250
NET CASH USED IN INVESTING ACTIVITIES	<u>(146,082,976)</u>	<u>(73,886,903)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowings (Net)	54,812,827	3,191,681
Interest Paid	(20,084,862)	(17,978,426)
Dividend Paid	(7,039,519)	(5,911,433)
NET CASH FROM FINANCING ACTIVITIES	<u>27,688,446</u>	<u>(20,698,178)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>3,450,029</u>	<u>3,421,100</u>
CASH AND CASH EQUIVALENTS	3,450,029	3,421,100
Opening balance	10,784,405	7,363,305
Closing balance	14,234,434	10,784,405

This is the Cash Flow Statement referred to in our report of even date

for M. M. NISSIM AND CO.
Chartered Accountants

UMESHKUMAR N. MORE -
VINOD HARITWAL -
NIRAJKUMAR U. MORE -

Chairman & Managing Director
CEO & Executive Director
Director

P. P. BHANDARI
Partner
MEM No.: 32218

MANOHAR B. NIHALANI -

Sr. GM & Company Secretary

Mumbai, 30th June, 2005

Mumbai, 30th June, 2005

SCHEDULES ANNEXED TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

	Rupees	As At 31st March, 2005 Rupees	As At 31st March, 2004 Rupees
SCHEDULE A: SHARE CAPITAL			
AUTHORISED			
25,000,000 Equity Shares of Rs.10 each		250,000,000	250,000,000
ISSUED, SUBSCRIBED AND PAID-UP			
10,230,180 Equity Shares of Rs.10 each fully paid-up		102,301,800	102,301,800
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 were allotted as full paid-up Bonus Shares by capitalisation of Capital Reserve, Capital redemption reserve, General Reserve and Securities Premium account			
SCHEDULE B: RESERVES AND SURPLUS			
SECURITIES PREMIUM ACCOUNT			
As per Last Balance Sheet	-		21,448,800
Less: Utilised for issue of bonus shares	-		21,448,800
			-
GENERAL RESERVE			
As per Last Balance Sheet	244,000,000		220,000,000
Less: Utilised for issue of bonus shares	-		12,651,800
	244,000,000		207,348,200
Add: Transferred from Profit and Loss Account	50,000,000		36,651,800
		294,000,000	244,000,000
PROFIT AND LOSS ACCOUNT			
		8,120,475	5,091,932
		302,120,475	249,091,932

GRAUER & WEIL (INDIA) LIMITED

	As At 31st March, 2005 Rupees	As At 31st March, 2004 Rupees
SCHEDULE C: SECURED LOANS		
Credit Facilities from Banks		
Term Loans (Repayable within one year Rs.26.69 million, Previous Year Rs.16.57 million)	136,266,802	51,566,114
VRS Term Loans (Repayable within one year Rs.5.63 million, Previous Year Rs.5.63 million)	5,762,315	11,553,233
Working Capital Facilities	122,853,377	156,628,572
Hire Purchase Credits	7,990,263	8,832,768
	<u>272,872,757</u>	<u>228,580,687</u>

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 joint mortgage by way of deposit of title deeds of immovable properties of the company at its Kandivli and Barotiwala 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 joint mortgage by deposit of title deeds of the immovable properties of the company at its Barotiwala plant.
- 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.3.41 million, Previous year Rs.2.75 million)	7,590,000	7,878,000
2] Dealer Deposits	14,313,503	3,504,746
	<u>21,903,503</u>	<u>11,382,746</u>

(Value in Rs.)

SCHEDULE E: FIXED ASSETS

Sr. No.	Description	GROSS BLOCK (AT COST)			DEPRECIATION			IMPAIRMENT		NET BLOCK	
		As at 01-04-2004	Additions during the year	Sales/adjustments during the year	As at 31-03-2005	Upto 31-03-2004	Deduction for Sale/ Adjustments	For the Year	Upto 31-03-2005	As at 31-03-2005	As at 31-03-2004
1.	Land										
a)	Freehold	8,630,849	-	-	8,630,849	-	-	-	-	8,630,849	8,630,849
b)	Leasehold	5,081,046	-	-	5,081,046	514,841	65,673	-	580,514	4,500,532	4,566,205
2.	Buildings	156,777,423	647,771	6,847,438	150,577,756	25,436,212	4,112,823	-	25,367,395	125,210,361	131,341,209
3.	Plant & Machinery	195,580,297	11,197,510	31,858,961	174,918,846	82,374,196	21,976,298	9,242,333	69,640,231	105,098,114	113,206,102
4.	Laboratory and Scientific Research Equipment	68,776,113	5,580,873	24,049,293	50,307,693	31,830,566	15,961,574	2,861,535	18,730,527	31,577,166	36,945,546
5.	Furniture Fittings and Fixture	29,906,610	1,146,488	6,739,188	24,313,910	15,285,162	5,172,040	1,622,990	11,736,112	122,577,798	14,621,449
6.	Office Equipments	19,514,745	1,858,679	5,519,167	15,854,257	7,653,109	3,563,544	1,863,372	5,952,937	9,901,320	11,861,635
7.	Vehicles	31,756,658	7,572,002	1,789,765	37,538,895	6,835,195	764,750	3,157,433	9,227,878	28,311,017	24,921,464
		516,023,741	28,003,323	76,803,812	467,223,252	169,929,281	51,619,846	22,926,159	141,235,593	180,501	325,807,158
	Previous Year	495,864,252	28,356,114	8,196,625	516,023,741	151,273,155	3,403,873	22,060,000	169,929,282	-	346,094,459

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.11,548,152 being cost of vehicles not registered in the name of the company.

GRAUER & WEIL (INDIA) LIMITED

	As At 31st March, 2005		As At 31st March, 2004	
	Nos.	Rupees	Nos.	Rupees
SCHEDULE F: INVESTMENTS, (NON-TRADE, LONG TERM)				
(At Cost less permanent diminution in value)				
SHARES				
Quoted				
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	345,593
Crystal Software Solutions Limited	8,600	43,100	8,600	43,100
Ginni Filaments Limited	900	14,400	900	14,400
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
Punjab National Bank (Purchased During the year)	235	91,650	-	-
Unquoted				
In Subsidiary Company				
Poona Bottling Co. Pvt. Limited (Fully paid-up equity shares of Rs.100/- each)	145,950	619,000	145,950	619,000
Growel Energy Company Ltd. (Fully paid-up Equity shares of Rs.10/- each)	49,400	494,000	49,400	494,000
Others				
In fully paid-up Equity shares of Rs.10/- each				
Growel Goema (I) Pvt. 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	1
Growel Softech Pvt. Ltd.	37,000	37,000	37,000	37,000
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
Surlux Health Centres Limited	1,000	1	1,000	1
Temptation Foods Limited	49,600	1	49,600	1
NATIONAL SAVINGS CERTIFICATES		60,300		60,300
Total		3,650,948		3,559,298

	As At March 31, 2005		As At March 31, 2004	
	Cost Rs.	Market value Rs.	Cost Rs.	Market value Rs.
Aggregate value of Quoted Investments	909,843	1,577,056	818,193	561,798
Aggregate value of Unquoted Investments	2,741,105		2,741,105	
	3,650,948		3,559,298	

GRAUER & WEIL (INDIA) LIMITED

Rupees	As At 31st March, 2005 Rupees	As At 31st March, 2004 Rupees
SCHEDULE G: CURRENT ASSETS, LOANS AND ADVANCES		
I. CURRENT ASSETS		
(i) Inventories (As taken, valued and certified by the management)		
Stores, Spares and Packing Materials	8,132,926	7,021,136
Raw Materials	71,838,621	72,472,739
Work-in-progress	23,522,644	25,809,110
Finished Goods	45,788,045	29,323,785
Goods in Transit	16,372,900	8,304,505
	165,655,136	142,931,275
(ii) Sundry Debtors		
Exceeding six months:		
Secured	156,465	51,812
Unsecured - Considered good	33,829,940	25,588,340
- Considered doubtful	<u>—</u>	6,728,868
	33,986,405	32,369,020
Less: Provision for doubtful Debts		
	<u>—</u>	6,728,868
	33,986,405	25,640,152
Other Debts:		
Secured	1,761,684	1,926,950
Unsecured-considered good	159,938,666	130,999,063
	161,700,350	132,926,013
	195,686,755	158,566,165
(iii) Cash and Bank balances		
Cash on hand	845,523	1,096,579
With Scheduled Banks:		
In Current Accounts	11,369,596	8,992,870
In Fixed Deposits	1,147,706	694,956
In Margin accounts	871,609	<u>—</u>
	14,234,434	10,784,405
(iv) Other Current Assets		
Interest Receivable	118,969	118,969
Interest Accrued but not due	9,625	4,080
	128,594	123,049
II. LOANS AND ADVANCES		
(Unsecured considered good unless otherwise specified)		
Inter Corporate Loans	3,357,727	31,220,564
Balances with Excise Department	10,397,823	3,134,770
Income Tax	19,727,087	9,408,724
Deposits	6,456,947	5,234,940
Advance to Suppliers	5,757,652	10,537,717
Loans to Staff	1,376,275	1,425,876
Prepaid expenses	2,333,575	2,186,934
Advances recoverable in cash or in kind or for value to be received (Refer Note No.5 (a))	7,058,525	6,212,678
	56,466,061	69,362,203
	432,170,979	381,767,097

GRAUER & WEIL (INDIA) LIMITED

	Rupees	As At 31st March, 2005 Rupees	As At 31st March, 2004 Rupees
SCHEDULE H: CURRENT LIABILITIES & PROVISIONS			
(a) CURRENT LIABILITIES			
Acceptances	2,470,605		61,140
Sundry Creditors - (Note. No.8)	104,983,121		72,466,911
Advance from customers	21,316,530		27,579,995
Investor Education and Protection Fund*			
Unpaid Dividends	539,586		602,931
Unpaid Fixed Deposits	12,000		58,000
Unpaid Interest on Fixed Deposits	4,599		10,220
	556,185		671,151
Interest accrued but not due	740,419		839,660
Other Liabilities	34,813,035		32,368,447
		164,879,894	133,987,304
(b) PROVISIONS			
Provision for Income Tax	21,700,000		10,000,000
Proposed Dividend	6,138,108		6,138,108
Tax on Proposed Dividend	860,870		786,445
Provision for Leave encashment	2,910,796		2,132,644
Provision for Gratuity	15,674,205		12,033,888
		47,283,979	31,091,085
		212,163,873	165,078,389

*The figures reflect the position as at 31st March, 2005. 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
Compensation under VRS	-	5,484,937
ERP Project Implementation expenses	2,726,574	4,089,861
	2,726,574	9,857,184

SCHEDULE J: SALES

Gross Sales		1,230,421,511	981,006,106
Less: Trade Discount	144,157,176		117,580,017
Less: Excise duty	101,748,841	245,906,017	104,947,008
		984,515,494	758,479,081

SCHEDULE K: OTHER INCOME

Plating and Service charges (Gross)*	5,845,055	3,576,232
License Fees (Gross)	1,250,000	520,000
Miscellaneous Receipts (Gross)*	6,498,537	5,247,423
Interest Received (Gross)*	7,763,910	6,783,584
Interest on investments	5,545	-
Profit on sale of Investments	-	1,360,716
Exchange Fluctuation	-	577,426
Dividend on investments	5,325	2,250
	21,368,372	18,067,631

