

BOARD OF DIRECTORS

Umeshkumar N. More	Chairman & Managing Director
Rameshkumar R. More	Director
Nirajkumar U. More	Director
Karunchandra Srivastava	Director
Madan Mohan Chaturvedi	Director
Rohan Shah	Director
Suresh Pareek	Director [w.e.f. 29th September 2006]
Rohitkumar R. More	Whole Time Director
Vinod Haritwal	CEO & Executive Director [upto 23rd March 2007]
Rajender Guleria	Whole Time Director [upto 23rd March 2007]

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
Karunchandra Srivastava	Member

CHIEF EXECUTIVE OFFICER

Vinod Haritwal

SENIOR PRESIDENTS

Rajender Guleria	H. B. Charna	J. M. Kevlani
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PRESIDENT

Vinay Gupta

VICE PRESIDENTS

M. T. Rara	Mala Singh	M. A. Srisailam
Rattan Sharma	A. V. Dabir	Pallavi More
D. K. Bhardwaj	S. K. Sakhalkar	B. G. Advani

COMPANY SECRETARY & V.P. (LEGAL)

Noel Jacob

SR. GM (ACCOUNTS)

M. B. Nihalani

AUDITORS

M. M. Nissim And Co. - Chartered Accountants

BANKERS

Punjab National Bank
HDFC Bank Ltd.

REGISTERED OFFICE

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

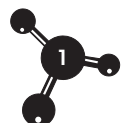
PLANTS

• Dadra -	Chemicals - Finished Products
• Barotiwala (H.P.) -	Chemicals - Finished Products
• Vapi -	Chemicals - Intermediates
• Alandi (Pune) -	Engineering

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the 49th Annual General Meeting of the members of GRAUER & WEIL [INDIA] LIMITED will be held on Thursday, 16th August 2007, at 10.00 a.m. at Gold Screen Hall, 2nd floor, Growel House, Akurli Road, Kandivli (East), Mumbai 400101, to transact with or without modification [s], the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Profit and Loss Account for the year ended March 31, 2007 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To declare a Dividend on Equity Shares for the year ended March 31, 2007.
3. To appoint a Director in place of Mr. Ramesh Kumar R. More, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rohit Kumar R. More, who retires by rotation, and being eligible offers himself for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS:

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

6. AS AN ORDINARY RESOLUTION :

"RESOLVED THAT Mr. Suresh Pareek who was appointed as an Additional Director of the Company with effect from September 29, 2006 pursuant to Section 260 of the Companies Act, 1956 and who holds office up to the date of the Annual General Meeting and being eligible offers himself for appointment and in respect of whom the Company has received a notice in writing from a member Under Section 257 and other applicable provisions, if any, of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company."

7. AS AN ORDINARY RESOLUTION:

"RESOLVED THAT 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 Board of Directors of the Company for the appointment of Mr. NIRAJKUMAR U. MORE as Managing Director of the Company for a period of Five Years, as and when the Board thinks fit, 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. Consolidated Salary in the scale of Rs. 50,000/- to Rs. 1, 00,000/- p.m.
- B. Perquisites:

In addition to the salary, Mr. Nirajkumar U. 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.

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 pursuant to the provisions of Section 314 of the Companies Act, 1956, subject to the approval of the Central Government and subject to all other applicable provisions of Act as may be in force, Consent of the Company be and is hereby accorded to the partial modification to the Special Resolution passed by the members of the Company at the Annual General Meeting held on August 6, 2005 for revision in Remuneration of Mrs. Pallavi N. More, relative of a Director of the Company, w.e.f. April 1, 2007, as follows:

A. Consolidated Salary in the scale of Rs. 30,000/- to Rs. 1, 00,000/- p.m inclusive of allowances and Commission.

B. PERQUISITES:

In addition to the consolidated Salary, She will be entitled to the following perquisites:

1. Medical Allowance including reimbursement as per the rules of the Company subject to the maximum of Rs. 15,000/- p.a.
2. Leave with full pay and all allowances as per the rules of the Company.
3. Leave Travel Concession/Allowance for self and family including dependents as per the rules of the Company.
4. Yearly encashment of leave as per the rules of the Company.
5. Contribution to provident fund, superannuation fund and gratuity fund as per the rules of the Company.
6. Provision of car with driver.
7. Free telephone facility at residence and use of Mobile phone for the business of the Company.

FURTHER RESOLVED THAT the Board is authorized to alter and vary the terms and conditions of the appointment provided, however, that the remuneration does not exceed the above mentioned limits.”

Registered Office:
‘Growel House’,
Akurli Road, Kandivli [East],
Mumbai - 400 101.
June 30, 2007

For & on behalf of the Board
For 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, TO BE EFFECTIVE, SHOULD 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 **06th August, 2007 to 16th August, 2007** (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 20th August, 2007.
4. Pursuant to the provisions of Section 205A of the Companies Act, 1956, unclaimed Dividend up to the year ended March 31, 1999 has been transferred to The Investors Education & Protection Fund (IEPF).

Members are hereby informed that Dividends which remain unclaimed/unpaid for a period of 7 years from the respective dates of declaration have to be transferred to The Investors Education & Protection Fund (IEPF) on the dates given in the table below:

Financial year	Date of declaration Of Dividend	Last date for claiming Unpaid dividend	Due Date for transfer to IEPF
1999-00	14.12.2000	13.12.2007	12.01.2008
2000-01	28.09.2001	27.09.2008	26.10.2008
2001-02	28.09.2002	27.09.2009	26.10.2009
2002-03	31.07.2003	30.07.2010	29.08.2010
2003-04	31.07.2004	30.07.2011	29.08.2011
2004-05	06.08.2005	05.08.2012	04.09.2012
2005-06	19.08.2006	18.08.2013	17.09.2013

Members who have not yet encashed their dividend warrant(s) for the financial year ended March 31, 2000 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 The Bombay Stock Exchange Limited, 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 modes 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) 2596 3838. Fax: (022) 2596 2691. Email: isrl@vsnl.com



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 August 14, 2007.
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.

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 & 4):

I. DIRECTORS RETIRING BY ROTATION:

A. Name	:	MR. RAMESHKUMAR R. MORE
Age	:	57 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.
7. Growel Corporate Management Ltd.

COMMITTEE MEMBERSHIPS:

Audit Committee	:	Grauer & Weil [India] Limited.
Share Holders Grievances Committee	:	Grauer & Weil [India] Limited.
Shareholding in the Company	:	750 Equity Shares

B. Name	:	MR. ROHIT KUMAR R. MORE
Age	:	34 [07/01/1973].
Qualifications	:	B.E.-MECHANICAL.

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

OTHER DIRECTORSHIPS:

1. Poona Bottling Company Pvt. Ltd.
2. Waluj Beverages Pvt. Ltd.
3. Growel Goema [I] Pvt. Ltd.
4. Digikore Studios Ltd.
5. Growel Softech Ltd.

COMMITTEE MEMBERSHIPS: NIL

II. DIRECTOR APPOINTED:

C. Name	:	MR. SURESH PAREEK
Age	:	51 [10/04/1956].
Qualifications	:	B.Com., FCA.

Mr. Suresh Pareek has been associated with the Company for very long and has about 25 years of experience in varied fields.

OTHER DIRECTORSHIPS:

1. Ideal Cures Private Limited.
2. R. S. Global Infotech Limited.
3. Cliff Tradvest Private Limited
4. Eeshan Infosystems Limited.

COMMITTEE MEMBERSHIPS : NIL



III. MANAGING DIRECTOR TO BE APPOINTED:

Name : MR. NIRAJKUMAR U. MORE
Age : 38 Years [Date of birth: 03/11/1969].
Qualifications : BBA-Graduate.

Mr. Niraj Kumar U. More is associated with the Company since August 12, 1993. He has got an experience of about 15 years in various fields in different types of Industries.

OTHER DIRECTORSHIPS:

1. Bombay Paints Ltd.
2. Poona Bottling Company Pvt. Ltd.
3. Radhakishan Nandlal Pvt. Ltd.
4. Gorav Investment Pvt. Ltd.
5. Waluj Beverages Pvt. Ltd.
6. Bubna More & Co. Pvt. Ltd.
7. Growel Softech Ltd.
8. Digikore Design Ltd.
9. Digikore Studios Ltd.
10. Ridhi Sidhi Ltd.
11. Growel Sidas Industries Pvt. Ltd.
12. Growel Financial Services Pvt. Ltd.
13. Growel Investment Pvt. Ltd.
14. Growel Corporate Management Ltd.

COMMITTEE MEMBERSHIPS:

Audit Committee : Grauer & Weil [India] Limited.

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

Registered Office:
'Growel House',
Akurli Road, Kandivli [East],
Mumbai - 400 101.
June 30, 2007

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

Umeshkumar N. More
Chairman & Managing Director

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

ITEM NO.6 :

Mr. Suresh Pareek was appointed as an additional director of the Company w.e.f. September 29, 2006.

Mr. Suresh Pareek is an Industrialist engaged in Pharmaceuticals and related products. He has also served our Company as a Director in the past. He has about 25 years of experience in various fields.

The Company will be greatly benefited from the guidance and supervision provided by Mr. Suresh Pareek. It is therefore, desirable to appoint Mr. Suresh Pareek as Director of the Company.

In the Interest of the Company, the Board recommends the resolution. Mr. Suresh Pareek may be deemed to be interested in the resolution as the same is related to his own appointment.

ITEM NO.7 :

The Board of Directors at their meeting held on June 30, 2007 has decided to seek approval of the members of the Company for appointment of Mr. Nirajkumar U. More as Managing Director of the Company for a period of 5 [Five] years from a date to be determined by the Board.

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

Mr. Niraj Kumar U. More is associated with the Company since August 12, 1993. He has got an experience of about 15 years in various fields in different types of Industries.

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.

Mr. Nirajkumar U. More may be deemed to be concerned or interested in this resolution as it relates to his own appointment. Mr. Umeshkumar N. More being related to Mr. Nirajkumar U. 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 :

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 and presently she is Vice President - Marketing (Real Estate).

Mrs. Pallavi N. More is based at Mumbai and is responsible for Marketing of the Company's Shoppertainment project at Mumbai.

Mrs. Pallavi N. More is B.Sc [Maths, Physics & Computer Science] and has business experience of over 10 years.

The Board of Directors at their meeting held on June 30, 2007 have decided subject to the approval of the members and other approvals as may be required to revise her Salary in the scale of Rs. 30,000/- to 100,000/- plus perquisites w.e.f. April 1, 2007.

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.

Registered Office:
'Growel House',
Akurli Road, Kandivli [East],
Mumbai - 400 101.
June 30, 2007

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

Umeshkumar N. More
Chairman & Managing Director



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DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have great pleasure in presenting their 49th Annual Report together with the Audited accounts of the Company for the year ended March 31, 2007.

FINANCIAL RESULTS	YEAR ENDED 31.03.2007 RS. MILLION	YEAR ENDED 31.03.2006 RS. MILLION
Gross Sales	1715.233	1429.970
Profit before depreciation, tax and appropriations	180.391	109.403
Profit before tax	145.202	82.550
Provision for current tax and deferred tax	31.542	18.906
Net Profit	113.660	63.644
Previous year adjustments	-	0.568
Add : Balance brought forward from previous year	8.584	8.120
Profit available for disposal	122.244	72.333
Proposed Dividend and tax thereon	14.581	8.749
Transfer to General Reserve	100.000	55.000
Profit carried forward	7.663	8.584

DIVIDEND :

Your Board has recommended payment of dividend for the year ended March 31, 2007 at 10% on Equity shares of Rs.10 each and seeks your approval for the same.

OPERATIONS :

The year under review saw a reasonable growth in revenues and a healthy growth in profitability. The Gross Sales of the Company grew by 20% over last year and the profit before tax grew by 76%.

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.

NEW PLANT AT JAMMU :

The construction of the new manufacturing facility at Jammu is about to commence and is expected to be completed in 8-10 months. The state of Jammu & Kashmir does, not only offer a low cost base for manufacturing but also offers important fiscal benefits which will help the Company increase its competitive edge.

'GROWEL's 101' - THE MALL :

Work on second phase of the project covering approx. 300000 sq. ft. is progressing at a fast pace. This phase should be operational with the first quarter of the next fiscal year.

JOINT VENTURE WITH SIDASA :

The Joint Venture Agreement with SIDA SA was terminated due to sale of their metal finishing chemical business.

RESEARCH & DEVELOPMENT :

R&D continues to occupy a central place in the company's plans to maintain its leadership through technical excellence and development of value added products.

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.

FIXED DEPOSITS :

The Company's balance of deposits as on March 31, 2007 was Rs. 12.679 Million.

Unclaimed matured fixed deposits of Rs. 15000/- which were not claimed as on 31st March, 2007 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 date.

BOARD OF DIRECTORS :

The Board has appointed Mr. Suresh Pareek as an additional Director of the Company with effect from September 29, 2006. His term will expire at the forth coming Annual General Meeting of the Company. Being eligible, he offers himself for reappointment and the Board recommends that he be re-appointed. The Company has received the required Notices along with security deposits from a member proposing his candidature as director of the Company.

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

It is proposed to take approval from the members of the Company for appointing Mr. Niraj Kumar U. More as Managing Director of the Company for a period of 5 [Five] years from the date, the Board of Directors determine. Mr. Niraj Kumar U. More has been closely associated with the Company since August 12, 1993 and has wide experience in different fields, the Board feels that as and when he is appointed as a Managing Director, the Company would greatly benefit from his managerial and entrepreneurial experience.

Mr Vinod Kumar Haritwal and Mr Rajinder Guleria have resigned from the Board with effect from 23rd March 2007, but continue to be managers of the Company under the Companies Act, 1956. The Board places on record its appreciation for the valuable contributions made by them during their tenure as directors of the Company.

CORPORATE GOVERNANCE :

Your Company continued to practice good governance as set out by the Securities and Exchange Board of India. In addition to the basic governance issues, the Board lays a strong emphasis on transparency, accountability and integrity. The detailed report on compliance of Corporate Governance and Management Discussion Analysis as stipulated in Clause 49 of the Listing Agreement is enclosed with this report as per **Annexure 'B'**.

CODE OF CONDUCT :

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has implemented a Code of Conduct for adherence by the Directors and Senior Management Personnel of the Company. This will help in dealing with ethical issues and also foster a culture of accountability and integrity.

DIRECTORS RESPONSIBILITY STATEMENT :

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

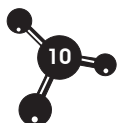
1. In the preparation of the annual accounts, the applicable accounting standards have been followed.
2. Appropriate policies have been selected and applied consistently and judgments and estimates wherever made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2007.
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 forms 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 letter from them to the effect that their reappointment, if made, would be within the limits specified under section 224 (1B) of the Companies Act, 1956. 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, 2008 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 O, which are self explanatory and, therefore, do not call for any further comments.

AUDIT COMMITTEE :

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

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

The information pursuant to section 217 (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 :

Your Board thought it prudent to induct a joint venture partner in execution of the power project in Himachal Pradesh. Accordingly a joint venture agreement was signed with M/s. TopTrack Garments P. Ltd who have the experience of setting up such plants.

(B) POONA BOTTLING COMPANY PRIVATE LIMITED :

The Board of your company felt that the investment in Poona Bottling Company P. Ltd. was not fetching any return and in view of the multiple litigation faced by that company from various banks, financial institutions, workmen, tax authorities, etc., there was no chance of any return on the investment in the near future. Accordingly it was decided to dispose off a part of the investment in this subsidiary. A part of the investment has since been sold at a capital gain and the shareholding of the company in Poona Bottling Company P. Ltd has come down to 51%.

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 Auditors 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 Bombay Stock Exchange Limited, 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, 2007

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

Umeshkumar N. More
Chairman & Managing Director



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**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.
- c. Development and management of properties.

During the year a healthy all round growth was registered by the Company in sales and profits. The aggregate revenues have risen by 20% and Net Profits have grown by 79% from Rs. 63.644 Million to Rs. 113.660 Million In 2007.

OPPORTUNITIES, THREATS, RISKS, CONCERNS AND OUTLOOK :

There is mixed growth in the sales and production of the Company's customer segments, however, since the company's sales are fairly widely based, they should continue to see a healthy growth in near future. The competition from national as well as international competitors is getting intenser by the day. The Company continues to associate with international manufacturers to offer the widest and latest options to its customers.

Furthermore, the Company is looking for diversification avenues in allied fields of surface treatment/finishes e.g. Pre-Treatment Processes as also Oils & Lubricants. Consequent to the industrial growth in the engineering sector, the demand for such products presents excellent prospects. It is felt that such market synergies provide a good opportunity for additional growth to our businesses in these fields.

The Company is about to commence construction of a new 4000 MT manufacturing facility at Jammu. This plant is expected to be operational in 8-10 months. The state of Jammu & Kashmir does not only offer a low cost base for manufacturing but also offers important fiscal benefits which will help the Company increase its competitive edge.

The second phase of Growel's 101, the shoppertainment mall at Kandivali in Mumbai is progressing fast and should be completed by March 2008. This phase will add another 3,00,000 sq. ft. of space to the existing 125000 sq. ft. and will greatly enhance the tenant mix of the mall making it a near complete basket.

EXPORTS :

Exports continue to be the main thrust of the Company's sales effort. On one hand we have entered into newer geographical areas through appointment of distributors as well as direct sales and on the other hand we are pushing hard for increased sales in the existing markets. The Company plans to establish Sales & Technical offices in other countries of potential interest.

PERFORMANCE OF THE COMPANY :

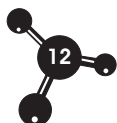
In the chemicals segment, the growth in sales during the current year has been 15%. We expect a healthy growth in the range of 20% for the current year too. The growth in the engineering segment has been higher and we expect it to so continue. All the production units particularly the plants at Dadra and Vapi adequately coped up with the substantially increased volumes of production and sales. All the chemical plants of the Company have been certified under ISO 9001:2000 and the plant at Barotiwala under ISO 14000.

This was the first full year of operations of the shoppertainment Mall at Kandivli in Mumbai which earned revenues to the extent of Rs. 52.058 Million.

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

HUMAN RESOURCES :

An elaborate training and development plan was introduced for up gradation 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. 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 524 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 records and accountability of executive actions 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 79%.
- b. The Company spent Rs. 148.314 Million on Capital Expenditure, mainly the Shoppertainment project.
- c. The Working Capital increased by Rs. 5.423 Million.
- d. The net term borrowings increased by Rs. 21.662 Million on account of loans to fund the Shoppertainment project. The long term Debt Equity ratio of the Company continues to be at a comfortable 0.55:1. 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.

ANNEXURE - 'B' TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION :

Corporate Governance is based on the principal of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance Practices stems from culture and mindset of the organization.

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:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

GROWEL is committed to good Corporate Governance practices that create long term sustainable shareholders value in the true spirit, at all times. Our governance practices are a product of self desire and reflected in our strategic thought process.

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.

BOARD OF DIRECTORS :

The Company's board as of date consists of 8 Directors, the Chairman being an Executive. As per the Listing Agreement the Company should have 4 [Four] independent directors.

Your Company is in compliance with the provisions of Listing Agreement of the Stock Exchange and the Companies Act, 1956. The Board has 4 Independent Directors and has an optimum combination of Executive and Non-Executive Directors.

The Board of your company has 4 [Four] Executive Directors and 4 [four] Non-Executive Directors.

During the financial year ended March 31, 2007, 7 [Seven] Board meetings were held on 24/04/2006, 30/06/2006, 31/07/2006, 19/08/2006, 25/10/2006, 31/01/2007 and 23/03/2007.

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
Mr. Umeshkumar N. More	CMD	7	YES	12	None
Mr. Nirajkumar U. More	ED	7	YES	14	None
Mr. Rameshkumar R. More	ED	6	YES	7	None
Mr. Rohitkumar R. More	WTD	3	YES	5	None
Mr. Madan Mohan Chaturvedi	NED	2	YES	2	None
Mr. Rohan Shah	NED	—	—	2	None
Mr. Karuchandra Srivastava	NED	5	YES	None	None
*Mr. Suresh Pareek	NED	2	—	4	None
**Mr. Vinod Haritwal	ED	6	—	N. A.	N. A.
**Mr. Rajender Guleria	ED	2	—	N. A.	N. A.

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

*Appointed as an additional Director w.e.f. September 29, 2006.

