

## 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
Rohitkumar R. More	Whole Time Director

## COMMITTEES

### AUDIT COMMITTEE

Suresh Pareek	Chairman
Nirajkumar U. More	Member
Madan Mohan Chaturvedi	Member

### SHAREHOLDERS COMMITTEE

Nirajkumar U. More	Chairman
Rameshkumar R. More	Member
Karunchandra Srivastava	Member

### SENIOR PRESIDENTS

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

### 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.  
The Saraswat Cooperative 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

Visit us at: [www.growel.com](http://www.growel.com)

**NOTICE TO THE MEMBERS**

**NOTICE** is hereby given that the 50<sup>th</sup> Annual General Meeting of the members of GRAUER & WEIL [INDIA] LIMITED will be held on Thursday, 21<sup>st</sup> August, 2008 at 2.30 p.m. at Gold Screen Hall, 2<sup>nd</sup> 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 31<sup>st</sup> March, 2008 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 31<sup>st</sup> March, 2008.
3. To appoint a Director in place of Mr. Nirajkumar More, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. M. M. Chaturvedi, who retires by rotation, and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Rohan Shah, who retires by rotation, and being eligible offers himself for re-appointment.
6. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

**SPECIAL BUSINESS:**

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

**7. AS AN ORDINARY RESOLUTION :**

**“RESOLVED THAT** in supersession of the resolution passed at the Annual General Meeting of the Shareholders of the Company held on 31<sup>st</sup> July, 2003, the Consent of the Company be and is hereby accorded under the provisions of Section 293 (1)(d) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company for borrowing from time to time any sum or sums of money for the purpose of the Company upon such terms and conditions and with or without security as the Board of Directors may at its discretion think fit notwithstanding that the money or moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however, that the total amount of such borrowings by the Board of Directors shall not at any time exceed Rs.300 Crores.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution the Board of Directors be and are hereby authorized to take all steps and give directions as may be necessary or desirable and to settle any question or difficulty whatsoever that may arise herein as they may in their absolute discretion deem fit.”

**8. AS AN ORDINARY RESOLUTION :**

**“RESOLVED THAT** the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the creation by the Board of Directors of the Company of such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company as the Board may direct on such of the assets of the Company, both present and future, in such manner as the Board may direct to or in favour of all or any of the Financial Institutions/Banks/any other investing agencies/trustees for the holders of debentures/bonds/other instruments which may be issued to and subscribed by all or any other person(s)/bodies corporate by way of private placement or otherwise, to secure rupee/foreign currency loans, debentures, bonds or other instruments of an equivalent aggregate value not exceeding Rs. 300 Crores together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under Agreements/Arrangements entered into/to be entered into by the Company in respect of the said loans/debentures/bonds or other instruments.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalize with the aforesaid parties or any of them, the documents for creating the mortgages/charges/hypothecations and accepting or making any alterations, changes, variations to or in the terms and conditions, to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this Resolution."

**9. AS AN ORDINARY RESOLUTION :**

**"RESOLVED THAT** subject to such approvals, consents and sanctions as may be necessary and further subject to such terms, conditions, stipulations and restrictions as may be imposed by the authorities while granting such approvals, consents, and sanctions, the consent of the Members be and is hereby accorded pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 to the reappointment of Mr. Rohit Kumar R. More as a Whole Time Director of the Company for a period of Five Years from August 1, 2008 on the terms and conditions including the remuneration payable to him as a Whole Time Director and the minimum remuneration payable to him in the event of absence or inadequacy of profits in any year, is as under :

- a. Consolidated Salary of Rs. 25,000/- per month in the scale of Rs. 25,000/- to Rs. 50,000/- per month.
- b. Perquisites : In addition to the Consolidated salary, Mr. Rohit Kumar R. More shall be entitled to the perquisites and benefits like :
  - i. Medical allowance including reimbursement as per the rules of the Company subject to a maximum of Rs.15,000/- per year.
  - ii. Leave with full pay and all allowances as per the rules of the Company.
  - iii. Leave Travel Concession/Allowance for self and family including dependents as per the rules of the Company.
  - iv. Yearly encashment of leave as per the rules of the Company.
  - v. Contribution to provident fund, superannuation fund and gratuity fund as per the rules of the Company.
  - vi. Provision of car with driver.
  - vii. Free telephone facility at residence and use of Mobile phone for the business of the Company.
  - viii. all other payments in the nature of perquisites and benefits as agreed by the Board of Directors subject to such limits for the remuneration and perquisites as is laid down by the Government in Schedule XIII to the Companies Act, 1956 and/or changes/variations/modifications made/that may be made therein from time to time.

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

**Minimum Remuneration :**

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

**FURTHER RESOLVED THAT** the Board of Directors be and 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."

Registered Office:  
'Growel House',  
Akurli Road, Kandivli [East],  
Mumbai - 400 101.  
June 30, 2008

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 14<sup>th</sup> August, 2008 to 21<sup>st</sup> August, 2008 (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 25<sup>th</sup> August, 2008.
4. Pursuant to the provisions of Section 205A of the Companies Act, 1956, Unclaimed Dividend up to the year ended March 31, 2000 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
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
2006-07	16.08.2007	15.08.2014	14.09.2014

Members who have not yet encashed their dividend warrant(s) for the Financial Year ended 31<sup>st</sup> March, 2001 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 Fees to the Exchange.
8. (a) In view of the Circular issued by the SEBI for appointing a 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 10.00 a.m. and 12 .00 noon up to the date of the Annual General Meeting i.e. 21<sup>st</sup> August, 2008.
  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 & 5):

### I. DIRECTORS RETIRING BY ROTATION:

<b>A. Name</b>	:	<b>MR. NIRAJKUMAR MORE</b>
Age	:	39 Years [Date of birth: 03/11/1969].
Qualifications	:	BBA - Graduate

Mr. Nirajkumar More is associated with the Company since 12<sup>th</sup> August, 1993. He has got an experience of 16 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 Sidasa Industries Pvt. Ltd.
12. Growel Financial Services Pvt. Ltd.
13. Growel Corporate Management Ltd.
14. Growel Investment Pvt. Ltd.

### COMMITTEE MEMBERSHIPS:

Audit Committee	:	Grauer & Weil [ India ] Limited.
Share Holders Grievances Committee	:	Grauer & Weil [ India ] Limited.
Shareholding in the Company	:	25,16,474 Equity Shares

<b>B. Name</b>	:	<b>MR. MADAN MOHAN CHATURVEDI</b>
Age	:	53 Years [Date of birth: 11/07/1955].
Qualifications	:	B.Com., FCA.

Mr. Madan Mohan Chaturvedi is associated with the Company since 30<sup>th</sup> March, 2004. He has got an experience of about 30 years in Management Consultancy, Finance and Accounts.

### OTHER DIRECTORSHIPS:

1. MMC Financial Services Pvt. Ltd.
2. Varah Securities Pvt. Ltd.

### COMMITTEE MEMBERSHIPS:

Audit Committee	:	Grauer & Weil [ India ] Limited.
Shareholding in the Company	:	312 Equity Shares

<b>C. Name</b>	:	<b>MR. ROHAN SHAH</b>
Age	:	45 Years [Date of birth: 12/01/1963].
Qualifications	:	B.Com., FCA.
Expertise	:	Advocate

Mr. Rohan Shah is associated with the Company since 30<sup>th</sup> March, 2004.

### OTHER DIRECTORSHIPS:

1. J. B. Chemicals & Pharmaceuticals Ltd.

COMMITTEE MEMBERSHIPS : NIL  
Shareholding in the Company : 312 Equity Shares

### 2. REAPPOINTMENT OF WHOLE TIME DIRECTOR : (Resolution at item No.9)

Name : MR. ROHIT KUMAR R. MORE.  
Age : 35 Years [Date of Birth : 07/01/1973]  
Qualifications : B.E. (Mech.)

Mr. Rohit Kumar R. More is associated with the Company since 14<sup>th</sup> March, 2003. He has 14 years of wide experience in the engineering field.

### OTHER DIRECTORSHIPS:

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

COMMITTEE MEMBERSHIPS : NIL  
Shareholding in the Company : 750 Equity Shares

Registered Office:  
'Growel House',  
Akurli Road, Kandivli [East],  
Mumbai - 400 101.  
June 30, 2008

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.7 & 8 :**

The Company, from time to time, obtains loans and financial assistance from the Financial Institutions/Banks/other lending agencies/trustees for the holders of debentures/ bonds/other instruments which may be issued and the same are required to be secured by creation of mortgage/charge on the assets of the Company.

Section 293(1)(a) of the Companies Act, 1956, inter alia, provides that the Board of Directors of a Public Limited Company shall not without the consent of the Company in General Meeting sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company. Since creation of mortgage/charge by the Company in favour of the above entities may be regarded as disposal of the assets or undertaking of the Company, it is necessary for the members to pass a resolution under Section 293(1) (a) of the Companies Act, 1956.

As the members are aware, the Board is authorised to borrow for the purpose of carrying on the business of the Company up to an amount not exceeding Rs. 150 Crores. The company is now taking up new projects in the area of shopping and entertainment. For these projects new loans are proposed to be obtained. It is therefore necessary to increase the limit to which the company can borrow funds to Rs. 300 crore.

Therefore it is necessary for members to pass the resolution under Sections 293(1) (a) and Section 293(1) (d) of the Companies Act, 1956.

The Board recommends the resolutions to be passed.

None of the Directors of the Company are concerned or interested in the resolutions.

**ITEM NO. 9 :**

Mr. Rohit Kumar R. More was appointed as Director of the Company w.e.f. 14<sup>th</sup> March, 2003. His appointment as a Whole Time Director was approved in the 46<sup>th</sup> Annual General Meeting of the company held on 31<sup>st</sup> July, 2004, for a period of 5 Years w.e.f. 1<sup>st</sup> August, 2003.

The Board of Directors in their meeting on 30<sup>th</sup> June, 2008 decided to reappoint Mr. Rohitkumar R. More as a Whole Time Director for a period of 5 Years w.e.f. 1<sup>st</sup> August, 2008 subject to requisite statutory approvals and provisions of the Company Law.

Mr. Rohit Kumar R. More is based at Pune and looks after the day to day operations of the engineering section of the Company at Pune and is responsible for the growth and development of the business.

Mr. Rohit Kumar R. More is a Mechanical Engineer and considering his Management experience of over 14 years, the Board recommends his reappointment as a Whole Time Director in the interest of the company.

Mr. Rohit Kumar R. More is interested in the resolution as it relates to his own appointment. Mr. Ramesh Kumar R. More is interested in the resolution being related to Mr. Rohit Kumar R. More.

The Board recommends the resolution to be passed.

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

This may be treated as an abstract/memorandum u/s 302 of the Companies Act, 1956.

Registered Office:  
'Growel House',  
Akurli Road, Kandivli [East],  
Mumbai - 400 101.  
June 30, 2008

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

Umeshkumar N. More  
Chairman & Managing Director

**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors have great pleasure in presenting their 50th Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2008.

FINANCIAL RESULTS	YEAR ENDED	YEAR ENDED
	31.03.2008	31.03.2007
	RS. MILLION	RS. MILLION
Gross Sales	2118.763	1715.233
Profit before depreciation, tax and appropriations	210.339	180.391
Profit before tax	173.039	145.202
Provision for current tax and deferred tax	46.100	31.542
Net Profit	126.939	113.660
Add : Balance brought forward from previous year	7.663	8.584
Profit available for disposal	134.602	122.244
Proposed Dividend and tax thereon	37.782	14.581
Transfer to General Reserve	90.000	100.000
Profit carried forward	6.820	7.663

**DIVIDEND :**

Your Board has recommended payment of dividend for the year ended March 31, 2008 at Re.1.00 (10%) on Equity shares of Rs.10 each and seeks your approval for the same.

In commemoration of the Golden Jubilee celebrations of your company, your Board is pleased to recommend an additional, one time, special dividend of Rs 1.50 (15%) on Equity Shares of Rs 10 each, for the year ended 31<sup>st</sup> March 2008, subject to the approval of the shareholders at the Annual General Meeting.

**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 23.53% over last year and the profit before tax grew by 19.17 %.

The company has during the year, on advice from its auditors, adopted Accounting Standard 15 (revised 2005) "Employee Benefits" Issued by the Institute of Chartered Accountants of India and made applicable from the current financial year. In accordance with transitional provisions a sum of Rs 8.564 million (net of deferred Tax of Rs 3.495 million) towards Gratuity and other long term benefits, has been adjusted against opening credit balance of General Reserves and hence they are reduced to that extent.

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 underway and is expected to be operational by August 2008. 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 to 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. It should be operational by April 2009. Your management has opted to adopt the route of debt funding to finance the construction of the Second Phase. Accordingly, while part funding has already been tied up with the bankers of the company, negotiations are underway to arrange for the balance to complete the project, as per plan.

**JOINT VENTURE WITH SIDASA :**

Subsequent to the rescinding of the joint venture last year with Sidasa of Spain, as reported earlier, the company has since entered into a fresh agreement with them for the manufacture of Industrial Lubricants, Phosphating Chemicals, Anodizing Processes and other allied activities. These fields have been the expertise of Sidasa for over decades and offer large business opportunities in the growing Indian markets and neighboring regions.

### 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.

The company is planning to setup a new R&D Centre to substantially augment its existing facilities and include development programs for future.

### FIXED DEPOSITS :

The Company's balance of deposits as on March 31, 2008 was Rs.11.611 million.

Unclaimed matured fixed deposits of Rs.15000 which were not claimed as on 31st March, 2008 has been reflected in the 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 :

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

It is proposed to re-appoint Mr. Rohitkumar R. More as a Whole Time Director of the company for a further period of 5 years w.e.f. 1<sup>st</sup> August, 2008. The necessary resolution is set out in the notice.

### 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 and 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, 2008.
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 with Auditor's Report thereon forms part of the Annual Report.

### GROUP COMPANY : BOMBAY PAINTS LTD.

The company has raised funds to finance Bombay Paints Ltd. to the extent of Rs 100 Million, which Bombay Paints in turn has used to pay off their bankers M/s Central Bank of India by way of a One Time Settlement of their dues to them. Bombay Paints since has registered a remarkable improvement in their performance and is on a fast path to recovery. Bombay Paints envisages to be out of the purview of BIFR provisions before the end of the current financial year.

### 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, 2009 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 has constituted an Audit Committee. The committee currently comprises of the following Directors viz., Mr. Suresh Pareek, Mr. Nirajkumar More and Mr. Madan Mohan Chaturvedi 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 :

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, subsidiaries 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 put on record their appreciation for the dedication and support of all our members and associates. Their effort continues to be, integral to our companies' ongoing success.

Registered Office:  
'Growel House',  
Akurli Road, Kandivli [East],  
Mumbai - 400 101.  
June 30, 2008

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

Umeshkumar N. More  
Chairman & Managing Director

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

**BUSINESS :**

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

- a) Chemicals required for metal finishing, their intermediates and other specialty chemicals.
- b) Electroplating plants, their components, effluent treatment plants and other engineering products.
- c) Pretreatment Processes and Industrial Oils.
- d) 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 23.67% and Net Profits have grown by 11.42% from Rs. 113.660 million to Rs. 126.939 million in 2008.

**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 intense by the day. The Company continues to associate with international manufacturers to offer the widest and latest options to its customers.

The Company has diversified 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 has commenced construction of a new 4000 MT manufacturing facility at Jammu. This plant is expected to be operational in August 2008. 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 to increase its competitive edge.

The second phase of Growel's 101, the shoppertainment mall at Kandivli in Mumbai is progressing fast and should be completed by April 2009. This phase will add another 300000 sq. ft. of space to the existing 125000 sq. ft.

**EXPORTS :**

Exports continue to be the main thrust of the Company's sales effort. The Company has established a Wholly Owned Foreign Enterprise (WOFE) at Shanghai, China to cater to the vast Chinese market and to further boost the sales and better customer relations. The company is also looking at other regions to establish offices which would greatly help in improved overall growth opportunities.

**PERFORMANCE OF THE COMPANY :**

In the chemicals segment, the growth in sales during the current year has been 16.84%. We expect a healthy growth in the range of 20% for the current year. The growth in the engineering segment has been higher and we expect it to so continue. All the production units more than 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.

The shoppertainment Mall at Kandivli earned revenues to the extent of Rs 52.203 million.

The unprecedented rise in the prices of crude oil in the global markets has been instrumental in destabilizing our input costs in the current year. We are trying our best to grapple with the resultant market turbulences.

**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 567 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 authorization. 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 by 11.42%.
- b. The Company spent Rs. 234.949 million on Capital Expenditure, mainly for the Shoppertainment project and Jammu factory.
- c. The Working Capital increased by Rs. 229.31 million
- d. The net term borrowings increased by Rs. 292.181 million on account of loans to fund the Shoppertainment project and Jammu factory. The long term Debt Equity ratio of the Company continues to be at a comfortable 0.74:1. The construction of second phase of the mall will increase the burden of long term borrowings of the Company during the current financial year.

### **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, 2008, 6 [Six] Board meetings were held on 30/06/2007, 31/07/2007, 16/08/2007, 31/10/2007, 31/01/2008 and 13/03/2008.

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	6	YES	12	None
Mr. Nirajkumar U. More	ED	6	YES	14	None
Mr. Rameshkumar R. More	ED	4	YES	7	None
Mr. Rohitkumar R. More	WTD	2	YES	5	None
Mr. Suresh Pareek	NED	5	YES	3	None
Mr. Madan Mohan Chaturvedi	NED	1	NO	2	None
Mr. Rohan Shah	NED	—	NO	1	None
Mr. Karuchandra Srivastava	NED	1	NO	1	None

CMD stands for Chairman & Managing Director.