*Tax Deducted at source

GRAUER & WEIL (INDIA) LIMITED

Rupees	For the year ended 31st March, 2005 Rupees	For the year ended 31st March, 2004 Rupees
SCHEDULE L: MATERIALS		
RAW MATERIALS CONSUMED		
Opening Stock	72,472,739	79,966,115
Add: Purchases	<u>544,074,128</u>	<u>412,766,015</u>
	616,546,867	492,732,130
Less: Closing Stock	<u>71,838,621</u>	<u>72,472,739</u>
	544,708,246	420,259,391
PURCHASE FOR RESALE	<u>866,605</u>	<u>4,305,433</u>
	545,574,851	424,564,824
LESS: INCREASE IN STOCKS		
Opening Stock		
Work-in-Progress	25,809,110	11,546,781
Finished Goods	<u>29,323,785</u>	<u>35,568,507</u>
	55,132,895	47,115,288
Closing Stock		
Work-in-Progress	23,522,644	25,809,110
Finished Goods	<u>45,788,045</u>	<u>29,323,785</u>
	69,310,689	55,132,895
	(14,177,794)	(8,017,607)
Variation in Excise Duty on Opening and Closing Stock of finished goods	<u>2,597,004</u>	<u>(1,440,317)</u>
	533,994,061	415,106,900
SCHEDULE M: SALARIES, WAGES AND OTHER BENEFITS		
Salaries, Wages, Bonus etc.	81,021,422	71,078,166
Contribution to Provident and Other Funds	7,129,825	5,542,541
Welfare Expenses	12,225,510	11,468,835
Compensation paid under Voluntary Retirement Scheme written off	<u>5,484,937</u>	<u>5,484,934</u>
	105,861,714	93,574,476

GRAUER & WEIL (INDIA) LIMITED

Rupees	For the year ended 31st March, 2005 Rupees	For the year ended 31st March, 2004 Rupees
SCHEDULE N: OTHER EXPENSES		
Stores, Spares and Loose Tools Consumed	14,504,742	8,887,655
Packing Expenses	34,446,987	23,098,908
Job Charges / Labour Charges	14,699,925	13,860,193
Power and Fuel	13,801,939	12,912,626
Drawings, Designs and Layout Expenses	127,509	259,700
Rent	5,523,948	5,188,304
Rates and Taxes	1,986,714	2,573,067
Repairs:		
Buildings	4,758,742	2,378,401
Plant & Machinery	4,721,132	3,247,972
Others	6,641,743	5,291,168
	16,121,617	10,917,541
Insurance	3,395,857	2,552,148
Freight and Forwarding	15,247,709	12,760,318
Research and Development	1,935,737	3,331,283
Printing and Stationery	4,773,540	4,087,679
Postage and Telephones	9,736,905	8,662,129
Vehicle Expenses	5,789,746	5,152,927
Travelling Expenses	14,145,861	10,585,477
Conveyance Expenses	5,948,737	4,734,553
Legal and Professional Fees	6,977,272	6,604,697
Sales Tax	11,742,261	14,319,095
Excise Duty	16,714	132,699
Advertisement & Sales Promotion	7,736,156	5,995,570
Auditors' Remuneration:		
Audit Fees	148,770	108,000
Tax Audit / Taxation Matters	33,060	32,400
Other Matters	75,175	112,800
Reimbursement of Expenses	1,815	17,531
	258,820	270,731
Directors' Sitting Fees	6,000	8,500
Royalty	739,598	767,018
Technical Know-how - fees written off	282,386	282,387
ERP Expenses written off	1,363,287	1,363,287
Provision for Doubtful Debts	-	1,362,545
Bad Debts	10,633,732	-
Provision for Doubtful Debts written back	(6,728,868)	-
	3,904,865	-
Wealth Tax	103,980	84,703
Loss on Sale of Assets (Net)	3,920,246	1,538,546
Loss on Assets Discarded	18,466,296	-
Loss on impairment of Assets	180,501	-
Donations	513,094	14,569
Exchange Fluctuations	9,241,120	-
Miscellaneous Expenses	24,602,111	20,856,346
	252,242,080	183,075,200
SCHEDULE O: INTEREST		
Fixed Loans	4,057,658	5,435,695
Others	15,927,963	12,970,899
	19,985,621	18,406,594

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.

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.

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.
- 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. Impairment : Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recongnized as an expense in the statement of profit and loss and the carrying amount of the asset is reduced to its recoverable amount.

f. 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.

g. Inventories :

i. Inventories are valued as follows :

Stores and Spares (Engineering Division) - At cost.

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 moving weighted average Basis. Cost of Finished Goods and Work – In – Progress is determined by considering materials, labour and other related direct expenses.

h. 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.

- i. **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.
- j. **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.
- k. **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.
- l. **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.
- m. **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 at the balance sheet date.

n. 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.

o. Leases :

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

p. 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.

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q. Provisions :

Provisions are recognized in the accounts in respect of present probable obligations as a result of past event, in respect of which a reliable estimate can be made.

r. Contingent Liabilities :

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

2. Contingent Liabilities not provided for :

	2004-2005 (Rs. in '000)	2003-2004 (Rs. in '000)
a) Disputed excise duty liabilities not provided for:		
a) Disputed excise duty demands	4571	11737
* Appeals pending before Central Excise and Service Tax Appellate Tribunal and at departmental level		
3. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	77359	33617

4. Remuneration to Managing director /directors

i] Salary and allowances	3808	2604
ii] Contribution to Provident Fund and other funds*	326	162
iii] Perquisites	335	613
iv] Directors Sitting Fees	6	9
	<u><u>*4475</u></u>	<u><u>*3388</u></u>

*Excluding Contribution / Provision for Gratuity and Leave Encashment

5. Loans and Advances includes :

a) Amount due from Subsidiary Companies		
(i) On account of expenses	706	695
(ii) Share application money pending allotment	5	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.	139	139	Nil	Nil
2) Growel Energy Co. Ltd.	567	1557	Nil	Nil
(ii) Associates				
1) Growel Goema (I) Pvt. Ltd.	Nil	3500	Nil	Nil
(iii) Companies in which Directors are interested				
1) Growel Investment Limited	1105	2239	20700	21700
2) Ridhi Sidhi Limited	2253	20269	100320	100320
3) Growel Softech Limited	114	580	Nil	Nil
4) Bombay Paints Limited	Nil	250	Nil	Nil

*Status indication uncertainties

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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-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".

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. Capital Work in Progress includes:

Pre operative expensed pending allocation

(As certified by the Management)

	2004-2005	2003-2004
1) Rates and Taxes	7310	9024
2) Insurance	164	—
3) Salaries	—	738
4) Professional Fees	8776	6692
5) Travelling Expense	330	1498
6) Drawings & Designs	—	700
7) Borrowing Cost	10120	—
8) Miscellaneous	—	1239
	<u>26700</u>	<u>19891</u>
Add: Brought forward from previous year	19904	13
Total	<u><u>46604</u></u>	<u><u>19904</u></u>

10. The Company has changed the method of valuation of closing stock of Raw Materials, Stores and spares from first in first out basis to moving Weighted average cost. The management is of the opinion that this method of valuation would be more conservative and appropriate to the circumstances applicable to the company.

Had the company followed the method of valuation of the aforesaid items of stocks adopted in the previous year, the closing stock and the profit for the year would have been higher by Rs.1.22 lacs.

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11. SEGMENT REPORTING

The following tables present revenue and profit / (loss) information regarding business / geographical segments for the year ended 31st March, 2005 and certain assets and liabilities information regarding business and geographical segments as at 31st March 2005.

(a) Primary Segment Reporting by business segments

(Rs. In '000)

	Chemical	Engineering	Shoppertainment	Total
Segment revenue	848328	136187		984515
	(670938)	(87315)		(758253)
Add: Inter segment Revenue		(226)		(226)
Total	848328	136187		984515
	(670938)	(87541)		(758479)
Segment Results	128341	3223		131564
	(105193)	(-16342)		(88851)
Less: Interest				19986
				(18407)
Less: Other Unallocable Expenditure net of unallocable Income				40704
				(26120)
Profit Before Tax				70874
				(44324)
Less: Provision for current tax & Deferred tax				11211
				(1543)
Profit After Tax				59663
				(42781)
Segment Assets	586037	92860	185126	864023
	(575319)	(84517)	(60201)	(720037)
Unallocated corporate Assets				89928
				(82277)
Total Assets				953951
				(802314)
Segment Liabilities	106588	43437	18944	168969
	(96643)	(47899)	(8891)	(153433)
Unallocated corporate Liabilities				380560
				(297487)
Total Liabilities				549529
				(450920)
Capital Expenditure	28372	987	121520	
	(24280)	(1556)	(58268)	
Depreciation	18848	635		
	(18529)	(593)		
Non Cash Expenditure	22795	6886		
	(3965)	(4528)		

(b) Secondary segment reporting by geographical segment

	Domestic	Exports	Total
Revenue	832605	151910	984515
	(653761)	(104718)	(758479)
Total Assets	909953	43998	953951
	(781353)	(20961)	(802314)

Note: Previous year's figures are in brackets

GRAUER & WEIL (INDIA) LIMITED

12. Related party disclosures

(i).List of Related Parties

Subsidiaries

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

Associates

Growel Goema (I) Pvt. Ltd.

Key Management Personnel their relatives and enterprises where significant influence exists, 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

Growel Projects Limited
(Erstwhile Shree MPJ Builders Pvt Limited)

Ridhi Sidhi Limited

Bubna More & Co. Pvt. Limited

Radhakishan Nandlal Pvt. Limited

Nikmo Finance 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

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ii) Transactions with Related Parties

(Rs. In '000)

Transactions	Subsidiaries	Associates	Key Management Personnel (KMP)	Enterprises of KMP	Relatives of KMP	Total 2004-05	Total 2003-04
Sales				20267		20267	13029
Purchases				2732		2732	4363
Interest Received				2862		2862	2995
Interest Paid		100		161		261	432
Rent Recieved				291	1	292	292
Rent Paid	1015		432	271	384	2102	1271
Purchase of Assets							4757
Sales of Assets				6		6	
Contract Payments				91739		91739	38365
Services Received				5041		5041	3635
Salaries					620	620	458
Share application							5
Director's Fees			5			5	9
Managerial Remuneration			4469			4469	3379
Security Deposit Received				4000		4000	
Loans accepted		3500		5000		8500	
Repayment of Loans accepted		3500		5000		8500	
Loans & Advanced	1000			1390		2390	24267
Repayment of Loans Advanced	1000			31310		32310	15724
Outstanding Balances as on 31st March, 2005							
- Loans and Advances	706			3472		4178	31943
- Debtors				11051		11051	10935
- Current Liabilities				19578		19578	13017

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.

13. Earnings Per Share

Calculation of Earnings per share for the year ended 31.03.2005

		31.03.2005	31.03.2004
Profit for the year	Rs.	60,027,520	42,781,087
Weighted average number of equity shares (Face Value Rs.10 per share)	Nos.	10,230,180	10,230,180
Basic Earnings per share	Nil	5.87	4.18

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14. Deferred Tax

The break up of Net Deferred Tax Liability as on 31.3.2005 is as under:

Rs. in '000

	As at March 31, 2005		As at March 31, 2004	
	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		48787		53386
Provision for Doubtful Debts, Leave Encashment, Gratuity & Diminution in value of Investments	6030		7478	
Other Items giving rise to timing differences	168		67	37
Total	6198	48787	7545	53423
Net deferred Tax Liability		42589		45878
Net amount (credited) to Profit & Loss Account		(3,289)		(1,658)

15. Additional information pursuant to the Provisions of Paragraphs 3 & 4 of Part II of Schedule VI to the Companies Act, 1956

A) 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	9,712 (14730)	9,292 (6567)
2.	Basic Chemicals	Tons	700 (700)	357 (262)
3.	Intermediary Chemicals	Tons	1200 (1200)	1796 (1385)
4.	Electroplating Equipments	**	**	**

Production at Kandivli Unit has been discontinued during the current year and accordingly installed Capacity has been reduced to that extent.