** Resigned w.e.f. March 23, 2007.



INFORMATION SUPPLIED TO THE BOARD :

Among others, this includes:

- Review of annual operating plans of business, capital budgets and updates.
- Quarterly results of the Company and its operating divisions.
- Minutes of meeting of audit committee and other committees.
- Information on recruitment and remuneration of senior officers just below the board level.
- General notices of interests.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents or dangerous occurrences.
- Details of any joint venture or collaboration agreement.
- Sale of materials, nature of investments, subsidiaries, assets which are not in the normal course of business.
- Foreign exchange exposure and the steps taken by the management to limit the risk of adverse exchange rate movements.
- Any materially significant effluent or pollution problems.
- Any issue which involves possible public or product liability claims of a substantial nature.
- Significant developments in the human resource and industrial relations fronts.

The Board is routinely presented with all information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda of board meetings or are placed during the course of the meeting.

MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS :

There are no material transactions with related parties that require a 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 O to the Accounts in the Annual Report.

COMMITTEES OF THE BOARD :

The Board has constituted committees of directors, which conform to the requirements of clause 49 of the Listing Agreement with the Stock Exchange and the Companies Act, 1956, to take informed decisions in the best interest of the company. These committees monitor the activities falling within their terms of reference.

AUDIT COMMITTEE :

The Company has constituted an Audit Committee at the Board level. The scope of the activities of the Audit Committee is in compliance with Clause 49 of the Listing Agreement with the Stock Exchange read with Section 292A of the Companies Act, 1956.

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.

During the financial year 2006-2007, 4 [Four] Audit Committee Meetings were held.

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

Name of the Members	Status	No. of Meetings Held	No. of Meetings Attended
MR. RAMESHKUMAR R. MORE	CHAIRMAN	4	4
MR. NIRAJKUMAR U. MORE	MEMBER	4	4
MR. MADAN MOHAN CHAURVEDI	MEMBER	4	4

All the members of the Audit Committee have Financial and Accounting Management expertise.

The meetings of the Audit Committee are also attended by Head of Accounts department and representatives of the statutory auditors.

Mr. Noel Jacob, Company Secretary acts as a Secretary of the Committee.

The Chairman of the Committee was present at the Annual General Meeting held on August 19, 2006 to attend to the shareholders queries.

REMUNERATION :

The Company has not constituted Remuneration Committee (being a non-mandatory requirement). 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 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, 1956.

Given below are the details of remuneration paid to Directors during the financial year 2006-2007: [Amount in Rs. 000]

Director	Sitting Fees	Salary & allowance	Perquisites
Mr. Umeshkumar R. More	—	1363	19
Mr. Vinod Haritwal	—	2143	—
Mr. Rameshkumar R. More	3.00	—	—
Mr. Nirajkumar U. More	3.50	—	—
Mr. Rohitkumar R. More	—	463	28
Mr. Rohan Shah	—	—	—
Mr. Madan Mohan Chaturvedi	1.00	—	—
Mr. Rajender Guleria	—	1273	—
Mr. Karunchandra Srivastava	2.50	—	—
Mr. Suresh Pareek	1.00	—	—

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, 2007.

The composition of the Shareholders. Committee and details of the meetings attended by the Directors during the year 2006-2007 are given below:

NAMES OF MEMBERS	CATEGORY	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. NIRAJKUMAR MORE	CHAIRMAN	3	3
Mr. RAMESH KUMAR MORE	MEMBER	3	3
*MR. K. C. SRIVASTAVA	MEMBER	—	—
** Mr. VINOD HARITWAL	MEMBER	3	3

Mr. Noel Jacob, Company Secretary is the Compliance Officer.

*w.e.f. March 23, 2007.

**upto March 23, 2007.

DETAILS OF INVESTORS COMPLAINTS RECEIVED DURING THE YEAR :

SR. NO.	NATURE OF COMPLAINTS	RECEIVED	DISPOSED	PENDING
1.	Non-receipt of Dividend Warrants	33	33	Nil
2.	Non-receipt of Bonus Shares	4	4	Nil
3.	Non-receipt of Share Cert. After Transfer	7	7	Nil
4.	Non-receipt of Annual Report	27	27	Nil
5.	Non-receipt of Demat Credit / Remat Certificate	2	2	Nil
6.	Non-receipt of Exchange of Certificates	1	1	Nil
7.	Non-receipt of Rejected DRFs	3	3	Nil
TOTAL		77	77	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.

GENERAL BODY MEETINGS :

The last three Annual General Meetings were held as under:

FINANCIAL YEAR	DATE	TIME	VENUE
31.03.2006	19.08.2006	03.00 P.M.	Juhu Jagruti Hall, Opp. Mithibhai College, Mumbai - 400 056
31.03.2005	06.08.2005	02.00 P.M.	Registered Office
31.03.2004	31.07.2004	11.00 A.M.	Registered Office

During the year, the Company sought shareholders approval through Postal Ballot to take approval of Shareholders for amendment of Object Clause U/s. 17 of the Companies Act, 1956. The Postal Ballot procedure was carried out in accordance with the Companies (Passing of the Resolution by Postal Ballot), Rules, 2001.

DISCLOSURES :

- 1 There were no transactions of material nature other than reported under Related Party Disclosures that have been entered into by the company with the promoters, directors, their relatives and the management and in any company in which they are interested, that may have potential conflict with the interest of the company.
- 2 Details on the use of proceeds from public issues, rights 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.
- 3 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 holds directorships and memberships of committees of the Board and his shareholding in the Company forms part of the notice of the Annual General Meeting and is annexed to this Annual Report.
- 4 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. Redressal of 3 [Three] Complaints pending with SEBI have since been attended.

Complaints filed under Section 211 and 217 of the Companies Act by the Registrar of Companies, Maharashtra, Mumbai against the Directors have since been disposed off.

MEANS OF COMMUNICATION :

- 1 Quarterly results are published in prominent daily newspapers viz., Free Press Journal and Navshakti.
- 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.
- 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**
- 4 The Company has also posted information relating to its financial results and shareholding pattern on Electronic Data Information Filing and Retrieval Systems [EDIFAR] at www.sebiedifar.nic.in

GENERAL SHAREHOLDERS INFORMATION :

- | | | |
|--------------------------|---|---|
| 1 ANNUAL GENERAL MEETING | : | 49th Annual General Meeting. |
| DAY & DATE | : | Thursday, August 16, 2007. |
| TIME | : | 10 a. m. |
| VENUE | : | Gold Screen Hall, 2nd Floor, Growel House, Akurli Road, Kandivli (E) Mumbai 400101. |

2 FINANCIAL CALENDAR :

- * Financial reporting for the quarter ended June 30, 2007 : End of July, 2007.
- * Financial reporting for the quarter ended Sept. 30, 2007 : End of Oct., 2007.
- * Financial reporting for the quarter ended Dec. 31, 2007 : End of Jan., 2008.
- * Financial reporting for the year ended March 31, 2008 : End of June, 2008 [Audited].

3 DATE OF BOOK CLOSURE: 06th August 2007 TO 16th August 2007 [Both days inclusive].

4 RECORD DATE OF PAYMENT OF DIVIDEND: 06th August 2007.

5 SHARE TRANSFER SYSTEM :

The Company's Shares being in compulsory dematerialized (Demat) list are transferable through the depository system. Shares in physical mode are processed by the Registrar and Share Transfer Agent [RTA]. The RTA has been authorised to process, approve and effect transfer of shares on behalf of the Company at fortnightly intervals.

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,

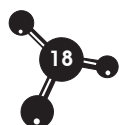
Bhandup [West], Mumbai - 400 078.

Phones : (022) 2596 3838. Fax : (022) 2596 2691.

Email : isrl@vsnl.com

7. COMPANY SECRETARY & COMPLIANCE OFFICER:

Mr. Noel Jacob



8. ADDRESS FOR CORRESPONDENCE :

Share Department:

GRAUER & WEIL [INDIA] LIMITED

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

Tel: 022-6699 3000. Fax : 022-6699 3010.

E-mail: hq@growel.com / secretarial@growel.com

9 LISTING :

The Bombay Stock Exchange,

Phiroz Jeejeebhoy Towers,

Dalal Street, Mumbai - 400 001.

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

10 STOCK CODE OF THE COMPANY :

The Bombay Stock Exchange Ltd.,

Scrip Name : GRAUER & WEIL [INDIA] LIMITED

Scrip Code : 505710.

Electronic Mode: INE266D01013.

11 DEPOSITORY CONNECTIVITY : NSDL and CDSL.**12 ISIN NO. FOR THE COMPANY'S SECURITY :** INE266D01013.**13 DEMATERIALISATION OF SHARES :**

As on March 31, 2007, a total of 48,68,266 Shares representing 38.07% of the paid up capital of the Company 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.

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

Stock Market price data for the year of Company's Share:

Month	High (Rs.)	Low (Rs.)	Monthly Volume
April, 2006	100.00	74.90	6,33,970
May, 2006	136.00	80.00	21,96,031
June, 2006	93.00	56.05	4,85,339
July, 2006	86.60	57.60	3,23,436
August, 2006	93.80	62.80	7,38,003
Sept., 2006	101.80	78.55	10,52,134
October, 2006	90.90	78.00	4,34,930
Nov., 2006	92.00	70.05	6,79,142
Dec., 2006	94.50	71.80	6,12,444
January, 2007	104.00	85.35	5,40,596
Feb., 2007	98.75	73.15	4,90,613
March, 2007	75.95	65.10	3,06,593

15 SHAREHOLDING PATTERN AS ON MARCH 31, 2007 :

Category	No. Of shares held	% of shareholding
Promoters & Associates	6293,435	49.22
Mutual Funds & UTI	2,062	0.02
Banks & Financial Institutions	1,775	0.01
Private Bodies Corporate	881,430	6.89
Indian Public	4787,761	37.44
NRI/OCBs	821,262	6.42
Total	127,87,725	100.00

16 DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2007 :

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto 500	4488	813475	6.36
501-1000	834	633156	4.95
1001-2000	605	846581	6.62
2001-3000	217	525892	4.11
3001-4000	63	223236	1.75
4001-5000	52	240659	1.88
5001-10000	62	432499	3.38
10001 & above	75	9072327	70.95
Total	6396	12787725	100.00

17 PLANT LOCATIONS :

- 215/1, Plot No. 10, Dadra Industrial Estate, Dadra – 396 191. (Dadra & Nagar Haveli.-U.T.)
- 407, GIDC Industrial Estate, Vapi - 396 195. [Gujarat]
- Plot No.31 & 32, Industrial Estate, Barotiwala - 174 103. [H. P.].
- Survey No.66, Village-Dhanore, Taluka-Khed, District-Pune, Maharashtra.

18 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, 2007

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

Umeshkumar N. More
Chairman & Managing Director



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DECLARATION

I, Mr. Umesh Kumar N. More, Chairman and Managing Director do hereby declare that all members of the Board of Directors and the senior management personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2007.

Registered Office:
'Growel House',
Akurli Road, Kandivli [East],
Mumbai - 400 101.
June 30, 2007

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

Umeshkumar N. More
Chairman & Managing Director

AUDITORS' CERTIFICATE

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

We have examined the compliance of conditions of Corporate Governance by GRAUER & WEIL [INDIA] LIMITED, (the Company) for the year ended on March 31, 2007, 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.

We state that no investor grievance is pending for a period exceeding one month against the company based on the report given by the registrars to the Investor Grievance Committee and certified by the Compliance Officer of the Company.

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, 2007

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 is 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 is measured on a regular basis thereby creating awareness of energy conservation.
- v) Plants are designed in such as way so that, there is 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 IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY:

It is proposed to take further steps for the conservation of energy during the Current year.

(3) IMPACT OF THE ABOVE MEASURES:

Energy saving with resultant reduction in cost.

(4) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER **FORM – 'A'**.

B. TECHNOLOGY ABSORPTION :

Efforts made in technology absorption as per **Form – 'B'**.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

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

The actual exports achieved in 2006-2007 were Rs. 216.564 Million, as compared to Rs. 178.044 Million in 2005-2006.

(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.	23,77,62,644
(b) Expenditure in foreign currencies for Business Travel, Seminars, Dividend and Royalties etc.	1,33,41,206
(ii) Total foreign exchange earned	21,65,64,482

Registered Office:

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

**Place: Mumbai
June 30, 2007**

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

**Umeshkumar N. More
Chairman & Managing Director**



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FORM - A**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY 2006-2007.**

PARTICULARS	2006-2007	2005-2006
A. POWER AND FUEL CONSUMPTION		
1. ELECTRICITY		
a) Purchased Units	20,20,690	18,33,583
Total amount (Rs.)	95,66,605	84,24,526
Average Rate/Unit (Rs.)	4.73	4.59
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)	215,343	216,290
Total Cost (Rs.)	50,21,498	42,52,289
Average rate (Rs. per litre)	23.32	19.66

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 2006-2007.

A. RESEARCH & DEVELOPMENT :**1) Specific areas in which R & D is carried out by the company :**

- i) Trivalent chrome black twin additive passivate for zinc and zinc alloys.
- ii) White bronze for nickel free application.
- iii) Newly developed cost effective cyanide zinc plating system.
- iv) Newly developed copper brightner system.
- v) Trivalent chrome yellow passivation for zinc plating.

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

- i) Lead cadmium free electroless nickel plating process with brighter finish.
- ii) Removal of hexavalent chrome/chrome salts in the plating processes which are highly carcinogenic and hazardous.
- iii) Nickel free white bronze plating process.
- iv) With the collaboration of multi-nationals like M/s Hawkings etc. the overall standards of plating information is 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 with brighter finish is developed.

3) Future Plan of Action :

- i) R&D division is working towards zero dumping concept in the pre-treatment process.
- ii) Due to implementation of ISO 9001:2000 Quality Management System, R&D activities are strictly monitored by regular internal and external audits.
- iii) Care is taken to comply with the federal environment standards to meet specific requirement ELV directive of European Union in respect of toxic and carcinogenic chemicals.
- iv) Compliance with Restriction of Hazardous Substances (ROHS) will be taken into account while preparation of new chemicals.
- v) Produce new intermediates for plating chemicals thereby leading to reduction of import costs.

4) Expenditure on R & D :

	2006-2007	2005-2006
	Rupees (in '000)	Rupees (in '000)
a) Capital	5945	3244
b) Recurring	12699	1378
c) Total	18644	4622
d) Total R & D expenditure as a percentage of total Turnover	1.37%	0.40%



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. covers high quality electrophoretic lacquer coating and specialised matt electrophoretic technology, a new invention. 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.

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

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, 2007 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, 2007 and taken on record by the Board of Directors, we report and certify that none of the Directors is disqualified from being appointed as Director under Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- 3) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with 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, 2007.
 - 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, 2007



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

- i. In respect of its fixed assets:
 - (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 and 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. In respect of its inventories:
 - (a) The Inventory, excluding material in transit has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As regards materials lying with third parties, confirmations have been obtained.
 - (b) The procedures of physical verification of Inventories followed by the management are, in our opinion, 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 2 Companies listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 61 Lacs and the year end balance of Loans granted to such parties was Rs. 52 Lacs.
 - (b) In our opinion, the rate of interest where applicable 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 where applicable.
 - (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 had taken unsecured loans from 4 companies, covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 89 Lacs and the year end balance of such loans taken was Rs. 35 Lacs.
 - (f) The rate of interest, where applicable and other terms and conditions of unsecured loans taken by the Company, are not prima facie prejudicial to the interest of the Company.
 - (g) The Company has repaid the principal amounts as stipulated and has been regular in the payment of interest, where 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 procedure applied by us and according to the information, explanations and representation given to us, we are of the opinion that particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered in the register maintained under that section have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding 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. 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.

We are informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal in respect of aforesaid deposits.

- vii. The Company does not have a formal internal audit system. However, in our opinion, there are adequate internal control procedures commensurate with the size and nature of its business.
- viii. We are informed that the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company.
- ix. (a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other Statutory dues with the appropriate authorities, where applicable. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March 2007 for a period of more than six months from the date they become payable.

(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 and Income tax, amounting to Rs. 27.39 Lacs and Rs. 2.14 Lacs which are not deposited, since the matters are pending before CESTAT and Commissioner appeals respectively.
- 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 terms 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, 2007



ANNUAL REPORT ~ 2006 - 2007

BALANCE SHEET AS AT MARCH 31, 2007

	Schedule	Rupees	As At March 31, 2007 Rupees	As At March 31, 2006 Rupees
SOURCES OF FUNDS				
SHAREHOLDERS FUNDS				
Share Capital	A	127,877,250		127,877,250
Reserves and Surplus	B	<u>431,087,790</u>		<u>332,008,551</u>
			558,965,040	459,885,801
LOAN FUNDS				
Secured Loans	C	348,429,968		346,433,262
Unsecured Loans	D	<u>46,570,142</u>		<u>48,341,691</u>
			395,000,110	394,774,953
DEFERRED TAX				
Deferred Tax Liabilities		51,816,973		44,692,349
Deferred Tax Assets		<u>(7,979,782)</u>		<u>(7,197,310)</u>
			43,837,191	37,495,039
			<u>997,802,341</u>	<u>892,155,793</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	E	760,234,933		718,674,843
Less: Depreciation		<u>190,301,031</u>		<u>160,665,871</u>
Net Block		569,933,902		558,008,972
Capital Work in Progress & Capital Advances		<u>123,747,411</u>		<u>33,873,649</u>
			693,681,313	591,882,621
INVESTMENTS	F		8,667,081	8,878,997
CURRENT ASSETS, LOANS AND ADVANCES G				
Inventories		170,368,721		181,262,063
Sundry Debtors		277,409,161		260,483,471
Cash and Bank Balances		46,260,419		24,116,740
Other Current Assets		479,072		134,079
Loans and Advances		<u>141,235,743</u>		<u>90,635,783</u>
				<u>556,632,136</u>
Less: CURRENT LIABILITIES AND PROVISIONS	H			
Current Liabilities		237,246,765		193,887,395
Provisions		<u>103,052,404</u>		<u>72,713,853</u>
				<u>266,601,248</u>
NET CURRENT ASSETS			295,453,947	290,030,888
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	I		-	1,363,287
			<u>997,802,341</u>	<u>892,155,793</u>
Notes to Accounts	O			

Schedules 'A' to 'I' and 'O' 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**
- **Director**

P. P. BHANDARI
Partner
MEM No.: 32218

NOEL JACOB

- **Company Secretary & V. P. (Legal)**

Mumbai, 30th June, 2007

Mumbai, 30th June, 2007

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	Schedule	Rupees	For the year ended March 31, 2007 Rupees	For the year ended March 31, 2006 Rupees
INCOME				
Income from Operations				
Gross Sales			1,715,233,141	1,429,970,343
Less: Trade Discount			170,205,237	156,945,602
Less: Excise Duty			183,765,690	116,348,561
			<u>1,361,262,214</u>	<u>1,156,676,180</u>
Business conducting Fees			52,057,960	20,333,272
(Tax deducted at source Rs.109,26,625/-)				
(Previous Year Rs.6,997,639/-)				
			<u>1,413,320,174</u>	<u>1,177,009,452</u>
Other Income	J		24,456,780	17,659,600
			<u>1,437,776,954</u>	<u>1,194,669,052</u>
EXPENDITURE				
Materials	K		766,167,061	648,986,952
Salaries, Wages and other benefits	L		122,652,813	108,053,217
Other Expenses	M		312,948,272	287,203,741
Interest & Finance Charges	N		55,618,407	41,021,767
Depreciation			35,187,806	26,853,072
			<u>1,292,574,359</u>	<u>1,112,118,749</u>
PROFIT BEFORE TAX			<u>145,202,595</u>	<u>82,550,303</u>
PROVISION FOR TAXATION				
Current Tax			22,000,000	20,000,000
Deferred Tax			6,342,152	(5,094,111)
Fringe Benefit Tax			3,200,000	4,000,000
PROFIT AFTER TAX			<u>113,660,443</u>	<u>63,644,414</u>
Excess Provision of Income Tax written back				567,834
			<u>113,660,443</u>	<u>64,212,248</u>
Add: Balance Brought Forward			8,584,001	8,120,475
PROFIT AVAILABLE FOR APPROPRIATION			<u>122,244,444</u>	<u>72,332,723</u>
APPROPRIATIONS				
Proposed Dividend			12,787,725	7,672,635
Tax on Proposed Dividend			1,793,479	1,076,087
Transfer to General Reserve			100,000,000	55,000,000
			<u>114,581,204</u>	<u>63,748,722</u>
Balance carried to Balance Sheet			<u>7,663,240</u>	<u>8,584,001</u>
BASIC AND DILUTED EARNINGS PER SHARE			8.89	5.02
Notes to Accounts	O			