NED stands for Non-Executive Director

WTD stands for Whole-Time Director

**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 2007-2008, 4 [Four] Audit Committee Meetings were held.

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

<b>Name of the Members</b>	<b>Status</b>	<b>No. of Meetings Held</b>	<b>No. of Meetings Attended</b>
MR. RAMESHKUMAR R. MORE *	CHAIRMAN	4	1
Mr. SURESH PAREEK #	CHAIRMAN	4	4
MR. NIRAJKUMAR U. MORE	MEMBER	4	4
MR. MADAN MOHAN CHAURVEDI	MEMBER	4	3

\* Resigned from Chairmanship and Membership w.e.f.16<sup>th</sup> August 2007

# Chairman w.e.f. 11<sup>th</sup> October 2007

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 16, 2007 to attend to the shareholders queries.

#### REMUNERATION :

The Company has not constituted a 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 Whole Time Director 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 2007-2008 and shareholding as on 31-03-2008: [Amount in Rs. '000]

DIRECTOR	SITTING FEES Rs.	SALARY & ALLOWANCE Rs.	PERQUISITES Rs.	NO. OF SHARES HELD ON 31-03-2008
Mr. Umeshkumar R. More	—	1363	1505	1596042
Mr. Rameshkumar R. More	2.00	—	—	750
Mr. Nirajkumar U. More	3.00	—	—	2516474
Mr. Rohitkumar R. More	—	463	—	—
Mr. Rohan Shah	—	—	—	312
Mr. Madan Mohan Chaturvedi	0.50	—	—	312
Mr. Karunchandra Srivastava	0.50	—	—	—
Mr. Suresh Pareek	2.50	—	—	184456

#### 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-materialization etc.

The Shareholders Committee met 4 [Four] times during the year ended March 31, 2008.

The composition of the Shareholders Committee and details of the meetings attended by the Directors during the year 2007-2008 are given below:

NAMES OF MEMBERS	CATEGORY	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. NIRAJKUMAR MORE	CHAIRMAN	4	4
Mr. RAMESH KUMAR MORE	MEMBER	4	4
MR. K. C. SRIVASTAVA	MEMBER	4	4

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

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

SR. NO.	NATURE OF COMPLAINTS	RECEIVED	DISPOSED	PENDING
1.	Non-receipt of Dividend Warrants	15	15	Nil
2.	Non-receipt of Bonus Shares	01	01	Nil
3.	Non-receipt of Share Cert. After Transfer	13	13	Nil
4.	Non-receipt of Annual Report	14	14	Nil
5.	Non-receipt of Demat Credit / Remat Certificate	03	03	Nil
6.	Non-receipt of Rejected DRFs	02	02	Nil
<b>TOTAL</b>		<b>48</b>	<b>48</b>	<b>Nil</b>

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

**GENERAL BODY MEETINGS :**

a) The last three Annual General Meetings were held as under:

Particulars	31.03.2007	31.03.2006	31.03.2005
<b>Date and Time</b>	16.08.2007 at 10.00 am	19.08.2006 at 3.00 pm	06.08.2005 at 2.00 pm
<b>Venue</b>	Gold Screen Hall, 2 <sup>nd</sup> Floor, Growel House, Akurli Road, Kandivali (E), Mumbai 400101.	Juhu Jagruti Hall, Opp. Mithibhai College, Mumbai 400 056.	Registered Office
<b>Any Special Resolution passed</b>	Yes	Yes by Postal Ballot	Yes

(b) Postal Ballot :

In June 2006 the company sought shareholders approval by special resolution through Postal Ballot for amendment in 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 :**

- 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.
- Details on the use of proceeds from public issues, right issues, and 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.
- 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.
- 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.

### 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 'A' 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](http://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.sebidifar.nic.in](http://www.sebidifar.nic.in)

### GENERAL SHAREHOLDERS INFORMATION :

- 1 ANNUAL GENERAL MEETING : 50th Annual General Meeting.  
DAY & DATE : Thursday, 21st August 2008  
TIME : 2.30 p. 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, 2008 : End of July, 2008.
- \* Financial reporting for the quarter ended Sept.30, 2008 : End of Oct., 2008.
- \* Financial reporting for the quarter ended Dec. 31, 2008 : End of Jan., 2009.
- \* Financial reporting for the year ended March 31, 2009 : End of June, 2009 [Audited].

#### 3 DATES OF BOOK CLOSURE : 14<sup>th</sup> August, 2008 to 21<sup>st</sup> August, 2008 [Both days Inclusive].

#### 4. RECORD DATE OF PAYMENT OF DIVIDEND : 13<sup>th</sup> August, 2008.

#### 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](mailto: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](mailto:hq@growel.com) / [secretarial@growel.com](mailto: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, 2008, a total of 56,97,627 Shares representing 44.56% 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, 2007	74.85	65.65	1,68,811
May, 2007	73.00	64.70	2,19,486
June, 2007	84.90	60.10	3,54,404
July, 2007	91.75	74.20	10,16,111
August, 2007	106.40	79.35	13,55,071
September 2007	129.00	98.00	8,56,076
October, 2007	218.70	119.00	20,71,250
November 2007	204.00	148.10	7,27,109
December 2007	196.30	160.00	3,21,515
January, 2008	197.10	106.00	6,32,191
February 2008	132.10	98.00	2,57,008
March, 2008	119.90	79.90	3,87,002

15 SHAREHOLDING PATTERN AS ON MARCH 31, 2008 :

Category	No. Of shares held	% of shareholding
Promoters & Associates	63,18,581	49.41
Mutual Funds & UTI	2,062	0.02
Banks & Financial Institutions	1,875	0.01
Private Bodies Corporate	12,83,433	10.04
Indian Public / Others	41,48,870	32.44
NRI/OCBs	10,30,404	8.06
Trusts	2,500	0.02
<b>Total</b>	<b>1,27,87,725</b>	<b>100.00</b>

16 DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2008 :

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto 500	5179	821062	6.42
501-1000	731	559322	4.37
1001-2000	567	802890	6.28
2001-3000	198	481480	3.76
3001-4000	63	224723	1.76
4001-5000	37	167335	1.31
5001-10000	60	424189	3.32
10001 & above	79	9306724	72.78
<b>Total</b>	<b>6914</b>	<b>12787725</b>	<b>100.00</b>

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, 2008

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

Umeshkumar N. More  
 Chairman & Managing Director

**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, 2008.

Registered Office:  
'Growel House',  
Akurli Road, Kandivli [East],  
Mumbai - 400 101.  
June 30, 2008

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

Umeshkumar N. More  
Chairman & Managing Director

---

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

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, 2008, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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's grievances 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

N. KASHINATH  
Partner  
Mem. No. 36490  
Mumbai  
June 30, 2008

**ANNEXURE 'C' TO DIRECTORS' REPORT**

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

**A. CONSERVATION OF ENERGY :**

- (1) ENERGY CONSERVATION MEASURES TAKEN:
  - i) Introduced natural inverter for lighting purposes whenever electrical power is off.
  - ii) Instead of using the incinerators for drying the liquid and semi-solid sludge, natural energy such as ponds is constructed to evaporate the liquid and sludge are dried under sun-light.
  - iii) Pneumatic systems are introduced and mixing blenders are used to prevent the excess running of machineries.
  - iv) Production per unit 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 2007-2008 were Rs. 264.721 Million, as compared to Rs. 216.564 Million in 2006-2007.
- (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. 34,08,62,317
    - (b) Expenditure in foreign currencies for Business Travel, Seminars, Dividend and Royalties etc. 1,01,21,607
  - (ii) Total foreign exchange earned 26,47,21,837

Registered Office:  
'Growel House',  
Akurli Road, Kandivli [East],  
Mumbai - 400 101.  
June 30, 2008

For & on behalf of the Board  
For Grauer & Weil [India] Limited  
  
Umeshkumar N. More  
Chairman & Managing Director

**FORM - A****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY 2007-2008.**

<b>PARTICULARS</b>	<b>2007-2008</b>	<b>2006-2007</b>
<b>A. POWER AND FUEL CONSUMPTION</b>		
1. ELECTRICITY		
a) Purchased Units	<b>21,44,991</b>	20,20,690
Total amount (Rs.)	<b>1,34,49,867</b>	95,66,605
Average Rate/Unit (Rs.)	<b>6.27</b>	4.73
b) Own generation	Limited electric power was generated through D.G. Sets installed exclusively for the purpose of emergency supply whenever there was power shortage to keep the emergency system working.	
2. FURNACE/OTHER OIL		
Quantity (Litres)	<b>59,494</b>	215,343
Total Cost (Rs.)	<b>18,86,666</b>	50,21,498
Average rate (Rs. per litre)	<b>31.71</b>	23.32

**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 2007-2008.**

**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 :**

	2007-2008 Rupees (in '000)	2006-2007 Rupees (in '000)
a) Capital	7325	5945
b) Recurring	18481	12699
c) Total	25806	18644
d) Total R & D expenditure as a percentage of total Turnover	1.52%	1.37%

**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, 2008 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 auditing standards generally accepted in 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, 2008 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 on the said date.
- 3) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, 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, 2008.
  - 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**

**N. KASHINATH  
Partner  
Mem. No. 36490  
Mumbai  
June 30, 2008**

**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 3 Companies listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.1251 Lacs and the year end balance of Loans granted to such parties was Rs. 1251 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 has taken unsecured loans from 4 Companies and Director, covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 175 Lacs and the year end balance of such loans taken was Rs. 175 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. 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 2008 for a period of more than six months from the date they become payable.  
 (b) According to the records of the company Excise Duty, Sales Tax and Income tax which have not been deposited on account of any disputes, are as detailed below;

Particulars	Period to which the amount related	Forum where the dispute is pending	Amount (Rs. in Lacs)
Excise Duty	1984-85, 1985-86, 1989-90, 1990-91, 1991-92, 1992-93, 1993-94, 1994-95, 1995-96.	Central Excise Gold Appellate Tribunal	27.39
	1989-90, 1990-91, 1993-94, 1996-97, 1997-98, 1999-2000, 2000-2001.	Deputy/ Assistant Commissioner	13.13
Sales Tax	1998-99, 1999-2000, & 2000-2001.	Commissioner (Appeal)/ Financial Commissioner. (Himachal Pradesh)	31.20
Income Tax	2003-2004 And 2004-2005	Commissioner (Appeal)	62.52

- 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**

**N. KASHINATH  
Partner  
Mem. No. 36490  
Mumbai  
June 30, 2008**



**BALANCE SHEET AS AT MARCH 31, 2008**

	Schedule	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
<b>SOURCES OF FUNDS</b>				
<b>SHAREHOLDERS FUNDS</b>				
Share Capital	A	127,877,250		127,877,250
Reserves and Surplus	B	<u>511,680,185</u>		<u>431,087,790</u>
			<b>639,557,435</b>	<b>558,965,040</b>
<b>LOAN FUNDS</b>				
Secured Loans	C	637,227,677		348,429,968
Unsecured Loans	D	<u>60,832,349</u>		<u>46,570,142</u>
			<b>698,060,026</b>	<b>395,000,110</b>
<b>DEFERRED TAX</b>				
Deferred Tax Liabilities		61,865,120		51,816,973
Deferred Tax Assets		<u>(13,922,789)</u>		<u>(7,979,782)</u>
			<b>47,942,331</b>	<b>43,837,191</b>
			<b><u>1,385,559,792</u></b>	<b><u>997,802,341</u></b>
<b>APPLICATION OF FUNDS</b>				
<b>FIXED ASSETS</b>				
Gross Block	E	773,404,031		760,234,933
Less: Depreciation		<u>222,822,865</u>		<u>190,301,031</u>
Net Block		550,581,166		569,933,902
Capital Work in Progress & Capital Advances		<u>330,859,956</u>		<u>123,747,411</u>
			<b>881,441,122</b>	<b>693,681,313</b>
<b>INVESTMENTS</b>	F		<b>16,757,081</b>	<b>8,667,081</b>
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
Inventories	G	225,451,613		170,368,721
Sundry Debtors		357,188,912		277,409,161
Cash and Bank Balances		44,377,710		46,260,419
Other Current Assets		1,210,964		479,072
Loans and Advances		<u>321,847,787</u>		<u>141,235,743</u>
		<u>950,076,986</u>		<u>635,753,116</u>
<b>Less: CURRENT LIABILITIES AND PROVISIONS</b>	H			
Current Liabilities		280,963,430		237,246,765
Provisions		<u>181,751,967</u>		<u>103,052,404</u>
		<u>462,715,397</u>		<u>340,299,169</u>
<b>NET CURRENT ASSETS</b>			<b>487,361,589</b>	<b>295,453,947</b>
			<b><u>1,385,559,792</u></b>	<b><u>997,802,341</u></b>
Notes to Accounts	O			

Schedules 'A' to 'H' 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

<b>for M. M. NISSIM AND CO.</b>	<b>UMESHKUMAR N. MORE</b>	-	<b>Chairman &amp; Managing Director</b>
	<b>NIRAJKUMAR U. MORE</b>	-	<b>Director</b>
<b>N. KASHINATH</b>	<b>NOEL JACOB</b>	-	<b>Company Secretary &amp; V. P. (Legal)</b>
<b>Partner</b>			
<b>MEM No.: 36490</b>			
<b>Mumbai, 30th June, 2008</b>	<b>Mumbai, 30th June, 2008</b>		

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008**

	Schedule	For the year ended March 31, 2008 Rupees	For the year ended March 31, 2007 Rupees
<b>INCOME</b>			
Income from Operations			
Gross Sales		2,118,763,091	1,715,233,141
Less: Trade Discount		196,818,712	170,205,237
Less: Excise Duty		<u>226,441,144</u>	<u>183,765,690</u>
		1,695,503,235	1,361,262,214
Business conducting Fees		52,203,036	52,057,960
(Tax deducted at source Rs.137,29,852/-)			
(Previous Year Rs.109,26,625/-)			
		<u>1,747,706,271</u>	<u>1,413,320,174</u>
Other Income	I	<u>30,402,952</u>	<u>24,456,780</u>
		<u>1,778,109,223</u>	<u>1,437,776,954</u>
<b>EXPENDITURE</b>			
Materials	J	956,631,290	766,167,061
Salaries, Wages and other benefits	K	154,940,275	122,652,813
Other Expenses	L	387,412,574	312,948,272
Interest & Finance Charges	M	68,785,503	55,618,407
Depreciation	N	<u>37,300,451</u>	<u>35,187,806</u>
		1,605,070,093	1,292,574,359
<b>PROFIT BEFORE TAX</b>		<u>173,039,130</u>	<u>145,202,595</u>
<b>PROVISION FOR TAXATION</b>			
Current Tax		34,500,000	22,000,000
Deferred Tax		7,600,219	6,342,152
Fringe Benefit Tax		<u>4,000,000</u>	<u>3,200,000</u>
<b>PROFIT AFTER TAX</b>		<u>126,938,911</u>	<u>113,660,443</u>
Add: Balance Brought Forward		<u>7,663,240</u>	<u>8,584,001</u>
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<u>134,602,151</u>	<u>122,244,444</u>
<b>APPROPRIATIONS</b>			
Dividend			
- Final Dividend		12,787,725	12,787,725
- Special Golden Jubilee Dividend		19,181,588	-
Tax on Proposed Dividend		5,812,980	1,793,479
Transfer to General Reserve		<u>90,000,000</u>	<u>100,000,000</u>
		127,782,293	114,581,204
Balance carried to Balance Sheet		<u>6,819,858</u>	<u>7,663,240</u>
<b>BASIC AND DILUTED EARNINGS PER SHARE</b>		<u>9.93</u>	<u>8.89</u>
Notes to Accounts	O		

Schedules 'I' 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.

UMESHKUMAR N. MORE

- Chairman & Managing Director

NIRAJKUMAR U. MORE

- Director

N. KASHINATH

Partner

NOEL JACOB

- Company Secretary & V. P. (Legal)

MEM No.: 36490

Mumbai, 30th June, 2008

Mumbai, 30th June, 2008

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008**

Rupees	For the year ended March 31, 2008 Rupees	For the year ended March 31, 2007 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX	173,039,130	145,202,595
Adjustments for:		
Depreciation	37,300,451	35,187,806
(Profit) / Loss on sale of Investements	-	(3,609,085)
Write back of Dimunition in value of Investments	-	(347,199)
(Profit) / Loss on sale of Fixed Assets	2,344,634	(519,752)
Loss on Assets Discarded	-	679,991
Unrealised foreign exchange (gains) / Losses	(1,685,972)	2,045,364
Interest Paid	68,785,503	55,618,407
Interest Received	(7,048,666)	(3,243,739)
Dividend and Income from units	(8,370)	(7,265)
Wealth Tax	145,580	114,382
Bad Debts written off	8,130,215	2,959,279
ERP Expenses written off	-	1,363,287
	<u>107,963,375</u>	<u>90,241,476</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	281,002,505	235,444,071
Adjustments for:		
(Increase) / Decrease in Trade and other receivables	(231,943,606)	(41,993,255)
(Increase) / Decrease in Inventories	(55,082,892)	10,893,342
Increase / (Decrease) in Trade and other payables	<u>47,415,008</u>	<u>44,609,174</u>
	<u>(239,611,490)</u>	<u>13,509,261</u>
CASH GENERATED FROM OPERATIONS	41,391,015	248,953,332
Direct Taxes Paid	(36,723,985)	(31,806,055)
NET CASH FROM OPERATING ACTIVITIES	<u>4,667,030</u>	<u>217,147,277</u>

	For the year ended March 31, 2008 Rupees	For the year ended March 31, 2007 Rupees
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Capital Expenditure	(234,948,963)	(148,313,872)
Sale of Fixed Assets	7,544,069	11,167,136
(Purchase) / Sale of Investments	(8,090,000)	4,168,200
Interest received	6,316,775	2,898,746
Dividend and Income from Units	8,370	7,265
NET CASH USED IN INVESTING ACTIVITIES	<u>(229,169,749)</u>	<u>(130,072,525)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Borrowings (Net of Repayments)	303,059,916	225,157
Interest Paid	(68,074,170)	(54,525,633)
Dividend Paid	(14,051,707)	(8,585,233)
NET CASH FROM FINANCING ACTIVITIES	<u>220,934,039</u>	<u>(62,885,709)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>(3,568,680)</u>	<u>24,189,043</u>
Opening Cash and cash equivalents	49,456,915	25,267,872
Closing Cash and cash equivalents	45,888,235	49,456,915
Notes to the cash flow statement		
Components of cash and cash equivalents		
Cash and bank balances	44,377,711	46,260,419
Unrealised foreign exchange gains - net	1,510,524	3,196,496
	<u>45,888,235</u>	<u>49,456,915</u>

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

for M. M. NISSIM AND CO.