* Includes Production for Inter Manufacturing Unit, 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.

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B. 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
Manufacturing						
1 Electroplating Chemicals	210.00 (280.00)	22.18 (30.28)	381.20 (210.00)	36.16 (22.18)	8655.40 (6587.40)	865.99 (755.43)
2 Basic Chemicals	5.00 (5.00)	0.92 (0.64)	6.30 (5.00)	0.90 (0.92)	350.10 (261.00)	73.29 (41.77)
3 Intermeditory Chemicals	40.00 (42.00)	6.03 (4.45)	59.10 (40.00)	8.55 (6.03)	897.40 (623.70)	128.31 (76.56)
4 Electroplating Equipments @						157.16 (100.92)**
5 Free Sample						0.28 (0.44)***
6 Others						4.50 (3.73)***
						1,229.53 (978.85)
Trading						
Chemicals	1.00 (1.00)	0.19 (0.20)	0.60 (1.00)	0.18 (0.19)	4.70 (9.00)	0.89 (2.16)

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

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

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

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C. Raw materials & bought out components consumed

(Rs. In Million)

	Units	2004-2005		2003-2004	
		Quantity	Value	Quantity	Value
Inorganic Compounds	Tons	4915.50	170.83	5370.29	175.28
Organic Compounds	Tons	3351.17	216.32	2133.90	178.82
Metals	Tons	67.65	45.87	22.43	12.20
Mild Steel & Angles, Beams					
Channels, Sheets, Rods and Flats	Tons	55.78	16.51	92.48	7.58
Stainless Steel, Rods, Sheets & Flats	Tons	2.37	6.50	9.29	8.12
Electric Motors	Nos.	178	2.12	714	2.15
Rectifiers	Nos.	27	1.76	173	4.44
Others			84.80		31.67
Total			544.71		420.26

	%	Rs. in Million	%	Rs. in Million
Imported	30	161.57	28	116.06
Indigenous	70	383.14	72	304.20
	100	544.71	100	420.26

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	2004-2005		2003-2004
	Nos.	Rs. In Million	Nos.
			Rs. In Million
D. C. I. F. Value of Imports			
(a) Raw Materials		137.17	100.14
(b) Components & Spare Parts		3.00	0.71
(c) Capital Goods		3.60	1.44
E. Remittances in Foreign Currency			
Dividend (Net of Taxes)		0.38	0.34
Number of Non-Resident Shareholders		2	2
Number of Shares held by Non-Residents on which dividend was remitted	630000		420000
Year for which dividend was remitted		2003-2004	2002-2003
F. Expenditure in Foreign Currency			
(On Payment basis)			
(a) Travelling		5.48	3.02
(b) Royalty (Net of Taxes)		0.54	0.41
(c) Seminar & Exhibition		0.15	-
(d) Fees & Registration		-	0.03
(e) Advertisement		0.50	0.52
(f) Membership and subscription		0.06	0.04
(g) Professional fees		4.56	4.34
(h) Bank charges		0.54	0.01
(i) Interest		1.18	1.53
(j) Others		0.45	-
G. Earnings in Foreign Currency			
F. O. B. Value of Exports		144.29	101.99

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

SIGNATURES TO SCHEDULES A to P which form an integral part of the Financial Statements

for M. M. NISSIM AND CO. Chartered Accountants	UMESHKUMAR N. MORE VINOD HARITWAL NIRAJKUMAR U. MORE	- - -	Chairman & Managing Director CEO & Executive Director Director
P. P. BHANDARI Partner MEM No.: 32218 Mumbai, 30th June, 2005	MANOHAR B. NIHALANI Mumbai, 30th June, 2005	-	Sr. GM & Company Secretary

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.

1	0	9	7	5
---	---	---	---	---

 State Code

1	1
---	---

Balance Sheet

3	1
---	---

0	3
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2	0	0	5
---	---	---	---

Date Month Year

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

Public Issue	Rights Issue																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td><td> </td></tr></table>				N	I	L				<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td><td> </td></tr></table>				N	I	L			
			N	I	L														
			N	I	L														
Bonus Issue	Private Placement																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td><td> </td></tr></table>				N	I	L				<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td><td> </td></tr></table>				N	I	L			
			N	I	L														
			N	I	L														

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

Total Liabilities	Total Assets																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>9</td><td>5</td><td>3</td><td>9</td><td>5</td><td>1</td></tr></table>				9	5	3	9	5	1	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>9</td><td>5</td><td>3</td><td>9</td><td>5</td><td>1</td></tr></table>				9	5	3	9	5	1
			9	5	3	9	5	1											
			9	5	3	9	5	1											

Source of Funds

Paid-up Capital	Reserve & Surplus																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>1</td><td>0</td><td>2</td><td>3</td><td>0</td><td>2</td></tr></table>				1	0	2	3	0	2	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>3</td><td>0</td><td>2</td><td>1</td><td>3</td><td>0</td></tr></table>				3	0	2	1	3	0
			1	0	2	3	0	2											
			3	0	2	1	3	0											
Secured Loans	Unsecured Loans																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>2</td><td>7</td><td>2</td><td>8</td><td>7</td><td>3</td></tr></table>				2	7	2	8	7	3	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td>2</td><td>1</td><td>9</td><td>0</td><td>3</td></tr></table>					2	1	9	0	3
			2	7	2	8	7	3											
				2	1	9	0	3											
Deferred Tax Liabilities																			
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td>4</td><td>2</td><td>5</td><td>8</td><td>9</td></tr></table>					4	2	5	8	9										
				4	2	5	8	9											

Application of Funds

Net Fixed Assets	Investments																			
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>5</td><td>1</td><td>5</td><td>4</td><td>0</td><td>3</td></tr></table>				5	1	5	4	0	3	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>3</td><td>6</td><td>5</td><td>1</td></tr></table>							3	6	5	1
			5	1	5	4	0	3												
						3	6	5	1											
Net Current Assets	Misc. Expenditure																			
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>2</td><td>2</td><td>0</td><td>0</td><td>0</td><td>7</td></tr></table>				2	2	0	0	0	7	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>2</td><td>7</td><td>2</td><td>7</td></tr></table>							2	7	2	7
			2	2	0	0	0	7												
						2	7	2	7											
Accumulated Losses																				
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td><td> </td></tr></table>				N	I	L														
			N	I	L															

GRAUER & WEIL (INDIA) LIMITED

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

Turnover

9 8 4 5 1 6

Total Expenditure

9 3 5 0 1 0

Profit/Loss Before Tax

+ -
 7 0 8 7 4

Profit/Loss After Tax

+ -
 5 9 6 6 3

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

Earning Per Share in Rs.

5 - 8 3

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 4 9 0 2 1

Product Description

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

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

for M. M. NISSIM AND CO.
Chartered Accountants

UMESHKUMAR N. MORE
VINOD HARITWAL
NIRAJKUMAR U. MORE

- Chairman & Managing Director
- CEO & Executive Director
- Director

P. P. BHANDARI
Partner
MEM No.: 32218

MANOHAR B. NIHALANI

- Sr. GM & Company Secretary

Mumbai, 30th June, 2005

Mumbai, 30th June, 2005



GRAUER & WEIL (INDIA) LIMITED

STATEMENT ATTACHED TO THE BALANCE SHEET AS AT MARCH 31, 2005

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, 2005	March 31, 2005
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.5,929,856 (LOSS)	NIL
b) For the previous financial years of the subsidiary since it became the holding Company's Subsidiary	:	Rs.30,378,696 (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

for M. M. NISSIM AND CO.
Chartered Accountants

UMESHKUMAR N. MORE
VINOD HARITWAL
NIRAJKUMAR U. MORE

- Chairman & Managing Director
- CEO & Executive Director
- Director

P. P. BHANDARI
Partner
MEM No.: 32218

MANOHAR B. NIHALANI

- Sr. GM & Company Secretary

Mumbai, 30th June, 2005

Mumbai, 30th June, 2005

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.

Member of



ANNUAL REPORT ~ 2004 - 2005

[55]

POONA BOTTLING COMPANY PRIVATE LIMITED

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 46th Annual General Meeting of the members of POONA BOTTLING COMPANY PRIVATE LIMITED will be held on Saturday, July 30, 2005 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, 2005 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. 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, 2005.

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 have great pleasure in presenting 46th Annual Report together with the Audited accounts for the year ended March 31, 2005.

OPERATIONS:

The status of operations remained unchanged during the year. The reference to Arbitration made by your company in the dispute with Hindustan Coca-Coca Beverages Pvt. Ltd. has been heard by the Arbitration panel and the award is awaited. 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 then your Company has a significant potential gain to be booked which will substantially offset the accumulated losses. If the legal matters are not decided in favour of the Company, then considering the value of the Company's business undertaking as evidenced by the Business Purchase Agreement with Hindustan Coca Cola Beverages Pvt. Ltd., and considering the discussions the Company has had with other companies in the business of manufacture and distribution of soft drinks, the Directors are confident of recovering the accumulated losses substantially either by selling its business or by taking up the business of bottling soft drinks.

With the networth of the Company becoming negative, the Company will become 'sick industrial undertaking' under the definition of the Sick Industrial Companies Act. A reference is being made to BIFR as required under the said Act.

DIVIDEND:

Due to non availability of sufficient profits, your Board has decided not to recommend any dividend for the year ended March 31, 2005.

FIXED DEPOSITS:

The Company has not invited or accepted Fixed Deposits during the financial year 2004-2005.

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, 2005.
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, 2006 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 "K" 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 Practising 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, 2005.

For & on behalf of the Board
For Poona Bottling Company Private Limited

RameshKumar R. More - Director
Nirajkumar U. More - Director

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 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, 2005**. 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 5 [FIVE] times during the aforesaid Financial Year i.e. on 17/04/2004, 30/06/2004, 31/07/2004, 21/10/2004 AND 29/01/2005 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 close its Register of Members during the financial year.
6. The Company held its Annual General Meeting during the year in time i.e. on July 31, 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. The company was not required to obtain any approvals of the Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made 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 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.
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.
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.
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, 2005

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.

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.	19/08/2004.	Yes	No.
2	Balance Sheet U/s. 210.	19/08/2004.	Yes	No.
3	Secretarial Compliance Certificate U/s. 383A.	19/08/2004.	Yes	No.

[MAHESH SONI]

PRACTISING COMPANY SECRETARY

FCS: 3706; COP: 2324.

Place: Mumbai,

Date: June 30, 2005

POONA BOTTLING COMPANY PRIVATE LIMITED

AUDITORS' REPORT

We have audited the attached Balance Sheet of **POONA BOTTLING COMPANY PRIVATE LIMITED** as at 31st March, 2005 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 branch 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, 2005, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2005 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)&(c) regarding the determination of the business purchase agreement, claims against the companies not acknowledged as debt 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)i regarding the non provision of labour dues amounting to Rs.198.77 Lakhs whereby the losses have been understated to that extent and the consequent effect on the current assets being overstated.

Clause 5 regarding non provision of Debtors considered doubtful amounting to Rs.586.78 Lakhs and the non provision of advances considered doubtful amounting to Rs.43.14 Lakhs due to which the losses have been understated by Rs.629.92 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, 2005;
 - 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: 08th June, 2005.**

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

1. (a) Due to the lack of old records 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.
(c) None of the fixed assets have been disposed off in the current year.
2. (a) In view of clause 2 to schedule "J" of the Balance Sheet and due to the closure of the plant and further 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 31st March, 2005 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.8,64,88,977/- and the closing balance as at 31st March, 2005 amounted to Rs.8,57,99,977/-.
(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) In our opinion and according to the information and explanations given to us the particulars of contracts or arrangements 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.10,14,750/- and Rs.10,16,125/- 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. (a) 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 31st March, 2005 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.