Schedules 'J' to 'O' 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
Director

P. P. BHANDARI
Partner
MEM No.: 32218

NOEL JACOB

- **Company Secretary & V. P. (Legal)**

Mumbai, 30th June, 2007

Mumbai, 30th June, 2007



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

Rupees	For the year ended March 31, 2007 Rupees	For the year ended March 31, 2006 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX	145,202,595	82,550,303
Adjustments for:		
Depreciation	35,187,806	26,853,072
(Profit) / Loss on sale of Investements	(3,609,085)	(231,763)
Write back of Dimunition in value of Investments	(347,199)	-
(Profit) / Loss on sale of fixed	(519,752)	89,315
Loss on Assets Discarded	679,991	18,421,575
Unrealised foreign exchange (gains) / Losses	2,045,364	1,151,132
Interest Paid	55,618,407	41,021,767
Interest Received	(3,243,739)	(231,763)
Dividend and Income from units	(7,265)	(6,735)
Wealth Tax	114,382	101,259
Bad Debts written off	2,959,279	-
ERP Expenses written off	1,363,287	1,363,287
	90,241,476	88,531,147
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	235,444,071	171,081,450
Adjustments for:		
(Increase) / Decrease in Trade and other receivables	(41,993,256)	(79,833,129)
(Increase) / Decrease in Inventories	10,893,342	(15,606,927)
Increase / (Decrease) in Trade and other payables	44,609,175	32,606,675
	13,509,261	(62,833,381)
CASH GENERATED FROM OPERATIONS	248,953,332	108,248,069
Direct Taxes Paid	(31,806,055)	(22,458,281)
NET CASH FROM OPERATING ACTIVITIES	217,147,277	85,789,788

	For the year ended March 31, 2007 Rupees	For the year ended March 31, 2006 Rupees
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital Expenditure	(148,313,872)	(124,526,992)
Sale of Fixed Assets	11,167,136	2,683,465
Purchase of Investments	-	(4,996,286)
Sale of Investments	4,168,200	-
Interest received	2,898,746	226,278
Dividend and Income from Units	7,265	6,735
NET CASH USED IN INVESTING ACTIVITIES	<u>(130,072,525)</u>	<u>(126,606,802)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowings (Net)	225,157	99,998,693
Interest Paid	(54,525,633)	(41,133,625)
Dividend Paid	(8,585,233)	(7,014,615)
NET CASH FROM FINANCING ACTIVITIES	<u>(62,885,709)</u>	<u>51,850,453</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>24,189,043</u>	<u>11,033,439</u>
Opening Cash and cash equivalents	25,267,872	14,234,433
Closing Cash and cash equivalents	49,456,915	25,267,872
Notes to the cash flow statement		
Components of cash and cash equivalents		
Cash and bank balances	46,260,419	24,116,740
Unrealised foreign exchange gains - net	3,196,496	1,151,132
	<u>49,456,915</u>	<u>25,267,872</u>

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
Director

P. P. BHANDARI
Partner
MEM No.: 32218

NOEL JACOB -

Company Secretary & V.P. (Legal)

Mumbai, 30th June, 2007

Mumbai, 30th June, 2007



SCHEDULES ANNEXED TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

	Rupees	As At March 31, 2007 Rupees	As At March 31, 2006 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			
12,787,725 Equity Shares of Rs.10 each fully paid-up		<u>127,877,250</u>	<u>127,877,250</u>
NOTE: Of the above,			
(1) 154,500 Equity shares were allotted as fully paid-up pursuant to contracts without payment being received in cash.			
(2) 11,593,495 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			
GENERAL RESERVE			
As per Last Balance Sheet	323,424,550		294,000,000
Less: Utilised for issue of bonus shares	<u> </u>		<u>25,575,450</u>
	323,424,550		268,424,550
Add: Transferred from Profit and Loss Account	<u>100,000,000</u>		<u>55,000,000</u>
		423,424,550	323,424,550
PROFIT AND LOSS ACCOUNT			
		<u>7,663,240</u>	<u>8,584,001</u>
		<u>431,087,790</u>	<u>332,008,551</u>

	As At March 31, 2007 Rupees	As At March 31, 2006 Rupees
SCHEDULE C: SECURED LOANS		
Credit Facilities from Banks		
Term Loans (Repayable within one year Rs.27.13 million, Previous Year Rs.34.50 million)	205,703,707	184,041,418
Working Capital Facilities	129,636,462	155,755,923
Hire Purchase Credits	13,089,799	6,635,921
	<u>348,429,968</u>	<u>346,433,262</u>

NOTES:

- 1] 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

Fixed Deposits (Repayable within one year Rs.2.42 million, Previous year Rs. 1.54 million)	12,679,000	10,809,000
Dealer Deposits	30,391,142	29,132,691
Inter Corporate Deposits	3,500,000	8,400,000
	<u>46,570,142</u>	<u>48,341,691</u>

SCHEDULE E: FIXED ASSETS

(Value in Rs.)

Sr. No.	Description	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK			
		As at 01-04-2006	Additions during the year	Sales/ adjustments during the year	As at 31-03-2007	Upto 31-03-2006	Deduction for Sale/ Adjustments	For the Year	Upto 31-03-2007	As at 31-03-2007	As at 31-03-2006
1.	Land										
	a) Freehold	10,099,049	-	-	10,099,049	-	-	-	-	10,099,049	10,099,049
	b) Leasehold	14,741,100	-	-	14,741,100	675,592	-	173,006	848,598	13,892,502	14,065,509
2.	Buildings	314,204,909	20,587,276	8,095,289	326,696,896	26,892,819	1,266,699	10,220,685	35,846,805	290,850,091	287,312,090
3.	Plant & Machinery	238,328,714	10,313,177	384,655	248,257,236	80,230,295	286,423	14,369,453	94,313,325	153,943,911	158,098,419
4.	Laboratory Equipment	22,255,289	556,340	308,772	22,502,857	7,348,624	-	1,065,068	8,413,692	14,089,165	14,906,662
5.	R&D Equipment	31,070,185	5,696,701	-	36,766,886	13,758,964	-	1,482,081	15,241,045	21,525,841	17,311,221
6.	Furniture Fittings and Fixture	30,450,521	603,983	-	31,054,504	13,416,343	-	1,965,119	15,381,462	15,673,042	17,034,179
7.	Office Equipments	17,997,750	2,679,818	196,500	20,481,068	7,451,851	136,000	1,892,274	9,208,126	11,272,942	10,545,899
8.	Vehicles	39,527,326	18,311,587	8,203,576	49,635,337	10,891,382	3,863,523	4,020,119	11,047,978	38,587,359	28,635,944
		718,674,843	58,748,882	17,188,792	760,234,933	160,665,870	5,552,645	35,187,806	190,301,031	569,933,902	558,008,972
	Previous Year	467,223,250	280,249,242	28,797,649	718,674,843	141,416,092	7,603,294	26,853,072	160,665,871	558,008,972	325,807,158

Note:

- Buildings 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.14,074,550 being cost of vehicles not registered in the name of the company.

	As At March 31, 2007		As At March 31, 2006	
	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
Indo-French Bio-tech Enterprises Limited	89,800	89,800	89,800	89,800
Punjab National Bank	235	91,650	235	91,650
Unquoted				
In Subsidiaries				
Poona Bottling Co. Pvt. Limited	95,970	407,085	145,950	619,000
(Fully paid-up equity shares of Rs.100/- each)				
(49980 Equity Shares Sold during the year)				
Growel Energy Company Ltd.	49,400	494,000	49,400	494,000
(Fully paid-up Equity shares of Rs.10/- each)				
In Associates / Joint Ventures				
Growel Goema (I) Pvt. Ltd.	149,980	1,499,800	149,980	1,499,800
(Fully paid-up Equity shares of Rs.10/- each)				
Growel Sidasa Industries Pvt. Ltd.	444,900	4,449,000	444,900	4,449,000
(Fully paid-up Equity shares of Rs.10/- each)				
Grauer & Weil (Thailand) Ltd.	9,800	1,098,050	9,800	1,098,050
(Fully paid-up Equity shares of THB 100 each)				
Others				
In fully paid-up Equity shares of Rs.10/- each				
Shree Vaishnavi Dyeing & Printing Ltd.	1,500	6,000	1,500	6,000
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
(49600 Shares Sold During the year)				
NATIONAL SAVINGS CERTIFICATES		60,300		60,300
Total		8,667,081		8,878,997

	As At March 31, 2007		As At March 31, 2006	
	Cost Rs.	Market value Rs.	Cost Rs.	Market value Rs.
Aggregate value of Quoted Investments	590,843	3,678,214	590,843	2,865,547
Aggregate value of Unquoted Investments	8,076,238		8,288,154	
	8,667,081		8,878,997	



Rupees	As At March 31, 2007 Rupees	As At March 31, 2006 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	10,241,133	9,248,197
Raw Materials	78,693,605	75,070,297
Work-in-progress	32,274,931	36,158,661
Finished Goods	39,231,604	42,735,511
Goods in Transit	9,927,448	18,049,397
	170,368,721	181,262,063
(ii) Sundry Debtors (Ref. Note no. 5)		
Exceeding six months:		
Secured	93,139	104,979
Unsecured - Considered good	28,306,282	41,177,353
	28,399,421	41,282,332
Other Debts:		
Secured	12,645,939	2,854,110
Unsecured-considered good	236,363,801	216,347,029
	249,009,740	219,201,139
	277,409,161	260,483,471
(iii) Cash and Bank balances		
Cash on hand	1,266,140	1,219,112
With Scheduled Banks:		
In Current Accounts	34,147,006	19,325,340
In Fixed Deposits	719,765	1,152,400
In Margin accounts	10,127,508	2,419,888
	46,260,419	24,116,740
(iv) Other Current Assets		
Interest Receivable	457,972	118,969
Interest Accrued but not due	21,100	15,110
	479,072	134,079
II. LOANS AND ADVANCES (Unsecured considered good unless otherwise specified)		
Inter Corporate Loans (Ref Note no.6 (a & b))	5,262,956	5,241,157
Balances with Excise Department	12,364,098	8,143,951
Income Tax	67,352,067	38,860,394
Deposits (Ref Note no. 6 (a))	14,437,065	6,581,526
Advance to Suppliers	29,191,328	20,660,761
Loans to Staff	1,526,650	1,267,297
Prepaid expenses	2,235,732	1,692,292
Advances recoverable in cash or in kind or for value to be received (Refer Note No.6 (c))	8,865,847	8,188,405
	141,235,743	90,635,783
	635,753,116	556,632,136

	Rupees	As At March 31, 2007 Rupees	As At March 31, 2006 Rupees
SCHEDULE H: CURRENT LIABILITIES & PROVISIONS			
(a) CURRENT LIABILITIES			
Acceptances	1,744,058		2,554,792
Sundry Creditors -			
- Due to small scale industrial undertaking	11,629,920		5,322,844
- Others	146,633,636		114,347,635
Advance from customers	19,970,707		27,409,909
Investor Education and Protection Fund*			
Unclaimed Dividends	687,740		525,547
Unclaimed Fixed Deposits	16,296		15,000
	704,036		540,547
Interest accrued but not due	1,721,335		628,561
Other Liabilities	54,843,073		43,083,108
		237,246,765	193,887,396
(b) PROVISIONS			
Provision for Income Tax	63,908,451		41,908,451
Proposed Dividend	12,787,725		7,672,635
Tax on Proposed Dividend	1,793,479		1,076,087
Provision for Leave encashment	3,602,858		3,477,723
Provision for Gratuity	20,959,891		18,578,957
		103,052,404	72,713,853
		340,299,169	266,601,249

*The figures reflect the position as at 31st March, 2007. 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)

ERP Project Implementation expenses	-	1,363,287
	-	1,363,287
	For the year ended March 31, 2007	For the year ended March 31, 2006

SCHEDULE J: OTHER INCOME

Plating and Service charges (Gross)	7,191,892	7,785,090
License Fees (Gross)	1,475,000	2,380,000
Miscellaneous Receipts (Gross)	8,062,848	4,362,886
Interest Received (Gross)*	3,243,739	2,887,641
Interest on investments	-	5,485
Profit on sale of Investments	3,609,085	231,763
Profit on sale of Assets (Net)	519,752	-
Diminution in value of investments written back	347,199	-
Dividend on investments	7,265	6,735
	24,456,780	17,659,600
	960,613	317,087

*Tax Deducted at source



	Rupees	For the year ended March 31, 2007 Rupees	For the year ended March 31, 2006 Rupees
SCHEDULE K: MATERIALS			
RAW MATERIALS CONSUMED			
Opening Stock	75,070,297		71,838,621
Add: Purchases	<u>762,525,743</u>		<u>662,424,682</u>
	837,596,040		734,263,303
Less: Closing Stock	<u>78,693,605</u>		<u>75,070,297</u>
		758,902,435	659,193,006
PURCHASE FOR RESALE		<u>45,728</u>	<u>-</u>
		758,948,163	659,193,006
ADD: (INCREASE) / DECREASE IN STOCKS			
Opening Stock			
Work-in-Progress	36,158,661		23,522,644
Finished Goods	<u>42,735,511</u>		<u>45,788,045</u>
	78,894,172		69,310,689
Closing Stock			
Work-in-Progress	32,274,931		36,158,661
Finished Goods	<u>39,231,604</u>		<u>42,735,511</u>
	71,506,535		78,894,172
		7,387,637	(9,583,483)
Variation in Excise Duty on Opening and Closing Stock of finished goods		<u>(168,739)</u>	<u>(622,571)</u>
		766,167,061	648,986,952
SCHEDULE L: SALARIES, WAGES AND OTHER BENEFITS			
Salaries, Wages, Bonus etc.		99,523,927	86,873,357
Contribution to Provident and Other Funds		8,661,529	7,549,694
Welfare Expenses		14,467,357	13,630,166
		<u>122,652,813</u>	<u>108,053,217</u>

Rupees	For the year ended March 31, 2007 Rupees	For the year ended March 31, 2006 Rupees
SCHEDULE M: OTHER EXPENSES		
Stores, Spares and Loose Tools Consumed	23,060,788	16,677,359
Packing Expenses	44,760,601	38,220,306
Job Charges / Labour Charges	25,945,329	23,074,964
Power and Fuel	16,456,546	14,628,455
Drawings, Designs and Layout Expenses	638,606	680,484
Rent	7,303,253	6,999,296
Rates and Taxes	10,962,124	5,576,672
Repairs and Maintenance:		
Buildings	3,693,419	7,426,986
Plant & Machinery	5,001,854	6,000,090
Others	9,285,021	13,627,543
	17,980,294	27,054,620
Insurance	3,749,758	3,128,203
Freight and Forwarding	25,371,621	18,206,979
Printing and Stationery	5,867,921	5,508,328
Postage and Telephones	11,017,181	10,673,869
Vehicle Expenses	8,610,738	6,964,972
Travelling Expenses	23,038,406	18,314,252
Conveyance Expenses	5,089,767	5,048,599
Legal and Professional Fees	9,910,096	8,924,959
Sales Tax	24,215,255	16,179,010
Advertisement & Sales Promotion	7,700,127	8,556,280
Auditors' Remuneration:		
Audit Fees	135,000	135,000
Tax Audit / Taxation Matters	30,000	30,000
Other Matters	75,000	75,000
Reimbursement of Expenses	18,699	11,967
	258,699	251,967
Directors' Sitting Fees	11,000	11,000
Royalty	—	44,670
ERP Expenses written off	1,363,287	1,363,287
Bad Debts written off	2,959,279	—
Wealth Tax	114,382	101,259
Loss on Sale of Assets (Net)	—	89,315
Loss on Assets Discarded	679,991	18,421,575
Donations	43,854	101,040
Exchange Fluctuations	6,970,108	6,139,037
Miscellaneous Expenses	28,869,261	26,262,986
	312,948,272	287,203,741
SCHEDULE N: INTEREST & FINANCE CHARGES		
Interest on Fixed Loans	17,944,737	9,056,818
Others	23,690,879	20,222,286
Cash Discount	13,982,791	11,742,662
	55,618,407	41,021,767



SCHEDULE O: 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.

Income arising out of Business Conducting Fees are accounted on accrual basis.

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 amortised over its lease period; unless if it is a perpetual lease.

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 expense in the statement of profit and loss and the carrying amount of the asset is reduced to its recoverable amount.

f. Investments : Long Term Investments are stated at cost of acquisition or book value. Book value being arrived at after adjusting provision for diminution in value, provided such diminution is not temporary.

g. Inventories :

i. Inventories are valued as follows :

Stores, Spares, Raw Materials, Packing Materials, 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 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** : Superannuation benefits to employees, as per company's scheme, have been funded with Life Insurance Corporation of India and the annual contribution towards fund is accounted for on accrual basis.

The accrued liability for Gratuity and Leave encashment benefits payable to employees has been provided on the basis of Actuarial Valuation and are charged to 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 monetary items are converted into Rupee equivalent at the exchange rates prevailing as on Balance Sheet date. Non monetary items are carried at historical cost denominated in a foreign currency and are reported using the exchange rate at the date of transaction. Exchange differences arising on settlement / restatement of monetary items are recognised as income or as expenses in the year in which they arise, except exchange differences on transactions relating to acquisition of fixed assets from outside India, which are adjusted to the carrying amount of Fixed Assets. Premium or discount on Forward Contracts is amortised over the life of such contracts and is recognised as income or expenses, except for difference in respect of liabilities incurred for acquiring Fixed Assets from outside India, in which case such difference is adjusted in the carrying cost of Fixed Assets. Any Profit or Loss arising in cancellation or renewal of Forward Contract is recognised as income or as expense for the year except Profit or Loss on transactions relating to acquisition of Fixed Assets from outside India, which is adjusted against carrying cost of the 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** : Interest and other borrowing costs attributable to the acquisition of or construction of qualifying assets till the date of commercial use of the assets are capitalised. All other borrowing costs are charged to revenue.

- m. **Income Taxes** : Tax expense comprises both current and deferred taxes. Current Tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods are recognised using the tax rates and tax laws that have been enacted or substantively enacted. Provision for Wealth Tax, Fringe Benefit Tax liability is estimated and provided for.

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 representing ERP Project Implementation expenses is amortised over a period of 5 years.

q. **Provision & Contingent Liabilities** :

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosures is made.