UMESHKUMAR N. MORE

-

Chairman & Managing Director

NIRAJKUMAR U. MORE

-

Director

N. KASHINATH

Partner

NOEL JACOB

-

Company Secretary & V.P. (Legal)

MEM No.: 36490

Mumbai, 30th June, 2008

Mumbai, 30th June, 2008

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

Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
<b>SCHEDULE A: SHARE CAPITAL</b>		
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		
<b>SCHEDULE B: RESERVES AND SURPLUS</b>		
GENERAL RESERVE		
As per Last Balance Sheet	423,424,550	323,424,550
Less: Transitional Liability -		
AS 15 (Revised) on "Employee benefits"	<u>8,564,223</u>	<u>—</u>
(Refer Note No. 12)	414,860,327	323,424,550
Add: Transferred from Profit and Loss Account	<u>90,000,000</u>	<u>100,000,000</u>
	504,860,327	423,424,550
PROFIT AND LOSS ACCOUNT	<u>6,819,858</u>	<u>7,663,240</u>
	<u>511,680,185</u>	<u>431,087,790</u>

	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
<b>SCHEDULE C: SECURED LOANS</b>		
Credit Facilities from Banks		
Term Loans (Repayable within one year Rs.49.04 million, Previous Year Rs.27.13 million)	497,885,281	205,703,707
Working Capital Facilities	129,509,883	129,636,462
Hire Purchase Credits	9,832,513	13,089,799
	<u>637,227,677</u>	<u>348,429,968</u>

**NOTES:**

- 1] Term Loans from Banks are secured by a pari passu first charge by way of Joint Mortgage of deposit of title deeds of immovable properties of the company at Kandivli. This excludes specified fixed assets exclusively charged in the Hire purchase agreements and Term Loans, and also excludes stock and book debts.  
  
Term loan from Sarswat Bank is secured by legal mortgage of fixed assets including land and building of Bombay Paints Ltd., a group company.
- 2] Working Capital Facilities are secured by hypothecation of all stocks, moveable assets 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.6.12 million, Previous year Rs.2.42 million)	11,611,000	12,679,000
Dealer Deposits	31,721,349	30,391,142
Inter Corporate Deposits	12,000,000	3,500,000
Loan from Directors	5,500,000	-
	<u>60,832,349</u>	<u>46,570,142</u>

SCHEDULE E: FIXED ASSETS

(Value in Rs.)

Sr. No.	Description	GROSS BLOCK (AT COST)			DEPRECIATION					NET BLOCK	
		As at 01-04-2007	Additions during the year	Sales/ adjustments during the year	As at 31-03-2008	Upto 31-03-2007	Deduction for Sale/ Adjustments	For the Year	Upto 31-03-2008	As at 31-03-2008	As at 31-03-2007
1.	Land										
a)	Freehold	10,099,049	-	1,895,950	8,203,099	-	-	-	-	8,203,099	10,099,049
b)	Leasehold	14,741,100	-	-	14,741,100	848,598	-	173,145	1,021,743	13,719,357	13,892,502
2.	Buildings	326,696,896	1,506,322	3,521,050	324,682,168	35,846,805	527,112	10,496,876	45,816,569	278,865,599	290,850,091
3.	Plant & Machinery	248,257,236	6,325,410	236,117	254,346,529	94,313,325	22,331	15,002,887	109,293,881	145,052,648	153,943,912
4.	Laboratory Equipment	22,502,857	665,709	(3,762,290)	26,930,856	8,413,692	(843,792)	1,222,005	10,479,489	16,451,367	14,089,165
5.	R&D Equipment	36,766,885	6,659,225	5,492,711	37,933,400	15,241,045	2,017,853	1,588,806	14,811,998	23,121,402	21,525,841
6.	Furniture Fittings and Fixture	31,054,504	762,497	-	31,817,001	15,381,462	-	2,010,350	17,391,812	14,425,189	15,673,042
7.	Office Equipments	20,481,068	5,544,150	-	26,025,218	9,208,126	-	2,284,533	11,492,659	14,532,559	11,272,941
8.	Vehicles	49,635,337	6,496,188	7,406,865	48,724,660	11,047,978	3,178,196	4,644,932	12,514,714	36,209,946	38,587,359
		760,234,933	27,959,501	14,790,403	773,404,031	190,301,031	4,901,700	37,423,534	222,822,865	550,581,166	569,933,902
	Previous Year	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

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.16,881,826 being cost of vehicles not registered in the name of the company.

	As At March 31, 2008		As At March 31, 2007	
	Nos.	Rupees	Nos.	Rupees
<b>SCHEDULE F: INVESTMENTS, (NON-TRADE, LONG TERM)</b>				
(At Cost less permanent diminution in value)				
<b>SHARES</b>				
<b>Quoted</b>				
In fully paid-up Equity shares of Rs.10/- each				
Arihant Threads Limited	2,100	6,300	2,100	6,300
Bombay Paints Limited	117,150	345,593	117,150	345,593
Crystal Software Solutions Limited	8,600	43,100	8,600	43,100
Sunflag Iron & Steel Co. Limited	2,000	1	2,000	1
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
<b>Unquoted</b>				
In Subsidiaries				
Poona Bottling Co. Pvt. Limited	95,970	407,085	95,970	407,085
(Fully paid-up equity shares of Rs.100/- each)				
Growel Energy Company Ltd.	49,400	494,000	49,400	494,000
(Fully paid-up Equity shares of Rs.10/- each)				
Grauer & Weil (Shanghai) Limited	-	7,890,000	-	-
<b>In Associates / Joint Ventures</b>				
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)				
<b>Others</b>				
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
Surlux Health Centres Limited	1,000	1	1,000	1
Shivalik Solied Waste Management Ltd.	20,000	200,000	-	-
<b>NATIONAL SAVINGS CERTIFICATES</b>		60,300		60,300
<b>Total</b>		<b>16,757,081</b>		<b>8,667,081</b>

	As At March 31, 2008		As At March 31, 2007	
	Cost Rs.	Market value Rs.	Cost Rs.	Market value Rs.
Aggregate value of Quoted Investments	590,844	6,792,268	590,844	3,678,214
Aggregate value of Unquoted Investments	16,166,237		8,076,237	
	<b>16,757,081</b>		<b>8,667,081</b>	

Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
<b>SCHEDULE G: CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>I. CURRENT ASSETS</b>		
(i) Inventories (As taken, valued and certified by the management)		
Stores, Spares and Packing Materials	13,371,890	10,241,133
Raw Materials	109,872,570	78,693,605
Work-in-progress	36,419,118	32,274,931
Finished Goods	41,754,739	39,231,604
Goods in Transit	<u>24,033,296</u>	<u>9,927,448</u>
	<b>225,451,613</b>	<b>170,368,721</b>
(ii) Sundry Debtors (Ref. Note no. 5)		
Exceeding six months:		
Secured	200,762	93,139
Unsecured - Considered good	<u>67,632,724</u>	<u>31,785,449</u>
	<b>67,833,486</b>	<b>31,878,588</b>
Other Debts:		
Secured	11,276,492	12,645,939
Unsecured - Considered good	<u>278,078,934</u>	<u>232,884,634</u>
	<b>289,355,426</b>	<b>245,530,573</b>
(iii) Cash and Bank balances		
Cash on hand	1,656,031	1,266,140
With Scheduled Banks:		
In Current Accounts	26,971,275	34,141,191
In Fixed Deposits	1,645,021	725,580
In Margin accounts	<u>14,105,383</u>	<u>10,127,508</u>
	<b>44,377,710</b>	<b>46,260,419</b>
(iv) Other Current Assets		
Interest Receivable	1,183,262	457,972
Interest Accrued but not due	<u>27,702</u>	<u>21,100</u>
	<b>1,210,964</b>	<b>479,072</b>
<b>II. LOANS AND ADVANCES</b>		
(Unsecured - Considered good unless otherwise specified)		
Inter Corporate Loans (Refer Note no.6 (a & b))		
- Secured	100,000,000	
- Unsecured	25,065,000	5,262,956
Balances with Excise Department	29,029,391	12,364,098
Income Tax	103,930,472	67,352,067
Deposits (Ref Note no. 6 (a))	14,687,909	14,437,065
Advance to Suppliers	33,647,546	29,191,328
Loans to Staff	1,209,118	1,526,650
Prepaid expenses	2,241,633	2,235,732
Advances recoverable in cash or in kind or for value to be received (Refer Note No.6 (c))	<u>12,036,718</u>	<u>8,865,847</u>
	<b>321,847,787</b>	<b>141,235,743</b>
	<b>950,076,986</b>	<b>635,753,116</b>

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
<b>SCHEDULE H: CURRENT LIABILITIES &amp; PROVISIONS</b>			
<b>(a) CURRENT LIABILITIES</b>			
Acceptances	1,025,263		1,744,058
Sundry Creditors -			
- Due to Micro small & Medium Enterprises*	-		11,629,920
- Others	193,699,445		146,633,636
Advance from customers	29,959,545		19,970,707
Investor Education and Protection Fund**			
Unclaimed Dividends	1,597,032		687,740
Unclaimed Fixed Deposits	16,296		16,296
	<u>1,613,328</u>		<u>704,036</u>
Interest accrued but not due	2,432,668		1,721,335
Other Liabilities	52,233,181		54,843,073
		<u>280,963,430</u>	<u>237,246,765</u>
<b>(b) PROVISIONS</b>			
Provision for Income Tax	102,408,451		63,908,451
Proposed Dividend	31,969,313		12,787,725
Tax on Proposed Dividend	5,433,185		1,793,479
Provision for Retirement Benefits	41,941,018		24,562,749
		<u>181,751,967</u>	<u>103,052,404</u>
		<u>462,715,397</u>	<u>340,299,169</u>

\* Previous year's figures represents amounts due to small scale industrial undertakings.

\*\*The figures reflect the position as at 31st March, 2008. The Actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates.

	For the year ended March 31, 2008 Rupees	For the year ended March 31, 2007 Rupees
<b>SCHEDULE I: OTHER INCOME</b>		
Plating and Service charges (Gross)*	13,413,615	7,191,892
License Fees	700,000	1,475,000
Interest Received (Gross)*	7,048,666	3,243,739
Profit on sale of Investments	-	3,609,085
Profit on sale of Assets (Net)	-	519,752
Diminution in value of investments written back	-	347,199
Dividend on investments (Other than trade investments)	8,370	7,265
Miscellaneous Receipts (Gross)	9,232,301	8,062,848
	<u>30,402,952</u>	<u>24,456,780</u>
	<u>1,085,418</u>	<u>960,613</u>

\*Tax Deducted at source

Rupees	For the year ended March 31, 2008 Rupees	For the year ended March 31, 2007 Rupees
<b>SCHEDULE J: MATERIALS</b>		
RAW MATERIALS CONSUMED		
Opening Stock	78,693,605	75,070,297
Add: Purchases	<u>995,374,119</u>	<u>762,525,743</u>
	<b>1,074,067,724</b>	<b>837,596,040</b>
Less: Closing Stock	<u>109,872,570</u>	<u>78,693,605</u>
	<b>964,195,154</b>	<b>758,902,435</b>
PURCHASE FOR RESALE	-	45,728
	<u>964,195,154</u>	<u>758,948,163</u>
ADD: (INCREASE) / DECREASE IN STOCKS		
Opening Stock		
Work-in-Progress	32,274,931	36,158,661
Finished Goods	<u>39,231,604</u>	<u>42,735,511</u>
	<b>71,506,535</b>	<b>78,894,172</b>
Closing Stock		
Work-in-Progress	36,419,118	32,274,931
Finished Goods	<u>41,754,739</u>	<u>39,231,604</u>
	<b>78,173,857</b>	<b>71,506,535</b>
	<b>(6,667,322)</b>	<b>7,387,637</b>
Variation in Excise Duty on Opening and Closing Stock of finished goods	<u>(896,542)</u>	<u>(168,739)</u>
	<u>956,631,290</u>	<u>766,167,061</u>
<b>SCHEDULE K: SALARIES, WAGES AND OTHER BENEFITS</b>		
Salaries, Wages, Bonus etc.	124,403,728	99,523,927
Contribution to Provident and Other Funds	9,448,212	8,661,529
Welfare Expenses	<u>21,088,335</u>	<u>14,467,357</u>
	<u>154,940,275</u>	<u>122,652,813</u>

Rupees	For the year ended March 31, 2008 Rupees	For the year ended March 31, 2007 Rupees
<b>SCHEDULE L: OTHER EXPENSES</b>		
Stores, Spares and Loose Tools Consumed	30,951,835	23,060,788
Packing Expenses	51,881,692	44,760,601
Job Charges / Labour Charges	46,636,378	26,065,374
Power and Fuel	22,876,145	16,456,546
Drawings, Designs and Layout Expenses	2,528,485	638,606
Rent	6,923,458	7,303,253
Rates and Taxes	9,299,406	10,962,124
Repairs and Maintenance:		
Buildings	6,212,187	3,693,419
Plant & Machinery	6,741,793	5,001,854
Others	<u>11,413,377</u>	<u>9,285,021</u>
	24,367,357	17,980,294
Insurance	2,985,257	3,749,758
Freight and Forwarding	31,163,344	25,371,621
Printing and Stationery	5,323,205	5,867,921
Postage and Telephones	11,874,018	11,017,181
Vehicle Expenses	8,236,177	8,610,738
Travelling Expenses	26,368,425	23,038,406
Conveyance Expenses	5,328,096	5,089,767
Legal and Professional Fees	9,507,214	9,910,096
Sales Tax	30,083,226	24,215,255
Advertisement & Sales Promotion	6,608,278	7,700,127
Auditors' Remuneration:		
Audit Fees	165,000	135,000
Tax Audit / Taxation Matters	175,000	105,000
Other Matters	100,000	-
Reimbursement of Expenses	<u>43,069</u>	<u>18,699</u>
	483,069	258,699
Directors' Sitting Fees	8,500	11,000
ERP Expenses written off	-	1,363,287
Bad Debts written off	8,130,215	2,959,279
Wealth Tax	145,580	114,382
Loss on Sale of Assets (Net)	2,344,634	-
Loss on Assets Discarded	-	679,991
Donations	107,402	43,854
Exchange Fluctuations	4,452,830	6,970,108
Miscellaneous Expenses	38,798,348	28,749,216
	<u>387,412,574</u>	<u>312,948,272</u>
<b>SCHEDULE M: INTEREST &amp; FINANCE CHARGES</b>		
Interest		
- on Fixed Loans	26,290,069	17,944,737
- Others	27,368,404	23,690,879
Cash Discount	15,127,030	13,982,791
	<u>68,785,503</u>	<u>55,618,407</u>
<b>SCHEDULE N: DEPRECIATION</b>		
Depreciation for the year	37,423,534	35,187,806
Less: Capitalised During the year	123,083	-
	<u>37,300,451</u>	<u>35,187,806</u>

**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 notified in the Companies (Accounting Standard) Rules, 2006.

**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 / materialized.

**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 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. Previously recognised impairment loss is further provided or revised depending on changes in circumstances.

**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 other than 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. Employee Benefits:**

Short term employee benefit are accounted in the Period during which the services have been rendered.

The Company's contribution to the Provident Fund is remitted to "Employees Provident Fund Organisation" based on fixed percentage of the eligible employee's salary and charged to Profit & Loss Account.

Superannuation benefits to certain employees, a defined contribution plan, as per Company's scheme, have been funded with Life Insurance Corporation of India and contribution is charged to Profit & Loss Account, when the contribution to the fund is due.

The Company's Liability towards Gratuity Compensated Leave Encashment and other Long Term Benefits being defined Benefit plans are accounted for based on Actuarial valuation done at the year end using the Projected Unit Credit Method. Actuarial gains & losses 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. Premium or discount on Forward Contracts is amortised over the life of such contracts and is recognised as income or expenses. Any Profit or Loss arising in cancellation or renewal of Forward Contract is recognised as income or as expense for the year.

**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 and 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 has disclosed Business Segment as the Primary Segment. The Company's operating business are organized 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. Provision & 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 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.

**q. Change in Accounting Policy :**

Consequent to the notification on December 7, 2006 of Companies (Accounting Standard) Rules 2006, exchange difference arising on translation of foreign currency liabilities for acquisition of fixed assets from outside India, which was hitherto adjusted to the cost of the relevant fixed assets, are now being adjusted to Profit & Loss account in line with the requirement of the revised Accounting Standard - 11 "Effects of changes in Foreign Exchange Rates." This change in the accounting policy, however, does not have any material impact on the financial statements for the year.