(b) We were informed that there are no dues of Income Tax, Sales Tax, Customs Tax, wealth Tax, Excise Duty and cess which have not been deposited with appropriate authorities on account of any disputes other than those mentioned in the annexure to this report.

POONA BOTTLING COMPANY PRIVATE LIMITED

10. The accumulated losses of the Company as on 31st March, 2005 stand at Rs.280,33,468/- which exceeds 50% of its entire net worth at Rs.19,003,121/-. Further the cash losses were at Rs.13,58,610/- and Rs. 24,22,126/- for the year ended 31st March,2005 & 31st March, 2004 respectively.
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 31st March, 2005 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 31st March, 2005.
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.

For R. N. Bhansali & Co.
Chartered Accountants

A. G. Deshpande
(Partner)

Mumbai

Dated: 8th June, 2005.

Statement Referred to in Para 9(b) of the Annexure to the Audit Report

Excise Dues

Nature of Dues	Amount	Forum Where Dispute is Pending
Provisional Assessment Including Bisleri Soda	5860653	Supreme Court
Britco Credit Note & SPPC & Penalty, Penalty MHC/DRS	2759444	Commissioner Appeal
Civil Suit No.222/79 HC First Appeal No 989/1988 Interest @ 6% from 17.3. 88 to 16.3.05 17 years 1400009*6%*17	2828018	Restitution to Pune Court and remanded to AC Pune
SCN F.No.DR/Cera/PBCL SCN /99/1039 of 8.2.00 and 12.5.00	73933	Deputy Commissioner
Reversal of MODVAT Inter Franchise Transfer - Non Compliance of Procedure	90000	GEGAT
Total	<u>11612048</u>	



POONA BOTTLING COMPANY PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2005

	Schedule		As At March 31, 2005	As At March 31, 2004
		Rupees	Rupees	Rupees
SOURCES OF FUNDS				
SHAREHOLDERS FUNDS				
Share Capital	A	18,900,000		18,900,000
Reserves & Surplus	B	<u>8,324,871</u>		<u>8,390,906</u>
			27,224,871	27,290,906
DEFERRED TAX LIABILITY			1,976,987	2,975,652
			<u>29,201,858</u>	<u>30,266,558</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	C	210,957,958		210,957,958
Less Depreciation		<u>153,626,272</u>		<u>146,307,046</u>
Net Block			57,331,686	64,650,912
INVESTMENTS	D		2,726,115	4,733,751
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	E	10,620,542		10,620,542
Bottles & Cases		87,055,075		87,055,075
Sundry Debtors		58,677,949		59,811,449
Cash and Bank Balances		612,465		931,866
Loans and Advances		<u>91,345,447</u>		<u>89,721,486</u>
		248,311,478		248,140,418
Less: CURENT LIABILITIES AND PROVISIONS	F			
Curent Liabilities		307,200,889		307,678,855
Provisions		—		—
		<u>307,200,889</u>		<u>307,678,855</u>
NET CURRENT ASSETS			(58,889,411)	(59,538,437)
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	G		—	—
PROFIT AND LOSS ACCOUNT				
As per Last Year Balance Sheet		20,420,332		14,061,026
During the Year		<u>7,613,136</u>	28,033,468	<u>6,359,306</u>
Total			<u>29,201,858</u>	<u>30,266,558</u>
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, 2005

RAMESHKUMAR R. MORE
NIRAJKUMAR U. MORE

Director
Director

Mumbai
June 30, 2005

POONA BOTTLING COMPANY PRIVATE LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2005

	Schedule	For the year ended March 31, 2005 Rupees	For the year ended March 31, 2004 Rupees
INCOME			
Compensation Received		2,030,875	1,679,523
Other Income	H	186,555	697,632
		<u>2,217,430</u>	<u>2,377,155</u>
EXPENDITURE			
Operating and Other Expenses	I	3,576,040	4,799,281
Depreciation	C	7,319,226	8,478,945
		<u>10,895,266</u>	<u>13,278,226</u>
LOSS BEFORE TAXATION		8,677,836	10,901,071
Provision for Taxation		-	-
Current year		-	-
Deferred Tax		(998,665)	(4,175,604)
LOSS FOR THE YEAR AFTER TAXATION		7,679,171	6,725,467
Add/(less): Prior Period Adjustment		-	(291,740)
		<u>7,679,171</u>	<u>6,433,727</u>
Less: Transferred from Revaluation Reserve		66,035	74,421
NET LOSS FOR THE YEAR		7,613,136	6,359,306
Add: Balance Brought Forward		20,420,332	14,061,026
Deficit Carried to Balance Sheet		<u>28,033,468</u>	<u>20,420,332</u>
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, 2005

RAMESHKUMAR R. MORE

NIRAJKUMAR U. MORE

Director

Director

Mumbai

June 30, 2005

POONA BOTTLING COMPANY PRIVATE LIMITED

SCHEDULES ANNEXED TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	Rupees	As At March 31, 2005 Rupees	As At March 31, 2004 Rupees
SCHEDULE A:			
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>
Note:			
(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			
SCHEDULE B:			
RESERVES & SURPLUS			
Capital Reserve			
As per last Balance Sheet		103,121	103,121
Revaluation Reserve			
As per last Balance Sheet	8,287,785		8,362,206
Less: Transferred to Profit & Loss Account	<u>66,035</u>		<u>74,421</u>
		<u>8,221,750</u>	8,287,785
		<u>8,324,871</u>	<u>8,390,906</u>

POONA BOTTLING COMPANY PRIVATE LIMITED

Rupees	As At March 31, 2005 Rupees	As At March 31, 2004 Rupees
SCHEDULE E: CURRENT ASSETS LOANS & ADVANCES		
(I) CURRENT ASSETS		
(i) INVENTORIES (as taken, valued and certified by the Management)		
Stores & Spares	1,763,778	1,763,778
Traded Goods (Refer Note 2 b Schedule "J")	8,856,764	8,856,764
	10,620,542	10,620,542
(ii) Bottles & Cases (Refer Note 2 b Schedule "J")	87,055,075	87,055,075
(iii) Sundry Debtors (Unsecured, considered good) See note 5 Schedule "J" Outstanding for a period exceeding six months	58,677,949	59,811,449
(iv) Cash and Bank Balances		
Cash on hand	321,885	711,630
Balances With Scheduled Banks In Current Account	290,580	220,236
	612,465	931,866
(II) LOANS AND ADVANCES (unsecured considered good unless otherwise stated)		
Loans	85,799,977	83,176,801
Deposits	1,061,941	1,061,941
Advance Income Tax /Tax deducted at source	3,989	38,675
Advances recoverable in cash or in kind or for value to be received		
Considered good (See note 5 Schedule "J")	4,479,540	5,444,069
Considered doubtful	340,017	340,017
	4,819,557	5,784,086
Less: Provision for doubtful advances	340,017	340,017
	4,479,540	5,444,069
	91,345,447	89,721,486
	248,311,478	248,140,418

POONA BOTTLING COMPANY PRIVATE LIMITED

SCHEDULE F: CURRENT LIABILITIES & PROVISIONS

	As At March 31, 2005 Rupees	As At March 31, 2004 Rupees
a) CURRENT LIABILITIES:		
Sundry creditors	3,954,544	4,154,106
Deposits from Dealers	567,500	567,500
Deposit against bottles & cases	55,660,974	55,660,974
Advances from customers	2,646,126	2,638,741
Other Liabilities	710,219	996,008
From Hindustan Coca Cola Beverages Pvt Ltd. (See Note no 2 Schedule "J")	243,661,526	243,661,526
	<u>307,200,889</u>	<u>307,678,855</u>
b) PROVISIONS:		
Provision for Taxation	-	-
	<u>307,200,889</u>	<u>307,678,855</u>

SCHEDULE G: MISCELLANEOUS EXPENSES

(to the extent not written off or adjusted)

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

SCHEDULE H: OTHER INCOMES

Interest	2,746	25,939
Sundry Balances Written Back	29,056	313,555
Profit on Investment	145,153	351,838
Dividends recieved	9,600	6,300
	<u>186,555</u>	<u>6,97,632</u>

SCHEDULE I: OPERATING & OTHER EXPENSES

Rent, Rates and Taxes	1,126,730	305,103
Power, Fuel & Water	729,848	719,221
Postage and Telephone	29,348	88,182
Travelling & Conveyance	424,452	432,358
Printing & Stationery	6,289	40,770
Membership & Subscription	18,000	26,988
Vehicle Expenses	-	8,884
Legal & Professional Fees	452,260	2,023,777
Auditors' Remuneration	32,600	43,200
Repair to Machinery	17,182	225,260
Repair to Building	-	18,756
Repair to Other Assets	3,240	10,119
Insurance	50,512	74,981
Advertisement	-	5,000
Entertainment	15,262	64,069
Security Charges	402,463	406,121
General Charges	267,854	192,574
Preliminary Expenses Written off	-	14,650
Damaged stock of stores, rawmaterials etc written off	-	99,268
	<u>3,576,040</u>	<u>4,799,281</u>

POONA BOTTLING COMPANY PRIVATE LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31ST 2005

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 31st 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 29th 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 filed 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 Industrial Court, Pune vide order dated 20th December 2003 have given a verdict against the Company by ordering the Company to pay the wages to employees who have not accepted their dues and closure compensation. The Company preferred an appeal against the order of the said Industrial Court along with a petition for interim relief to stay the order of the Industrial Court, Pune.

The honourable High Court Mumbai has admitted the appeal but refused the interim stay as applied. The total amount payable as estimated by the Company works out to Rs.198.77 lakhs, the Company has already made a payment of Rs.48.41 Lakhs towards their dues, the balance liability has not been provided for in the books of accounts awaiting the final orders in the appeal before the Honorable High Court Mumbai.

- ii. Guarantee given by the Company to financial institution of Rs.100.00 Lacs have been invoked by the financial institution. The Company has contested the said invocation and the matter is pending before the Mumbai High Court. Liability, if any, dependant on the result of the said dispute shall be provided as and when determined.
 - iii. Guarantees given by the Company to banks to the extent of Rs.325.00 lacs have been invoked by the banks. The Debt Recovery Tribunal, Pune vide order dated 8th December 2004 directed the Company and others to pay the disputed amount of Rs.250.00 lacs. The Company has contested the said order and the matter is pending before the Debt Recovery Appellate Tribunal, Mumbai. Liability, if any, dependant of 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 Hindustan Coca-Cola Beverages Pvt. Ltd 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.

		Rs. in lacs
3. Contingent Liabilities not provided for	2004-2005	2003-2004
a) Disputed Excise Duty liability	116.12	592,89
b) Disputed Sales tax liability	NIL	18.60
c) Income Tax Claims: In view of the benefit available to the Company of brought forward depreciation and losses the disallowances made by the assessing officer have no impact and hence not provided for.		
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 586.78 Lacs and advances - Rs 43.14 Lacs, outstanding for a considerable period of time, as the management is hope full 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.		

POONA BOTTLING COMPANY PRIVATE LIMITED

7. The Company has adopted Accounting Standard 22 (AS-22), "Accounting for Taxes on Income". The deferred tax asset for the current year of Rs.9.99 lakhs has been accounted for by adjusting the same against deferred tax liability carried forward from the earlier year.