2. Contingent Liabilities not provided for :

	2006-2007 (Rs. in '000)	2005-2006 (Rs. in '000)
Disputed matters in appeal / contested in respect of;		
- Income Tax	214	882
- Excise Duty	4052	4052
- Other matters	27960	12858

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

189665	12586
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4. Managerial Remuneration

i] Salary and allowances	4871	4185
ii] Contribution to Provident Fund and other funds*	371	281
iii] Perquisites	50	334
iv] Directors Sitting Fees	11	11
	<u>*5303</u>	<u>*4811</u>

*Excluding Contribution / Provision for Gratuity and Leave Encashment

5. Sundry Debtors includes :

Debts due from Associates		
(i) Grauer & Weil (Thailand) Limited	8560	3085
(ii) Growel Sidasa Industries Pvt. Limited	868	861
(iii) Growel Goema India Pvt. Limited	10805	1389

6. LOANS AND ADVANCES INCLUDES :

a) Amount due from Subsidiary Companies		
(i) Poona Bottling Co. Pvt. Limited		
- On account of Loan	525	-
- On account of Deposit	6850	100
(ii) Growel Energy Co. Limited		
- On account of expenses	-	567
- Share application money pending allotment	-	5
b) Loan to Associates		
(i) Grauer & Weil (Thailand) Limited	4738	2000
c) Amount due from Associates		
(i) Growel Sidasa Industries Pvt. Limited	-	41
(on account of expenses)		
Growel Corporate Management Ltd.		
- Share application money pending allotment	213	-

7) Disclosure required by clause 32 of the listing agreement

Amount due from following parties

	Amount Outstanding	Maximum Balance during the year	No. of shares held at the year end	(Rs. in '000) Shares held by the Loanee company Maximum No. of shares held during the year
(i) Subsidiaries				
1) Poona Bottling Co. Pvt. Limited	7375 (Nil)	7375 (139)	Nil (Nil)	Nil (Nil)
2) Growel Energy Co. Limited	— (567)	567 (567)	Nil (Nil)	Nil (Nil)
(ii) Associates				
1) Growel Goema (I) Pvt. Limited	— (Nil)	3 (5)	Nil (Nil)	Nil (Nil)
2) Growel Sidasa Industries Pvt. Limited	— (41)	— (255)	Nil (Nil)	Nil (Nil)
3) Grauer & Weil (Thailand) Limited	4738 (2000)	5000 (2000)	Nil (Nil)	Nil (Nil)
(iii) Companies in which Directors are interested				
1) Growel Investment Limited	Nil (Nil)	Nil (1104)	Nil (20700)	20700 (21700)
2) Ridhi Sidhi Limited	Nil (Nil)	Nil (2253)	125400 (100320)	125400 (100320)
3) Growel Softech Limited	123 (123)	130 (144)	Nil (Nil)	Nil (Nil)

Note: Previous year figures are in brackets

8. 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.
9. The Company has taken various premises under operating leases. These are generally not non-cancellable and range between 11 months to 5 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".
Minimum lease payments;

	2006-2007	2005-2006
- Not later than one year	4900	7058
- Later than one year, but not later than five years	3270	5746
10. Capital Work in Progress includes:		
Pre operative expenses pending allocation		
	2006-2007	2005-2006
1) Rates and Taxes	37	3,352
2) Insurance	—	66
3) Professional Fees	13,092	10,166
4) Travelling Expense	—	105
5) Borrowing Cost	4051	5395
6) Salary & Wages	193	—
7) Miscellaneous	1079	437
	18453	19521
Add: Brought forward from previous year	23552	46604
	42004	66125
Less: Rental Income	—	12001
Less: Amount Capitalised	—	30572
Total:	42004	23552



11. The company has incurred the following revenue expenditure on Research & Development activities during the year at its R&D Centre at Kandivli

	Rs. In '000
i) Salaries, Wages & Benefits	6013
ii) Chemicals consumed	4731
iii) Travelling & Conveyance	1157
iv) Repairs & Maintenance	187
v) Other expenses	285
Total	<u>12373</u>
Less: Testing & analysis charges	(295)
	<u>12078</u>

Depreciation includes Rs.1482 thousand in respect of Fixed Assets used for Research & Development.

Capital Expenditure on Research & Development during the year is Rs. 5697 thousand.

This information also complies with the terms of approval of In-house Research & Development facility at R&D centre, Kandivli, Mumbai granted by Government of India, Ministry of Science & Technology, Department of Scientific & Industrial Research for the period 1st April, 2006 to 31st March, 2007 vide their letter No. T.U.IV-15 (305)/2006 dated 22nd February, 2007

The Research & Development expenditure incurred during the year at other locations of the company not included in above is as follows ;

Revenue Expenditure	621
Capital Expenditure	<u>248</u>
Total	<u>869</u>

12. The Company enters into forward exchange contracts being derivatives instruments, which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the date of settlement.
- (i) The company does not have any outstanding position in respect of forward exchange contracts as at 31st March, 2007.
- (ii) Un-hedged foreign currency exposure is Rs. 62248 Thousand (US \$13,74,562 Euro 48,952, GBP 5,810) net receivables as on 31st March, 2007
- (iii) Premium on Forward Exchange Contracts to be amortised over the life of the contract Rs. Nil (Previous Year – Rs. 164361).
13. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date, to the extent such parties have been identified on the basis of information available with the Company.
14. Names of Small Scale Industrial undertakings to whom amount outstanding for more than 30 days, as at the year end but within agreed terms are –
- i) Morarji Chemicals Pvt. Limited
- ii) Swastik Oil Products Mfg. Co.

The above information has been compiled in respect of parties to the extent to which they could be identified as Small Scale and Ancillary undertakings on the basis of information available with the company.

15. SEGMENT REPORTING

The following tables present revenue and profit / (loss) information regarding business / geographical segments for the year ended 31st March, 2007 and certain assets and liabilities information regarding business and geographical segments as at 31st March 2007.

(a) Primary Segment Reporting by business segments

(Rs. In '000)

	Chemical	Engineering	Shoppertainment	Total
Segment revenue				
Income from operations	1136988 (991438)	224274 (165238)	52058 (20333)	1413320 (1177009)
Add: Inter segment Revenue				
Add: Other Income	7603 (4880)	9818 (10706)	1217 (0)	18638 (15586)
Add: Unallocable				5819 (2074)
Total	1144591 (996318)	234092 (175944)	53275 (20333)	1437777 (1194669)
Segment Results	233653 (203610)	- 1832 (3026)	30452 (10417)	262273 (217053)
Less: Interest				55618 (41022)
Less: Other Unallocable Expenditure net of unallocable Income				61452 (93481)
Profit Before Tax				145203 (82550)
Less: Provision for current tax & Deferred tax				31542 (18906)
Profit After Tax				113661 (63644)
Segment Assets	637364 (644112)	177517 (143055)	312213 (216576)	1127094 (1003743)
Unallocated corporate Assets				211007 (155014)
Total Assets				1338101 (1158757)
Segment Liabilities	142433 (119713)	88145 (67194)	17475 (12891)	248053 (199798)
Unallocated corporate Liabilities				531083 (499073)
Total Liabilities				779136 (698871)
Capital Expenditure	18757 (21874)	10831 (2657)	104248 (33356)	
Depreciation	17605 (16839)	1004 (827)	9879 (4200)	
Non Cash Expenditure	4178 (0)	882 (352)		

(b) Secondary segment reporting by geographical segment

	Domestic	Exports	Total
Revenue	1221213 (1016625)	216564 (178044)	1437777 (1194669)
Total Assets	1265967 (1104998)	72134 (53759)	1338101 (1158757)

Note: Previous year's figures are in brackets



16. Related party disclosures

(i). List of Related Parties

Subsidiaries

Poona Bottling Company Pvt. Limited
Growel Energy Company Limited

Associates

Growel Goema (I) Pvt. Limited
Growel Sidasa Industries Pvt. Limited
Grauer & Weil (Thailand) Limited
Growel Corporate Management 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	Manager
Mr. Rameshkumar R. More	Director
Mr. Nirajkumar U. More	Director
Mr. Rohitkumar R. More	Director
Mr. Rajender Guleria	Manager
Mr. Rohan Shah	Director
Mr. M. M. Chaturvedi	Director
Mr. K. C. Srivastava	Director
Mr. Suresh Pareek	Director

Bombay Paints Limited

Growel Investment Limited

Growel Softech Limited

Digikore Designs Limited

Growel Projects Limited
(Erstwhile Shree MPJ Builders Pvt Limited)

Ridhi Sidhi Limited

Bubna More & Co. Pvt. Limited

Radhakishan Nandlal Pvt. Limited

Relatives of Key Management Personnel

Mrs. Premlata U. More

Mrs. Pallavi N. More

Mrs. Draupadidevi N. More

Mr. Abhishek R. More

ii) Transactions with Related Parties

(Rs. In '000)

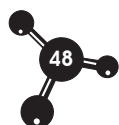
Transactions	Subsidiaries	Associates	Key Management Personnel (KMP)	Enterprises of KMP	Relatives of KMP	Total 2006-07	Total 2005-06
Sales		37043				37043	5959
Purchases		30		1810		1840	3314
Interest Received	6					6	131
Interest Paid		319		137		456	462
Rent Received				176	1	177	235
Rent Paid	1858		719	60	684	3321	2851
Contract Payments				13878		13878	87785
Sales of Assets						0	71
Services Received (SAP)				4741		4741	4022
Services Received (Maintenance)				1693		1693	0
Salaries					717	717	623
Investment in shares						0	5498
Director's Fees			11			11	11
Managerial Remuneration			5292			5292	4801
Deposit for Rent	6750					6750	0
Share application		213				213	0
Sale of shares			1000	500	1999	3499	0
Loans accepted				1500		1500	10000
Repayment of Loans accepted		1000		5400		6400	1600
Loans Advanced	525	2738				3263	4600
Repayment of Loans Advanced	566					566	5859
Outstanding Balances as on 31st March, 2007							
- Unsecured Loans		2000		1500		3500	8400
- Current Liabilities	36			3043		3079	8060
- Debtors		20234		4805		25039	12046
- Loans and Advances	7375	4738		1623		13736	2731

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.

17. Earnings Per Share

Calculation of Earnings per share for the year ended 31.03.2007

		31.03.2007	31.03.2006
Profit for the year	Rs.	113,660,443	64,212,248
Weighted average number of equity shares (Face Value Rs.10 per share)	Nos.	12,787,725	12,787,725
Basic Earnings per share	Rs.	8.89	5.02



18. Deferred Tax

The break up of Net Deferred Tax Liability as on 31.3.2007 is as under:

	As at March 31, 2007		As at March 31, 2006	
	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		51817		44692
Leave Encashment, Gratuity etc.	7338		6719	
Other Items giving rise to timing differences	642		478	
Total	7980	51817	7197	44692
Net deferred Tax Liability		43837		37495
Net amount debited / (credited) to Profit & Loss Account		6342		(5094)

19. 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	Tons	1,7612 (1,7612)	9523 (9040)
2.	Basic Chemicals	Tons	1300 (1300)	273 (352)
3.	Intermediatory Chemicals	Tons	1200 (1200)	1629 (2057)
4.	Electroplating Equipments	**	**	**

* 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.

B. Traded items	Units	Quantity	(Rs. in million)
			Purchases value
Basic Chemicals	Tons	0.60	0.05

C. 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	365.00 (381.20)	29.72 (36.16)	228.50 (365.00)	25.50 (29.72)	9,384.77 (8,682.00)	1,227.96 (1,037.64)
2 Basic Chemicals	3.43 (6.30)	0.71 (0.90)	3.36 (3.43)	1.50 (0.71)	272.80 (354.94)	135.71 (97.20)
3 Intermeditory Chemicals	54.98 (59.10)	11.99 (8.55)	74.67 (54.98)	11.91 (11.99)	671.05 (696.79)	92.32 (103.60)
4 Electroplating Equipments @						258.85 (190.80)
5 Free Sample						0.30 (0.43)
6 Others		0.30		0.30 (0.30)		0.0*** (0.23)***
						1,715.14 (1,429.90)
Trading						
Chemicals	0.10 (0.60)	0.01 (0.18)	0.20 (0.10)	0.02 (0.01)	0.50 (0.50)	0.09 (0.07)
		<u>42.73</u> (45.79)		<u>39.23</u> (42.73)		<u>1715.23</u> (1429.97)

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

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

D. Raw materials & bought out components consumed

(Rs. In Million)

	Units	2006-2007		2005-2006	
		Quantity	Value	Quantity	Value
Inorganic Compounds	Tons	5849.70	267.81	5267.73	187.88
Organic Compounds	Tons	2872.02	269.11	3406.83	248.74
Metals	Tons	46.65	71.13	77.24	55.89
Mild Steel & Angles, Beams					
Channels, Sheets, Rods and Flats	Tons	74.55	26.01	87.15	22.13
Stainless Steel, Rods, Sheets & Flats	Tons	5.13	9.65	7.27	10.16
Electric Motors	Nos.	460.00	4.20	359.00	2.13
Rectifiers	Nos.	134.00	17.48	169.00	7.58
Others			93.51		124.68
Total			758.90		659.19

	%	Rs. in Million	%	Rs. in Million
Imported	36	275.49	33	218.08
Indigenous	64	483.41	67	441.11
	100	758.90	100	659.19

	Nos.	2006-2007 Rs. In Million	Nos.	2005-2006 Rs. In Million
E. C. I. F. Value of Imports				
(a) Raw Materials		224.89		180.99
(b) Components & Spare Parts		7.51		0.14
(c) Capital Goods		5.37		2.75
F. Remittances in Foreign Currency				
Dividend (Net of Taxes)		0.47		0.38
Number of Non-Resident Shareholders		2		2
Number of Shares held by Non-Residents on which dividend was remitted	787500		630000	
Year for which dividend was remitted		2005-2006		2004-2005
G. Expenditure in Foreign Currency				
(On Payment basis)				
(a) Travelling			7.73	5.93
(b) Royalty (Net of Taxes)			-	0.04
(c) Seminar & Exhibition			1.50	0.6
(d) Advertisement			0.62	0.22
(e) Membership and subscription			0.06	0.05
(f) Professional fees			0.72	3.8
(g) Bank charges			0.59	0.4
(h) Interest			0.61	3.19
(i) Commission			1.05	-
(j) Others			-	0.98
H. Earnings in Foreign Currency				
F. O. B. Value of Exports			209.88	169.03

20. 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 'O' which form an integral part of the Financial Statements

for M. M. NISSIM AND CO.
Chartered Accountants

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

P. P. BHANDARI
Partner
MEM No.: 32218

NOEL JACOB - Company Secretary & V. P. (Legal)

Mumbai, 30th June, 2007

Mumbai, 30th June, 2007



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
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 State Code

1	1
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Balance Sheet

3	1
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0	3
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2	0	0	7
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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>1</td><td>3</td><td>3</td><td>8</td><td>1</td><td>0</td><td>2</td></tr></table>			1	3	3	8	1	0	2	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>1</td><td>3</td><td>3</td><td>8</td><td>1</td><td>0</td><td>2</td></tr></table>			1	3	3	8	1	0	2
		1	3	3	8	1	0	2											
		1	3	3	8	1	0	2											

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>2</td><td>7</td><td>8</td><td>7</td><td>7</td></tr></table>				1	2	7	8	7	7	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>4</td><td>3</td><td>1</td><td>0</td><td>8</td><td>8</td></tr></table>				4	3	1	0	8	8
			1	2	7	8	7	7											
			4	3	1	0	8	8											
Secured Loans	Unsecured Loans																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>3</td><td>4</td><td>8</td><td>4</td><td>3</td><td>0</td></tr></table>				3	4	8	4	3	0	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td>4</td><td>6</td><td>5</td><td>7</td><td>0</td></tr></table>					4	6	5	7	0
			3	4	8	4	3	0											
				4	6	5	7	0											
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>3</td><td>8</td><td>3</td><td>7</td></tr></table>					4	3	8	3	7										
				4	3	8	3	7											

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>6</td><td>9</td><td>3</td><td>6</td><td>8</td><td>1</td></tr></table>				6	9	3	6	8	1	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>8</td><td>6</td><td>6</td><td>7</td></tr></table>							8	6	6	7
			6	9	3	6	8	1												
						8	6	6	7											
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>9</td><td>5</td><td>4</td><td>5</td><td>4</td></tr></table>				2	9	5	4	5	4	<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				
			2	9	5	4	5	4												
			N	I	L															
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															

STATEMENT ATTACHED TO THE BALANCE SHEET AS AT MARCH 31, 2007**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, 2007	March 31, 2007
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	:	95,970 Equity Shares of Rs.100/- each (50.78%)	49,400 Equity Shares of Rs.10/- each (50.39%)
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.10,730,133 (LOSS)	NIL
b) For the previous financial years of the subsidiary since it became the holding Company's Subsidiary	:	Rs.143,334,273 (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 - Chairman & Managing Director
VINOD HARITWAL - CEO
NIRAJKUMAR U. MORE - Director

P. P. BHANDARI
Partner
MEM No.: 32218

NOEL JACOB - Company Secretary & V. P. (Legal)

Mumbai, 30th June, 2007

Mumbai, 30th June, 2007

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.

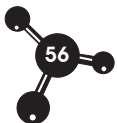
BANKERS

BANK OF INDIA

REGISTERED OFFICE & FACTORY

410/1, 411/2, Mumbai – Pune Road,

Dapodi, Pune – 411 012.



ANNUAL REPORT ~ 2006 - 2007

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 48th Annual General Meeting of the members of POONA BOTTLING COMPANY PRIVATE LIMITED will be held on Friday, July 27, 2007 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, 2007 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, 2007.

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.

DIRECTORS' REPORT TO THE SHAREHOLDERS:

Your Directors have great pleasure in presenting 48th Annual Report together with the Audited accounts for the year ended March 31, 2007.

OPERATIONS:

With a view to clear the path for future business development by using the landed assets available with the company, the Management of the company settled the disputes with Sicom, Bank of Baroda and Canara Bank. The company is thankful to M/s.Grauer & Weil (India) Ltd whose timely financial assistance enabled the company to fully pay off the settlement amounts. We are happy to report that all the three disputes involving injunctions on the landed assets of the company have since been settled and the company is now in a position to develop and deal with its properties. The Board has considered and decided to take up development of the Pune property as an I.T. Park. Necessary plans have been filed with Pimpri and Chinchwad Municipal Corporation for their approvals. The company is hopeful to commence development of the I.T Park project during the course of the year.

DIVIDEND:

Due to non availability of sufficient profits, your Board has decided not to recommend any dividend for the year ended March 31, 2007.

FIXED DEPOSITS:

The Company has not invited or accepted Fixed Deposits during the financial year 2006-2007.

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, 2007.
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 :

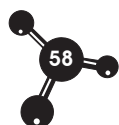
M/s. R. N. Bhansali & Co. Chartered Accountants, Auditors of the Company are retiring at the ensuing Annual General Meeting. They are eligible for re-appointment and have expressed their willingness to act as auditors, if re-appointed. The Company has received a certificate from them that they are qualified 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, 2008 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 'J' which are self explanatory and, therefore, do not call for any further comments.

SECRETARIAL COMPLIANCE CERTIFICATE:

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



POONA BOTTLING COMPANY PRIVATE LIMITED

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, 2007.

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

RameshKumar R. More
Director



ANNUAL REPORT ~ 2006 - 2007



SECRETARIAL COMPLIANCE CERTIFICATE

COMPANY NO. 11-011307.

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

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

The Members,

M/s. POONA BOTTLING COMPANY PRIVATE LIMITED

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

DAPODI, PUNE - 411 012.

I have examined the registers, records, books and papers of **M/s. POONA BOTTLING COMPANY PRIVATE LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ended on **MARCH 31, 2007**. 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 18/04/2006, 30/06/2006, 22/08/2006, 28/10/2006 AND 27/01/2007 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 August 12, 2006 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.



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 Section 293 (1) (d) of the Act are not applicable.
25. The Company being a Private Limited Company, provisions of section 372A of the Companies Act, 1956 are not applicable.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the Object of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to Name of the company during the year under scrutiny.
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 28, 2007

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.	12/09/2006.	Yes	No
2	Balance Sheet U/s. 210.	12/09/2006.	No	Yes
3	Secretarial Compliance Certificate U/s. 383A.	14/09/2006.	No	Yes

[MAHESH SONI]

PRACTISING COMPANY SECRETARY
FCS: 3706; COP: 2324.

Place: Mumbai,

Date: June 28, 2007



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AUDITORS' REPORT

We have audited the attached Balance Sheet of **POONA BOTTLING COMPANY PRIVATE LIMITED** as at 31st March, 2007 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) (Amendment) Order, 2004 in 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.
 - 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, 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2007 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 (b) (v)	Regarding impairment of Assets.
Clause 1 (f)	Regarding Deferred Tax Assets/Liability
Clause 2 (a) & (b)	regarding the closure of the bottling operations of the Company, claims against the companies not acknowledged as debt.
Clause 2 (a) (i)	regarding the non provision of labour dues amounting to Rs.250.39 lakhs where by the losses and the current liabilities have been understated to that extent.
Clause 6	regarding non confirmation of balances.

POONA BOTTLING COMPANY PRIVATE LIMITED

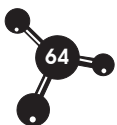
in the case of

- a. Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
 - 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

YOGESH MOTANI
(Partner)

Mumbai
Dated: 30th June, 2007.