**2. Contingent Liabilities not provided for:**

	2007-2008 (Rs. in '000)	2006-2007 (Rs. in '000)
Disputed matters in appeal / contested in respect of:		
- Income Tax	6252	214
- Excise Duty	4052	4052
- Sales Tax	3120	-
- Other matters	15406	27960
<b>3. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)</b>	<b>622171</b>	<b>189665</b>

**4. Managerial Remuneration**

i] Salary and allowances	1620	4871
ii] Contribution to Provident Fund and other funds*	206	371
iii] Perquisites	1506	50
iv] Directors Sitting Fees	9	11
<b>Total</b>	<b>*3341</b>	<b>*5303</b>

\*Excluding Contribution / Provision for Gratuity and Leave Encashment

**5. Sundry Debtors includes :**

Debts due from companies under same management		
(i) Grauer & Weil (Thailand) Limited	13154	8560
(ii) Growel Sidasa Industries Pvt. Limited	38	868
(iii) Growel Goema India Pvt. Limited	13995	10805
(iv) Bombay Paints Limited	4339	4805
(v) Digikore Designs Limited	3	3

**6. Loans and Advances includes :**

a) Amount due from Subsidiary Companies		
(i) Poona Bottling Co. Pvt. Limited		
- On account of Loan	1565	525
- On account of Deposit	7050	6850
b) Loan to Associates / Companies under the same management		
(i) Grauer & Weil (Thailand) Limited	5000	4738
(ii) Bombay Paints Limited	118500	-
c) Amount due from Associates / Companies under the same management		
(i) Growel Sidasa Industries Pvt. Limited		
- on account of expenses	1	-
(ii) Growel Softech Limited		
- On account of expenses	119	123
(iii) Growel Corporate Management Ltd.		
- Share application money pending allotment	213	213
- On account of expenses	59	-
- Advance for service	400	-

**7) Disclosure required by clause 32 of the listing agreement**

Amount due from following parties

	Amount Outstanding	Maximum Balance during the year	(Rs. in '000)	
			Shares held by the Loanee company	
			No. of shares held at the year end	Maximum No. of shares held during the year
(i) Subsidiaries				
1) Poona Bottling Co. Pvt. Limited	8615 (7375)	8615 (7375)	Nil (Nil)	Nil (Nil)
2) Growel Energy Co. Limited	- (-)	- (567)	Nil (Nil)	Nil (Nil)
(ii) Associates				
1) Growel Goema (I) Pvt. Limited	- (-)	- (3)	Nil (Nil)	Nil (Nil)
2) Grauer & Weil (Thailand) Limited	5000 (4738)	5000 (5000)	Nil (Nil)	Nil (Nil)
(iii) Companies in which Directors are interested				
1) Bombay Paints Limited	118500 (-)	118500 (-)	Nil (Nil)	Nil (Nil)
2) Growel Softech Limited	- (123)	- (130)	Nil (Nil)	Nil (Nil)

Note: Previous year figures are in brackets

8. a) 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.
- b) During the year the company has written off as bad debts a sum of Rs.6668 thousand and has also initiated Legal action against the Party. However the approval of the authorised dealer for the same is awaited.

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

Minimum lease payments;

	2007-2008	2006-2007
- Not later than one year	6131	4900
- Later than one year, but not later than five years	7247	3270

**10. Capital Work in Progress includes:**

Pre operative expenses pending allocation

	2007-2008	2006-2007
1) Rates and Taxes	20225	37
2) Insurance	1	-
3) Professional Fees	10135	13,092
5) Borrowing Cost	17897	4051
6) Salary & Wages	1161	193
7) Miscellaneous	3072	1079
	<u>52491</u>	<u>18452</u>
Add: Brought forward from previous year	42004	23552
<b>Total:</b>	<u><u>94495</u></u>	<u><u>42004</u></u>

11. 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.

	2007-2008	2006-2007	(Rs. in '000)
i) Salaries, Wages & Benefits	11423	6013	
ii) Chemicals consumed	4701	4731	
iii) Travelling & Conveyance	1541	1157	
iv) Repairs & Maintenance	165	187	
v) Other expenses	398	285	
Total	<u>18228</u>	<u>12373</u>	
Less: Testing & analysis charges	<u>(195)</u>	<u>(295)</u>	
	<u>18033</u>	<u>12078</u>	

Depreciation includes Rs.1970 thousand (P. Y. 1482 thousand) in respect of Fixed Assets used for Research & Development.

Capital Expenditure on Research & Development during the year is Rs.6659 thousand (P. Y. 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 1<sup>st</sup> April, 2007 to 31<sup>st</sup> March, 2009 vide their letter No. T.U.IV-15 (305) / 2007 dated 25<sup>th</sup> April, 2008.

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

	2007-2008	2006-2007	(Rs. in '000)
Revenue Expenditure	448	621	
Capital Expenditure	666	248	
Total	<u>1114</u>	<u>869</u>	

**12. Employee Benefits:**

- a. The Company has during the year adopted Accounting Standard 15 (revised 2005) "Employee Benefits". In accordance with transitional provisions, a sum of Rs.8564 thousand (net of deferred tax of Rs.3495 thousand) towards Gratuity and other long term benefits, has been adjusted against the opening credit balance of General Reserve. This being the first year of implementation, the disclosures below are given only for the current year.
- b. During the year, the company has recognised the following in the Profit & Loss Account.

**(i) Defined contribution plans:**

	2007-2008	(Rs. in '000)
Employer's Contribution to Provident Fund*	4184	
Employer's Contribution to Superannuation Fund*	1672	

\*Included in "Contribution to Provident & Other Funds" (Refer schedule 'K')

(ii) Defined benefit plans:

	Gratuity*	Leave Encashment *
	Unfunded	Unfunded
Service Cost	3434	1805
Interest Cost	2071	174
Expected return on plan assets	-	-
Net Actuarial (Gain / Loss)	397	2713
<b>Net Cost</b>	<u>5902</u>	<u>4692</u>

\* Included in "Salaries, Wages, Bonus etc." (Refer schedule 'K')

**c. Reconciliation of benefit obligations and plan assets for the year**

Present value of defined benefit obligation	33821	6056
Fair value of plan assets	-	-
Net assets / (liability) as at 31st March, 2008	<u>(33821)</u>	<u>(6056)</u>
Recognised in the Balance Sheet		

	Gratuity	Leave Encashment
	Unfunded	Unfunded

**d. Change in defined benefit obligation**

Present value of obligation as at 1st April, 2007	31242	3603
Service Cost	3434	1805
Interest Cost	2071	174
Actuarial (Gain) / Loss	397	2713
Benefits paid	(3323)	(2239)
Present value of obligation as at 31st March, 2008	<u>33821</u>	<u>6056</u>

**e. Change in fair value of plan assets**

Fair value of plan assets as at 1st April, 2007	-	-
Expected return on plan assets	-	-
Contribution by employer	3323	2239
Actuarial Gain / (Loss)	-	-
Benefits Paid	(3323)	(2239)
Fair value of plan assets as at 31st March 2008	<u>-</u>	<u>-</u>

**f. The principal actuarial assumptions**

Discount rate	7% p. a.	7% p. a.
Salary escalation rate:	4% p. a.	4% p. a.

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

13. 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 31<sup>st</sup> March, 2008.
  - (ii) Un-hedged foreign currency exposure is Rs. 77412 (62248) Thousand (US \$15,03,612 (13,74,562), Euro 2,96,683 (48,952), GBP 180 (5,810)) receivables as on 31<sup>st</sup> March, 2008.
  - (iii) Premium on Forward Exchange Contracts to be amortised over the life of the contract Rs. Nil (Previous Year – Rs. Nil).
14. There are no Micro, Small and Medium Enterprises, as defined in the "MICRO SMALL, MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006", to whom the Company owes dues on account of principle amount together with interest & accordingly no additional disclosures have been made.

The above information has been determined to the extent such parties have been identified on the bases of information available with the company. This has been relied upon by the auditors.

**15. SEGMENT REPORTING**

The following tables present revenue and profit / (loss) information regarding business / geographical segments for the year ended 31st March, 2008 and certain assets and liabilities information regarding business and geographical segments as at 31st March 2008.

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

(Rs. In '000)

	Chemical	Engineering	Shoppertainment	Total
<b>Segment revenue</b>				
Income from operations	<b>1328416</b> (1136988)	<b>367087</b> (224274)	<b>52203</b> (52058)	<b>1747706</b> (1413320)
Add: Inter segment Revenue				0
Add: Other Income	<b>9355</b> (7603)	<b>17637</b> (9818)	<b>221</b> (1217)	<b>27213</b> (18638)
Add: Unallocable				<b>3190</b> (5819)
<b>Total</b>	<b>1337771</b> (1144591)	<b>384724</b> (234092)	<b>52424</b> (53275)	<b>1778109</b> (1437777)
<b>Segment Results</b>				
Less: Interest	<b>286266</b> (233653)	<b>15103</b> (-1832)	<b>31191</b> (30452)	<b>332560</b> (262273)
Less: Other Unallocable Expenditure net of unallocable Income				<b>68786</b> (55618)
<b>Profit Before Tax</b>				<b>90735</b> (61452)
Less: Provision for current tax & Deferred tax				<b>173039</b> (145203)
<b>Profit After Tax</b>				<b>46100</b> (31542)
<b>Profit After Tax</b>				<b>126939</b> (113661)
Segment Assets	<b>733706</b> (637364)	<b>232827</b> (177517)	<b>501360</b> (312213)	<b>1467893</b> (1127094)
Unallocated corporate Assets				<b>380382</b> (211007)
<b>Total Assets</b>				<b>1848275</b> (1338101)
Segment Liabilities	<b>162147</b> (142433)	<b>116220</b> (88145)	<b>16345</b> (17475)	<b>294712</b> (248053)
Unallocated corporate Liabilities				<b>914006</b> (531083)
<b>Total Liabilities</b>				<b>1208718</b> (779136)
Capital Expenditure	<b>43052</b> (18757)	<b>3522</b> (10831)	<b>187088</b> (104248)	
Depreciation	<b>18493</b> (17605)	<b>1521</b> (1004)	<b>10217</b> (9878)	
Non Cash Expenditure	<b>6683</b> (4178)	<b>1462</b> (882)		

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

	Domestic	Exports	Total
Revenue	<b>1507354</b> (1221213)	<b>270755</b> (216564)	<b>1778109</b> (1437777)
Total Assets	<b>1762163</b> (1265967)	<b>86112</b> (72134)	<b>1848275</b> (1338101)

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  
Grauer & Weil (Shanghai) Limited

### Associates

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

Bombay Paints Limited

Growel Softech Limited

Digikore Designs Limited

Growel Projects Limited

Ridhi Sidhi Limited

Bubna More & Co. Pvt. Limited

Radhakishan Nandlal Pvt. Limited

Growel Corporate Management 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 2007-08	Total 2006-07
Sales	0	44287	0	41	0	44328	37043
Purchases	0	537	0	2170	0	2707	1840
Interest Received	162	0	0	2029	0	2191	6
Interest Paid	0	235	198	398	0	831	456
Rent Received	0	0	0	61	1	62	177
Rent Paid	1135	0	858	60	774	2827	3321
Contract Payments	0	0	0	94157	0	94157	13878
Services Received (SAP)	0	0	0	2847	0	2847	4741
Services Received (Maintenance)	0	0	0	9962	0	9962	1693
Salaries	0	0	0	0	899	899	717
Investment in shares	7890	0	0	0	0	7890	0
Director's Fees	0	0	9	0	0	9	11
Managerial Remuneration	0	0	3331	0	0	3331	5292
Deposit for Rent	200	0	0	0	0	200	6750
Share application	0	0	0	0	0	0	213
Sale of shares	0	0	0	0	0	0	3499
Loans accepted	0	0	5500	10000	0	15500	1500
Repayment of Loans accepted	0	0	0	1500	0	1500	6400
Loans Advanced	1040	262	0	118500	0	119802	3263
Repayment of Loans Advanced	0	0	0	0	0	0	566
Commission Paid	0	84	0	0	0	84	0
Commission Received	0	1072	0	0	0	1072	0
<b>Outstanding Balances as on 31st March, 2008</b>							
- Unsecured Loans	0	2000	5500	10000	0	17500	3500
- Current Liabilities	41	100	88	9466	0	9695	3079
- Debtors	0	27187	0	4342	0	31529	25039
- Loans and Advances	8615	5460	0	118619	0	132694	13736

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 31.03.2008

		31.03.2008	31.03.2007
Profit for the year	Rs.	126,938,911	113,660,443
Weighted average number of equity shares (Face Value Rs.10 per share)	Nos.	12,787,725	12,787,725
Basic Earnings per share	Rs.	9.93	8.89

**18. Deferred Tax**

The break up of Net Deferred Tax Liability as on 31.3.2008 is as under:

	As at March 31, 2008		As at March 31, 2007	
	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		61865		51817
Provision for Leave Encashment and Gratuity	13437		7338	
Other Items giving rise to timing differences	486	0	642	
<b>Total</b>	<b>13923</b>	<b>61865</b>	<b>7980</b>	<b>51817</b>
Net Deferred Tax Liability		47942		43837
Net Difference in Deferred Tax Liability		4105		6342
Add: Deferred Tax on Transitional Provisional Adjusted in General Reserve		3495		-
Amount Debited To Profit & Loss Account		7600		6342

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

**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	17,612 (17612)	10,647 (9523)
2.	Basic Chemicals	Tons	1300 (1300)	288 (273)
3.	Intermediary Chemicals	Tons	1200 (1200)	1889 (1629)
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 000's)
			Purchases value
Basic Chemicals	Tons	0.82	0.96
		(0.60)	(0.46)

**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
<b>Manufacturing</b>						
1 Electroplating Chemicals	<b>228.50</b> (365.00)	<b>25.80</b> (29.72)	<b>355.12</b> (228.50)	<b>33.84</b> (25.50)	<b>10,029.38</b> (9,384.77)	<b>1,322.64</b> (1,227.96)
2 Basic Chemicals	<b>3.36</b> (3.43)	<b>1.50</b> (0.71)	<b>3.01</b> (3.36)	<b>0.92</b> (1.50)	<b>285.34</b> (272.80)	<b>141.65</b> (135.71)
3 Intermeditory Chemicals	<b>74.67</b> (54.98)	<b>11.91</b> (11.99)	<b>36.41</b> (74.67)	<b>6.99</b> (11.91)	<b>777.39</b> (671.05)	<b>114.16</b> (92.32)
4 Electroplating Equipments @						<b>423.61</b> (258.85)
5 Free Sample						<b>0.32</b> (0.30)
6 Others		<b>-</b> (0.30)		<b>-</b> (0.30)		<b>116.23</b> (-)
						<b>2,118.61</b> (1,715.14)
<b>Trading</b>						
Chemicals	<b>0.20</b> (0.10)	<b>0.02</b> (0.01)	<b>-</b> (0.20)	<b>-</b> (0.02)	<b>1.02</b> (0.50)	<b>0.15</b> (0.09)
		<b>39.23</b> (42.73)		<b>41.75</b> (39.23)		<b>2,118.76</b> (1,715.23)

@ 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	2007-2008		2006-2007	
		Quantity	Value	Quantity	Value
Inorganic Compounds	Tons	6496.76	321.63	5849.70	267.81
Organic Compounds	Tons	2221.79	243.43	2872.02	269.11
Metals	Tons	53.21	89.04	46.65	71.13
Mild Steel & Angles, Beams					
Channels, Sheets, Rods and Flats	Tons	129.75	64.31	74.55	26.01
Stainless Steel, Rods, Sheets & Flats	Tons	13.99	23.97	5.13	9.65
Electric Motors	Nos.	468.00	5.27	460.00	4.20
Rectifiers	Nos.	67.00	9.01	134.00	17.48
Others			207.54		93.51
<b>Total</b>			<b>964.20</b>		<b>758.90</b>

		%	Rs. in Million	%	Rs. in Million
Imported		39	380.70	36	275.49
Indigenous		61	583.50	64	483.41
		100	964.20	100	758.9

	Nos.	2007-2008 Rs. In Million	Nos.	2006-2007 Rs. In Million
<b>E. C. I. F. Value of Imports</b>				
(a) Raw Materials		330.35		224.89
(b) Components & Spare Parts		3.87		7.51
(c) Capital Goods		6.64		5.37
<b>F. Remittances in Foreign Currency</b>				
Dividend (Net of Taxes)		0.01		0.47
Number of Non-Resident Shareholders		1		2
Number of Shares held by Non-Residents on which dividend was remitted	78750		787500	
Year for which dividend was remitted		2006-2007		2005-2006
<b>G. Expenditure in Foreign Currency</b>				
(On Payment basis)				
(a) Travelling		6.68		7.73
(b) Fees & Registration		0.24		—
(c) Seminar & Exhibition		1.36		1.50
(d) Advertisement		0.00		0.62
(e) Membership and subscription		0.03		0.06
(f) Professional fees		0.29		0.72
(g) Bank charges		0.64		0.59
(h) Interest		—		0.61
(i) Commission		0.32		1.05
(j) Free Samples Foreign		0.48		—
<b>H. Earnings in Foreign Currency</b>				
F. O. B. Value of Exports		264.72		209.88

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.	UMESHKUMAR N. MORE	-	Chairman & Managing Director
	NIRAJKUMAR U. MORE	-	Director
N. KASHINATH			
Partner	NOEL JACOB	-	Company Secretary & V. P. (Legal)
MEM No.: 36490			
Mumbai, 30th June, 2008	Mumbai, 30th June, 2008		

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

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

I. Registration Details:

Registration No. 