Rs. in '000

	As at March 31, 2005		As at March 31, 2004	
	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		6901		12706
Provision for Doubtful Advances,	114		122	
Expenditure allowable on payment basis				155
Other Items giving rise to timing differences	34113	29303	40999	31237
Total	34227	36204	41121	44097
Net deferred Tax Liability		1977		2976
Net amount charged to Profit & Loss Account	999		4175	

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	Loans/ Advances Given	Loans/ Advances Recovered
With Companies in which key management personnel are interested	1016125	6232176	3609000
With Holding Company	1014750	Nil	Nil

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	27786054	85799977	148693	74252
With Holding Company	Nil	Nil	Nil	139106

9. Earning per share

Calculation of Earning per share for the year ended 31.3.2005

		31.3.2005	31.3.2004
Loss for the Year After Tax	Rs.	7679171	6725467
Weighted Average number of equity shares (Face Value Rs.100/- per share)	Nos.	189,000	189,000
Basic and Diluted Earnings per share		(40.63)	(35.58)

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. AUDITORS REMUNERATION	2004-2005	2003-2004
Audit Fees	30,100	25,000
Out of Pocket Expenses	2,500	18,200
	<u>32,600</u>	<u>43,200</u>

13. 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.

POONA BOTTLING COMPANY PRIVATE LIMITED

14. Details of Closing Stock of Traded items

Item	Unit	As at March 31 st 2005		As at March 31 st 2004	
		Quantity	Value	Quantity	Value
Visi Coolers	Nos.	350 (350)	6,761,820 (6,761,820)	350 (350)	6,761,820 (6,761,820)
Chest Coolers	Nos.	140 (140)	1,754,554 (1,754,554)	140 (140)	1,754,554 (1,754,554)
Ice Boxes	Nos.	264 (264)	340,390 (340,390)	264 (264)	340,390 (340,390)
Total			8,856,764 (8,856,764)		8,856,764 (8,856,764)

(Figures in brackets relates to previous year)

	2004-2005	2003-2004
15. Value of Imports on CIF Basis	Nil	Nil

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

17. 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

A. G. DESHPANDE
Partner

Mumbai
June 30, 2005

RAMESHKUMAR R. MORE
NIRAJKUMAR U. MORE

Director
Director

Mumbai
June 30, 2005

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 5
 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

2 9 2 0 2

Total Assets

2 9 2 0 2

Source of Funds

Paid-up Capital

1 8 9 0 0

Reserve & Surplus

8 3 2 5

Secured Loans

N I L

Unsecured Loans

N I L

Deferred Tax Liabilities

1 9 7 7

Application of Funds

Net Fixed Assets

5 7 3 3 2

Investments

2 7 2 6

Net Current Assets

- 5 8 8 8 9

Accumulated Losses

2 8 0 0 0

POONA BOTTLING COMPANY PRIVATE LIMITED

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

Turnover

					2	2	1	7
--	--	--	--	--	---	---	---	---

Total Expenditure

					1	0	8	9	5
--	--	--	--	--	---	---	---	---	---

Profit/Loss Before Tax

+	-							8	6	7	8
	<input checked="" type="checkbox"/>										

Profit/Loss After Tax

+	-							7	6	7	9
	<input checked="" type="checkbox"/>										

(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											

RAMESHKUMAR R. MORE
NIRAJKUMAR U. MORE

Director
Director

Mumbai
June 30, 2005

POONA BOTTLING COMPANY PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2005

	Rupees	For the Year ended March 31, 2005 Rupees	For the Year ended March 31, 2004 Rupees
A) CASH FLOW FROM OPERATING ACTIVITIES			
NET (LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS		(8,677,836)	(10,901,071)
Adjustments for			
Depreciation	7,319,226		8,478,945
(Profit) / Loss on sale of Investments	(145,153)		(351,838)
Dividend	(9,600)		(6,300)
Prior Period Items	-		291,740
Inventories Written Off	-		99,268
Preliminary Expenses written off	-		14,650
		7,164,473	<u>8,526,465</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(1,513,363)	(2,374,606)
Adjustments for (Increase) / Decrease in Trade and other receivables	(490,461)		1,502,889
Increase / (Decrease) in Trade and other payables	(477,966)		(1,099,499)
		(968,427)	403,390
NET CASH FROM OPERATING ACTIVITIES		(2,481,790)	<u>(1,971,216)</u>
B) CASH FLOW FROM INVESTING ACTIVITIES			
Redemption of Mutual Funds / Shares		3,391,789	6,500,000
Investment in Mutual Funds / Shares		(1,239,000)	(4,625,000)
Dividend received		9,600	6,300
		2,162,389	<u>1,881,300</u>
C) CASH FLOW FROM FINANCING ACTIVITIES		-	-
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)		(319,401)	<u>(89,916)</u>
Opening Balance		931,866	1,021,782
Closing Balance		612,465	931,866

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

A. G. DESHPANDE
Partner

Mumbai
June 30, 2005

RAMESHKUMAR R. MORE
NIRAJKUMAR U. MORE

Director
Director

Mumbai
June 30, 2005



GROWEL ENERGY COMPANY LIMITED

BOARD OF DIRECTORS

UMESHKUMAR N. MORE

NIRAJKUMAR U. MORE

VINOD HARITWAL

RAJENDER GULERIA

AUDITORS

M/S M.M. Nissim And 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 Saturday, July 30, 2005 at 1.30 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, 2005 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. Umeshkumar More, who retires from office by rotation, and being eligible offers himself for re-appointment.
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 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:

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

June 30, 2005.

For & on behalf of the Board

For Growel Energy Company Limited

Nirajkumar U. 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.

GROWEL ENERGY COMPANY LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS:

Your Directors present their 3rd Annual Report together with the Audited accounts for the period ended March 31, 2005.

OPERATIONS:

The Detailed Project Report for the project for 5 MW Hydel Power Plant at Ani in Kulu District of Himachal Pradesh was approved by HIMURJA. The Company has signed the Implementation Agreement, however, agreement for sale of power is yet to be signed. Implementation of the project can be taken up thereafter.

DIVIDEND:

As there was no activity during the year, your Board has decided not to recommend any dividend for the period ended March 31, 2005.

FIXED DEPOSITS:

Your Company has neither invited nor accepted any Fixed Deposits during the financial year 2004-2005.

BOARD OF DIRECTORS:

As per the Provisions of the Companies Act, 1956 and in terms of the Articles of Association of the Company, Mr. Umesh Kumar More and Nirak Kumar U. 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, 2005.
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 And 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, 2006 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.

PARTICULARS OF EMPLOYEES:

There were no employees in the Financial Year under question.

GROWEL ENERGY COMPANY LIMITED

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, 2005.**

**For & on behalf of the Board
For Growel Energy Company Limited**

**Nirajkumar U. More - Director
Vinod Haritwal - Director**

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 31st March, 2005. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement 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 statement, 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 statement is 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 dealt with by this report is in agreement with the books of account.
 - d) In our opinion, the Balance Sheet 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 2005 and taken on record by the Board of Directors, we report and certify that none of the Directors is disqualified as on 31st March, 2005 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 31st March, 2005.

For M. M. Nissim And Co.
Chartered Accountants

P. P. BHANDARI
Partner
Mem. No.: 32218
Mumbai
June 30, 2005

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

1. (a) The Company has not granted any loans, secured or unsecured to companies, firms or others parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, except for an interest free unsecured loan from its holding company.
- (c) The terms and conditions of such interest free unsecured loan taken by the Company are not prima facie prejudicial to the interest of the Company.
- (d) According to the information and explanations given to us, in respect of such interest free unsecured loan taken by the Company, the payment of the principal amount is regular and as stipulated.
2. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register maintained under that section.
3. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
4. As informed to us, the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956, in respect of the activities carried on by the Company.
5. (a) According to the records examined by us, the Company did not have any liability on account of statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs duty, Excise duty, Cess during the year.
- (b) According to the information and explanations given to us and the records Examined by us, there are no dues of Sales tax, Income tax, Customs duty, Excise duty, Cess or any other statutory dues outstanding on account of any dispute.
6. The Company does not have any dues to a financial institution or bank or debenture holders.
7. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
8. In our opinion and according to the information and explanations given to us, the nature of the Company does not attract any special statue applicable to chit fund and nidhi / mutual benefit fund / societies.
9. The Company did not deal or trade in shares, securities, debentures or other investments during the financial year.
10. According to the information and explanations given to us and the records examined by us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
11. The Company has not taken any term loans during the year.
12. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that, during the year, short term funds have not being used to finance long term investments.
13. The Company has not made any preferential allotment of shares to parties or companies covered under Section 301 of the Act.
14. The Company has not issued any debentures.
15. The Company has not raised any money through a public issue during the year.
16. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported.
17. In our opinion, the other clauses of the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India are not applicable to the Company for the year.

For M. M. Nissim And Co.
Chartered Accountants

P. P. BHANDARI
Partner
Mem. No.: 32218
Mumbai
June 30, 2005

GROWEL ENERGY COMPANY LIMITED

BALANCE SHEET AS AT MARCH 31, 2005

	Schedule	Rupees	As At 31st March, 2005 Rupees	As At 31st March, 2004 Rupees
SOURCES OF FUNDS				
SHAREHOLDERS FUNDS				
Share Capital	A		500,000	500,000
LOAN FUNDS				
Unsecured Loans	B		566,487	558,572
			<u>1,066,487</u>	<u>1,058,572</u>
APPLICATION OF FUNDS				
CURRENT ASSETS LOANS AND ADVANCES:				
Cash and Bank Balances	C	7,540		9,311
Loans and Advances		1,000,000		
		<u>1,007,540</u>		<u>9311</u>
Less: CURRENT LIABILITIES AND PROVISIONS:				
Share Application Money		1,005,000		5,000
Sundry Creditors		5,510		5,400
		<u>1,010,510</u>		<u>10,400</u>
NET CURRENT ASSETS			(2,970)	(1,089)
MISCELLANEOUS EXPENDITURE: (To the extent not written off or adjusted)	D		1,069,457	1,059,661
			<u>1,066,487</u>	<u>1,058,572</u>
NOTES TO ACCOUNTS	E			

Schedules A to E referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

for M. M. NISSIM AND CO.
Chartered Accountants

NIRAJKUMAR U. MORE - Director
VINOD HARITWAL - Director

P. P. BHANDARI
Partner

Mumbai, 30th June, 2005

Mumbai, 30th June, 2005

GROWEL ENERGY COMPANY LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

	As At 31st March, 2005 Rupees	As At 31st March, 2004 Rupees
SCHEDULE A: SHARE CAPITAL		
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>
SCHEDULE B: UNSECURED LOANS		
UNSECURED LOANS		
From A Corporate Body Grauer & Weil (India) Limited - the holding company	<u>566,487</u>	<u>558,572</u>
SCHEDULE C: CURRENT ASSETS, LOANS & ADVANCES		
i) CASH AND BANK BALANCES		
a) Cash on hand	366	1,681
b) Balance with a Scheduled Bank In a Current Account	<u>7,174</u>	<u>7,630</u>
	7,540	9,311
ii) LOANS AND ADVANCES		
(Unsecured, considered good) Deposits	<u>1,000,000</u>	<u>-</u>
	<u>1,007,540</u>	<u>9,311</u>
SCHEDULE D: MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses	78,039	78,039
Pre-operative Expenses	<u>991,418</u>	<u>981,622</u>
	<u>1,069,457</u>	<u>1,059,661</u>

GROWEL ENERGY COMPANY LIMITED

SCHEDULE E: NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2005

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
TOTAL	78,039

(b) Pre-operative Expenses are as under:

Particulars	Amount (Rs.)
Processing Fees	100,000
Professional Fees	786,637
Travelling Expenses	24,610
Advertisement	44,495
Audit Fees	16,310
Other Expenses	19,366
TOTAL	991,418

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' which form an integral part of the Financial Statements

for M. M. NISSIM AND CO.
Chartered Accountants

NIRAJKUMAR U. MORE - Director
VINOD HARITWAL - Director

P. P. BHANDARI
Partner

Mumbai, 30th June, 2005

Mumbai, 30th June, 2005

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 2005
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 Deployment of funds	(Amount in Rs. Thousand)
	a) Total Liabilities	1,066
	b) Total Assets	1,066
	Sources of Funds	
	a) Paid up Capital	500
	b) Reserves & Surplus	—
	c) Secured Loans	—
	d) Unsecured Loans	566
	Application of Funds	
	a) Net Fixed Assets	—
	b) Investments	—
	c) Net Current Assets	(3)
	d) Misc. Expenditure	1,069
	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)	Not applicable
	b) Product Description	—

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

NIRAJKUMAR U. MORE - Director
VINOD HARITWAL - Director

P. P. BHANDARI
Partner

Mumbai, 30th June, 2005

Mumbai, 30th June, 2005



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, 2005 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, 2005 of Rs.3093.77 Lacs and total revenue for the year ended on that date of Rs.22.17 Lacs and of an associate which reflect the Group's share of profit, upto March 31, 2004 of Rs.7.33 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, the audited financial statements for the year ended March 31, 2005 of Growel Goema (India) Pvt. 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.629.92 Lacs.
 - (d) Note 12 regarding change in the method of valuation of closing stock amounting of Rs.1.22 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, 2005;

CONSOLIDATED ANNUAL REPORT 2004-2005

- 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
 - 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 AND CO.
Chartered Accountants**

**P. P. BHANDARI
Partner
MEM. NO.: 32218
Mumbai
30th June, 2005**

CONSOLIDATED ANNUAL REPORT 2004-2005

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2005

	Schedule	Rupees	As At March 31, 2005 Rupees	As At March 31, 2004 Rupees
SOURCES OF FUNDS				
SHAREHOLDERS FUNDS				
Share Capital	A	102,301,800		102,301,800
Reserves and Surplus	B	<u>315,137,886</u>		<u>265,233,051</u>
			417,439,686	<u>367,534,851</u>
MINORITY INTEREST	C		(178,618)	1,570,697
LOAN FUNDS				
Secured Loans	D	272,872,757		228,580,687
Unsecured Loans	E	<u>21,903,503</u>		<u>11,382,746</u>
			294,776,260	<u>239,963,433</u>
DEFERRED TAX				
Deferred Tax Liabilities		84,991,405		97,520,023
Deferred Tax Assets		<u>(40,425,268)</u>		<u>(48,666,195)</u>
			44,566,137	<u>48,853,828</u>
			756,603,465	<u>657,922,809</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	F	678,181,210		726,981,700
Less: Depreciation including impairment		<u>295,042,365</u>		<u>316,236,328</u>
Net Block		<u>383,138,845</u>		<u>410,745,372</u>
Capital Work in Progress capital		<u>189,595,898</u>		<u>61,035,691</u>
			572,734,743	<u>471,781,063</u>
INVESTMENTS	G		5,997,484	7,957,643
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	H	263,330,753		240,606,892
Sundry Debtors		254,364,704		218,377,614
Cash and Bank Balances		14,854,439		11,725,582
Other Current Assets		128,594		123,049
Loans and Advances		<u>148,100,915</u>		<u>158,403,884</u>
		<u>680,779,405</u>		<u>629,237,021</u>
Less: CURRENT LIABILITIES AND PROVISIONS	I			
Current Liabilities		472,947,188		441,555,325
Provisions		<u>47,283,979</u>		<u>31,091,085</u>
		<u>520,231,167</u>		<u>472,646,410</u>
NET CURRENT ASSETS			160,548,238	156,590,611
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	J		3,796,032	10,916,845
PROFIT AND LOSS ACCOUNT			13,526,968	<u>10,676,647</u>
			756,603,465	<u>657,922,809</u>
Basis of Consolidation, significant Accounting Policies, Notes to Accounts	Q			

Schedules A to J and Q referred to above form an integral part of the Balance Sheet
This is the Balance Sheet referred to in our report of even date

for M. M. NISSIM AND CO.
Chartered Accountants

UMESHKUMAR N. MORE
VINOD HARITWAL
NIRAJKUMAR U. MORE

- Chairman & Managing Director
- CEO & Executive Director
- Director

P. P. BHANDARI
Partner
MEM No.: 32218

MANOHAR B. NIHALANI

- Sr. GM & Company Secretary

Mumbai, 30th June, 2005

Mumbai, 30th June, 2005

CONSOLIDATED ANNUAL REPORT 2004-2005

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2005

	Schedule	As At March 31, 2005 Rupees	As At March 31, 2004 Rupees
INCOME			
Sales	K	984,515,494	758,479,081
Other Income	L	23,585,802	20,444,789
		<u>1,008,101,296</u>	<u>778,923,870</u>
EXPENDITURE			
Materials	M	533,994,061	415,206,168
Salaries, Wages and other benefits	N	105,861,714	93,574,476
Other Expenses	O	255,818,119	187,775,213
Interest	P	19,985,621	18,406,594
Depreciation		30,245,382	30,538,945
		<u>945,904,897</u>	<u>745,501,396</u>
PROFIT BEFORE TAX		62,196,399	33,422,474
PROVISION FOR TAXATION			
Current Tax		14,500,000	3,200,000
Deferred Taxes		(4,287,691)	(5,833,149)
PROFIT AFTER TAX		51,984,090	36,055,623
Excess provision of income Tax return back		364,260	-
Prior Period Adjustments		-	291,740
		<u>52,348,350</u>	<u>36,347,363</u>
Transfer from Revaluation Reverse		66,035	74,421
Balance Brought forward		(10,676,647)	(4,970,728)
NET PROFIT BEFORE MINORITY INTEREST		41,737,738	31,451,056
Share of Minority Interest		1,734,272	1,448,650
Amount Prior to appropriations (including Minority Interest)		43,472,010	32,899,706
Less Proposed Dividend		6,138,108	6,138,108
Tax on Proposed Dividend		860,870	786,445
Transfer to General Reserve		50,000,000	36,651,800
Balance Carried to Balance Sheet		<u>(13,526,968)</u>	<u>(10,676,647)</u>
Basic and Diluted Earnings per share		5.29	3.70
Basis of Consolidation, significant Accounting Policies and Notes to Accounts			
	Q		

Schedules K to Q referred to above form an integral part of the Profit & Loss Account
This is the Profit & Loss Account referred to in our report of even date

for M. M. NISSIM AND CO.
Chartered Accountants

UMESHKUMAR N. MORE
VINOD HARITWAL
NIRAJKUMAR U. MORE

- Chairman & Managing Director
- CEO & Executive Director
- Director

P. P. BHANDARI
Partner
MEM No.: 32218

MANOHAR B. NIHALANI

- Sr. GM & Company Secretary

Mumbai, 30th June, 2005

Mumbai, 30th June, 2005

CONSOLIDATED ANNUAL REPORT 2004-2005

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2005

	Rupees	For the Year ended March 31, 2005 Rupees	Rupees	For the Year ended March 31, 2004 Rupees
A) CASH FLOW FROM OPERATING ACTIVITIES:				
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		62,196,399		33,422,473
Adjustments for				
Depreciation	30,245,382		30,538,945	
(Profit) / Loss on Sale of Fixed Assets	3,920,246		1,538,546	
Loss on Sale of Discarded Assets	18,466,296		-	
Loss on Impairment of Assets	180,501		-	
(Profit) Loss on Sale of Investements	(145,153)		(1,712,554)	
Interest Paid	19,985,621		18,406,594	
Interest Received	(7,766,656)		(6,809,525)	
Wealth Tax	103,980		84,703	
Dividend and Income from units	(14,925)		(8,550)	
Technical know-how fees written off	282,386		282,387	
Provision for Doubtful Debts	(6,728,868)		1,362,545	
Prior Period Adjustments (Sales Tax Refund)	-		291,740	
VRS Compensation written off	5,484,937		5,484,934	
Preliminary Expenses written off	-		14,650	
ERP Expenses written off	1,363,287		1,363,287	
		65,377,034		50,837,702
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		127,573,433		84,260,175
Adjustments for :				
(Increase)/Decrease in Trade and other receivables	(8,677,121)		(19,681,634)	
(Increase)/Decrease in Inventories	(22,723,861)		(2,787,371)	
Increase/(Decrease) in Trade and other payables	36,024,538		38,232,654	
		4,623,556		15,763,649
CASH GENERATED FROM OPERATIONS		132,196,989		100,023,824
Direct Taxes Paid	(12,823,396)		(3,994,750)	
		(12,823,396)		(3,994,750)
CASH FLOW BEFORE EXTRAORDINARY ITEMS		119,373,593		96,029,074
EXTRAORDINARY ITEMS		(9,796)		(21,218)
NET CASH FROM OPERATING ACTIVITIES		119,363,797		96,007,856

CONSOLIDATED ANNUAL REPORT 2004-2005

	For the Year ended March 31, 2005 Rupees	For the Year ended March 31, 2004 Rupees
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Capital Expenditure / Technical know-how fees	(156,563,530)	(89,006,935)
Sale of Fixed Assets	2,797,424	3,254,206
Purchase of Investments	-	(2,325,000)
Sale of Investments	2,061,139	9,279,992
Interest Received	7,766,656	6,809,525
Dividend and Income from Units	14,925	8,550
	<u>(143,923,386)</u>	<u>(71,979,662)</u>
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Payment of Borrowing (Net)	54,766,827	3,249,679
Proceeds from Equity Share Capital of Subsidiary Co.	-	-
Interest Paid	(20,090,483)	(17,968,206)
Dividend Paid	(6,987,898)	(5,979,653)
	<u>27,688,446</u>	<u>(20,698,180)</u>
NET CASH FROM FINANCING ACTIVITIES		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>3,128,857</u>	<u>3,330,014</u>
CASH AND CASH EQUIVALENTS	3,128,857	3,330,014
Opening Balance	11,725,582	8,395,568
Closing Balance	14,584,439	11,725,582

This is the Cash Flow statement referred to in our report of even date

for M. M. NISSIM AND CO.
Chartered Accountants

UMESHKUMAR N. MORE -
VINOD HARITWAL -
NIRAJKUMAR U. MORE -

Chairman & Managing Director
CEO & Executive Director
Director

P. P. BHANDARI
Partner
MEM No.: 32218

MANOHAR B. NIHALANI -

Sr. GM & Company Secretary

Mumbai, 30th June, 2005

Mumbai, 30th June, 2005

CONSOLIDATED ANNUAL REPORT 2004-2005

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

	Rupees	As At March 31, 2005 Rupees	As At March 31, 2004 Rupees
SCHEDULE A: SHARE CAPITAL			
AUTHORISED			
25,000,000 Equity Shares of Rs.10 each		<u>250,000,000</u>	<u>250,000,000</u>
ISSUED, SUBSCRIBED AND PAID-UP			
10,230,180 Equity Shares of Rs.10 each fully paid up		<u>102,301,800</u>	<u>102,301,800</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 were allotted as fully paid - up Bonus Shares by capitalisation of Capital Reserve. Capital redemption reserve, General Reserve and Securities Premium account.			
SCHEDULE B: RESERVES AND SURPLUS			
CAPITAL RESERVE		79,630	79,630
CAPITAL RESERVE (ON CONSOLIDATION)		13,976,000	13,976,000
REVALUATION RESERVE			
As per Last Balance Sheet	6,399,827		6,457,295
Less: Transferred to Profit and Loss Account	<u>50,992</u>		<u>57,468</u>
		6,348,835	6,399,827
SECURITIES PREMIUM ACCOUNT			
As per Last Balance Sheet	-		21,448,800
Less: Utilised for issue of bonus shares	<u>-</u>		<u>21,448,800</u>
		-	-
GENERAL RESERVE			
As per Last Balance Sheet	244,777,594		221,019,573
Less : Utilised for issue of bonus shares	-		12,651,800
Less : Deferred Tax Liability (Net) of Previous Year	<u>-</u>		<u>-</u>
	244,777,594		208,367,773
Less: Differential Share of Accumulated Profit in respect of Investment in Associate Company	(44,173)		(241,979)
Add. : Transfer from Profit and Loss Account	<u>50,000,000</u>		<u>36,651,800</u>
		294,733,421	244,777,594
		<u>315,137,886</u>	<u>265,233,051</u>