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

1. (a) The records of fixed assets are being compiled. Hence we are unable to comment on the same.
(b) We are informed that physical verification of fixed assets and reconciliations with the financial records will be carried out on compilation of the fixed asset register. Further we were informed that the bottles and cases in market given on or without deposits could not be verified physically.
(c) Though during the year, Company has sold plant & machinery valuing Rs. 76,10,329/-. In our opinion, the Company has not disposed of a substantial part of its fixed assets during the year and the going concern status of the Company is not affected subject to our qualification as mentioned in audit report of even date.
2. During the previous year the Company has written off its stock of spares in hand and does not have any stock in hand, hence clause 2 of Companies (Auditor's Report) (Amendment) Order, 2004 in 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, is not applicable to the Company.
3. (a) As per the information and explanations given to us and the register under section 301 of the Companies Act, 1956 produced before us we find that 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. 77,940,074/- and the closing balance as at 31st March, 2007 amounted to Rs. 73,902,234/-.
(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.
(e) As per the information and explanations given to us and the register under section 301 of the Companies Act, 1956 produced before us we find that the Company has taken loan from one company the maximum amount outstanding during the year is Rs.5,29,664/- and the closing balance as on 31st Mar 2007 amounted Rs.5,29,664/-.
4. In our opinion and according to the information and explanations given to us there are adequate internal control procedures are commensurate with the size of the Company and nature of its business.
5. (a) To the best of our knowledge and belief and according to the information given to us, and the register under section 301 of the Companies Act, 1956 produced before us, we are of the opinion that the transactions that need to be entered into the register maintained U/s.301 of the Companies Act, 1956 have been so entered.
(b) There are no transactions of purchases of goods, materials and sale of goods, materials & services made in pursuance of contracts or agreements entered in the register maintained U/s. 301 of the Act aggregating during the year to Rs.500,000/- or more in respect of each party other than charging amenity charges to Grauer & Weil (India) Limited, Digikore Studios Ltd and Growel Softech Limited amounting to Rs.18,57,444/-, Rs.427,277/- and Rs.237,900/- 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, Service Tax, Cess, Investor Education & Protection Fund and any other statutory dues which were outstanding as at 31st March, 2007 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) According to the information and explanations given to us and on the basis of our examination of the books of accounts there are no Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Customs Duty to be deposited on

POONA BOTTLING COMPANY PRIVATE LIMITED

account of any disputes other than the disputes as mentioned in Annexure to this report. Further we were informed that as the Company has the benefit of carried forward losses there are no amounts to be deposited on account of Income Tax Disputes.

10. The accumulated losses of the Company as on 31st March, 2007 stand at Rs. 18,14,35,314/- which exceeds 50% of its entire net worth. Further cash losses for the year ended 31st March, 2007 is Rs. 274,481/- However, the cash loss for the immediately preceding year ended 31st March 2006 was Rs.Nil.
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 Companies (Auditor's Report) (Amendment) Order, 2004 in 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, 2007 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 given to us and on the basis of our verification of the books and other documents the Company has taken ICD (short term) from the holding company during the year for Rs. 5,29,664 /-.
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

YOGESH MOTANI
(Partner)

Mumbai

Dated: 30th June, 2007.

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

Excise Dues Nature of Dues	Disputed Amount	Forum Where Dispute is pending
i. Excise Duty & Penalty	27,59,444	Commissioner - Excise
ii. Excise Duty	28,28,018	Civil Court of Pune
Total	<u>55,87,462</u>	



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POONA BOTTLING COMPANY PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2007

	Schedule	Rupees	As At March 31, 2007 Rupees	As At March 31, 2006 Rupees
SOURCES OF FUNDS				
SHAREHOLDERS FUNDS				
Share Capital	A	18,900,000		18,900,000
Reserves & Surplus	B	<u>251,875,531</u>		<u>251,927,727</u>
			270,775,531	270,827,727
UNSECURED LOAN	C		529,664	-
			<u>271,305,195</u>	<u>270,827,727</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	D	162,601,278		210,554,656
Less Depreciation		<u>124,632,510</u>		<u>159,592,241</u>
Net Block			37,968,768	50,962,415
INVESTMENTS	E		6,377,310	5,722,438
CURRENT ASSETS, LOANS AND ADVANCES				
Sundry Debtors	F	26,884,661		26,903,830
Cash and Bank Balances		882,438		685,027
Loans and Advances		<u>85,057,638</u>		<u>86,218,904</u>
		<u>112,824,737</u>		<u>113,807,761</u>
Less: CURENT LIABILITIES AND PROVISIONS	G			
Curent Liabilities		67,300,934		60,021,768
Provisions		-		-
		<u>67,300,934</u>		<u>60,021,768</u>
NET CURRENT ASSETS			45,523,803	53,785,993
PROFIT AND LOSS ACCOUNT				
As per Last Year Balance Sheet		160,356,881		28,033,468
During the Year		<u>21,078,433</u>	181,435,314	<u>132,323,413</u>
Total			<u>271,305,195</u>	<u>270,827,727</u>
Notes to Accounts	J			

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

RAMESHKUMAR R. MORE
NIRAJKUMAR U. MORE

Director
Director

YOGESH MOTANI
Partner

Mumbai
June 30, 2007

Mumbai
June 30, 2007



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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

Schedule	For the year ended March 31, 2007 Rupees	For the year ended March 31, 2006 Rupees
INCOME		
Compensation Received	4,264,019	3,089,222
Other Income	102,314	2,919,818
	4,366,333	6,009,040
EXPENDITURE		
Operating and Other Expenses	4,640,814	134,041,011
Depreciation	5,383,318	6,311,443
	10,024,132	140,352,454
LOSS BEFORE TAXATION	5,657,799	134,343,414
Provision for Taxation	-	-
Current year	-	-
Deferred Tax	-	(1,976,987)
	5,657,799	132,366,427
LOSS FOR THE YEAR AFTER TAXATION	5,657,799	132,366,427
Add: Extraordinary items (One time settlement)	15,450,000	-
Add/(less): Prior Period Adjustment	22,830	15,656
	21,130,629	132,382,083
Less: Transferred from Revaluation Reserve	52,196	58,670
NET LOSS FOR THE YEAR	21,078,433	132,323,413
Add: Balance Brought Forward	160,356,881	28,033,468
Deficit Carried to Balance Sheet	181,435,314	160,356,881
Notes to Accounts	J	

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

RAMESHKUMAR R. MORE
NIRAJKUMAR U. MORE

Director
Director

YOGESH MOTANI
Partner

Mumbai
June 30, 2007

Mumbai
June 30, 2007



SCHEDULES ANNEXED TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	Rupees	As At March 31, 2007 Rupees	As At March 31, 2006 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, 95,970 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	243,764,647	103,121
Add: Transfer from Hindustan Coca Cola Beverages Pvt. Ltd. (Current liabilities) (See note no.4 Schedule 'J')	-	243,661,526
	243,764,647	243,764,647

Revaluation Reserve

As per last Balance Sheet	8,163,080	8,221,750
Less: Transferred to Profit & Loss Account	52,196	58,670

8,110,884	8,163,080
<u>251,875,531</u>	<u>251,927,727</u>

SCHEDULE C:

UNSECURED LOAN

Loan from Company

529,664	-
<u>529,664</u>	<u>-</u>

	Rupees	As At March 31, 2007 Rupees	As At March 31, 2006 Rupees
SCHEDULE F: CURRENT ASSETS LOANS & ADVANCES			
(I) CURRENT ASSETS			
(i) Sundry Debtors (Unsecured, considered good) Outstanding for a period exceeding six months		26,884,661	26,903,830
(ii) Cash and Bank Balances			
Cash on hand	508,845		422,789
Balances With Scheduled Banks In Current Account	373,593		262,238
		882,438	685,027
(II) LOANS AND ADVANCES (unsecured considered good unless otherwise stated)			
Loans	81,141,246		83,736,246
Deposits	201,013		201,013
Advance Income Tax /Tax deducted at source	963,704		3,989
Advances recoverable in cash or in kind or for value to be received			
Considered good	2,751,675		2,277,656
Considered doubtful	-		-
	2,751,675		2,277,656
Less: Provision for doubtful advances	-		-
	2,751,675		2,277,656
		85,057,638	86,218,904
		112,824,737	113,807,761

SCHEDULE G: CURRENT LIABILITIES & PROVISIONS

	Rupees	As At March 31, 2007 Rupees	As At March 31, 2006 Rupees
a) CURRENT LIABILITIES:			
Sundry creditors		3,917,374	3,912,988
Deposits towards the use of premises		7,488,140	270,140
Deposit against bottles & cases		55,568,474	55,660,974
Advances from customers		45,000	96,752
Other Liabilities		281,946	80,914
From Hindustan Coca Cola Beverages Pvt. Ltd. (See Note no 4 Schedule 'J')		-	-
		<u>67,300,934</u>	<u>60,021,768</u>
b) PROVISIONS:			
Provision for Taxation		-	-
		<u>67,300,934</u>	<u>60,021,768</u>

SCHEDULE H: OTHER INCOMES

Sundry Balances Written Back	66,752	2,885,756
Profit on Investment	24,872	27,702
Profit on Sale of Assets	-	3,660
Miscellaneous Receipt	4,390	-
Dividends recieved	6,300	2,700
	<u>102,314</u>	<u>2,919,818</u>

SCHEDULE I: OPERATING & OTHER EXPENSES

Rent, Rates and Taxes	240,829	243,335
Power, Fuel & Water	913,912	349,835
Postage and Telephone	46,206	22,135
Travelling & Conveyance	368,368	243,124
Printing & Stationery	4,794	450
Membership & Subscription	18,294	9,600
Legal & Professional Fees	853,218	395,750
Auditors' Remuneration	28,090	28,060
Loss on Sale of Assests	1,610,329	-
Insurance	-	16,837
Assesment Dues	78,302	-
Security Charges	425,968	404,652
General Charges	46,492	83,109
Interest Paid	6,012	-
Advances Written off	-	4,148,065
Bad Debts Written Off	-	30,420,442
Bottles & Cases Written Off	-	87,055,075
Traded Goods Written Off	-	8,856,764
Inventories Written Off	-	1,763,778
	<u>4,640,814</u>	<u>134,041,011</u>



SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31ST 2007

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. The same are provided on pro-rata basis i.e. either from the date of purchase till end of the year or from beginning of the year till date of disposal of assets.
- iii. Lease monies paid for leasehold land are not amortized over the period of lease.
- iv. During the year under consideration, substantial part of plant and Machinery, comprising mainly used for production, were sold at the slump value.
- v. In lieu of point no. iv above, the left over plant and machinery, amounting to Rs.69.99 lacs, Board is of the opinion that book value represents the more or less the same realizable value, So diminishing in value of assets, if at all, if any, the same will be provided for at the time of sale. AS-28, 'Impairment of Assets'.

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. Thus, due to brought forward losses and unabsorbed depreciation, deferred tax assets/liability is ignored.

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

2. a) CLAIMS AGAINST COMPANY NOT ACKNOWLEDGED AS DEBTS

- i. The production activities at the Bottling unit of the company stopped with effect from 21st February 2000. On a complaint filed by the Union of the employees in Industrial Court, Pune, 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.

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 justice. 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.250.39 Lakh (Previous year Rs.215.70 lakhs), the Company has already made a payment of Rs.48.41 Lakhs (Previous year Rs.48.41 laks) 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 Debt Recovery Tribunal Mumbai vide this order dated 9th June 2006 has directed the Company to pay Rs.218.60 lacs with interest @ 12% The Company disputed the said order and filed an appeal before Mumbai High Court. Thereafter, Company went for out of court settlement with the aggrieved party and the said liability was settled for Rs.60.00 lacs during the year. The company has paid the said amount, and the same has been shown as 'Extra Ordinary Items' as below the line items in Profit & loss account. In view of the above out of court settlement the respective parties have withdrawn the cases/appeal from respective forum.
- 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. Company went for out of court settlement with the aggrieved party and the said liability was settled for Rs.94.50 lacs during the year. The company has paid the said amount and the same has been shown as 'Extra Ordinary Items' as below the line items in Profit & loss account. In view of the above out of court settlement the respective parties have withdrawn the cases/appeal from respective forum.
- b) The Company continues to carry on its other business activities and as such the accounts are prepared on a going concern basis.
- c) On account of the losses no provision for Dividend and Tax has been made.

	2006-2007	Rs. in lacs 2005-2006
3. Contingent Liabilities not provided for		
a) Disputed Excise Duty liability	55.87	56.77
b) Disputed Gratuity	0.69	0.69
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. The company had entered into a "Business Purchase Agreement" with Hindustan Coca Cola Beverages Pvt.Ltd. (HCC) for sale of its soft drink business undertaking on a slump sale basis on 22nd July 1999. In accordance with the terms of agreement, certain marketing assets were handed over to HCC in July 1999. HCC had discharged liabilities to the tune of Rs.15.43 crores on behalf of the company and had paid Rs.8.94 crores to the company.

Pending completion, dispute arose between the parties and matter was referred to Arbitration. Pursuant to the Arbitration Award dated 6th December 2005, the liabilities of the Company to HCC arising out of amount received from HCC and amount paid by HCC to retire the company liabilities have been forfeited to Capital Reserve.

- 5. 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.
- 6. Balances on Debtors, Creditors, deposits, advances and stock of bottles and trade goods with third parties with or without deposit are subject to confirmation and reconciliation, if any.

7. Related Party Transaction Disclosures

Related Parties

Holding Company

Grauer & Weil (India) Limited.

Companies in which Key Management Personnel are interested.

- Growel Investment Pvt. Limited
- Growel Softech Limited
- Digikore Design Limited
- Digikore Studios Limited
- Shree MPJ Cement Works Private Limited



POONA BOTTLING COMPANY PRIVATE LIMITED

Ridhi Sidhi Limited
 Bubna More & Co Private Limited
 Radhakishan Nandlal Private Limited
 Waluj Beverages Private Limited
 Gorav Investment Private Limited
 Bombay Paints 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. Jhumka R. More

SUMMARY OF RELATED PARTY TRANSACTIONS

(Value in Rs.)

Name	Compensation	Loans/ Advances Given	Loans/ Advances Recovered	Loan Received
With Companies in which key management personnel are interested	665175	4155000	6850000	Nil
With Holding Company	1857744	Nil	Nil	525000

DETAILS OF CLOSING BALANCES OF RELATED PARTIES AS ON 31ST MARCH, 2007.

(Value in Rs.)

Name	Debtors	Loans	Advances	Current Liabilities	Loan Payable
With Companies in which key management personnel are interested	26884661	73902324	1800786	Nil	Nil
With Holding Company	Nil	Nil	Nil	Nil	529664

8. Earning per share

Calculation of Earning per share for the year ended 31.3.2007

		31.3.2007	31.3.2006
Loss for the Year After Tax	Rs.	(5657799)	(132366427)
Weighted Average number of equity shares (Face Value Rs.100/- per share)	Nos.	189,000	189,000
Basic and Diluted Earnings per share		(29.94)	(700.35)

9. The Company's operations during the year predominantly relate to finance, investment activities and hiring out the premises.



ANNUAL REPORT ~ 2006 - 2007



POONA BOTTLING COMPANY PRIVATE LIMITED

10. The requirements of Accounting Standard issued by the Institute of Chartered Accountants of India in respect of "Segment Reporting" are not applicable.
11. During the year substantial portion of Plant and Machinery are sold and as the bottling operations of the Company are suspended the details in respect of installed capacity, production and sale has not been provided.
12. Details of Closing Stock of Traded items

Item	Unit	As at March 31 st 2007		As at March 31 st 2006	
		Quantity	Value	Quantity	Value
Visi Coolers	Nos.	-	-	(350)	(6,761,820)
Chest Coolers	Nos.	-	-	(140)	(1,754,554)
Ice Boxes	Nos.	-	-	(264)	(340,390)
Total					(8,856,764)

(Figures in brackets relates to previous year)

	2006-2007	2005-2006
13. Value of Imports on CIF Basis	Nil	Nil
14. There have been no transactions in foreign exchange during the year. (Previous Year Nil).		
15. Figures of the previous year have been re grouped and re classified wherever necessary to correspond with the figures of the current period.		
16. Administrative and sales expenses including remuneration to Auditors as under:		
	Current Year	Previous Year
For Statutory Audit	Rs.25,000/-*	Rs.25,000/-*
* Exclusive of service tax.		
17. The company does not owe any sum to small scale undertaking exceeding Rs.100,000/-		

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

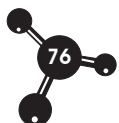
YOGESH MOTANI
Partner

Mumbai
June 30, 2007

RAMESHKUMAR R. MORE
NIRAJKUMAR U. MORE

Mumbai
June 30, 2007

Director
Director



ANNUAL REPORT ~ 2006 - 2007

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 7
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 7 1 3 0 5

Total Assets

2 7 1 3 0 5

Source of Funds

Paid-up Capital

1 8 9 0 0

Reserve & Surplus

2 5 1 8 7 6

Secured Loans

N I L

Unsecured Loans

5 2 9

Deferred Tax Liabilities

N I L

Application of Funds

Net Fixed Assets

3 7 9 6 9

Investments

6 3 7 7

Net Current Assets

4 5 5 2 4

Accumulated Losses

1 8 1 4 3 5

POONA BOTTLING COMPANY PRIVATE LIMITED

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

Turnover

					4	3	6	6
--	--	--	--	--	---	---	---	---

Total Expenditure

					9	9	8	6
--	--	--	--	--	---	---	---	---

Profit/Loss Before Tax

+	-					5	6	2	0
	<input checked="" type="checkbox"/>								

Profit/Loss After Tax

+	-					5	6	2	0
	<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, 2007



ANNUAL REPORT ~ 2006 - 2007

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2007

	Rupees	For the Year ended March 31, 2007 Rupees	For the Year ended March 31, 2006 Rupees
A) CASH FLOW FROM OPERATING ACTIVITIES			
NET (LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS		(5,657,799)	(134,343,414)
Adjustments for			
Depreciation	5,383,318		6,311,443
(Profit) / Loss on sale of Investments	(24,872)		(27,702)
Dividend	(6,300)		(2,700)
(Profit) / Loss on sale of Assets	1,610,329		(3,660)
Prior Period Items	(22,830)		(15,656)
Sundry Balances Written Back	-		(2,885,756)
Advances Written Off	-		4,148,065
Bad Debts Written Off	-		30,420,442
Bottles and Cases Written Off	-		87,055,075
Traded Goods Written Off	-		8,856,764
Inventories Written Off	-		1,763,778
		69,39,645	135,620,093
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		1,281,846	1,276,679
Adjustments for (Increase) / Decrease in Trade and other receivables	1,180,435		(6,480,220)
Extra Ordinary items (One time settlement)	(15,450,000)		-
Increase / (Decrease) in Trade and other payables	7,279,166		(4,779,904)
		(6,990,399)	1,700,316
Cash Generated from Operation		(5,708,553)	2,976,995
NET CASH FROM OPERATING ACTIVITIES		(5,708,553)	2,976,995
B) CASH FLOW FROM INVESTING ACTIVITIES			
Redemption of Mutual Funds / Shares		1,750,000	1,719,316
Investment in Mutual Funds / Shares		(2,380,000)	(4,387,938)
Sale of Assets		6,000,000	61,489
Dividend received		6,300	2,700
		5,376,300	(2,904,433)
C) CASH FLOW FROM FINANCING ACTIVITIES			
ICD Received		529,664	-
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)		197,411	72,562
Opening Balance		685,027	612,465
Closing Balance		882,438	685,027

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

RAMESHKUMAR R. MORE
NIRAJKUMAR U. MORE

Director
Director

YOGESH MOTANI
Partner

Mumbai
June 30, 2007

Mumbai
June 30, 2007

GROWEL ENERGY COMPANY LIMITED

BOARD OF DIRECTORS

UMESHKUMAR N. MORE

ANIL KUMAR SHARMA (w.e.f. 30.01.2007)

HARJINDER SINGH (w.e.f. 30.01.2007)

NIRAJKUMAR U. MORE (Upto 30.01.2007)

VINOD HARITWAL (Upto 30.01.2007)

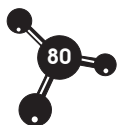
RAJENDER GULERIA (Upto 30.01.2007)

AUDITORS

S. Tandon & Associates
Chartered Accountants

REGISTERED OFFICE

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



ANNUAL REPORT ~ 2006 - 2007

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 5th Annual General Meeting of the Shareholders of the Company will be held on Saturday the 28 day of JULY '07 at 11.00 a.m. at the Registered Office of the Company at Growel House, Akurli Road, Kandivli (E), MUMBAI - 400101 (Maharashtra) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2007 and the Statement of Pre - Operative & Project Expenses (Pending Allocation) for the year ended on that date together with reports of Directors' and Auditors' thereon.
2. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration. M/s S. Tandon & Associates, Chartered Accountants, Chandigarh the retiring auditors are eligible for re-appointment.

SPECIAL BUSINESS

3. To consider and if thought fit, to pass, with or without modification, if any, following resolution as an ORDINARY RESOLUTION:
"RESOLVED THAT subject to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act 1956, Shri Harjinder Singh who was appointed as Additional Director on 30.01.2007, and in respect of whom the Company has received a notice from a shareholder proposing his candidature as Director, be and is hereby appointed as a Director of the Company."
4. To consider and if thought fit, to pass, with or without modification, if any, following resolution as an ORDINARY RESOLUTION:
"RESOLVED THAT subject to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act 1956, Shri Anil Kumar Sharma who was appointed as Additional Director on 30.01.2007, and in respect of whom the Company has received a notice from a shareholder proposing his candidature as Director, be and is hereby appointed as a Director of the Company."