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

 State Code 

1	1
---	---

Balance Sheet 

3	1
---	---

0	3
---	---

2	0	0	8
---	---	---	---

  
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>8</td><td>4</td><td>8</td><td>2</td><td>7</td><td>5</td></tr></table>			1	8	4	8	2	7	5	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>1</td><td>8</td><td>4</td><td>8</td><td>2</td><td>7</td><td>5</td></tr></table>			1	8	4	8	2	7	5
		1	8	4	8	2	7	5											
		1	8	4	8	2	7	5											

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>5</td><td>1</td><td>1</td><td>6</td><td>8</td><td>0</td></tr></table>				5	1	1	6	8	0
			1	2	7	8	7	7											
			5	1	1	6	8	0											
Secured Loans	Unsecured Loans																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>6</td><td>3</td><td>7</td><td>2</td><td>2</td><td>8</td></tr></table>				6	3	7	2	2	8	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td>6</td><td>0</td><td>8</td><td>3</td><td>2</td></tr></table>					6	0	8	3	2
			6	3	7	2	2	8											
				6	0	8	3	2											
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>7</td><td>9</td><td>4</td><td>2</td></tr></table>					4	7	9	4	2										
				4	7	9	4	2											

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>8</td><td>8</td><td>1</td><td>4</td><td>4</td><td>1</td></tr></table>				8	8	1	4	4	1	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td>1</td><td>6</td><td>7</td><td>5</td><td>7</td></tr></table>					1	6	7	5	7
			8	8	1	4	4	1											
				1	6	7	5	7											
Net Current Assets	Misc. Expenditure																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>4</td><td>8</td><td>7</td><td>3</td><td>6</td><td>2</td></tr></table>				4	8	7	3	6	2	<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			
			4	8	7	3	6	2											
			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, 2008**

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

Name of the Subsidiary Company	: POONA BOTTLING COMPANY PVT. LIMITED	GROWEL ENERGY COMPANY LIMITED	GRAUER & WEIL (SHANGHAI) LIMITED
1. Financial year ending	: March 31, 2008	March 31, 2008	March 31, 2008
2. Date from which it became subsidiary	: November 15, 1970	January 04, 2002	November 15, 2007
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%)	Rs.78,90,000/- (100%)
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	Rs.1719 (LOSS)
b) For the previous financial years of the subsidiary since it became the holding Company's Subsidiary	: Rs.143,334,273 (LOSS)	NIL	Rs.1719 (LOSS)
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	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	NIL

<p>for M. M. NISSIM AND CO.</p> <p>N. KASHINATH Partner MEM No.: 36490 Mumbai, 30th June, 2008</p>	<p>UMESHKUMAR N. MORE - NIRAJKUMAR U. MORE -</p> <p>NOEL JACOB -</p> <p>Mumbai, 30th June, 2008</p>	<p>Chairman &amp; Managing Director Director</p> <p>Company Secretary &amp; V. P. (Legal)</p>
--	---	---



**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.

**NOTICE TO THE MEMBERS**

NOTICE is hereby given that the 49th Annual General Meeting of the members of POONA BOTTLING COMPANY PRIVATE LIMITED will be held on Tuesday, July 29, 2008 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, 2008 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, 2008.

**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 49th Annual Report together with the Audited Accounts for the year ended March 31, 2008.

**OPERATIONS:**

The Board plans to develop the Pune Property as a real estate, for which applications have been made to various authorities for permission thereof.

**DIVIDEND:**

Due to non availability of profits, your Board has decided not to recommend any dividend for the year ended March 31, 2008.

**FIXED DEPOSITS:**

The Company has not invited or accepted Fixed Deposits during the financial year 2007-2008.

**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, 2008.
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 (1B) 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, 2009 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 ' L ' 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.

**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.

## POONA BOTTLING COMPANY PRIVATE LIMITED

---

### PARTICULARS OF EMPLOYEES:

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

### 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.

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

RameshKumar R. More  
Director

Nirajkumar U. More  
Director

June 30, 2008.

**SECRETARIAL COMPLIANCE CERTIFICATE**

COMPANY NO. 11-011307.

AUTHORISED SHARE CAPITAL: RS.3,00,00,000/-.

PAID UP SHARE CAPITAL: RS.1,89,00,000/-.

To,  
The Members,

M/s. POONA BOTTLING COMPANY PRIVATE LIMITED

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

DAPODI, PUNE - 411 012.

Sir,

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 thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ended on **31<sup>st</sup> March, 2008**. 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 of the Act and the rules made thereunder 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 thereunder 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 6 [SIX] times during the aforesaid Financial Year i.e. on 22-05-2007, 30-06-2007, 27-07-2007, 16-08-2007, 09-10-2007 and 30-01-2008 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 Annual General Meeting of the company for the financial year ended 31<sup>st</sup> March 2007 was held in time, i.e. on 27<sup>th</sup> July, 2007 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in 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/Transfer 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. The Company has not appointed Managing Director / 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 293(1)(d) of the Act are not applicable.
25. The Company being a Private Limited Company, provisions of 372A of the Act 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 the 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.

[CHINTAN K. GANDHI]

COMPANY SECRETARY

ACS: 21369; COP: 7894.

Place: Mumbai,

Date: June 30, 2008

**ANNEXURE - 'A'**

**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'**

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

Sr. No.	Form No. / Return	Filed u/s	Date of filing	Whether filed with in the prescribed Time (Yes / No)	If delay in filing whether requisite addl. Fees paid (Yes / No)
1	Annual Return made up to U/s. 27/07/2007 (Date of A. G. M.)	159	29/08/2007	Yes	—
2.	Annual Account for the year ended 31/03/2007	220	25/08/2007	Yes	—
3.	Compliance Certificate for the year ended 31-03-2007	383 (A)	25/08/2007	Yes	—
4.	DIN 3		11/04/2007	—	—

[CHINTAN K. GANDHI]

COMPANY SECRETARY  
ACS: 21369; COP: 7894.

Place: Mumbai,

Date: June 30, 2008

## AUDITORS' REPORT

We have audited the attached Balance Sheet of **POONA BOTTLING COMPANY PRIVATE LIMITED** as at 31st March, 2008 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, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2008 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 L 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 'L'

- |                    |   |
|--------------------|---|
| 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.284.51 lakhs where by the losses and the current liabilities have been understated to that extent. |
| Clause 5           | regarding non confirmation of balances.   |

in the case of

- a. Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
  - 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: 30<sup>th</sup> June, 2008.

---

**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.7,44,771/-. 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. 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 Eight parties covered in the register maintained U/s.301 of the Act the maximum amount of total loan outstanding during the year is Rs75,550,585/- and the closing balance as at 31<sup>st</sup> March, 2008 amounted to Rs.74,443,700/- .  
(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 two companies the maximum amount outstanding during the year is Rs.41,87,408/- and the closing balance as on 31<sup>st</sup> Mar 2008 amounted Rs.41,67,408/-.
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 Compensation to Grauer & Weil (India) Limited, Digikore Studios Ltd and Growel Softech Limited amounting to Rs.10,40,000/- Rs.312,500/- 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 31<sup>st</sup> March, 2008 for the period of more than 6 months from the date they became payable.

Further we were informed that the Company has no employees eligible for Provident Fund Benefit 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 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 31<sup>st</sup> March, 2008 stand at Rs.18,77,67,015/- which exceeds 50% of its entire net worth. Further cash losses for the year ended 31<sup>st</sup> March, 2008 is Rs.24,64,170/- . Company has also incurred cash loss for the immediately preceding year ended 31<sup>st</sup> March 2007 was Rs.2,74,481/-
  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 & 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 traded in shares, securities, debentures and other securities, Share derivative, and proper separate records have been maintained of the transactions and contracts of purchases and sale of the investments, derivative of such transactions in the books of accounts of the Company and timely entries have been made therein. Further we were informed that the investments in hand as on 31<sup>st</sup> March, 2008 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 two companies during the year for Rs.35,08,976/-
  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: 30<sup>th</sup> June, 2008.**

---

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

<b>Nature of Dues</b>	<b>Disputed Amount</b>	<b>Forum Where Dispute is pending</b>
i. Excise Duty	28,28,018	Civil Court of Pune

BALANCE SHEET AS AT MARCH 31, 2008

	Schedule	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
<b>SOURCES OF FUNDS</b>				
<b>SHAREHOLDERS FUNDS</b>				
Share Capital	A	18,900,000		18,900,000
Reserves & Surplus	B	<u>251,820,295</u>		<u>251,875,531</u>
			270,720,295	270,775,531
SECURED LOAN	C		633,005	-
UNSECURED LOAN	D		4,167,408	529,664
DEFERRED TAX LIABILITY			-	-
			<u>275,520,708</u>	<u>271,305,195</u>
<b>APPLICATION OF FUNDS</b>				
<b>FIXED ASSETS</b>				
Gross Block	E	156,053,075		162,601,278
Less Depreciation		<u>121,695,557</u>		<u>124,632,510</u>
Net Block			34,357,518	37,968,768
INVESTMENTS	F		6,699,756	6,377,310
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
Sundry Debtors	G	28,882,509		28,510,254
Cash and Bank Balances		1,456,967		882,438
Loans and Advances		84,675,180		83,432,045
		<u>115,014,656</u>		<u>112,824,737</u>
Less: CURENT LIABILITIES AND PROVISIONS	H			
Curent Liabilities		68,318,237		67,300,934
Provisions		-		-
		<u>68,318,237</u>		<u>67,300,934</u>
<b>NET CURRENT ASSETS</b>			<b>46,696,419</b>	<b>45,523,803</b>
<b>PROFIT AND LOSS ACCOUNT</b>				
As per Last Year Balance Sheet		181,435,314		160,356,881
During the Year		6,331,701	187,767,015	21,078,433
Total			<u>275,520,708</u>	<u>271,305,195</u>
Notes to Accounts	L			

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, 2008

Mumbai  
June 30, 2008

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008**

	Schedule	For the year ended March 31, 2008 Rupees	For the year ended March 31, 2007 Rupees
<b>INCOME</b>			
Compensation Received		3,075,704	4,264,019
Other Income	I	81,800	102,314
		<u>3,157,504</u>	<u>4,366,333</u>
<b>EXPENDITURE</b>			
Employees remuneration & Benefit	J	298,129	—
Operating and Other Expenses	K	5,323,545	4,640,814
Depreciation	D	3,847,226	5,383,318
		<u>9,468,900</u>	<u>10,024,132</u>
<b>LOSS BEFORE TAXATION</b>		6,311,396	5,657,799
Provision for Taxation		—	—
Current year		—	—
Fringe Benefit Tax		60,656	—
<b>LOSS FOR THE YEAR AFTER TAXATION</b>		6,372,052	5,657,799
Add: Extraordinary items (One time settlement)		—	15,450,000
Add/(less): Prior Period Adjustment		5,610	22,830
		<u>6,377,662</u>	<u>21,130,629</u>
Less: Transferred from Revaluation Reserve		45,961	52,196
<b>NET LOSS FOR THE YEAR</b>		6,331,701	21,078,433
Add: Balance Brought Forward		181,435,314	160,356,881
Deficit Carried to Balance Sheet		<u>187,767,015</u>	<u>181,435,314</u>
<b>Notes to Accounts</b>	L		

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, 2008

Mumbai  
June 30, 2008

SCHEDULES ANNEXED TO BALANCE SHEET AS AT MARCH 31, 2008

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
<b>SCHEDULE A:</b>			
SHARE CAPITAL			
AUTHORISED			
300,000 Equity Shares of Rs.100/- each		<u>30,000,000</u>	<u>30,000,000</u>
ISSUED AND PAID-UP			
189,000 Equity Shares of Rs.100/- each fully paid up		<u>18,900,000</u>	<u>18,900,000</u>
<b>Note:</b>			
(1) Out of the above, 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			
<b>SCHEDULE B:</b>			
RESERVES & SURPLUS			
Capital Reserve			
As per last Balance Sheet	243,764,647		243,764,647
Add: Transfer during the year	<u>—</u>		<u>—</u>
		243,764,647	243,764,647
Revaluation Reserve			
As per last Balance Sheet	8,110,884		8,163,080
Less: Sale of Assets	9,275		<u>—</u>
Less: Transferred to Profit & Loss Account	<u>45,961</u>		<u>52,196</u>
		8,055,648	8,110,884
		<u>251,820,295</u>	<u>251,875,531</u>
<b>SCHEDULE C:</b>			
SECURED LOAN			
HDFC Bank Limited			
(Secured by the vehicle)		<u>633,005</u>	<u>—</u>
		<u>633,005</u>	<u>—</u>
<b>SCHEDULE D:</b>			
UNSECURED LOAN			
Loan from Company			
		<u>4,167,408</u>	<u>529,664</u>
		<u>4,167,408</u>	<u>529,664</u>

**SCHEDULE E: FIXED ASSETS**

(Value in Rs.)

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 31/03/2007	Additions	Deductions	As at 31/3/2008	Upto 31/03/2007	For the Year	Adjustments	Upto 31/3/2008	As at 31/3/2008	As at 31/3/2007
Freehold Land	7,823,430	-	-	7,823,430	-	-	-	-	7,823,430	7,823,430
Leasehold Land	1,061	-	-	1,061	-	-	-	-	1,061	1,061
Building	17,722,096	-	-	17,722,096	10,585,591	468,270	-	11,053,861	6,668,235	7,136,505
Plant & Machinery	67,284,112	-	7,528,950	59,755,162	60,284,710	933,189	6,784,179	54,433,720	5,321,442	6,999,402
Furniture & Fixtures	2,718,694	-	-	2,718,694	2,541,926	31,995	-	2,573,921	144,773	176,768
Vehicles	-	980,747	-	980,747	-	211,596	-	211,596	769,151	-
Bottles & Cases	67,051,885	-	-	67,051,885	51,220,283	2,202,176	-	53,422,459	13,629,426	15,831,602
<b>Total</b>	<b>162,601,278</b>	<b>980,747</b>	<b>7,528,950</b>	<b>156,053,075</b>	<b>124,632,510</b>	<b>3,847,226</b>	<b>6,784,179</b>	<b>121,695,557</b>	<b>34,357,518</b>	<b>37,968,768</b>
Previous Year	210,554,656	-	47,953,378	162,601,278	159,592,241	5,383,318	40,343,049	124,632,510	37,968,768	50,962,415

**As At**  
**March 31, 2008**  
**Rupees**

**As At**  
**March 31, 2007**  
**Rupees**

**SCHEDULE F: INVESTMENTS (AT COST, NON TRADE)**

LONG TERM:

IN SHARES (Fully Paid up shares of Rs.10/- each)

Quoted

900 Shares of Bank of India **40,500** 40,500  
 (Market Value Rs.227,610/- (previous year Rs.151,020/-))

Unquoted

15000 shares of Waluj Beverages Pvt Ltd. **150,000** 150,000  
 1000 shares of The Saraswat Co-operative Bank Ltd. **10,000** 10,000  
 601500 shares of Growel Softech Ltd. **3,870,438** 3,870,438  
 100000 shares of Growel Goema Ltd. **1,002,500** 1,002,500  
 460000 shares of Digikore Studios Ltd. **1,009,000** 610,000  
 390 shares of Shree MPJ Buildres Pvt. Ltd. **39,000** 39,000

SHORT TERM:

IN MUTUAL FUNDS

HDFC Short Term Cash Management -  
 (38378 units (NAV Rs.649287/-))  
 (Previous year 45531 Units (711504 Rs. NIL)) **578,318** 654,872  
 During the year the company has purchased & sold 2350 lots of Nifty

**6,699,756** **6,377,310**

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
<b>SCHEDULE G: CURRENT ASSETS LOANS &amp; ADVANCES</b>			
<b>(I) CURRENT ASSETS</b>			
(i) Sundry Debtors (Unsecured, considered good) Outstanding for a period exceeding six months Other Debts		28,300,980 581,529 <u>28,882,509</u>	28,265,979 244,275 <u>28,510,254</u>
(ii) Cash and Bank Balances Cash on hand Balances With Scheduled Banks In Current Account	1,358,683  98,284		508,845  373,593 <u>882,438</u>
		<u>1,456,967</u>	
<b>(II) LOANS AND ADVANCES</b> (unsecured considered good unless otherwise stated)			
Loans	81,682,621		81,141,246
Deposits	201,013		201,013
Advance Income Tax /Tax deducted at source	1,671,074		963,704
Advances recoverable in cash or in kind or for value to be received			
Considered good	1,120,472		1,126,082
Considered doubtful	-		-
	<u>1,120,472</u>		<u>1,126,082</u>
Less: Provision for doubtful advances	-		-
	<u>1,120,472</u>		<u>1,126,082</u>
		84,675,180	83,432,045
		<u>115,014,656</u>	<u>112,824,737</u>

**SCHEDULE H: CURRENT LIABILITIES & PROVISIONS**

	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
<b>a) CURRENT LIABILITIES:</b>		
Sundry creditors	3,842,959	3,917,374
Deposits towards use of premises	7,603,070	7,488,140
Deposit against bottles & cases	55,440,974	55,568,474
Advances from customers	1,000,000	45,000
Other Liabilities	431,234	281,946
	<b>68,318,237</b>	<b>67,300,934</b>

**SCHEDULE I: OTHER INCOMES**

Interest	5,700	-
Sundry Balances Written Back	-	66,752
Profit on Investment	8,446	24,872
Profit on Sale of Assets	64,504	-
Miscellaneous Receipt	-	4,390
Dividends recieved	3,150	6,300
	<b>81,800</b>	<b>102,314</b>

**SCHEDULE J: EMPLOYEES REMUNERATION & BENEFIT**

Salary & Allowances	289,833	-
Medical & Walefare Expenses	8,296	-
	<b>298129</b>	<b>-</b>

**SCHEDULE K: OPERATING & OTHER EXPENSES**

Rent, Rates and Taxes	427,563	240,829
Power, Fuel & Water	94,761	913,912
Postage and Telephone	26,385	46,206
Travelling & Conveyance	475,197	368,368
Printing & Stationery	3,915	4,794
Membership & Subscription	13,497	18,294
Legal & Professional Fees	1,192,667	853,218
Auditors' Remuneration	28,090	28,090
Loss on Sale of Assests	-	1,610,329
Loss on Sale of Investment (Derivative)	412,501	-
Repairs to Building	699,469	-
Business contract Expenses	529,554	-
Transport Charges	599,000	-
Assesment Dues	-	78,302
Security Charges	511,276	425,968
General Charges	73,682	46,492
Interest Paid	235,988	6,012
	<b>5,323,545</b>	<b>4,640,814</b>

**SCHEDULE L: 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 and in the previous year, 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.53.21 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 31<sup>st</sup> March, 1999

d) Inventories

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

e) Investments

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

f) Deferred Tax Asset / (Liability)

Deferred Tax Liability on account of timing difference between taxable income and accounting income for the year is accounted for by applying the tax rates and laws enacted or substantially enacted as of the balance sheet date. Deferred Tax Assets are recognised only to the extent of virtual certainty of its realisation or adjustment against deferred tax liability. Thus, due to brought forward losses and unabsorbed depreciation, deferred tax assets/liability are 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 21<sup>st</sup> February 2000. On a complaint filed by the Union of the employees in Industrial Court, Pune, the court by an interim order dated 22.03.2000, 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 20.03.2001, the Court instructed the Company to pay full wages/salaries to its employees from February 2000. On being aggrieved by the said order the Company filled an appeal before the honorable High Court, Mumbai. The Hon'ble High Court ordered the Company to continue to pay an amount equal to 50% of the basic and the DA till final disposal of the appeal.