CONSOLIDATED ANNUAL REPORT 2004-2005

	Rupees	As At March 31, 2005 Rupees	As At March 31, 2004 Rupees
SCHEDULE C: MINORITY INTEREST			
Minority interest in equity			
43050 Equity shares held by minority interest		4,305,000	4,305,000
6000 equity shares held by minority interest		6000	6000
Minority interest in non-equity;			
Balance as on 01.04.2004	(2,740,303)		(1,274,700)
Less: Share of loss for the year	(1,734,272)		(1,448,650)
Less: Share of transfer from revaluation reserve in loss for the year	(15,043)		(16,953)
		(4,489,618)	(2,740,303)
		(178,618)	1,570,697
SCHEDULE D: SECURED LOANS			
(1) Credit Facilities from Banks			
(a) Term Loans		136,266,802	51,566,114
(Repayable within one year Rs.26.69 million, Previous year Rs.16.57 million)			
(b) VRS Term Loans		5,762,315	11,553,233
(Repayable within one year Rs.5.63 million, Previous year Rs.5.63 million)			
(c) Working Capital Facilities		122,853,377	156,628,572
(2) Hire Purchase Credits		7,990,263	8,832,768
		272,872,757	228,580,687
SCHEDULE E : UNSECURED LOANS			
(1) Fixed Deposits		7,590,000	7,878,000
(Repayable within one year Rs.3.41 million, previous year Rs.2.75 million)			
(2) Dealer Deposits		14,313,503	3,504,746
		21,903,503	11,382,746

(Value in Rs.)

SCHEDULE F: FIXED ASSETS

Sr. No.	Description	GROSS BLOCK (AT COST)			DEPRECIATION			IMPAIRMENT		NET BLOCK	
		As at 01-04-2004	Additions during the year	Sales/ adjustments during the year	As at 31-03-2005	Upto 31-03-2004	Deduction for Sale/ Adjustments	For the year	Upto 31-03-2005	As at 31-03-2005	As at 31-03-2004
1.	Land										
	a) Freehold	16,454,279	-	-	16,454,279	-	-	-	-	16,454,279	16,454,279
	b) Leasehold	5,082,107	-	-	5,082,107	514,841	65,673	580,514	580,514	4,501,593	4,567,266
2.	Buildings	174,499,518	647,771	6,847,438	168,299,851	34,376,841	4,181,640	34,899,972	34,899,972	133,399,879	140,122,676
3.	Plant & Machinery	310,390,372	11,197,510	31,858,961	289,728,921	174,549,170	21,976,298	164,984,876	180,501	124,563,544	135,841,203
4.	Laboratory and Scientific Research Equipment	68,776,113	5,580,873	24,049,293	50,307,693	31,830,566	15,961,574	18,730,527	18,730,527	31,577,166	36,945,546
5.	Furniture Fittings and Fixture	32,625,304	1,146,488	6,739,188	27,032,604	17,682,081	5,172,040	14,191,273	14,191,273	12,841,332	14,943,224
6.	Office Equipments	19,514,745	1,858,679	5,519,167	15,854,257	7,653,109	3,563,544	5,952,936	5,952,936	9,901,321	11,861,635
7.	Bottles & Crates	67,479,299	-	-	67,479,299	42,471,470	-	45,950,059	45,950,059	21,529,240	25,007,829
8.	Vehicles	32,159,962	7,572,002	1,789,765	37,942,199	7,158,249	764,750	9,571,708	9,571,708	28,370,491	25,001,714
		726,981,700	28,003,323	76,803,812	678,181,211	316,236,327	51,619,846	294,861,865	180,501	383,138,845	410,745,372
	Previous Year	706,822,210	28,356,115	8,196,625	726,981,700	289,101,257	3,403,873	316,236,328	-	410,745,372	417,720,953

Note:

- 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.
- Vehicles include Rs.11,548,152 being cost of vehicles not registered in the name of the company.

CONSOLIDATED ANNUAL REPORT 2004-2005

As At March 31, 2005 Rupees	As At March 31, 2004 Rupees
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SCHEDULE G: INVESTMENTS, (NON TRADE, LONG TERM)

(At Cost Less Permanent diminution in value)

A) In Associates		
a) Carrying cost of investments in associates (see note below)	2,233,221	2,277,394
B) Others		
a) Fully paid Equity share (Quoted)	950,343	858,693
b) Fully paid Equity share (Unquoted)	2,592,005	2,603,005
c) Units in Mutual Funds	161,615	2,158,251
d) National Savings Certificates	60,300	60,300
	5,997,484	7,957,643
Less: Permanent diminution in value	-	-
	5,997,484	7,957,643

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	Carrying cost of Investments
Growel Goema (I) Pvt. Ltd.	India	149980	30.00%	1,499,800	-	733,421	2,233,221
TOTAL				1,499,800			2,233,221

CONSOLIDATED ANNUAL REPORT 2004-2005

	Rupees	As At March 31, 2005 Rupees	As At March 31, 2004 Rupees
SCHEDULE H : CURRENT ASSETS, LOANS AND ADVANCES			
I. CURRENT ASSETS			
(i) Inventories (As taken, valued and certified by the management)			
Stores, Spares and Packing Materials	9,896,704		8,784,914
Raw Materials	71,838,621		72,472,739
Work-in-progress	23,522,644		25,809,110
Finished Goods	45,788,045		29,323,785
Trade Goods	8,856,764		8,856,764
Bottles & Cases	87,055,075		87,055,075
Goods in Transit	<u>16,372,900</u>		<u>8,304,505</u>
		263,330,753	<u>240,606,892</u>
(ii) Sundry Debtors Exceeding six months			
Secured	156,465		51,812
Unsecured - Considered good	92,507,889		85,399,789
- Considered doubtful	<u>—</u>		<u>6,728,868</u>
	92,664,354		92,180,469
Less: Provision for doubtful Debts	<u>—</u>		<u>6,728,868</u>
	92,664,354		<u>85,451,601</u>
Other Debts			
Secured	1,761,684		1,926,950
Unsecured - Considered good	159,938,666		130,999,063
	<u>161,700,350</u>		<u>132,926,013</u>
		254,364,704	218,377,614
(iii) Cash and Bank balances			
Cash on hand	1,167,774		1,809,890
With Scheduled Banks:			
In Current Accounts	11,667,350		9,220,736
In Fixed Deposits	1,147,706		694,956
In Margin accounts	871,609		<u>—</u>
		14,854,439	11,725,582
(iv) Other Current Assets			
Interest Receivable	118,969		118,969
Interest Accrued but not due	9,625		<u>4,080</u>
		128,594	123,049
II. LOANS AND ADVANCES			
(Unsecured considered good, unless otherwise stated)			
Inter Corporate Loans	89,157,704		114,397,365
Balances with Excise Department	10,397,823		3,134,770
Income Tax	19,731,076		9,447,399
Deposits	8,518,888		6,296,881
Advances to Suppliers	5,757,652		10,537,717
Loans to Staff	1,376,725		1,425,876
Prepaid expenses	2,333,575		2,186,934
Advances recoverable in cash or in kind or for value to be received	<u>10,827,472</u>		<u>10,976,942</u>
		148,100,915	158,403,884
		680,779,405	<u>629,237,021</u>

CONSOLIDATED ANNUAL REPORT 2004-2005

	Rupees	As At March 31, 2005 Rupees	As At March 31, 2004 Rupees
SCHEDULE I: CURRENT LIABILITIES & PROVISIONS			
(a) CURRENT LIABILITIES			
Acceptances	2,470,605		61,140
Sundry Creditors (Note No. 8)	108,937,665		76,621,017
Deposits from Dealers	567,500		567,500
Deposits (includes Rs.55660974/- towards deposit for bottles & cases)	55,660,974		55,660,974
Advance from customers	23,823,550		30,102,502
Investor Education and Protection Fund*			
Unpaid Dividends	539,586		602931
Unpaid Fixed Deposits	12,000		58,000
Unpaid Interest on Fixed Deposits	4599		10,220
	556,185		671,151
Interest accrued but not due	740,419		839,660
From Hindustan Coca-Cola Beverages Pvt. Ltd.	243,661,526		243,661,526
Other Liabilities	36,528,764		33,369,855
		472,947,188	441,555,325
(b) PROVISIONS			
Provision for Income Tax	21,700,000		10,000,000
Proposed Dividend	6,138,108		6,138,108
Tax on Proposed Dividend	860,870		786,445
Provision for Leave encashment	2,910,796		2,132,644
Provision for Gratuity	15,674,205		12,033,888
		47,283,979	31,091,085
		520,231,167	472,646,410

* The figures reflect the position as at 31st March, 2005. 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
Compensation under VRS	-	5,484,937
ERP Project Implementation expenses	2,726,574	4,089,861
Preliminary Expenses	78,039	78,039
Pre-operative Expenses	991,419	981,622
	3,796,032	10,916,845

CONSOLIDATED ANNUAL REPORT 2004-2005

	Rupees	As At March 31, 2005 Rupees	As At March 31, 2004 Rupees
SCHEDULE K: SALES			
Gross Sales		1,230,421,511	981,006,106
Less: Trade Discount	144,157,176		117,580,017
Less: Excise Duty	101,748,841	245,906,017	104,947,008
		<u>984,515,494</u>	<u>758,479,081</u>
SCHEDULE L: OTHER INCOME			
Plating and Service charges (Gross)*		5,845,055	3,576,232
License Fees		1,250,000	520,000
Miscellaneous Receipts (Gross)*		6,498,537	5,247,423
Interest Received (Gross)*		7,766,656	6,809,523
Profit on Sale of Investments		145,153	1,712,554
Exchange Fluctuation		-	577,426
Dividend on Investments		14,925	8,550
Interest on Investments		5,545	-
Compensation Received		2,030,875	1,679,523
Sundry balances written back		29,056	313,558
		<u>23,585,802</u>	<u>20,444,789</u>
		<u>1,231,731</u>	<u>1,210,085</u>
* Tax Deducted at Source			