By Order of the Board of Directors
For GROWEL ENERGY COMPANY LIMITED

ANIL KUMAR SHARMA
Director

Place: Chandigarh
Date: 28th June 2007

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy so appointed need not be a member of the Company. The proxy executed and properly stamped should reach the Company's Registered Office or Head Office at least 48 hours before the time of the meeting. The Blank Proxy Form is enclosed herewith.
2. Members having any queries relating to Annual Report are requested to send their queries at least seven days before the date of the Meeting.

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

ITEM NO. 3

Shri Harjinder Singh was appointed as an Additional Director of the Company w.e.f. 30.01.2007 by the Board of Directors of the Company, in terms of the provisions of Section 260 of the Companies Act 1956. Shri Harjinder Singh holds office up to the date of this Annual General Meeting. A notice under section 257 of the Companies Act 1956 proposing his candidature has been received from a shareholder alongwith the requisite deposit of Rs. 500/-.

Your Directors therefore recommend the appointment of Shri Harjinder Singh as Director; the enclosed resolution is therefore proposed for your approval.

None of the Directors other than Shri Harjinder Singh is concerned or interested in the proposed resolution.

ITEM NO. 4

Shri Anil Kumar Sharma was appointed as an Additional Director of, the Company w.e.f. 30.01.2007 by the Board of Directors of the Company, in terms of the provisions of Section 260 of the Companies Act. 1956. Shri Anil Kumar Sharma holds office up to the date of this Annual General Meeting. A notice under section 257 of the Companies Act 1956 proposing his candidature has been received from a shareholder alongwith the requisite deposit of Rs. 500/-

Your Directors therefore recommend the appointment of Shri Anil Kumar Sharma as Director; the enclosed resolution is therefore proposed for your approval.

None of the Directors other than Shri Anil Kumar Sharma is concerned or interested in the proposed resolution.

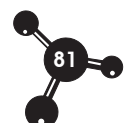
By Order of the Board of Directors
For GROWEL ENERGY COMPANY LIMITED

ANIL KUMAR SHARMA
Director

Place: Chandigarh
Date: 28th June 2007



ANNUAL REPORT ~ 2006 - 2007



DIRECTORS' REPORT TO THE MEMBERS :

Your Directors are pleased to present their 5th Annual Report together with the Audited Accounts for the period ended 31st March, 2007.

OPERATIONS :

The Company is in the process of implementing the ANI (5.00 MW) Hydro Electric Project in District Kullu in the state of Himachal Pradesh. The Company is in the process of obtaining clearances from the Forest Department. The total Pre-operative Expenses and Project Expenses (Pending capitalization / allocation) incurred by the Company till 31.3.2007 amount to Rs. 67.35 Lacs (Rs.25.28 Lacs till 31.3.2006)

DIVIDEND :

As there was no activity during the year, your Board has decided not to recommend any dividend for the period ended March 31, 2007.

FIXED DEPOSITS :

Your company has neither invited nor accepted any Fixed Deposits during the financial year 2006-2007.

AUTHORISED SHARE CAPITAL :

During the period under review, the Authorised Share Capital of the Company was increased from Rs. 25,00,000/- to Rs. 80,00,000/- in order to raise additional capital by creation of 5,50,000 Equity Shares of Rs. 10/- each amounting to Rs. 55,00,000/-.

PAID-UP CAPITAL :

During the period under review the Paid-up Capital of the Company stands increased from Rs. 5,00,000/- to Rs. 9,80,390/- by allotment of 48,039 Equity Shares of Rs.10 each amounting to Rs.4,80,390/-.

DIRECTORS :

During the period under review, Shri Harjinder Singh and Shri Anil Kumar Sharma were appointed as Additional Directors on the Board and hold office till the date of the ensuing Annual General Meeting.

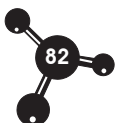
Your Directors recommend their appointment as Directors in the forthcoming Annual General Meeting.

Shri Vinod Haritwal, Shri Nirajkumar U. More and Shri Rajinder Guleria have resigned as Directors. Your Directors place on record the appreciation of the valuable contribution made by these Directors during their tenure on the Board.

DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217 (2AA) of the Companies Act 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed :

- i. That in the preparation of the accounts for the financial Year ended 31st March 2007 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Pre-Operative & Project Expenses (Pending Allocation) for the year under review;
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That the Directors have prepared the accounts for the financial year ended 31st March 2007 on a 'going concern' basis.



AUDITORS :

M/s S. Tandon & Associates, Chartered Accountants, Chandigarh - the retiring Auditors - are eligible for re-appointment. A certificate under section 224(1-B) has been obtained from them. The members are requested to re-appoint them and fix their remuneration.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT-GO

Since there were no manufacturing activities during the year, the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Board of Directors) Rules 1988 are not applicable.

PARTICULARS OF EMPLOYEES :

Statement giving particulars as required by Section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1988, as amended, is not required to be annexed to this Report, as no employee is coming under the purview of the Section during the period under review.

ACKNOWLEDGEMENT :

Your Directors place on record the appreciation of the co-operation received by the Company from the Himachal Pradesh State Government, Himachal Pradesh State Electricity Board, Himurja and the various other Government Departments and Agencies in the state of Himachal Pradesh.

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

Place: Chandigarh
Date: 28th June 2007

HARJINDER SINGH
Director

ANIL KUMAR SHARMA
Director

AUDITORS' REPORT

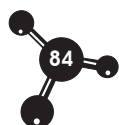
TO THE SHAREHOLDERS OF GROWEL ENERGY COMPANY LIMITED,

1. We have audited the attached Balance Sheet of GROWEL ENERGY COMPANY LIMITED as at 31st March 2007. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial Statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatements. 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 the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) as amended by the Companies (Auditor's Report) Amendment Order, 2004 (the 'Order') issued by the Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in Paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit;
 - (ii) In our opinion, proper books of account as required by the law have been kept by the Company, so far as appears from the examination of these books;
 - (iii) The Balance Sheet dealt with by this report is in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of information and explanation given to us, none of the Directors of the Company is disqualified from being appointed as Director of the Company, under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon in Schedule VIII, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles, generally accepted in India;
 - a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007
 - b. In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For S. Tandon & Associates
Chartered Accountants**

**Kamal Kant Gambhir
Partner**

**Place: Chandigarh
Date: 28th June 2007**



ANNEXURE TO THE AUDITOR'S REPORT

Statement referred to in Paragraph (3) of our Report of the even date to the Shareholders of GROWEL ENERGY COMPANY LIMITED on the accounts for the year ended 31st March 2007,

- i. (a) The Company is maintaining proper records to show full particulars including the quantitative details of Fixed Assets.
(b) As explained to us, the management has physically verified the fixed assets of the Company in accordance with a program of physical verification and no material discrepancies were noticed on such verification.
(c) As per the information and explanations given to us no substantial part of the fixed assets have been disposed off during the year, which affect the ability of the Company to continue as a going concern.
- ii The Company is not having inventories as on 31st March 2007. Therefore, clauses (a) to (c) of this Order are not applicable.
- iii The Company has not taken or granted any loans, secured or unsecured from Companies, Firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- iv In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchases of inventories and Fixed Assets and for the Sale of goods.
- v To the best of our knowledge and the belief and according to the information and explanations given to us, the Company has not entered into any transactions, which are required to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.
- vi As per the information and explanations given to us, the Company has not accepted any public deposits within the meaning of Section 58A and accordingly the directives issued by Reserve Bank of India and provisions of Section 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
- vii The paid up Capital of the Company is less than Rs.25 Lacs, therefore, internal audit is not applicable to the Company.
- viii The Company is not required to maintain the cost records as per the provisions of Section 209 (l) (d) of the Companies Act, 1956.
- ix (a) According to the information & explanations given to us by management, the provision of E.S.I and P.F are not applicable to the Company.
(b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sale Tax, Custom Duty, Excise Duty and Cess which have remained outstanding, on the last day of Financial Year, for a period more than 6 months from the date these become payable.
- x The Company has not received any Term Loans and has not issued any Debentures during the year.
- xi The Company has not granted any loans and advances on the basis of the security by way of pledge of Shares, Debentures and Other Securities.
- xii 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 the others from banks or financial institutions.
- xiii The Company has not taken any term loans during the year.
- xiv According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice-versa.
- xv The Company has not made any preferential allotment of shares to parties or companies covered under Section 301 of the Act.
- xvi The Company has not issued any debentures.
- xvii The Company has not raised any money through a public issue during the year.
- xviii To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.
- xix In our opinion and according to the information and explanations given to us, the nature of the Company's business / activities during the year are such that clause x, xiii and xiv of CARO are not applicable to the Company.

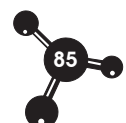
**For S. Tandon & Associates
Chartered Accountants**

**Kamal Kant Gambhir
Partner**

**Place: Chandigarh
Date: 28th June 2007**



ANNUAL REPORT ~ 2006 - 2007



BALANCE SHEET AS AT MARCH 31, 2007

	Schedule	Rupees	As At March 31, 2007 Rupees	Rupees	As At March 31, 2006 Rupees
SOURCES OF FUNDS					
SHAREHOLDERS FUNDS					
Share Capital	I		7,700,000		2,705,000
LOAN FUNDS					
Unsecured Loans	II		—		566,487
		Total	7,700,000		3,271,487
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	III	127,060		51,700	
Less: Depreciation		25,575		681	
Net Block			101,485		51,019
Add: Capital Work-in progress (pending capitalisation/allocation)	IV		6,734,869		2,528,298
CURRENT ASSETS, LOANS AND ADVANCES:					
Cash and Bank Balances	V	510,841		24,286	
Loans and Advances	VI	820,797		1,115,360	
		1,331,638		1,139,646	
Less: CURRENT LIABILITIES AND PROVISIONS:	VII	546,031		525,515	
NET CURRENT ASSETS			785,607		614,131
MISCELLANEOUS EXPENDITURE: (To the extent not written off or adjusted)					
Preliminary Expenses			78,039		78,039
		Total	7,700,000		3,271,487

NOTES TO ACCOUNTS VIII

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

As per our separate report of even date attached

For S. Tandon & Associates
Chartered Accountants

Kamal Kant Gambhir
Partner

Place: Chandigarh
Date: 28th June 2007

For and on Behalf of the Board

Anil Kumar Sharma
Director

Harjinder Singh
Director



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CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2007

	Rupees	For the Year ended March 31, 2007 Rupees	For the Year ended March 31, 2006 Rupees
A) CASH FLOW FROM OPERATING ACTIVITIES:			
(Increase) / Decrease in Trade and other Receivables	294,563		(115,360)
Increase / (Decrease) in Trade and other Payables	<u>20,516</u>	<u>315,079</u>	<u>520,005</u>
CASH GENERATED FROM OPERATIONS		<u>315,079</u>	<u>404,645</u>
NET CASH USED IN OPERATING ACTIVITIES		<u>315,079</u>	<u>404,645</u>
B) CASH FLOW FROM INVESTING ACTIVITIES			
Capital Expenditure		<u>(4,257,037)</u>	<u>(1,587,899)</u>
C) CASH FLOW FROM FINANCING ACTIVITIES			
Share Capital	480,390		
Share application money received	4,514,610		-
Repayment of Unsecured Loan	<u>(566,487)</u>	<u>4,428,513</u>	<u>1,200,000</u>
NET CASH FROM FINANCING ACTIVITIES		<u>4,428,513</u>	<u>1,200,000</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>486,555</u>	<u>16,746</u>
CASH AND CASH EQUIVALENTS			
CLOSING BALANCE		<u>510,841</u>	<u>24,286</u>
LESS: OPENING BALANCE		<u>24,286</u>	<u>7,540</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>486,555</u>	<u>16,746</u>

For S. Tandon & Associates
Chartered Accountants

For and on Behalf of the Board

Kamal Kant Gambhir
Partner

Anil Kumar Sharma
Director

Harjinder Singh
Director

Place: Chandigarh
Date: 28th June 2007

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

	As At March 31, 2007 Rupees	As At March 31, 2006 Rupees
SCHEDULE I:		
SHARE CAPITAL		
AUTHORISED		
800,000 Equity Shares of Rs.10 each (Previous year 250,000 equity shares of Rs.10 each)	<u>8,000,000</u>	<u>2,500,000</u>
ISSUED, SUBSCRIBED AND PAID-UP		
98,039 Equity Shares of Rs.10 each, (Previous year 50,000 equity shares of Rs.10 each) (Of the above, 49,400 Equity Shares are held by Grauer & Weil (India) Limited, - the holding company)	980,390	500,000
SHARE APPLICATION MONEY		
(Pending allotment)	<u>6,719,610</u>	<u>2,205,000</u>
Total	<u>7,700,000</u>	<u>2,705,000</u>
SCHEDULE II:		
UNSECURED LOANS		
From a Corporate Body		
(Grauer & Weil (India) Limited - the holding company)	<u>-</u>	<u>566,487</u>
	<u>-</u>	<u>566,487</u>

SCHEDULE III: FIXED ASSETS AS ON 31ST MARCH 2007

Particulars	Gross Block (At Cost)			Depreciation			Net Block		
	As at 01.04.2006	Additions during the year	Sale / Adjustment	As at 31.03.2007	Up to 31.03.2006	For the year	Up to 31.03.2007	As at 31.03.2007	As at 31.03.2006
Furniture & Fixtures	-	13,000	-	13,000	-	1,322	1,322	11,678	-
Computers Office Equipments	33,000	35,620	-	68,620	498	17,109	17,607	51,013	32,502
	18,700	26,740	-	45,440	183	6,463	6,646	38,794	18,517
Total	51,700	75,360	-	127,060	681	24,894	25,575	101,485	51,019
Previous Year	-	51,700		51,700	-	681	681	51,019	-

Note: Depreciation on all assets has been provided on written down value method on single shift basis. There has been a change in the method of depreciation from straight line basis to written down value method during the year. The change has been considered with retrospective effect.



GROWEL ENERGY COMPANY LIMITED

	As At March 31, 2007 Rupees	As At March 31, 2006 Rupees
SCHEDULE IV: CAPITAL WORK IN PROGRESSES (Pending allocation / capitalisation)		
ENGINEERING CONSULTANCY AND TECHNICAL ASSISTANCE		
Technical and engg. and geological survey expense	1,118,793	798,308
TOTAL (A)	<u>1,118,793</u>	<u>798,308</u>
PROJECT MANAGEMENT, OTHER PROJECT EXPENSES		
Rents, Rates, Fees & Taxes	1,883,222	39,357
Travelling & Conveyance	596,527	266,810
Salary & Wages	267,020	244,645
Advertisement & Publicity	59,994	29,904
General Charges	55,144	8,884
Printing & Stationery	50,191	21,663
Entertainment Expenses	34,416	1,030
Fringe benefit tax paid	29,154	18,572
Legal & Professional Charges	28,844	88,620
Telephone Expenses	21,364	7,726
Audit Fees	16,850	5,612
Depreciation	24,894	681
Membership & subscription	6,000	1,500
Postage & Telegram Charges	4,687	1,346
Electricity & Water Charges	2,602	-
Charity & Donation	500	-
Books & Periodicals	445	1,500
TOTAL (B)	<u>3,081,854</u>	<u>737,850</u>
INTEREST AND FINANCE EXPENSES		
Bank Charges	5,924	722
TOTAL (C)	<u>5,924</u>	<u>722</u>
TOTAL FOR CURRENT YEAR (A+B+C)	<u>4,206,571</u>	1,536,880
Add: Expenses upto Previous year	2,528,298	991,418
TOTAL PREOPERATIVE EXPENSES TRANSFERRED TO BALANCE SHEET	<u>6,734,869</u>	<u>2,528,298</u>
SCHEDULE V: STATEMENT OF CASH AND BANK		
CASH AND BANK BALANCES		
Cash on hand	49,511	4,134
Balance with Scheduled Banks In Current Accounts	461,330	20,152
TOTAL	<u>510,841</u>	<u>24,286</u>
SCHEDULE VI: STATEMENT OF LOANS & ADVANCES		
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE RECEIVED OR ADJUSTED		
Deposit with Himachal Pradesh State Electricity Board	500,000	1,000,000
Advance to suppliers	53,426	103,500
Advances Others	113,006	11,860
Prepaid Expenses	154,365	-
TOTAL	<u>820,797</u>	<u>1,115,360</u>
SCHEDULE VII: STATEMENT OF CURRENT LIABILITES & PROVISIONS		
CURRENT LIABILITES AND PROVISIONS		
Sundry Creditors	494,765	434,171
Expenses Payable	28,768	83,251
TDS Payable	20,998	4,841
Provision for FBT	1,500	3,252
TOTAL	<u>546,031</u>	<u>525,515</u>

SCHEDULE VIII : NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

1. Significant Accounting Policies -

a) Basis of Accounting :

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

b) 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 on Written down value Method in respect of all assets and in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956. The company has changed the method of depreciation during the year from Straight Line Method to Written Down Value Method with retrospective effect. As a result, depreciation charged in the current year is higher by Rs.15,443.
- iv. Balance of Sundry Debtors, Loans & Advances, Sundry Creditors are subject to reconciliation / confirmation.

c) Provisions and Contingent Liabilities :

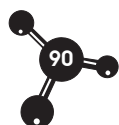
The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is possible obligation or present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

2. The break-up of Preliminary expenses is as under :

Particulars	Amount (Rs.)	
	2006-07	2005-06
Filing Fees and Cost of Stamp Papers	72,194	72,194
Professional Fees	5,000	5,000
Other Expenses	845	845
TOTAL	78,039	78,039

3. The break-up of Capital Work-In-Progress is as under:

Particulars	Amount (Rs.)	
	2006-07	2005-06
Engineering consultancy & technical assistance	27,92,358	16,73,565
Rent, Rates, Fees & Taxes	20,40,151	1,56,929
Travelling & Conveyance	8,87,947	2,91,419
Salary & Wages	5,11,665	2,44,645
Advertisement & Publicity	1,34,393	74,399
General Charges	3,35,195	71,031
Audit Fees	33,160	16,310
TOTAL	67,34,869	25,28,298



4. RELATED PARTY DISCLOSURES

i) List of Related Parties

Holding Company

Grauer & Weil (India) Limited.

ii) During the year ended 31st March, 2007 the Company has not had any transaction with Key Management Personnel, their relatives and enterprises where significant influence exists.

iii) Transactions with Related Parties:

(Rs. In '000)

Transactions	2006-07	2005-06
Outstanding Balances as on 31 st March 2007		
-Unsecured Loans		
Grauer & Weil (India) Limited	Nil	567*
-Current Liabilities		
Grauer & Weil (India) Limited	Nil	5*

* These amounts have been repaid during the financial year 2006-07.

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

5. 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 are not applicable.
6. Previous year figures have been regrouped and/or re-arranged wherever considered necessary to make them comparable with those of current year.

Signature to Schedules I to VIII which form an integral part of Financial Statement

For S. Tandon & Associates

Chartered Accountants

Kamal Kant Gambhir

Partner

For and on Behalf of the Board**Anil Kumar Sharma**

Director

Harjinder Singh

Director

Place: Chandigarh

Date: 28th June 2007

BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE

Particulars	Rs. in Lacs	
	2006-07	2005-06
1 Company's Registration details		
a) Registration No.	134438	134438
b) State Code	11	11
c) Balance Sheet Date	31st March 2007	31st March 2006
2 Capital raised during the year		
a) Public Issue	—	—
b) Right Issue	—	—
c) Bonus Issue	—	—
d) Private Placement	4.80	—
3 Details of Mobilisation and Deployment of funds		
a) Total Liabilities	77.00	32.71
b) Total Assets	77.00	32.71
Sources of Funds		
a) Paid up Capital	9.80	5.00
b) Share allotment money	67.20	22.05
c) Reserves & Surplus	—	—
d) Secured Loans	—	—
e) Unsecured Loans	—	5.66
Application of Funds		
a) Net Fixed Assets	68.36	25.79
b) Investments	—	—
c) Net Current Assets	7.86	6.14
d) Misc. Expenditure	0.78	0.78
e) Accumulated Losses	—	—
4 Performance of Company		
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	Not applicable
b) Product Description	—	—

For S. Tandon & Associates
Chartered Accountants

For and on Behalf of the Board

Kamal Kant Gambhir
Partner

Anil Kumar Sharma
Director

Harjinder Singh
Director

Place: Chandigarh
Date: 28th June 2007



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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, 2007 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, 2007 of Rs. 1586.03 Lacs and total revenue for the year ended on that date of Rs. 43.66 Lacs and of associates which reflect the Group's share of loss, upto March 31, 2006 / December 31, 2006 of Rs. 6.42 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 13, the audited financial statements for the year ended March 31, 2007 of Growel Goema (India) Pvt. Ltd., an associate of the Company is not available, and consequently 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 'P' to the Consolidated Financial Statements:

(a) Note 4 (i) regarding the non provision of labour dues amounting to Rs. 201.98 lakhs where by the losses and the current liabilities have been understated to that extent of a subsidiary company.