With a view to limit the ongoing costs, the company closed its bottling unit under the Industrial Dispute Act with effect from 02.08.2001 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.284.51 Lakh (Previous year Rs.250.39 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.

- i. 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 9<sup>th</sup> 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 previous 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 during the previous year. In view of the above out of court settlement the respective parties have withdrawn the cases/appeal from respective forum.
  - ii. 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 8<sup>th</sup> 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 previous 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 during the previous year. 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.

	2007-2008	Rs. in lacs 2006-2007
3. Contingent Liabilities not provided for		
a) Disputed Excise Duty liability	18.28	55.87
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. In the opinion of the Board current assets, loans and advances are of the approximate value stated if realized in the ordinary course of business.
- 5. 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.
- 6. Related Party Transaction Disclosures

**Related Parties**

**Holding Company**

Grauer & Weil (India) Limited.

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

Growel Investment Private Limited  
 Growel Softech Limited  
 Digikore Design Limited  
 Digikore Studios Limited  
 Shree MPJ Cement Works Private Limited  
 Ridhi Sidhi Limited  
 Bubna More & Co Private Limited  
 Radhakishan Nandlal Private Limited  
 Waluj Beverages Private Limited  
 Gorav Investment Private Limited  
 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  
 Mrs. Stuti G. 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	673,750	3,320,000	2,550,000	2,697,600
With Holding Company	1,040,000	Nil	Nil	1,565,000

**DETAILS OF CLOSING BALANCES OF RELATED PARTIES AS ON 31ST MARCH, 2008.**

(Value in Rs.)

Name	Debtors	Loans	Advances	Current Liabilities	Loan Payable
With Companies in which key management personnel are interested	28,824,296	74,443,700	175,193	Nil	2,468,976
With Holding Company	40,941	Nil	Nil	Nil	1,698,432

**7. Earning per share**

Calculation of Earning per share for the year ended 31.3.2008

		31.3.2008	31.3.2007
Loss for the Year After Tax	Rs.	(6372052)	(5657799)
Weighted Average number of equity shares (Face Value Rs.100/- per share)	Nos.	189,000	189,000
Basic and Diluted Earnings per share		(33.71)	(29.94)

8. The Company's operations during the year predominantly relate to finance, investment activities and hiring out the premises.
9. In accordance with principles of prudence and other applicable guidelines as per Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 read with Schedule VI of the Companies Act, 1956 the company has charged an amount of Rs.4,12,501/- to the profit and loss account in respect of derivatives contract entered for 2350 lots of Nifty, during the year. No contract is outstanding as at 31<sup>st</sup> March, 2008.
10. No foreign currency exposure is there and thus that there is no foreign currency exposure that is not hedged by any derivative instrument or forward contract as at 31<sup>st</sup> march, 2008.
11. The requirements of Accounting Standard issued by the Institute of Chartered Accountants of India in respect of "Segment Reporting" are not applicable.
12. The Schedules referred to in the Balance Sheet and Profit and Loss Accounts are forming integral parts of the accounts.
13. During the previous 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.

	<b>2007-2008</b>	2006-2007
14. Value of Imports on CIF Basis	Nil	Nil
15. There have been no transactions in foreign exchange during the year.(Previous Year Nil).		
16. Figures of the previous year have been re grouped and re classified wherever necessary to correspond with the figures of the current period.		

17. 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.		

18. The company does not owe any sum to small scale undertaking exceeding Rs.100,000.00
19. The estimated amount of contract remaining to be executed on capital account and not provided for is Rs.Nil. (Previous year Rs.Nil.)
20. There are no micro, small and medium enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the company owes dues on account of principal amount together with interest, accordingly no additional disclosures have been made. The above information regarding Micro, Small, and Medium Enterprises has been determined to the extent such parties have been identified on the basis of the information available with the Company. This has been relied upon by the auditors.
21. Particulars of unhedged foreign currency exposures as at Balance Sheet date is NOT APPLICABLE
22. Provisions relating to impairment are NOT APPLICABLE
23. The details of additional information pursuant to paragraphs 3 & 4 D of part II of Schedule VI of the Companies Act, 1956.  
Quantitative details of stock: Not Applicable.  
CIF value of Imports Rs. NIL (Previous year Rs. NIL)  
Earning in Foreign currency : Rs. NIL (Previous year Rs. NIL)  
Expenses in Foreign currency: Rs. NIL, (Previous year Rs.NIL)

**SIGNATURE TO SCHEDULES 'A' TO 'L'**

As per our attached Report of even date

As per our attached Report of even date

For M/s. R. N. BHANSALI & COMPANY  
Chartered Accountants

RAMESHKUMAR R. MORE  
NIRAJKUMAR U. MORE

Director  
Director

YOGESH MOTANI  
Partner

Mumbai  
June 30, 2008

Mumbai  
June 30, 2008



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

I. Registration Details:

Registration No.  State Code

Balance Sheet

Date                      Month                      Year

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

Public Issue	Rights Issue
<input type="text"/> <input type="text"/> <input type="text"/> N I L <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> N I L <input type="text"/> <input type="text"/> <input type="text"/>
Bonus Issue	Private Placement
<input type="text"/> <input type="text"/> <input type="text"/> N I L <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> N I L <input type="text"/> <input type="text"/> <input type="text"/>

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

Total Liabilities	Total Assets
<input type="text"/> <input type="text"/> <input type="text"/> 2 7 5 5 2 0	<input type="text"/> <input type="text"/> <input type="text"/> 2 7 5 5 2 0

Source of Funds

Paid-up Capital	Reserve & Surplus
<input type="text"/> <input type="text"/> <input type="text"/> 1 8 9 0 0	<input type="text"/> <input type="text"/> <input type="text"/> 2 5 1 8 2 0
Secured Loans	Unsecured Loans
<input type="text"/> <input type="text"/> <input type="text"/> 6 3 3	<input type="text"/> <input type="text"/> <input type="text"/> 4 1 6 7
Deferred Tax Liabilities	
<input type="text"/> <input type="text"/> <input type="text"/> N I L <input type="text"/> <input type="text"/> <input type="text"/>	

Application of Funds

Net Fixed Assets	Investments
<input type="text"/> <input type="text"/> <input type="text"/> 3 4 3 5 8	<input type="text"/> <input type="text"/> <input type="text"/> 6 6 9 9
Net Current Assets	Accumulated Losses
<input type="text"/> <input type="text"/> <input type="text"/> 4 6 6 9 6	<input type="text"/> <input type="text"/> <input type="text"/> 1 8 7 7 6 7

**POONA BOTTLING COMPANY PRIVATE LIMITED**

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

Turnover  
      3 1 5 8

Total Expenditure  
      9 4 6 9

Profit/Loss Before Tax  
 + -  
      6 3 1 1

Profit/Loss After Tax  
 + -  
      6 3 7 2

(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, 2008



**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008**

	Rupees	For the Year ended March 31, 2008 Rupees	For the Year ended March 31, 2007 Rupees
A) CASH FLOW FROM OPERATING ACTIVITIES			
NET (LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS		(6,311,396)	(5,657,799)
Adjustments for			
Depreciation	3,847,226		5,383,318
(Profit) / Loss on sale of Investments	(8,446)		(24,872)
Dividend	(3,150)		(6,300)
(Profit) / Loss on sale of Assets	347,997		1,610,329
Prior Period Items	(5,610)		(22,830)
		<u>4,178,017</u>	<u>6,939,645</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		<u>2,133,379</u>	<u>1,281,846</u>
Adjustments for (Increase) / Decrease in Trade and other receivables	(1,615,390)		1,180,435
Extra Ordinary items (One time settlement)			(15,450,000)
Increase / (Decrease) in Trade and other payables	<u>956,647</u>		<u>7,279,166</u>
		<u>(658,743)</u>	<u>(6,990,399)</u>
Cash Generated from Operation		<u>(2,792,122)</u>	<u>(5,708,553)</u>
NET CASH FROM OPERATING ACTIVITIES		<u>(2,792,122)</u>	<u>(5,708,553)</u>
B) CASH FLOW FROM INVESTING ACTIVITIES			
Redemption of Mutual Funds / Shares		85,000	1,750,000
Investment in Mutual Funds / Shares		(399,000)	(2,380,000)
Loss on Sale of Nifty Investment		(412,501)	-
Purchase of Vehicles		(980,747)	-
Sale of Assets		800,000	6,000,000
Dividend received		3,150	6,300
		<u>(904,098)</u>	<u>5,376,300</u>
C) CASH FLOW FROM FINANCING ACTIVITIES			
ICD Received		3,637,744	529,664
Received towards secure loan		845,000	-
Loan repayment		(211,995)	-
		<u>4,270,749</u>	<u>529,664</u>
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)		<u>574,529</u>	<u>197,411</u>
Opening Balance		882,438	685,027
Closing Balance		1,456,967	882,438

As per our attached Report of even date

For M/s. R. N. BHANSALI & COMPANY

Chartered Accountants

YOGESH MOTANI

Partner

Mumbai

June 30, 2008

RAMESHKUMAR R. MORE

NIRAJKUMAR U. MORE

Mumbai

June 30, 2008

Director

Director

### BOARD OF DIRECTORS

UMESHKUMAR N. MORE	(Upto 01.02.2008)
RAMESHKUMAR MORE	(w.e.f. 01.02.2008)
MAANSINGH THAKUR	(w.e.f. 20.03.2008)
AMITKUMAR MODI	(w.e.f. 20.03.2008)
HARJINDER SINGH	(Upto 20.03.2008)
ANILKUMAR SHARMA	(Upto 20.03.2008)

### AUDITORS

S. Tandon & Associates  
Chartered Accountants

### REGISTERED OFFICE

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

### NOTICE TO THE MEMBERS

NOTICE is hereby given that the Sixth Annual General Meeting of the Shareholders of Growel Energy Company Limited will be held at the Registered Office of the Company at 'Growel House', Akurli Road, Kandivili (E), Mumbai - 400 101 on Monday 28<sup>th</sup> day of July, 2008 at 11.00 A.M. to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2008 and Profit & Loss Account along with the Schedules and Notes on Accounts attached thereto together with the 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, the 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, Sh. Maan Singh Thakur who was appointed as an Additional Director and in respect of whom the company has received a notice from Shareholders proposing his candidature as Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
4. To consider and if thought fit to pass with or without modification, the 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, Sh. Amit Kumar Modi who was appointed as an Additional Director and in respect of whom the company has received a notice from Shareholders proposing his candidature as Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
5. To consider and if thought fit to pass with or without modification, the 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, Sh. Ramesh Kumar More who was appointed as an Additional Director and in respect of whom the company has received a notice from Shareholders proposing his candidature as Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation"

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

AMIT KUMAR MODI  
Director

Place: Chandigarh  
Date: 20th June 2008

#### 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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NOS. 3, 4, & 5 OF THE NOTICE IS ANNEXED HERETO.

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

#### ITEM NO. 3

The Board of Directors had appointed Sh. Maan Singh Thakur as an Additional Director on 20<sup>th</sup> March, 2008. He holds office till the date of the Annual General Meeting. Notice under Section 257(1) of the Companies Act, 1956 has been received from a member signifying his intention to propose the appointment of Sh. Maan Singh Thakur as Director of the Company at the Annual General Meeting. Your Directors therefore recommend the enclosed resolution for your approval.

None of the Directors except Sh. Maan Singh Thakur is interested in the proposed resolution.

#### ITEM NO. 4

The Board of Directors had appointed Sh. Amit Kumar Modi as an Additional Director on 20<sup>th</sup> March, 2008. He holds office till the date of the Annual General Meeting. Notice under Section 257(1) of the Companies Act, 1956 has been received from a member signifying his intention to propose the appointment of Sh. Amit Kumar Modi as Director of the Company at the Annual General Meeting. Your Directors therefore recommend the enclosed resolution for your approval.

None of the Directors except Sh. Amit Kumar Modi is interested in the proposed resolution.

#### ITEM NO. 5

The Board of Directors had appointed Sh. Ramesh Kumar More as an Additional Director on 01<sup>st</sup> February, 2008. He holds office till the date of the Annual General Meeting. Notice under Section 257(1) of the Companies Act, 1956 has been received from a member signifying his intention to propose the appointment of Sh. Ramesh Kumar More as Director of the Company at the Annual General Meeting. Your Directors therefore recommend the enclosed resolution for your approval.

None of the Directors except Sh. Ramesh Kumar More is interested in the proposed resolution.

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

Place: Chandigarh  
Date: 20th June 2008

AMIT KUMAR MODI  
Director

**DIRECTORS' REPORT TO THE MEMBERS :**

Your Directors are pleased to present their 6<sup>th</sup> Annual Report together with the Audited Accounts for the period ended 31<sup>st</sup> March 2008.

**OPERATIONS :**

The Company is in the process of implementing the ANI (5.00 MW) Hydro Electric Project in District Kullu in State of Himachal Pradesh. The total Pre-operative Expenses and Project Expenses (Pending capitalization/ allocation) incurred by the company till 31.03.2008 amount to Rs. 75.27 Lacs (Rs. 67.35 Lacs till 31.03.2007).

**DIVIDEND :**

As there was no activity during the year, your Board has decided not to recommend any dividend for the period ended March 31, 2008.

**FIXED DEPOSITS :**

Your company has neither invited nor accepted any Fixed Deposits during the financial year 2007-2008.

**DIRECTORS :**

During the year under review, Sh Amit Kumar Modi, Sh. Ramesh Kumar More and Sh. Maan Singh Thakur have been appointed as an Additional Directors and hold office till the date of the ensuing Annual General Meeting. Your Directors recommend their appointment as Director in the forthcoming Annual General Meeting.

Sh. Anil Kumar Sharma, Sh. Harjinder Singh and Sh. Umesh Kumar More have resigned from the Director ship of the Company. 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 31<sup>st</sup> March, 2008 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 Per-Operative & Project Expense (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 31<sup>st</sup> March, 2008 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: 20th June 2008

AMIT KUMAR MODI      MAAN SINGH THAKUR  
Director                      Director

**AUDITORS' REPORT**

**TO THE MEMBERS OF GROWEL ENERGY COMPANY LIMITED,**

1. We have audited the attached Balance Sheet of GROWEL ENERGY COMPANY LIMITED as at 31<sup>st</sup> March 2008. 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) 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 law have been kept by the Company, so far as appears from our examination of these books;
  - (iii) The Balance Sheet & Profit & Loss Account dealt with by this report is in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet & Profit & Loss Account 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 VI, 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;
    - i). In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2008
    - ii). No Profit & Loss Account of the Company for the period under audit has been drawn, as the company has not started any operations.