CONSOLIDATED ANNUAL REPORT 2004-2005

	Rupees	2004-05 Rupees	2003-04 Rupees
SCHEDULE M: MATERIALS			
RAW MATERIALS CONSUMED			
Opening Stock	72,472,739		81,829,161
Add: Purchases	544,074,128		412,766,015
	<u>616,546,867</u>		<u>494,595,176</u>
Less: Closing Stock	<u>71,838,621</u>		<u>74,236,517</u>
		544,702,246	420,358,659
Purchase for Resale		866,605	4,305,433
		545,574,851	424,664,092
LESS: INCREASE IN STOCKS			
Opening Stock			
Work-in-Progress	25,809,110		11,546,781
Finished Goods	29,323,785		35,568,507
	<u>55,132,895</u>		<u>47,115,288</u>
Closing Stock			
Work-in-Progress	23,522,644		25,809,110
Finished Goods	45,788,045		29,323,785
	<u>69,310,689</u>		<u>55,132,895</u>
		(14,177,794)	(8,017,607)
Variation in Excise Duty on Opening & Closing Stock of finished goods		2,597,004	(1,440,317)
		<u>533,994,061</u>	<u>415,206,168</u>
SCHEDULE N: SALARIES, WAGES AND OTHER BENEFITS			
Salaries, Wages, Bonus etc.		81,021,442	71,078,166
Contribution to Provident and Other Funds		7,129,825	5,542,541
Welfare Expenses		12,225,510	11,468,835
Compensation paid under Voluntary Retirement Scheme written off		5,484,937	5,484,934
		<u>105,861,714</u>	<u>93,574,476</u>

CONSOLIDATED ANNUAL REPORT 2004-2005

	Rupees	2004-05 Rupees	2003-04 Rupees
SCHEDULE O: OTHER EXPENSES			
Stores, Spares and Loose Tools Consumed		14,504,742	8,887,655
Packing Expenses		34,446,987	23,098,908
Job Charges / Labour Charges		14,699,925	13,860,193
Power and Fuel		14,531,787	13,631,847
Drawings, Designs and Layout Expenses		127,509	259,700
Rent		5,523,948	5,188,304
Rates and Taxes		3,113,444	2,878,170
Repairs:			
Buildings	4,758,742		2,397,157
Plant & Machinery	4,738,314		3,473,232
Others	6,644,983		5,301,287
		16,142,039	11,171,676
Insurance		3,446,369	2,627,129
Freight and Forwarding		15,247,709	12,670,318
Research and Development		1,935,737	3,331,283
Printing and Stationery		4,779,829	4,128,449
Postage and Telephones		9,766,253	8,750,311
Vehicle Expenses		5,789,746	5,161,811
Travelling Expenses		14,570,313	11,017,835
Conveyance Expenses		5,948,737	4,734,553
Legal and Professional Fees		7,429,532	8,628,474
Sales Tax		11,742,261	14,319,095
Excise Duty		16,714	132,698
Advertisement & Sales Promotion		7,751,418	6,064,639
Auditors' Remuneration:			
Audit Fees	181,370		151,200
Tax Audit / Taxation matters	33,060		32,400
Other matters	75,175		112,800
Reimbursement of Expenses	1,815		17,531
		291,420	313,931
Directors' Fees		6,000	8,500
Royalty		739,598	767,018
Technical know-how fees written off		282,386	282,387
ERP Expenses written off		1,363,287	1,363,287
Provision for Doubtful Debts		-	1,362,545
Bad Debts written off	10,633,732		-
Less: Provision for Doubtful Debts Written back	(6,728,868)	3,904,864	-
Preliminary Expenses Written Off			14,650
Wealth Tax		103,980	84,703
Loss on Sale of Assets (Net)		3,920,246	1,538,546
Loss on Assets Discarded		18,466,296	-
Loss on Impairment of Assets		180,501	-
Donations		513,094	14,569
Exchange Fluctuations		9,241,120	-
Miscellaneous Expenses		25,290,328	21,482,029
		255,818,119	187,775,213
SCHEDULE P: INTEREST			
Fixed Loans		4,057,658	5,435,695
Others		15,927,963	12,970,899
		19,985,621	18,406,594

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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, 2005.
- 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, 2005
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, 2005
i. Growel Goema (India) Pvt. Limited	30%

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.

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.

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 31st March, 1999.

e. Impairment:

Impairment loss is recognised wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognised as an expenses in the statement of profit and loss and the carrying amount of the asset is reduced to its recoverable amount.

f. 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.

g. Inventories:

- i. Inventories are valued as follows :
Stores and Spares (Engineering Division) - At cost
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 moving weighted average Basis.
Cost of Finished Goods and Work – In – Progress is determined by considering materials, labour and other related direct expenses.

h. 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.

i. 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.

j. 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.

k. 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.

l. 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.

m. 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.

n. 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.

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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.

o. Leases:

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

p. 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. Specialised softwares over a period of 5 years.
- iv. Preliminary expenses are over a period of 10 years.

q. Provisions:

Provisions are recognised in the accounts in respect of present probable obligations as a result of past event, in respect of which a reliable estimate can be made.

r. Contingent Liabilities:

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

3. Contingent Liability not provided for	2004-2005 (Rs.in '000)	2003-2004 (Rs.in'000)
a) Disputed excise duty demands	16,183	71,026
b) Disputed Sales Tax demands	NIL	1,860
c) Labour demands pending before appropriate authority		Amount not ascertainable
d) 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)	 77,359	 33,617
 5. Remuneration to Managing Director / Directors		
i. Salary and Allowances	3,808	2,604
ii. Contribution to Provident Fund and other funds	326	162
iii. Perquisites	335	613
iv. Directors Sitting Fees	6	9
	<hr/> *4,475 =====	<hr/> *3,388 =====

*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".

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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. 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 31st March, 2005 of Growel Goema (India) Pvt. 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 31st March, 2005 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.586.78 Lacs and advances Rs.43.14 Lacs, outstanding for a considerable period of time without any transaction, as the management is hopeful of full recovery.
12. The Company has changed the method of valuation of closing stock of raw-materials, stores and spares from first in first out basis to moving weighted average cost. The management is of the opinion that this method of valuation would be more conservative and appropriate to the circumstances applicable to the company.

Had the Company followed the method of valuation of the aforesaid items of stock adopted in the previous year, the closing stock and the profit for the year would have been higher by Rs.1.22 Lacs.

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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, 2005 and certain assets and liabilities information regarding business and geographical segments as 31st March, 2005.

(a) Primary Segment Reporting by business segment

(Rs. In '000)

	Chemical	Engineering	Shoppertainment	Bottling Operations	Total
Segment revenue	848328	136187			984515
	(670938)	(87315)			(758253)
Add: Inter segment Revenue		(226)			0
					(226)
Total	848328	136187			984155
	(670938)	(87541)			(758479)
Segment Results	128341	3223		-8678	122886
	(105193)	(-16342)		(-10901)	(77950)
Less: Interest					19986
					(18407)
Less: Other Unallocable Expenditure net of unallocable Income					40704
					(26120)
Profit Before Tax					62196
					(33423)
Less: Provision for tax and Deferred tax					10212
					(-2633)
Profit After Tax					51984
					(36056)
Segment Assets	586037	92860	185126	308369	1172392
	(575319)	(84517)	(60201)		(720037)
Unallocated corporate Assets					90915
					(82277)
Total Assets					1263307
					(802314)
Segment Liabilities	106588	43437	18944	309178	478147
	(96643)	(47899)	(8891)		(153433)
Unallocated corporate Liabilities					381426
					(297487)
Total Liabilities					859573
					(450920)
Capital Expenditure	28372	987	121520		
	(24280)	(1556)	(58268)		
Depreciation	18848	635		7319	
	(18529)	(593)		(8479)	
Non Cash Expenditure	22795	6886			
	(3965)	(4528)			

(b) Secondary segment reporting by geographical segment

	Domestic	Exports	Total
Revenue	832605	151910	984515
	(653761)	(104718)	(758479)
Total assets	909953	43998	953951
	(781353)	(20961)	(802314)

Note: Previous year's figures are in brackets

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14. Related party disclosures

(i). List of Related Parties

Subsidiaries

Poona Bottling Company Pvt. Limited
Growel Energy Company Limited

Associates

Growel Goema (I) Pvt. Limited

Key Management Personnel, their relatives and enterprises where significant influence exists, 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 R. More	Director

Bombay Paints Limited

Growel Investment Limited

Growel Softech Limited

Digikore Designs Limited

Digikore Studios Limited

Growel Projects Limited
(Erstwhile Shree MPJ Builders Pvt. Limited)

Ridhi Sidhi Limited

Shree MPJ Cement Works Pvt. Limited

Bubna More & Co. Pvt. Ltd.

Radhakishan Nandlal Pvt. Ltd.

Nikmo Finance Pvt. Limited

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. Zhumkha R. More

Mr. Abhishek R. More

Mrs. Kirty R. Guleria

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B) II] TRANSACTIONS WITH RELATED PARTIES

(Rs. In '000)

Transactions	Associates	Key Management Personnel (KMP)	Enterprises of KMP	Relatives of KMP	Total 2004-05	Total 2003-04
Sales			20267		20267	13029
Purchases			2732		2732	4363
Interest Received			2862		2862	3016
Interest Paid	100		161		261	432
Rent Recieved			291	1	292	292
Rent Paid		432	271	384	1087	480
Purchase of Assets					0	4757
Sales of Assets			6		6	-
Contract Payments			91739		91739	38365
Services Received			6057		6057	4524
Salaries				620	620	458
Director's Fees		5			5	9
Managerial Remuneration		4469			4469	3379
Security Deposit Received			4000		4000	
Loans accepted	3500		5000		8500	
Repayment of loans accepted	3500		5000		8500	
Loans Advanced			4999		4999	62451
Repayment of loans Advanced			31310		31310	39988
Outstanding Balances as on 31st March 2005						
- Loans & Advances			89421		89421	114574
- Debtors			38837		38837	38584
- Current Liabilities			19717		19717	13091

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 31.03.2005

		<u>31.03.2005</u>	<u>31.03.2004</u>
Profit after minority interest	Rs.	44,430,552	33,843,205
Add: Brought Forward Loss		9,733,148	4,027,228
Profit for the year		54,163,700	37,870,433
Weighted average number of equity shares (Face Value Rs.10 per share)	Nos.	10,230,180	10,230,180
Basic Earnings per share		5.29	3.70

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16. DEFERRED TAX

The break up of Net Deferred Tax Liability as on 31.3.2005 is as under:

	As at March 31, 2005		As at March 31, 2004	
	Deferred	Deferred	Deferred	Deferred
	Tax Assets	Tax Liabilities	Tax Assets	Tax Liabilities
Difference between Book Value of Depreciable Assets as per books and WDV for Tax purpose		55688		66092
Provision for Doubtful Debts, Leave Encashment, Gratuity & Diminution in value of Investments	6144		7600	
Expenditure disallowable under Section 43B				155
Other Items giving rise to timing differences	34281	29303	41066	31273
Total	40425	84991	48666	97520
Net deferred Tax Liability		44566		48854
Net amount credited to Profit & Loss Account		(4,288)		(5,833)

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

SIGNATURES TO SCHEDULES A to Q which form an integral part of the Financial Statements

for M. M. NISSIM AND CO.	UMESHKUMAR N. MORE	-	Chairman & Managing Director
Chartered Accountants	VINOD HARITWAL	-	CEO & Executive Director
	NIRAJKUMAR U. MORE	-	Director
P. P. BHANDARI			
Partner	MANOHAR B. NIHALANI	-	Sr. GM & Company Secretary
MEM No.: 32218			
Mumbai, 30th June, 2005	Mumbai, 30th June, 2005		

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 47th Annual General Meeting of the Company to be held on Saturday, August 06, 2005 at 2 p. m. at the registered office of the Company at 'GROWEL HOUSE', AKURLI ROAD, KANDIVLI [EAST], MUMBAI - 400 101.

SIGNATURE OF THE SHAREHOLDERS OR PROXY
--

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 47th Annual General Meeting of the Company to be held on Saturday, August 06, 2005 at 2 p. 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 _____, 2005.

signed by the said _____

Affix a Revenue Stamp

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.