(b) Note 14 regarding going concern basis of a subsidiary company.
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, 2007;

CONSOLIDATED ANNUAL REPORT 2006-2007

- 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.

for M. M. NISSIM AND CO.
Chartered Accountants

P. P. BHANDARI
Partner
MEM. NO.: 32218
Mumbai
30th June, 2007



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CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007

	Schedule	Rupees	As At March 31, 2007 Rupees	As At March 31, 2006 Rupees
SOURCES OF FUNDS				
SHAREHOLDERS FUNDS				
Share Capital	A	127,877,250		127,877,250
Reserves and Surplus	B	475,761,518		417,526,212
			603,638,768	545,403,462
MINORITY INTEREST	C		44,434,374	25,170,840
LOAN FUNDS				
Secured Loans	D	348,429,968		346,433,262
Unsecured Loans	E	46,574,806		48,341,691
			395,004,774	394,774,953
DEFERRED TAX				
Deferred Tax Liabilities		51,816,973		44,692,349
Deferred Tax Assets		(7,979,782)		(7,197,310)
			43,837,191	37,495,039
			1,086,915,107	1,002,844,294
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	F	922,963,271		929,281,199
Less: Depreciation		314,959,116		320,258,791
Net Block		608,004,155		609,022,408
Capital Work in Progress		130,482,280		36,401,947
			738,486,435	645,424,355
INVESTMENTS	G		13,831,887	14,319,090
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	H	170,368,721		181,262,063
Sundry Debtors		304,293,822		287,387,301
Cash and Bank Balances		47,653,698		24,826,053
Other Current Assets		479,072		134,079
Loans and Advances		219,739,175		177,259,453
		742,534,488		670,868,949
Less: CURRENT LIABILITIES AND PROVISIONS	I			
Current Liabilities		304,963,338		256,495,573
Provisions		103,052,404		72,713,853
		408,015,742		329,209,426
NET CURRENT ASSETS			334,518,746	341,659,523
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	J		78,039	1,441,326
			1,086,915,107	1,002,844,294
Basis of Consolidation, significant Accounting Policies, Notes to Accounts	P			

Schedules A to J 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**
- **Director**

P. P. BHANDARI
Partner
MEM No.: 32218

NOEL JACOB

- **Company Secretary & V. P. (Legal)**

Mumbai, 30th June, 2007

Mumbai, 30th June, 2007



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CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	Schedule	For the year ended March 31, 2007 Rupees	For the year ended March 31, 2006 Rupees
INCOME			
Income from operations			
Gross Sales		1,715,233,141	1,429,970,343
Less: Trade Discount		170,205,237	156,945,602
Less: Excise Duty		183,765,690	116,348,561
		<u>1,361,262,214</u>	<u>1,156,676,180</u>
Business Conducting Fees (Tax deducted at source Rs.109,26,625/-) (Previous year Rs.6,997,639/-)		52,057,960	20,333,272
Other Income	K	28,303,361	23,664,980
		<u>1,441,623,535</u>	<u>1,200,674,432</u>
EXPENDITURE			
Materials	L	766,167,061	648,986,952
Salaries, Wages and other benefits	M	122,652,813	108,053,217
Other Expenses	N	317,063,324	421,241,094
Interest & Finance charges	O	55,624,419	41,021,766
Depreciation		40,571,124	33,164,515
		<u>1,302,078,741</u>	<u>1,252,467,544</u>
		139,544,794	(51,793,112)
Less: Extra ordinary item (one time settlement)		15,450,000	-
Less: Prior Period adjustment		22,830	(15,656)
		<u>124,071,964</u>	<u>(51,808,768)</u>
PROFIT / (Loss) BEFORE TAX			
PROVISION FOR TAXATION			
Current Tax		22,000,000	20,000,000
Deferred Taxes		6,342,152	(7,071,098)
Fringe Benefit Tax		3,200,000	4,000,000
		<u>92,529,812</u>	<u>(68,737,670)</u>
PROFIT / (Loss) AFTER TAX			
Excess provision of income Tax written back		-	567,834
		<u>92,529,812</u>	<u>(68,169,836)</u>
Transfer from Revaluation Reserve		52,196	58,670
NET PROFIT / (Loss) BEFORE MINORITY INTEREST		<u>92,582,008</u>	<u>(68,111,166)</u>
Share of Minority Interest		10,400,496	30,143,273
NET PROFIT / (Loss) AFTER MINORITY INTEREST		<u>102,982,504</u>	<u>(37,967,893)</u>
Balance brought forward		<u>(115,243,583)</u>	<u>(13,526,968)</u>
Amount Available for Appropriation		<u>(12,261,079)</u>	<u>(51,494,861)</u>
APPROPRIATIONS			
Proposed Dividend		12,787,725	7,672,635
Tax on Proposed Dividend		1,793,479	1,076,087
Transfer to General Reserve		100,000,000	55,000,000
Balance Carried to Balance Sheet		<u>(126,842,283)</u>	<u>(115,243,583)</u>
Basic and Diluted Earnings per share		8.05	(2.97)
Basis of Consolidation, significant Accounting Policies and Notes to Accounts			
	P		

Schedules K 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

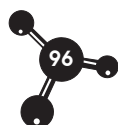
UMESHKUMAR N. MORE
VINOD HARITWAL
NIRAJKUMAR U. MORE

- Chairman & Managing Director
- CEO
- Director

P. P. BHANDARI
Partner
MEM No.: 32218
Mumbai, 30th June, 2007

NOEL JACOB
Mumbai, 30th June, 2007

- Company Secretary & V. P. (Legal)



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2007

	Rupees	For the Year ended March 31, 2007 Rupees	For the Year ended March 31, 2006 Rupees
A) CASH FLOW FROM OPERATING ACTIVITIES:			
NET PROFIT / (LOSS) BEFORE TAX		124,049,134	(51,793,112)
Adjustments for :			
Depreciation	40,571,124		33,164,515
(Profit)/Loss on sale of Investments	(3,633,957)		(259,465)
Write back of Diminution in value of Investments	(347,199)		-
Unrealised foreign exchange (gains)/losses	2,045,364		1,151,132
(Profit)/Loss on sale of Fixed Assets	1,090,577		85,655
Loss on Sale of Discarded Assets	679,991		18,421,575
Interest Paid	55,624,419		41,021,766
Interest Received	(3,243,739)		(2,893,126)
Wealth Tax	114,382		101,259
Dividend and Income from units	(13,565)		(9,435)
Bad Debts Written off	2,959,279		-
ERP Expenses written off	1,363,287		1,363,287
		<u>97,209,963</u>	<u>92,147,163</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		221,259,097	40,354,051
Adjustments for :			
(Increase)/Decrease in Trade and other receivables	(32,894,134)		(43,047,828)
(Increase)/Decrease in Inventories	10,893,342		82,068,690
Increase/(Decrease) in Trade and other payables	49,717,571		30,809,087
		<u>27,716,779</u>	<u>69,829,949</u>
CASH GENERATED FROM OPERATIONS		248,975,876	110,184,000
Direct Taxes Paid		(32,742,940)	(22,473,937)
NET CASH FROM OPERATING ACTIVITIES		<u>216,232,936</u>	<u>87,710,063</u>

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	For the Year ended March 31, 2007 Rupees	For the Year ended March 31, 2006 Rupees
B) CASH FLOW FROM INVESTING ACTIVITIES :		
Capital Expenditure/Technical Knowhow fees	(152,879,680)	(126,114,892)
Sale of Fixed Assets	17,475,908	2,744,953
Sale of Investments	3,538,200	(7,964,907)
Interest Received	2,898,746	2,887,641
Dividend and Income from Units	13,565	9,435
NET CASH USED IN INVESTING ACTIVITIES	<u>(128,953,261)</u>	<u>(128,437,770)</u>
C) CASH FLOW FROM FINANCING ACTIVITIES :		
Payment of Borrowings (Net)	229,821	99,998,693
Capital raised during the year	480,390	-
Interest Paid	(54,531,645)	(41,133,624)
Dividend Paid	(8,585,233)	(7,014,616)
NET CASH FROM FINANCING ACTIVITIES	<u>(62,406,667)</u>	<u>51,850,453</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>24,873,008</u>	<u>11,122,746</u>
Opening cash and cash equivalents	25,977,185	14,854,439
Closing cash and cash equivalents	50,850,194	25,977,185
Notes to the cash flow statement		
Components of cash and cash equivalents:		
Cash and bank balances	47,653,698	24,826,053
Unrealised foreign exchange gains - net	3,196,496	1,151,132
	<u>50,850,194</u>	<u>25,977,185</u>

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
Director

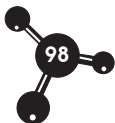
P. P. BHANDARI
Partner
MEM No.: 32218

NOEL JACOB -

Company Secretary & V. P. (Legal)

Mumbai, 30th June, 2007

Mumbai, 30th June, 2007



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SCHEDULES ANNEXED TO THE CONSOLIDATED BALANCE SHEET

	Rupees	As At March 31, 2007 Rupees	As At March 31, 2006 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			
12,787,725 Equity Shares of Rs.10 each fully paid up		<u>127,877,250</u>	<u>127,877,250</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) 11,593,495 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			
As per Last Balance Sheet	188,235,060		79,630
Add: Share of transfer from Hindustan Coca Cola Beverages Pvt. Ltd.			<u>188,155,430</u>
	<u>188,235,060</u>		188,235,060
Less: Transfer to Minority interest on dilution	<u>64,451,372</u>	123,783,688	188,235,060
CAPITAL RESERVE (ON CONSOLIDATION)			
As per last Balance Sheet	14,306,788		13,976,000
Add: On Consolidation during the year			<u>330,788</u>
	<u>14,306,788</u>		14,306,788
Less: Transfer to Minority interest on dilution	<u>4,998,000</u>		—
	<u>9,308,788</u>		14,306,788
Add: Cost realised on dilution	<u>211,915</u>	9,520,703	—
			<u>14,306,788</u>
REVALUATION RESERVE			
As per Last Balance Sheet	6,303,530		6,348,835
Less: Transfer to Profit and Loss Account	<u>26,505</u>		<u>45,305</u>
	<u>6,277,025</u>		6,303,530
Less: Transfer to Minority interest on dilution	<u>2,158,318</u>	4,118,707	—
			<u>6,303,530</u>
GENERAL RESERVE			
As per Last Balance Sheet	323,924,417		294,733,421
Less: Utilised for issue of bonus shares			<u>25,575,450</u>
	<u>323,924,417</u>		269,157,971
Add: Share of Accumulated Profit in respect of Investment in Associate Companies for prior periods (Net)	(1,142,074)		(233,554)
Add: : Transfer from Profit and Loss Account	<u>100,000,000</u>		<u>55,000,000</u>
	<u>422,782,343</u>		323,924,417
Less: Transfer to Minority interest on dilution	<u>(42,398,360)</u>	465,180,703	—
			<u>323,924,417</u>
Less: Debit Balance of P&L Account		(126,842,283)	(115,243,583)
		<u>475,761,518</u>	<u>417,526,212</u>

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	Rupees	As At March 31, 2007 Rupees	As At March 31, 2006 Rupees
SCHEDULE C: MINORITY INTEREST			
Minority interest in equity			
43050 Equity shares held by minority interest	4,305,000		4,305,000
Add: Transferred from capital reserve (on consolidation)	4,998,000		—
On dilution of 49980 shares		9,303,000	4,305,000
48639 Equity shares (Previous year 600 equity shares) held by minority interest		486,390	6,000
Minority interest in non-equity;			
Balance as on 01.04.2006	20,859,840		(4,489,618)
Add: Transferred from Capital reserve	64,451,372		—
Add: Transferred from Revaluation reserve	2,158,318		—
Add: Transferred from General reserve	(42,398,360)		—
Less: Share of loss for the year	(10,400,496)		(30,143,273)
Less: Share of transfer from capital reserve			55,506,096
Less: Share of transfer from revaluation reserve	(25,691)		(13,365)
		34,644,984	20,859,840
		44,434,374	25,170,840
SCHEDULE D: SECURED LOANS			
(1) Credit Facilities from Banks			
(a) Term Loans		205,703,707	184,041,418
(Repayable within one year Rs.34.50 million, (Previous year Rs.26.69 million)			
(b) Working Capital Facilities		129,636,462	155,755,923
(2) Hire Purchase Credits		13,089,799	6,635,921
		348,429,968	346,433,262
SCHEDULE E: UNSECURED LOANS			
(1) Fixed Deposits		12,679,000	10,809,000
(Repayable within one year Rs.2.42 million, (Previous year Rs.1.54 million))			
(2) Dealer Deposits		30,391,142	29,132,691
(3) Inter Corporate Deposits		3,504,664	8,400,000
		46,574,806	48,341,691



SCHEDULES ANNEXED TO THE CONSOLIDATED BALANCE SHEET

SCHEDULE F: FIXED ASSETS

(Value in Rs.)

Sl. No.	Description	GROSS BLOCK (AT COST)				DEPRECIATION			NET BLOCK		
		As at 01-04-2006	Additions during the year	Sales/ adjustments during the year	As at 31-03-2007	Upto 31-03-2006	Deduction for Sale/ Adjustments	For the Year	Upto 31-03-2007	As at 31-03-2007	As at 31-03-2006
1.	Land										
a)	Freehold	17,922,479	-	-	17,922,479	-	-	-	-	17,922,479	17,922,479
b)	Leasehold	14,742,161	-	-	14,742,161	675,592	-	173,006	848,598	13,893,563	14,066,569
2.	Buildings	331,927,004	20,587,276	8,095,289	344,418,991	36,972,459	1,266,699	10,726,636	46,432,396	297,986,595	294,954,543
3.	Plant & Machinery	353,566,204	10,313,177	48,338,033	315,541,348	178,577,746	40,629,472	16,649,761	154,598,035	160,943,313	174,988,457
4.	Laboratory and Scientific Research Equipment	22,255,289	556,340	308,772	22,502,857	7,348,624	-	1,065,068	8,413,692	14,089,165	14,906,665
5.	R & D Equipment	31,070,185	5,696,701	-	36,766,886	13,758,964	-	1,482,081	15,241,045	21,525,841	17,311,221
6.	Furniture Fittings and Fixture	33,169,216	616,983	-	33,786,199	15,919,203	-	2,005,507	17,924,710	15,861,489	17,250,014
7.	Office Equipments	18,049,450	2,742,178	196,500	20,995,128	7,452,532	136,000	1,915,847	9,232,379	11,362,749	10,596,918
8.	Bottles & Crates	67,051,885	-	-	67,051,885	48,662,290	-	2,557,993	51,220,283	15,831,602	18,389,595
9.	Vehicles	39,527,326	18,311,587	8,203,576	49,635,337	10,891,382	3,863,523	4,020,119	11,047,978	38,587,359	28,635,945
		929,281,199	58,824,242	65,142,170	922,963,271	320,258,792	45,895,694	40,596,018	314,959,116	608,004,155	609,022,406
	Previous Year	678,181,211	280,300,941	29,200,953	929,281,199	295,042,365	7,948,770	33,165,196	320,258,791	609,022,408	383,138,845

Note:

- Building includes Residential premises at Vapi amounting to Rs.521,866/- 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.14,074,550 being cost of vehicles not registered in the name of the company.
- There has been a change in the method of depreciation in Growel Energy Co. Ltd. from straight in method to written down method during the year. The Change has been considered with retrospective effect.

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	As At March 31, 2007 Rupees	As At March 31, 2006 Rupees
SCHEDULE G: INVESTMENTS, (NON TRADE, LONG TERM)		
(At Cost Less Permanent diminution in value)		
A) In Associates		
a) Fully paid Equity Shares (Unquoted)		
b) Carrying cost of investments in associates (see note below)	7,737,931	8,880,005
B) Others		
a) Fully paid Equity share (Quoted)	631,343	631,343
b) Fully paid Equity share (Unquoted)	4,747,442	4,747,442
c) Units in Mutual Funds	654,871	-
d) National Savings Certificates	60,300	60,300
	<u>13,831,887</u>	<u>14,319,090</u>

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	249,980	49.996%	2,502,300	330,788	763,655	3,596,743
		(249,980)	49.996%	(2,502,300)	(330,788)	(499,867)	(3,332,955)
Growel Sidasa Industries Pvt. Ltd.	India	444,900	49.433%	4,449,000		- 307,812	4,141,188
		(444,900)	49.433%	(4,449,000)			(4,449,000)
Grauer & Weil (Thailand) Ltd.	Thailand	9,800	49.00%	1,098,050		- 1,861,387	-
		(9,800)	49.00%	(1,098,050)			(1,098,050)
TOTAL				<u>8,049,350</u>			<u>7,737,931</u>
				<u>(8,049,350)</u>			<u>(8,880,005)</u>

Figures in brackets are in respect of previous year.