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

**Place: Chandigarh  
Date: 20th June 2008**

**Alok Krishan  
Partner**

**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 accounts for the year ended 31<sup>st</sup> March 2008.

- 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 31<sup>st</sup> March 2008. Therefore, clauses (a) to (c) of this Order is not applicable.
- iii The company has taken unsecured loan Director of Company Mr. Mann Singh amounting to Rs. 20,00,000.00
- iv In our opinion, and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of Fixed Assets. The Company is not having any inventories as on 31<sup>st</sup> March, 2008 and hence, this clause is not applicable to inventories.
- v 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 deposits from the public under the provisions of the Section 58-A & accordingly the directives issued by Reserve Bank of India and provisions of Section 58AA of the Companies Act, 1956 and rules framed there are not applicable.
- vii In our opinion, the Company has an adequate Internal Audit System, commensurate with its size and nature of its business.
- viii The Company is not required to maintain the cost records as per the provisions of Section 209 (1) (d) of the Companies Act, 1956.
- ix (a) According to the information & explanations given to us by the 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 of more than six months from the date these become payable.
- x The company has not obtained 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 the Company has not given any guarantees for loans taken from banks or financial institutions by any other Company.
- xiii The Company has not taken any term loans during the year.
- xiv According to 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. Therefore, this clause is not applicable.
- xvii The Company has not raised any money through a public issue during the year. Therefore, this clause is not applicable.
- 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 explanation given to us, the natures 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**

**Alok Krishan  
Partner**

**Place: Chandigarh  
Date: 20th June 2008**



**BALANCE SHEET AS AT MARCH 31, 2008**

	Schedule	Rupees	As At March 31, 2008 Rupees	Rupees	As At March 31, 2007 Rupees
<b>SOURCES OF FUNDS</b>					
<b>SHAREHOLDERS FUNDS</b>					
Share Capital	I		7,980,390.00		7,700,000.00
<b>LOAN FUNDS</b>					
Unsecured Loans	II		2000,000.00		-
		Total	<u>9,980,390.00</u>		<u>7,700,000.00</u>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block	III	127,060.00		127,060.00	
Less: Depreciation		<u>55,201.12</u>		<u>25,575.00</u>	
Net Block			71,858.88		101,485.00
Add: Capital Work-in progress (pending capitalisation/allocation)	IV		7,527,522.12		6,734,869.00
<b>CURRENT ASSETS, LOANS AND ADVANCES:</b>					
Cash and Bank Balances	V	1,470,432.00		510,841.00	
Loans and Advances	VI	749,046.00		820,797.00	
		<u>2,219,478.00</u>		<u>1,331,638.00</u>	
Less: CURRENT LIABILITIES AND PROVISIONS:	VII	<u>15,135.00</u>		<u>546,031.00</u>	
NET CURRENT ASSETS			2,204,343.00		785,607.00
<b>MISCELLANEOUS EXPENDITURE:</b> (To the extent not written off or adjusted)					
Preliminary Expenses			78,039.00		78,039.00
Deffered revenue Exp.			98,627.00		-
		<b>Total</b>	<u>9,980,390.00</u>		<u>7,700,000.00</u>

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

For and on Behalf of the Board

Alok Krishan  
Partner

AMIT KUMAR MODI  
Director

MAAN SINGH THAKUR  
Director

Place: Chandigarh  
Date: 20th June 2008

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008**

	Rupees	For the Year ended March 31, 2008 Rupees	For the Year ended March 31, 2007 Rupees
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>			
(Increase) / Decrease in Trading and other Receivables	71751		294,563
Increase / (Decrease) in Trade and other Payables	<u>(530,896)</u>	<u>(459,145)</u>	<u>20,516</u>
CASH GENERATED FROM OPERATIONS		<u>(459,145)</u>	<u>315,079</u>
NET CASH USED IN OPERATING ACTIVITIES		<u>(459,145)</u>	<u>315,079</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital Expenditure		<u>(861,654)</u>	<u>(4,257,037)</u>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>			
Share Capital	0		480,390
Share application money received	280,390		4,514,610
Receipt / Payment of Unsecured Loan	<u>2,000,000</u>	<u>2,280,390</u>	<u>(566,487)</u>
NET CASH FROM FINANCING ACTIVITIES		<u>2,280,390</u>	<u>4,428,513</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>959,591</u>	<u>486,555</u>
<b>CASH AND CASH EQUIVALENTS</b>			
CLOSING BALANCE		<u>1,470,432</u>	<u>510,841</u>
LESS: OPENING BALANCE		<u>510,841</u>	<u>24,286</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>959,591</u>	<u>486,555</u>

For S. Tandon & Associates  
Chartered Accountants

For and on Behalf of the Board

Alok Krishan  
Partner

AMIT KUMAR MODI  
Director

MAAN SINGH THAKUR  
Director

Place: Chandigarh  
Date: 20th June 2008

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

	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
<b>SCHEDULE I:</b>		
SHARE CAPITAL		
AUTHORISED		
800,000 Equity Shares of Rs.10 each (Previous year 8,000,00 equity shares of Rs.10 each)	<u>8,000,000.00</u>	<u>8,000,000.00</u>
ISSUED, SUBSCRIBED AND PAID-UP		
98,039 Equity Shares of Rs.10 each, (Previous year 98,039 equity shares of Rs.10 each)	980,390.00	980,390.00
SHARE APPLICATION MONEY (Pending allotment)	7,000,000.00	6,719,610.00
<b>Total</b>	<u>7,980,390.00</u>	<u>7,700,000.00</u>
<b>SCHEDULE II:</b>		
UNSECURED LOANS		
From Director	2,000,000.00	-
	<u>2,000,000.00</u>	<u>-</u>

**SCHEDULE III: FIXED ASSETS AS ON 31ST MARCH 2008**

Particulars	Gross Block (At Cost)				Depreciation				Net Block	
	Rate of Dep	Gross Value as on 01.04.2007	Additions during the year	Sale/ Adjustment	Gross Value 31.03.2008	As on 01.04.2007	Dep During the year	Total as on 31.03.2008	As on 31.03.2008	As on 31.03.2007
Furniture & Fixtures	18.10%	13,000.00	-	-	13,000.00	1322.00	2,113.72	3,435.72	9,564.28	11,678.00
Office equipment	13.91%	24,940.00	-	-	24,940.00	3,321.00	3,007.20	6,328.20	18,611.80	21,619.00
Camera	20%	20,500.00	-	-	20,500.00	3,325.00	4,100.00	7,425.00	13,075.00	17,175.00
Computers	40%	68,620.00	-	-	68,620.00	17,607.00	20,405.20	38,012.20	30,607.00	51,013.00
<b>Total</b>		127,060.00	-	-	127,060.00	25,575.00	29,626.12	55,201.12	71,858.00	101,485.00
Previous Year	-	51,700.00	75,360.00	-	127,060.00	-	24,894.00	25,575.00	101,485.00	51,019.00

Note: Depreciation on all assets has been provided on written down value method on single shift basis.

	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
<b>SCHEDULE IV: CAPITAL WORK IN PROGRESSES (Pending for allocation / capitalisation)</b>		
<b>ENGINEERING CONSULTANCY AND TECHNICAL ASSISTANCE (A)</b>		
Technical and engg. and geological survey expense	192,523.00	1,118,793.00
<b>TOTAL</b>	<u>192,523.00</u>	<u>1,118,793.00</u>
<b>PROJECT MANAGEMENT, OTHER PROJECT EXPENSES (B)</b>		
Advance Tax	2,775.00	29,154.00
Depreciation a/c	29,626.12	24,894.00
Legal & Professional Charges	500.00	28,844.00
Salary & Wages	177,991.00	267,020.00
Printing & Stationery	15,561.00	50,191.00
Rates & Taxes	100,513.00	1,883,222.00
Electricity & Water Charges	85.00	2,602.00
Travelling & Conveyance	52,540.00	596,527.00
Bonus	2760.00	-
Audit Fees	12,360.00	16,850.00
Telephone & Telex	3,534.00	21,364.00
General Charges	25,290.00	55,144.00
Postage & Telegram Charges	1,805.00	4,687.00
Rent	12,000.00	-
Entertainment Expenses	4,161.00	34,416.00
Membership & subscription	6,000.00	6,000.00
Extension Fees	149,865.00	-
Guest House Expenses	837.00	-
Charity & Donation	-	500.00
Advertisement & Publicity	-	59,994.00
Books & Periodicals	-	445.00
<b>TOTAL</b>	<u>598,203.12</u>	<u>3,081,854.00</u>
<b>INTEREST AND FINANCE CHARGES (C)</b>		
Bank Charges	1,927.00	5,924.00
<b>TOTAL</b>	<u>1,927.00</u>	<u>5,924.00</u>
<b>TOTAL FOR CURRENT YEAR (A+B+C)</b>	<u>792,653.12</u>	4,206,571.00
Add: Expenses upto Previous year	6,734,869.00	2,528,298.00
<b>TOTAL PREOPERATIVE EXPENSES TRANSFERRED TO BALANCE SHEET</b>	<u>7,527,522.12</u>	<u>6,734,869.00</u>
<b>SCHEDULE V: STATEMENT OF CASH AND BANK</b>		
<b>CASH AND BANK BALANCES</b>		
Cash in hand	9,329.00	49,511.00
<b>Balance with Scheduled Banks:</b>		
Central Bank of India Mumbai	2,527.00	3,481.00
Canara Bank CA 2728	1,458,576.00	457,849.00
<b>TOTAL</b>	<u>1,470,432.00</u>	<u>510,841.00</u>
<b>SCHEDULE VI: STATEMENT OF LOANS &amp; ADVANCES</b>		
<b>ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE RECEIVED OR ADJUSTED</b>		
Deposit with Himachal Pradesh State Electricity Board	500,000.00	500,000.00
Advance to suppliers	39,050.00	53,426.00
Loan to other	202,771.00	113,006.00
Advances FBT	2,725.00	-
Prepaid Expenses	4,500.00	154,365.00
<b>TOTAL</b>	<u>749,046.00</u>	<u>820,797.00</u>
<b>SCHEDULE VII: STATEMENT OF CURRENT LIABILITES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITES AND PROVISIONS</b>		
Sundry Creditors	-	494,765.00
Audit Fees Payable	12,360.00	28,768.00
TDS Payable	-	20,998.00
Provision for FBT	2,775.00	1,500.00
<b>TOTAL</b>	<u>15,135.00</u>	<u>546,031.00</u>

**SCHEDULE VIII : NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008**

**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 development 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.

**c) Balance of Sundry Debtors, Loans & Advances, Sundry Creditors are subject to reconciliation / confirmation.**

**d) 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 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.)	
	2007-08	2006-07
Filing Fees and Cost of Stamp Papers	72,194.00	72,194.00
Professional Fees	5,000.00	5,000.00
Other Expenses	845.00	845.00
<b>TOTAL</b>	<b>78,039.00</b>	<b>78,039.00</b>

**3. Auditor's Remuneration:**

Particulars	2007-08	2006-07
Statutory Audit Fees	12360.00	12360.00
<b>TOTAL</b>	<b>12360.00</b>	<b>12360.00</b>

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

Particulars	Amount (Rs.)	
	2007-08	2006-07
Engineering consultancy & technical assistance	2,984,881.00	27,92,358.00
Rent, Rates, Fees & Taxes	2,152,664.00	20,40,151.00
Travelling & Conveyance	940,487.00	8,87,947.00
Salary & Wages	689,656.00	5,11,665.00
Advertisement & Publicity	1,34,393.00	1,34,393.00
General Charges	360,485.00	3,35,195.00
Audit Fee	45,520.00	33,160.00
Entertainment Exp.	4161.00	–
Membership & Subscription	6000.00	–
Extension Fees	149865.00	–
Guest House Exp.	837.00	–
Charity & Donation	–	–
Advertisement and Publicity	–	–
Books & Periodicals	–	–
Postage & Telegram	1805.00	–
Telephone & Telex	3534.00	–
Bonus	2760.00	–
Advance Tax	2775.00	–
Depreciation a/c	29626.12	–
Legal & Professional charges	500.00	–
Printing & Stationary	15561.00	–
Electricity & Water charges	85.00	–
Bank charges	1927.00	–
<b>TOTAL</b>	<b>7527522.12</b>	<b>67,34,869.00</b>

**5. RELATED PARTY DISCLOSURES**

## 1) List of Related Parties

**Holding Company**

Grauer &amp; Weil (India) Limited.

## 2) Transactions with Related Parties :

(Rs. In '000)

Transactions	2007-08	2006-07
Outstanding Balances as on 31 <sup>st</sup> March 2008	<b>Rupees</b>	
1) Unsecured Loan from Director (Mr. Mann Singh)	<b>20,00,000.00</b>	Nil
2) Grauer & Weil (India) Limited	<b>Nil</b>	Nil

6. 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.
7. Previous year figures have been regrouped and/or re-arranged wherever considered necessary to make 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

**For and on Behalf of the Board**

**Alok Krishan**  
Partner

**AMIT KUMAR MODI**  
Director

**MAAN SINGH THAKUR**  
Director

Place: Chandigarh  
Date: 20th June 2008

**ADDITIONAL INFORMATION AS REQUIRED UNDER PART-VI TO THE COMPANIES ACT, 1956  
BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE**

Sr. No. Particulars	Rs. in Lacs	
	2007-08	2006-07
1 Registration details		
a) Registration No.	134438	134438
b) State Code	11	11
c) Balance Sheet Date	31.03.2008	31.03.2007
2 Capital raised during the year		
a) Public Issue	-	-
b) Right Issue	-	-
c) Bonus Issue	-	-
d) Private Placement	-	-
3 Position of Mobilisation and Deployment of funds		
a) Total Liabilities	99.80	77.00
b) Total Assets	99.80	77.00
Sources of Funds		
a) Paid up capital	9.80	9.80
b) Share application money	70.00	67.20
c) Reserves & Surplus	-	-
d) Secured Loans	-	-
e) Unsecured Loans	20.00	-
Application of Funds		
a) Net Fixed Assets	75.99	68.36
b) Investments	-	-
c) Net Current Assets	22.04	7.86
d) Misc. Expenditure	1.77	0.78
e) Accumulated Losses	-	-
4 Performance of Companies		
a) Turnover	-	-
b) Total Expenditure	-	-
i) Profit before Tax	-	-
iii) Earning per share	-	-
5 Generic names of three principal products / services of company		
a) Item code No. (ITC Code)		
Product Description	-	-
b) Item code No. (ITC Code)		
Product Description	-	-

For S. Tandon & Associates  
Chartered Accountants

For and on Behalf of the Board

Alok Krishan  
Partner

AMIT KUMAR MODI  
Director

MAAN SINGH THAKUR  
Director

Place: Chandigarh  
Date: 20th June 2008



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, 2008 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, 2008 of Rs.1737.79 Lacs and total revenue for the year ended on that date of Rs.31.58 Lacs and of associates which reflect the Group's share of Loss, upto March 31, 2007 / December 31, 2007 of Rs. 410 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, 2008 of M/s. Growel Goema (I) Pvt. Ltd. And M/s. Growel Sidasa Industries Pvt. Ltd. are 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 'Q' to the Consolidated Financial Statements:  
  
(a) Note 4(i) regarding the non provision of labour dues amounting to Rs. 236.10 lakhs where by the losses and the current liabilities have been understated to that extent of a subsidiary company  
  
(b) Note 15 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 state of affairs of the Group as at March 31, 2008;
  - ii. In the case of the Consolidated Profit and Loss Account, of the Profit of the Group for the year ended on that date; and
  - iii. In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

for M. M. NISSIM AND CO.  
Chartered Accountants

N. KASHINATH  
Partner  
MEM. NO.: 36490  
  
Mumbai  
30th June, 2008



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

	Schedule	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
<b>SOURCES OF FUNDS</b>				
<b>SHAREHOLDERS FUNDS</b>				
Share Capital	A	127,877,250		127,877,250
Reserves and Surplus	B	<u>553,314,922</u>		<u>475,735,827</u>
			681,192,172	603,613,077
<b>MINORITY INTEREST</b>	C		41,316,415	44,460,065
<b>LOAN FUNDS</b>				
Secured Loans	D	637,860,682		348,429,968
Unsecured Loans	E	<u>65,434,757</u>		<u>46,574,806</u>
			703,295,439	395,004,774
<b>DEFERRED TAX</b>				
Deferred Tax Liabilities		61,865,120		51,816,973
Deferred Tax Assets		<u>(13,922,789)</u>		<u>(7,979,782)</u>
			47,942,331	43,837,191
			<u>1,473,746,357</u>	<u>1,086,915,107</u>
<b>APPLICATION OF FUNDS</b>				
<b>FIXED ASSETS</b>				
Gross Block	F	929,584,166		922,963,271
Less: Depreciation		<u>344,573,625</u>		<u>314,959,116</u>
Net Block		585,010,541		608,004,155
Capital Work in Progress		<u>338,387,478</u>		<u>130,482,280</u>
			923,398,019	738,486,435
<b>INVESTMENTS</b>	G		14,586,041	13,831,887
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
Inventories	H	225,451,613		170,368,721
Sundry Debtors		386,071,421		305,919,415
Cash and Bank Balances		55,193,389		47,653,698
Other Current Assets		1,210,964		479,072
Loans and Advances		<u>398,657,013</u>		<u>218,113,582</u>
		1,066,584,400		742,534,488
<b>Less: CURRENT LIABILITIES AND PROVISIONS</b>				
Current Liabilities	I	349,244,027		304,961,838
Provisions		<u>181,754,742</u>		<u>103,053,904</u>
		530,998,769		408,015,742
<b>NET CURRENT ASSETS</b>			535,585,631	334,518,746
<b>MISCELLANEOUS EXPENDITURE</b>				
(To the extent not written off or adjusted)	J		176,666	78,039
			<u>1,473,746,357</u>	<u>1,086,915,107</u>
<b>Basis of Consolidation, Significant Accounting Policies, Notes to Accounts</b> Q				

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

for M. M. NISSIM AND CO.  
Chartered Accountants

UMESHKUMAR N. MORE  
NIRAJKUMAR U. MORE

- Chairman & Managing Director  
- Director

N. KASHINATH  
Partner

NOEL JACOB

- Company Secretary & V. P. (Legal)

MEM No.: 36490

Mumbai, 30th June, 2008

Mumbai, 30th June, 2008

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

	Schedule	For the year ended March 31, 2008 Rupees	For the year ended March 31, 2007 Rupees
<b>INCOME</b>			
<b>Income from operations</b>			
Gross Sales		2,118,763,091	1,715,233,141
Less: Trade Discount		196,818,712	170,205,237
Less: Excise Duty		226,441,144	183,765,690
		<u>1,695,503,235</u>	<u>1,361,262,214</u>
Business Conducting Fees (Tax deducted at source Rs.137,29,852/-) (Previous year Rs.109,26,625/-)		52,203,036	52,057,960
Other Income	K	33,495,952	28,303,361
		<u>1,781,202,223</u>	<u>1,441,623,535</u>
<b>EXPENDITURE</b>			
Materials	L	956,631,290	766,167,061
Salaries, Wages and other benefits	M	155,238,404	122,652,814
Other Expenses	N	392,435,627	317,063,324
Interest & Finance charges	O	69,023,210	55,624,419
Depreciation	P	41,147,678	40,571,124
		<u>1,614,476,209</u>	<u>1,302,078,742</u>
		166,726,014	139,544,793
Less: Extra ordinary item (one time settlement)		-	15,450,000
Less: Prior Period adjustment		5,610	22,830
<b>PROFIT / (Loss) BEFORE TAX</b>		<u>166,720,404</u>	<u>124,071,963</u>
<b>PROVISION FOR TAXATION</b>			
Current Tax		34,500,000	22,000,000
Deferred Taxes		7,600,219	6,342,152
Fringe Benefit Tax		4,060,656	3,200,000
<b>PROFIT / (Loss) AFTER TAX</b>		<u>120,559,529</u>	<u>92,529,811</u>
Transfer from Revaluation Reserve		45,961	52,196
<b>NET PROFIT / (Loss) BEFORE MINORITY INTEREST</b>		<u>120,605,490</u>	<u>92,582,007</u>
Share of Minority Interest		3,116,463	10,400,496
<b>NET PROFIT / (Loss) AFTER MINORITY INTEREST</b>		<u>123,721,953</u>	<u>102,982,503</u>
Balance brought forward		(126,842,284)	(115,243,583)
<b>Amount Available for Appropriation</b>		<u>(3,120,331)</u>	<u>(12,261,080)</u>
<b>APPROPRIATIONS</b>			
Dividend			
- Final Dividend		12,787,725	12,787,725
- Special Golden Jubilee Dividend		19,181,588	-
Tax on Proposed Dividend		5,812,980	1,793,479
Transfer to General Reserve		90,000,000	100,000,000
Balance Carried to Balance Sheet		(130,902,624)	(126,842,284)
<b>Basic and Diluted Earnings per share</b>		<u>9.68</u>	<u>8.05</u>
<b>Basis of Consolidation, Significant Accounting Policies and Notes to Accounts</b>			
	Q		