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	Rupees	As At March 31, 2007 Rupees	As At March 31, 2006 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	10,241,133		9,248,197
Raw Materials	78,693,605		75,070,297
Work-in-progress	32,274,931		36,158,661
Finished Goods	39,231,604		42,735,511
Goods in Transit	9,927,448		18,049,397
		170,368,721	181,262,063
(ii) Sundry Debtors Exceeding six months			
Secured	93,139		104,979
Unsecured - Considered good	55,190,943		68,081,183
	55,284,082		68,186,162
Other Debts			
Secured	12,645,939		2,854,110
Unsecured - Considered good	236,363,801		216,347,029
	249,009,740		219,201,139
		304,293,822	287,387,301
(iii) Cash and Bank balances			
Cash on hand	1,824,496		1,646,035
With Scheduled Banks:			
In Current Accounts	34,981,929		19,607,730
In Fixed Deposits	719,765		1,152,400
In Margin accounts	10,127,508		2,419,888
		47,653,698	24,826,053
(iv) Other Current Assets			
Interest Receivable	457,972		118,969
Interest Accrued but not due	21,100		15,110
		479,072	134,079
II. LOANS AND ADVANCES			
(Unsecured considered good, unless otherwise stated)			
Inter Corporate Loans	85,879,202		88,410,916
Balances with Excise Department	12,364,098		8,143,951
Income Tax	68,315,771		38,864,383
Deposits	8,288,078		7,782,539
Advances to Suppliers	29,244,754		20,764,261
Loans to Staff	1,639,656		1,279,157
Prepaid Expenses	2,390,097		1,692,292
Advances recoverable in cash or in kind or for value to be received	11,617,519		10,321,954
		219,739,175	177,259,453
		742,534,488	670,868,949

CONSOLIDATED ANNUAL REPORT 2006-2007

	Rupees	As At March 31, 2007 Rupees	As At March 31, 2006 Rupees
SCHEDULE I: CURRENT LIABILITIES & PROVISIONS			
(a) CURRENT LIABILITIES			
Acceptances	1,744,058		2,554,792
Sundry Creditors			
- Due to small scale industrial undertaking	11,629,920		5,322,844
- Others	151,097,041		118,786,138
Deposits towards deposit for bottles & cases	55,568,474		55,660,974
Deposit towards the use of premises	638,140		270,140
Advance from customers	20,015,707		27,376,555
Investor Education and Protection Fund*			
Unclaimed Dividends	687,740		525,547
Unclaimed Fixed Deposits	16,296		15,000
	<u>704,036</u>		<u>540,547</u>
Interest accrued but not due	1,721,335		628,561
Other Liabilities	<u>61,844,627</u>		<u>45,364,022</u>
		304,963,338	256,495,573
(b) PROVISIONS			
Provision for Income Tax	63,908,451		41,908,451
Proposed Dividend	12,787,725		7,672,635
Tax on Proposed Dividend	1,793,479		1,076,087
Provision for Leave encashment	3,602,858		3,477,723
Provision for Gratuity	<u>20,959,891</u>		<u>18,578,957</u>
		103,052,404	72,713,853
		408,015,742	<u>329,209,426</u>

* The figures reflect the position as at 31st March, 2007. 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)

ERP Project Implementation expenses		1,363,287
Preliminary Expenses	78,039	78,039
	<u>78,039</u>	<u>1,441,326</u>



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SCHEDULES ANNEXED TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT

	Rupees	For the year ended March 31, 2007 Rupees	For the year ended March 31, 2006 Rupees
SCHEDULE K: OTHER INCOME			
Plating and Service charges (Gross)*		7,191,892	7,785,090
License Fees (Gross)		1,475,000	2,380,000
Miscellaneous Receipts (Gross)		8,067,238,	4,362,886
Interest Received (Gross)*		3,243,739	2,887,641
Interest on Investments		-	5,485
Profit on Sale of Investments		3,633,957	259,465
Dividend on Investments (Gross)		13,565	9,435
Dimunition in value of investments written back		347,199	-
Compensation Received		4,264,019	3,089,222
Sundry balances written back		66,752	2,885,756
		<u>28,303,361</u>	<u>23,664,980</u>
		<u>960,613</u>	<u>317,087</u>
* Tax Deducted at Source			
SCHEDULE L: MATERIALS			
RAW MATERIALS CONSUMED			
Opening Stock	75,070,297		71,838,621
Add: Purchases	762,525,743		662,424,682
	<u>837,596,040</u>		734,263,303
Less: Closing Stock	78,693,605		75,070,297
		<u>758,902,435</u>	659,193,006
Purchase for Resale		45,728	-
		<u>758,948,163</u>	659,193,006
ADD: (INCREASE) / DECREASE IN STOCKS			
Opening Stock			
Work-in-Progress	36,158,661		23,522,644
Finished Goods	42,735,511		45,788,045
	<u>78,894,172</u>		69,310,689
Closing Stock			
Work-in-Progress	32,274,931		36,158,661
Finished Goods	39,231,604		42,735,511
	<u>71,506,535</u>		78,894,172
		<u>7,387,637</u>	(9,583,483)
Variation in Excise Duty on Opening & Closing Stock of finished goods		(168,739)	(622,571)
		<u>766,167,061</u>	<u>648,986,952</u>
SCHEDULE M: SALARIES, WAGES AND OTHER BENEFITS			
Salaries, Wages, Bonus etc.		99,523,927	86,873,357
Contribution to Provident and Other Funds		8,661,529	7,549,694
Welfare Expenses		14,467,357	13,630,166
		<u>122,652,813</u>	<u>108,053,217</u>

SCHEDULES ANNEXED TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT

	Rupees	For the year ended March 31, 2007 Rupees	For the year ended March 31, 2006 Rupees
SCHEDULE N: OTHER EXPENSES			
Stores, Spares and Loose Tools Consumed		23,060,788	16,677,359
Packing Expenses		44,760,601	38,220,306
Job Charges / Labour Charges		25,945,329	23,074,964
Power and Fuel		17,370,458	14,978,290
Drawings, Designs and Layout Expenses		638,606	680,484
Rent		7,303,253	6,999,296
Rates and Taxes		11,202,953	5,820,007
Repairs:			
Buildings	3,693,419		7,426,986
Plant & Machinery	5,001,854		6,000,090
Others	9,285,021		13,627,543
		17,980,294	27,054,619
Insurance		3,749,758	3,145,040
Freight and Forwarding		25,371,621	18,206,979
Printing and Stationery		5,872,751	5,508,778
Postage and Telephones		11,063,387	10,696,004
Vehicle Expenses		8,610,738	6,964,972
Travelling Expenses		23,406,774	18,557,376
Conveyance Expenses		5,089,767	5,048,599
Legal and Professional Fees		10,763,314	9,320,709
Sales Tax		24,215,255	16,179,010
Advertisement & Sales Promotion		7,700,127	8,556,280
Auditors' Remuneration:			
Audit Fees	163,090		163,060
Tax Audit / Taxation matters	30,000		30,000
Other matters	75,000		75,000
Reimbursement of Expenses	18,699		11,967
		286,789	280,027
Directors' Fees		11,000	11,000
Royalty		-	44,670
ERP Expenses written off		1,363,287	1,363,287
Bad Debts written off		2,959,279	30,420,442
Wealth Tax		114,382	101,259
Loss on Sale of Assets (Net)		1,090,577	85,655
Loss on Assets Discarded		679,991	18,421,575
Donations		43,854	101,040
Exchange Fluctuations		6,970,108	6,139,037
Irrecoverable Advances written off		-	4,148,065
Bottles & Cases written off		-	87,055,075
Traded Goods written off		-	8,856,764
Inventories written off		-	1,763,778
Miscellaneous Expenses		29,438,317	26,760,348
		317,063,324	421,241,094
SCHEDULE O: INTEREST AND FINANCE CHARGES			
Fixed Loans		17,944,737	9,056,818
Others		23,696,891	20,222,286
Cash Discount		13,982,791	11,742,662
		55,624,419	41,021,766



Schedule 'P', 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, 2007.
- 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. Investments in associate companies have been accounted under the equity method as per Accounting Standards 'Accounting for Investments in Associates' in Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India.
- 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:

	% Shares held as at March 31, 2007	Country of Incorporation
i. Poona Bottling Company Pvt. Limited	50.78%	India
ii. Growel Energy Company Limited	50.39%	India
d. The following Associate Companies is considered in the consolidated financial statements :		
	% Shares held as at March 31, 2007	Country of Incorporation
i. Growel Goema (India) Pvt. Limited	49.996%	India
ii. Grauer & Weil (Thailand) Limited	49.0%	Thailand
iii. Growel Sidasa Industries Pvt. Limited	49.433%	India

2. 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.

Income arising out of business conducting fees are accounted on accrual basis.

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. Pvt. Ltd. and Growel Energy Co. Ltd.
 - Growel Energy Co. Ltd. has changed the method of depreciation during the year from straight line method to written down method with retrospective effect. As a result, depreciation charged in the current year is higher by Rs. 15443/-
- iv. - Premium on leasehold land is amortised over its lease period, unless it is a perpetual lease.
 - Lease monies paid for leasehold land are not amortised over the period of lease in Poona Bottling Co. Pvt. Ltd.

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 expense in the statement of profit and loss and the carrying amount of the asset is reduced to its recoverable amount.

f. Investments :

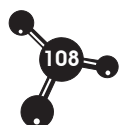
Long Term Investments are stated at cost of acquisition or book value. Book value being arrived at after adjusting provision for diminution in value provided such diminution is not temporary.

g. Inventories :

- i. Inventories are valued as follows :
 - Stores, Spares, Raw Material, Packing Materials, 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:

Superannuation benefits to employees, as per company's scheme, have been funded with Life Insurance Corporation of India and the annual contribution towards funds is accounted for on accrual basis.

The accrued liability for gratuity and leave encashment benefits payable to employees has been provided on the basis of actuarial valuation and are charged to Profit & 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 monetary items are converted into Rupee equivalent at the exchange rates prevailing as on Balance Sheet date. Non monetary items are carried at historical cost denominated in a foreign currency and are reported using the exchange rate at the date of transaction. Exchange difference arising on settlement / restatement of monetary items are recognised as income or as expenses in the year in which they arise, except exchange differences on transactions relating to acquisition of fixed assets from outside India, which are adjusted to the carrying amount of Fixed Assets. Premium or discount on Forward Contracts is amortised over the life of such contracts and is recognised as income or expenses, except for difference in respect of liabilities incurred for acquiring Fixed Assets from outside India, in which case such differences is adjusted in the carrying cost of Fixed Assets. Any Profit or Loss arising on cancellation or renewal of Forward Contract is recognised as income or as expense for the year except Profit or Loss on transactions relating to acquisition of Fixed Assets from outside India, which is adjusted against carrying cost of the 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:

Tax expense comprises both current & deferred taxes. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods are recognised using the tax rates and tax laws that have been enacted or substantively enacted. Provision for Fringe benefit tax liability is estimated and provided for.

n. Segment Reporting:

The Group's reportable operating segments interalia consists of Chemical, Engineering, Shoppertainment 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.

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 unless if it is a perpetual lease.

p. Miscellaneous Expenditure:

In respect of ERP Project Implementation expenses is amortised over a period of 5 years.

q. Provisions & Contingent Liabilities:

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

3. Contingent Liability not provided for	2006-2007 (Rs.in '000)	2005-2006 (Rs.in'000)
Disputed matters in appeal / contested in respect of;		
a) Income Tax	214	882
b) Excise Duty	9,639	9,729
c) Other matters	27,960	12,858
d) Gratuity	69	69

4. (i) The production activities at the Bottling unit of the company stopped with effect from 21st February 2000. On a complaint filed by the Union of the employees in Industrial Court, Pune, the court by an interim order dated 22.3.2000, ordered the Company to pay the employees who were members of the Union and were on the muster roll of the Company an amount equal to 50% of the basic and DA though there was no production. By a subsequent order dated 20.3.2001, the Court instructed the Company to pay full wages / salaries to its employees from February 2000. On being aggrieved by the said order the Company filled an appeal before the Hon'ble 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.

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 justice. 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 Honorable 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. 250.39 Lakhs (Previous Year Rs. 215.70 Lakhs), the Company has already made a payment of Rs. 48.41 Lakhs (Previous Year 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 Subsidiary Company to financial institution of Rs. 100.00 Lacs have been invoked by the financial institution. The Debt Recovery Tribunal Mumbai vide its order dated 9th June 2006 has directed the Company to pay Rs. 218.60 lacs (with interest @ 12%). The Company disputed the said order and filed an appeal before Mumbai High Court. Thereafter, Company went for out of court settlement with the aggrieved party and the said liability was settled for Rs. 60.00 lacs during the year. The Company has paid the said amount, and the same has been shown as 'Extra Ordinary Items'. In view of the above out of court settlement the respective parties have withdrawn the cases / appeal from respective forum.
- (iii) Guarantees given by the Subsidiary 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 Subsidiary Company has contested the said order and the matter is pending before the Debt Recovery Appellate Tribunal, Mumbai. Company went for out of court settlement with the aggrieved party and the said liability was settled for Rs. 94.50 lacs during the year. The company has paid the said amount and the same has been shown as 'Extra Ordinary Items'. In view of the above out of court settlement the respective parties have withdrawn the cases / appeal from respective forum.



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5. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	189,665	12,586
6. Managerial Remuneration;		
i. Salary and Allowances	4,871	4,185
ii. Contribution to Provident Fund and other funds	371	281
iii. Perquisites	50	334
iv. Directors Sitting Fees	11	11
	<u>*5,303</u>	<u>*4,811</u>

* Excluding Contribution / Provision for Gratuity and Leave Encashment

7. 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.
8. The Company has taken various premises under operating leases. These are generally not non-cancellable and range between 11 months to 5 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".

Minimum lease payments;

		(Rs. in '000)
	2006-2007	2005-2006
- Not later than one year	4900	7058
- Later than one year, but not later than five years	3270	5746

9. As certified by the Management, the company has incurred the following revenue expenditure on Research & Development activities during the year at its R&D Centre at Kandivli.

	Rs. in '000
i. Salaries, Wages & Benefits	6013
ii. Chemicals consumed	4731
iii. Travelling & Conveyance	1157
iv. Repairs & Maintenance	187
v. Other expenses	285
	<hr/>
TOTAL	12373
Less : Testing & Analysis Charges	(295)
	<hr/>
	12078
	=====

Depreciation includes Rs 1482 thousand in respect of Fixed Assets used for Research & Development.

Capital Expenditure on Research & Development during the year as certified by Management is Rs. 5697 thousand.

This information also complies with the terms of approval of In-house Research & Development facility at R&D centre, Kandivli, Mumbai granted by Government of India, Ministry of Science & Technology, Department of Scientific & Industrial Research for the period 1st April, 2006 to 31st March, 2007 vide their letter No. T.U.IV-15 (305)/2006 dated 22nd February, 2007.

The Research & Development expenditure incurred during the year at other locations of the company not included in above is as follows;

	Rs. in '000
i. Revenue Expenditure	621
ii. Capital Expenditure	248
	<hr/>
TOTAL	869
	=====

10. The Company enters into forward exchange contracts being derivatives instruments, which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the date of settlement.
- (iv) The company does not have any outstanding position in respect of forward exchange contracts as at 31st March, 2007.
- (v) Un-hedged foreign currency exposure is Rs. 62248 Thousand (US \$ 13,74,562 Euro 48,952 GBP 5,810) receivables as on 31st March, 2007.
- (vi) Premium on Forward Exchange Contracts to be amortised over the life of the contract Rs. Nil (Previous Year - Rs. 164361).
11. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date, to the extent such parties have been identified on the basis of information available with the Company. This has been relied on by the auditors.
12. Names of Small Scale Industrial undertakings to whom amount outstanding for more than 30 days, as at the year end but within agreed terms are –
- i. Morarji Chemicals Pvt. Limited
 - ii. Swastik Oil Products Mfg. Co.
- The above information has been compiled in respect of parties to the extent to which they could be identified as Small Scale and Ancillary undertakings on the basis of information available with the company.
13. 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, 2007 of Associate Companies are not available as required by Accounting Standard on accounting for investments in Associates (AS23).
14. 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, 2007 have been prepared on "Going Concern" basis, as the Company is continuing to carry on its other activities.
15. The Subsidiary company had entered into a 'Business Purchase Agreement' with Hindustan Coca Cola Beverages Pvt. Ltd. (HCC) for sale of its soft drink business undertaking on a slump sale basis on 22nd July 1999. In accordance with the terms of agreement, certain marketing assets were handed over to HCC in July 1999. HCC had discharged liabilities to the tune of Rs. 15.43 Crores on behalf of the Company and had paid Rs. 8.94 Crores to the Company.

Pending completion, dispute arose between the parties and matter was referred to Arbitration. Pursuant to the Arbitration Award dated 6th December 2005, the liabilities of the Company to HCC arising out of amount received from HCC and amount paid by HCC to retire the Company liabilities have been forfeited to Capital Reserve.

16. SEGMENT REPORTING

The following tables present revenue and profit/(loss) information regarding business / geographical segments for the year ended 31st March, 2007 and certain assets and liabilities information regarding business and geographical segments as 31st March, 2007.

(a) Primary Segment Reporting by business segments

(Rs. In '000)

	Chemical	Engineering	Shoppertainment	Bottling Operations	Total
Segment revenue					
Income from operations	1136988 (991438)	224274 (165238)	52058 (20333)		1413320 (1177009)
Add: Inter segment Revenue					0
Add: Other Income	7603 (4880)	9818 (10706)	1217 0	4366 (6009)	23004 (21595)
Add: Unallocable					5300 (2070)
Total	1144591 (996318)	234092 (175944)	53275 (20333)		1441624 (1200674)
Segment Results	233653 (203610)	- 1832 (3026)	30452 (10417)	- 21131 (-134359)	241142 (82694)
Less: Interest					55618 (41022)
Less: Other Unallocable Expenditure net of unallocable Income					61452 (93481)
Profit Before Tax					124072 (- 51809)
Less: Provision for current and Deferred tax					31542 (16361)
Profit After Tax					92530 (-68170)
Segment Assets	637364 (644112)	177517 (143055)	312213 (216576)	157171 (170493)	1284265 (1174236)
Unallocated corporate Assets					210665 (157817)
Total Assets					1494930 (1332053)
Segment Liabilities	142433 (119713)	88145 (67194)	17475 (12891)	67831 (60022)	315884 (259820)
Unallocated corporate Liabilities					530974 (501659)
Total Liabilities					846858 (761479)
Capital Expenditure	18757 (21874)	10831 (2657)	104248 (33356)		
Depreciation	17605 (16839)	1004 (827)	9879 (4200)	5383 (6311)	
Non Cash Expenditure	4178 0	882 (352)		0 (132244)	

(b) Secondary segment reporting by geographical segment

	Domestic	Exports	Total
Revenue	1225060 (1022630)	216564 (178044)	1441624 (1200674)
Total assets	1422796 (1278294)	72134 (53759)	1494930 (1332053)

Note: Previous year's figures are in brackets



15. Related party disclosures

(i). List of Related Parties

Subsidiaries

Poona Bottling Company Pvt. Limited
Growel Energy Company Limited

Associates

Growel Goema (I) Pvt. Limited
Growel Sidasa Industries Pvt. Limited
Grauer & Weil (Thailand) Limited
Growel Corporate Management Limited

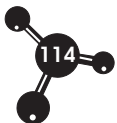
Key Management Personnel, their relatives and enterprises where significant influence exists, with whom the company had transactions

Mr. Umeshkumar N. More	Chairman & Managing Director
Mr. Vinod Haritwal	Manager
Mr. Rameshkumar R. More	Director
Mr. Nirajkumar U. More	Director
Mr. Rohitkumar R. More	Director
Mr. Rajender Guleria	Manager
Mr. K. C. Srivastava	Director
Mr. Suresh Pareek	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)
Shree MPJ Cement Works Pvt. Ltd.
Ridhi Sidhi Limited
Bubna More & Co. Pvt. Ltd.
Radhakishan Nandlal Pvt. Ltd.
Waluj Beverages Pvt. Ltd.
Gorav Investment Pvt. Ltd.

Relatives of Key Management Personnel

Mrs. Premlata U. More
Mrs. Pallavi N. More
Mrs. Draupadidevi N. More
Mr. Abhishek R. More
Mrs. Umadevi R. More
Mrs. Jhumka R. More



B) II] TRANSACTIONS WITH RELATED PARTIES

(Rs. In '000)

Transactions	Associates	Key Management Personnel (KMP)	Enterprises of KMP	Relatives of KMP	Total 2006-07	Total 2005-06
Sales	37043				37043	5959
Purchases	30		1810		1840	3314
Interest Received					0	131
Interest Paid	319		137		456	462
Rent Recieved			176	1	177	235
Rent Paid		719	60	684	1463	1233
Contract Payments			13878		13878	87785
Sales of Assets					0	71
Services Received (SAP)			4741		4741	4022
Services Received (Maintenance)			1693		1693	0
Compensation Received			665		665	1127
Salaries				717	717	623
Investment in Shares					0	5498
Director's Fees		11			11	11
Managerial Remuneration		5292			5292	4801
Share Application	213				213	0
Sale Shares		1000	500	1999	3499	0
Loans accepted			1500		1500	10000
Repayment of loans accepted	1000		5400		6400	1600
Loans Advanced	2738		4155		6893	66883
Repayment of loans Advanced			6850		6850	69826
Outstanding Balances as on 31st March 2007						
- Unsecured Loans	2000		1500		3500	8400
- Current Liabilities			3043		3043	8101
- Debtors	20234		31690		51924	38831
- Loans & Advances	4738		77326		82064	79946

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.

16. EARNING PER SHARE

Calculation of Earnings per share for the year ended 31.03.2007

		31.03.2007	31.03.2006
Profit / (Loss) for the year after minority interest		102,982,506	(37,967,893)
Weighted average number of equity shares (Face Value Rs.10 per share)	Nos.	12,787,725	12,787,725
Basic Earnings per share	Rs.	8.05	(2.97)



19. DEFERRED TAX

The break up of Net Deferred Tax Liability as on 31.3.2007 is as under:

Rs. in '000

	As at March 31, 2007		As at March 31, 2006	
	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		51817		44692
Provision for Doubtful Debts, Leave Encashment, Gratuity & Diminution in value of Investments	7338		6719	
Other Items giving rise to timing differences	642		478	
Total	7980	51817	7197	44692
Net deferred Tax Liability		43837		37495
Net amount debited / (credited) to Profit & Loss Account		6342		(7071)

20. 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
- Director

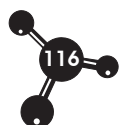
P. P. BHANDARI
Partner
MEM No.: 32218

NOEL JACOB

- Company Secretary & V. P. (Legal)

Mumbai, 30th June, 2007

Mumbai, 30th June, 2007



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 49th Annual General Meeting of the Company to be held on Thursday, August 16, 2007 at 10.00 a. m. at Gold Screen Hall, 2nd floor, Growel House, Akurli Road, Kandivli (East) Mumbai 400101.

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 49th Annual General Meeting of the Company to be held on Thursday, August 16, 2007 at 10.00 a. m. at Gold Screen Hall, 2nd floor, Growel House, Akurli Road, Kandivli (East) Mumbai 400101.

As witness my/our hand(s) this _____ day of, 2007.

signed by the said _____



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