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

for M. M. NISSIM AND CO. Chartered Accountants	UMESHKUMAR N. MORE NIRAJKUMAR U. MORE	- -	Chairman & Managing Director Director
N. KASHINATH Partner MEM No.: 36490 Mumbai, 30th June, 2008	NOEL JACOB	-	Company Secretary & V. P. (Legal)
	Mumbai, 30th June, 2008		

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

	Rupees	For the Year ended March 31, 2008 Rupees	For the Year ended March 31, 2007 Rupees
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>			
NET PROFIT / (LOSS) BEFORE TAX		166,714,794	124,049,134
Adjustments for :			
Depreciation	41,147,677		40,571,124
(Profit)/Loss on sale of Investments	(8,446)		(3,633,957)
Deferred Revenue Expenditure	(98,627)		-
Write back of Diminution in value of Investments	-		(347,199)
Unrealised foreign exchange (gains)/losses	(1,685,972)		2,045,364
(Profit)/Loss on sale of Fixed Assets	2,280,130		1,090,577
Loss on Sale of Investments	412,501		-
Loss on Sale of Discarded Assets	-		679,991
Interest Paid	69,023,210		55,624,419
Interest Received	(7,054,366)		(3,243,739)
Wealth Tax	145,580		114,382
Dividend and Income from units	(11,520)		(13,565)
Bad Debts Written off	8,130,215		2,959,279
ERP Expenses written off	-		1,363,287
		<u>112,280,382</u>	<u>97,209,963</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		278,995,176	221,259,097
Adjustments for :			
(Increase)/Decrease in Trade and other receivables	(231,539,878)		(32,894,133)
(Increase)/Decrease in Inventories	(55,082,892)		10,893,342
Increase/(Decrease) in Trade and other payables	47,980,532		49,716,070
		<u>(238,642,238)</u>	<u>27,715,279</u>
CASH GENERATED FROM OPERATIONS		40,352,938	248,974,376
Direct Taxes Paid		<u>(37,485,126)</u>	<u>(32,741,440)</u>
NET CASH FROM OPERATING ACTIVITIES		<u><u>28,67,812</u></u>	<u><u>216,232,936</u></u>

	For the Year ended March 31, 2008 Rupees	For the Year ended March 31, 2007 Rupees
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Capital Expenditure / Technical Knowhow fees	(236,692,738)	(152,879,681)
Sale of Fixed Assets	8,344,070	17,475,908
Sale of Investments	(926,501)	3,538,200
Interest Received	6,322,475	2,898,746
Dividend and Income from Units	<u>11,520</u>	<u>13,565</u>
NET CASH USED IN INVESTING ACTIVITIES	(222,941,174)	(128,953,262)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Borrowings (Net of repayments)	308,290,665	229,821
Capital raised during the year	-	480,390
Interest Paid	(68,311,877)	(54,531,644)
Dividend Paid	<u>(14,051,707)</u>	<u>(8,585,232)</u>
NET CASH FROM FINANCING ACTIVITIES	225,927,081	(62,406,665)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>5,853,719</u>	<u>24,873,009</u>
Opening cash and cash equivalents	50,850,194	25,977,185
Closing cash and cash equivalents	56,703,913	50,850,194
Notes to the cash flow statement		
Components of cash and cash equivalents:		
Cash and bank balances	55,193,389	47,653,698
Unrealised foreign exchange gains - net	1,510,524	3,196,496
	<u>56,703,913</u>	<u>50,850,194</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 - NIRAJKUMAR U. MORE -	Chairman & Managing Director Director
N. KASHINATH Partner MEM No.: 36490	NOEL JACOB -	Company Secretary & V. P. (Legal)
Mumbai, 30th June, 2008	Mumbai, 30th June, 2008	

SCHEDULES ANNEXED TO THE CONSOLIDATED BALANCE SHEET

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
<b>SCHEDULE A: SHARE CAPITAL</b>			
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.			
<b>SCHEDULE B: RESERVES AND SURPLUS</b>			
CAPITAL RESERVE			
As per Last Balance Sheet	123,783,688		188,235,060
Less: Transfer to Minority interest on dilution	-		64,451,372
		<b>123,783,688</b>	<b>123,783,688</b>
CAPITAL RESERVE (ON CONSOLIDATION)			
As per last Balance Sheet	9,520,703		14,306,788
Less: Transfer to Minority interest on dilution	-		4,998,000
	9,520,703		9,308,788
Add: Cost realised on dilution	-		211,915
		<b>9,520,703</b>	<b>9,520,703</b>
REVALUATION RESERVE			
As per Last Balance Sheet	4,118,707		6,303,530
Less: Transfer to Profit and Loss Account	28,049		26,505
	4,090,658		6,277,025
Less: Transfer to Minority interest on dilution	-		2,158,318
		<b>4,090,658</b>	<b>4,118,707</b>
GENERAL RESERVE			
As per Last Balance Sheet	465,180,703		323,924,417
Less: Transitional Liability AS 15 (Revised on 'Employee Benefits') (Refer Note No.12)	8,564,223		-
	456,616,480		323,924,417
Add: Share of Accumulated Profit in respect of Investment in Associate Companies for prior periods (Net)	231,708		(1,142,074)
Add. : Transfer from Profit and Loss Account	90,000,000		100,000,000
	546,848,188		422,782,343
Less: Transfer to Minority interest on dilution	-		(42,398,360)
		<b>546,848,188</b>	<b>465,180,703</b>
Less: Debit Balance of P & L Account		<b>(130,928,315)</b>	<b>(126,867,974)</b>
		<b>553,314,922</b>	<b>475,735,827</b>

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
<b>SCHEDULE C: MINORITY INTEREST</b>			
Minority interest in equity			
93030 (Previous year 43050 Equity shares) held by minority interest	9,303,000		4,305,000
Add: Transferred from capital reserve (on consolidation)	—		4,998,000
On dilution of 49980 shares in the previous year		9,303,000	9,303,000
48639 Equity shares (Previous year 48639 equity shares) held by minority interest		486,390	486,390
Minority interest in non-equity;			
Balance as on 01.04.2007	34,670,675		20,859,840
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	(3,116,463)		(10,374,805)
Less: Share of transfer from revaluation reserve	(27,187)		(25,691)
		<u>31,527,025</u>	<u>34,670,675</u>
		<u>41,316,415</u>	<u>44,460,065</u>
<b>SCHEDULE D: SECURED LOANS</b>			
(1) Credit Facilities from Banks			
(a) Term Loans		498,518,286	205,703,707
(Repayable within one year Rs.49.04 million, (Previous year Rs.34.5 million)			
(b) Working Capital Facilities		129,509,883	129,636,462
(2) Hire Purchase Credits		9,832,513	13,089,799
		<u>637,860,682</u>	<u>348,429,968</u>
<b>SCHEDULE E: UNSECURED LOANS</b>			
(1) Fixed Deposits		11,611,000	12,679,000
(Repayable within one year Rs.6.12 million, (Previous year Rs.2.42 million))			
(2) Dealer Deposits		31,721,349	30,391,142
(3) Inter Corporate Deposits		14,602,408	3,504,664
(4) Loan from Directors		7,500,000	—
		<u>65,434,757</u>	<u>46,574,806</u>

## SCHEDULES ANNEXED TO THE CONSOLIDATED BALANCE SHEET

### SCHEDULE F: FIXED ASSETS

(Value in Rs.)

Sr. No.	Description	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK		
		As at 01-04-2007	Additions during the year	Sales/ adjustments during the year	As at 31-03-2008	Upto 31-03-2007	Deduction for Sale/ Adjustments	For the Year	Upto 31-03-2008	As at 31-03-2008	As at 31-03-2007
1.	Land										
	a) Freehold	17,922,479	-	1,895,950	16,026,529	-	-	-	-	16,026,529	17,922,479
	b) Leasehold	14,742,161	-	-	14,742,161	848,598	-	173,145	1,021,743	13,720,418	13,893,563
2.	Buildings	344,418,991	1,506,322	3,521,050	342,404,263	46,432,396	527,112	10,965,146	56,870,430	285,533,833	297,986,595
3.	Plant & Machinery	315,541,348	6,325,410	7,765,067	314,101,691	154,598,035	6,806,509	15,936,076	163,727,602	150,374,089	160,943,314
4.	Laboratory and Scientific Research Equipment	22,502,857	665,709	(3,762,290)	26,930,856	8,413,692	(843,792)	1,222,005	10,479,489	16,451,367	14,089,165
5.	R & D Equipment	36,766,886	6,659,225	5,492,711	37,933,400	15,241,045	2,017,853	1,588,806	14,811,998	23,121,402	21,525,841
6.	Furniture Fittings and Fixtures	33,786,198	762,497	-	34,548,695	17,924,710	-	2,044,459	19,969,169	14,579,526	15,861,488
7.	Office Equipments	20,595,129	5,544,150	-	26,139,279	9,232,379	-	2,312,046	11,544,425	14,594,854	11,362,749
8.	Bottles & Crates	67,051,885	-	-	67,051,885	51,220,283	-	2,202,176	53,422,459	13,629,426	15,831,602
9.	Vehicles	49,635,337	7,476,935	7,406,865	49,705,407	11,047,978	3,178,196	4,856,528	12,726,310	36,979,097	38,587,359
		922,963,271	28,940,248	22,319,353	929,584,166	314,959,116	11,685,878	41,300,387	344,573,625	585,010,541	608,004,155
	Previous Year	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

Note:

1. 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.
2. Vehicles include Rs.16,881,826/- being cost of vehicles not registered in the name of the company.

	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
<b>SCHEDULE G: INVESTMENTS, (NON TRADE, LONG TERM)</b>		
(At Cost Less Permanent diminution in value)		
A) In Associates		
a) Carrying cost of investments in associates (see note below)	7,969,639	7,737,931
B) Others		
a) Fully paid Equity share (Quoted)	631,344	631,343
b) Fully paid Equity share (Unquoted)	5,346,440	4,747,442
c) Units in Mutual Funds	578,318	654,871
d) National Savings Certificates	60,300	60,300
	<u>14,586,041</u>	<u>13,831,887</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	591,526	3,424,614
		(249,980)	49.996%	(2,502,300)	(330,788)	(763,655)	(3,596,743)
Growel Sidasa Industries Pvt. Ltd.	India	444,900	49.433%	4,449,000		96025	4,545,025
		(444,900)	49.433%	(4,449,000)		(- 307812)	(4,141,188)
Grauer & Weil (Thailand) Ltd.	Thailand	9,800	49.00%	1,098,050		- 3,215,226	—
		(9,800)	49.00%	(1,098,050)		(-18,61,387)	—
<b>TOTAL</b>				<u>8,049,350</u>			<u>7,969,639</u>
				<u>(8,049,350)</u>			<u>(7,737,931)</u>

Figures in brackets are in respect of previous year.

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
<b>SCHEDULE H : CURRENT ASSETS, LOANS AND ADVANCES</b>			
<b>I. CURRENT ASSETS</b>			
(i) Inventories (As taken, valued and certified by the management)			
Stores, Spares and Packing Materials	13,371,890		10,241,133
Raw Materials	109,872,570		78,693,605
Work-in-progress	36,419,118		32,274,931
Finished Goods	41,754,739		39,231,604
Goods in Transit	24,033,296		9,927,448
		<b>225,451,613</b>	<b>170,368,721</b>
(ii) Sundry Debtors Exceeding six months			
Secured	200,762		93,139
Unsecured - Considered good	95,933,704		60,051,428
	<b>96,134,466</b>		<b>60,144,567</b>
Other Debts			
Secured	11,276,492		12,645,939
Unsecured - Considered good	278,660,463		233,128,909
	<b>289,936,955</b>		<b>245,774,848</b>
		<b>386,071,421</b>	<b>305,919,415</b>
(iii) Cash and Bank balances			
Cash on hand	3,024,043		1,824,496
With Scheduled Banks:			
In Current Accounts	28,530,661		34,976,114
In Fixed Deposits	1,645,021		725,580
In Margin accounts	14,105,383		10,127,508
Balances with Non Scheduled bank in foreign currency (Maximum balance during the year Rs.78,88,281/-)	7,888,281		-
		<b>55,193,389</b>	<b>47,653,698</b>
(iv) Other Current Assets			
Interest Receivable	1,183,262		457,972
Interest Accrued but not due	27,702		21,100
		<b>1,210,964</b>	<b>479,072</b>
<b>II. LOANS AND ADVANCES</b>			
(Unsecured considered good, unless otherwise stated)			
Inter Corporate Loans			
- Secured	100,000,000		-
- Unsecured	23,500,000		85,879,202
Balances with Excise Department	29,029,391		12,364,098
Income Tax	105,601,546		68,315,771
Deposits	8,338,922		8,288,078
Advances to Suppliers	33,686,596		29,244,754
Loans to Staff	1,209,118		1,526,650
Prepaid Expenses	2,246,133		2,390,097
Advances recoverable in cash or in kind or for value to be received	95,045,307		10,104,932
		<b>398,657,013</b>	<b>218,113,582</b>
		<b>1,066,584,400</b>	<b>742,534,488</b>

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
<b>SCHEDULE I: CURRENT LIABILITIES &amp; PROVISIONS</b>			
<b>(a) CURRENT LIABILITIES</b>			
Acceptances	1,025,263		1,744,058
Sundry Creditors			
- Due to Micro, Small & Medium Enterprises*	-		11,629,920
- Others	197,542,404		151,095,541
Deposits towards deposit for bottles & cases	55,440,974		55,568,474
Deposit towards the use of premises	553,070		638,140
Advance from customers	30,959,545		20,015,707
Investor Education and Protection Fund**			
Unclaimed Dividends	1,597,032		687,740
Unclaimed Fixed Deposits	16,296		16,296
	<u>1,613,328</u>		<u>704,036</u>
Interest accrued but not due	2,432,668		1,721,335
Other Liabilities	<u>59,676,775</u>		<u>61,844,627</u>
		<b>349,244,027</b>	<b>304,961,838</b>
<b>(b) PROVISIONS</b>			
Provision for Income Tax	102,411,226		63,909,951
Proposed Dividend	31,969,313		12,787,725
Tax on Proposed Dividend	5,433,185		1,793,479
Provision for Retirement Benefits	<u>41,941,018</u>		<u>24,562,749</u>
		<u>181,754,742</u>	<u>103,053,904</u>
		<u><b>530,998,769</b></u>	<u><b>408,015,742</b></u>

\* Previous year's figures represents amounts due to Small Scales Industrial Undertakings

\*\* The figures reflect the position as at 31st March, 2008. 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)

Preliminary Expenses	78,039	78,039
Deferred Revenue Expenses	98,627	-
	<u>176,666</u>	<u>78,039</u>

SCHEDULES ANNEXED TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT

	Rupees	For the year ended March 31, 2008 Rupees	For the year ended March 31, 2007 Rupees
<b>SCHEDULE K: OTHER INCOME</b>			
Plating and Service charges (Gross)*		13,413,615	7,191,892
License Fees		700,000	1,475,000
Interest Received (Gross)*		7,054,366	3,243,739
Profit on Sale of Investments		8,446	3,633,957
Dividend on Investments (Gross)		11,520	13,565
Dimunition in value of investments written back		-	347,199
Compensation Received		3,075,704	4,264,019
Sundry balances written back		-	66,752
Miscellaneous Receipts (Gross)*		9,232,301	8,067,238
		<u>33,495,952</u>	<u>28,303,361</u>
* Tax Deducted at Source		<u>1,085,418</u>	<u>960,613</u>
<b>SCHEDULE L: MATERIALS</b>			
<b>RAW MATERIALS CONSUMED</b>			
Opening Stock	78,693,605		75,070,297
Add: Purchases	995,374,119		762,525,743
	<u>1,074,067,724</u>		837,596,040
Less: Closing Stock	109,872,570		78,693,605
		964,195,154	758,902,435
Purchase for Resale		-	45,728
		<u>964,195,154</u>	<u>758,948,163</u>
<b>ADD: (INCREASE) / DECREASE IN STOCKS</b>			
Opening 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
Closing Stock			
Work-in-Progress	36,419,118		32,274,931
Finished Goods	41,754,739		39,231,604
	<u>78,173,857</u>		<u>71,506,535</u>
		(6,667,322)	7,387,637
Variation in Excise Duty on Opening & Closing Stock of finished goods		(896,542)	(168,739)
		<u>956,631,290</u>	<u>766,167,061</u>
<b>SCHEDULE M: SALARIES, WAGES AND OTHER BENEFITS</b>			
Salaries, Wages, Bonus etc.		124,592,332	99,523,927
Contribution to Provident and Other Funds		9,448,212	8,661,529
Welfare Expenses		21,096,631	14,467,358
Settlement Paid to Former Employees		101,229	-
		<u>155,238,404</u>	<u>122,652,814</u>

SCHEDULES ANNEXED TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT

	Rupees	For the year ended March 31, 2008 Rupees	For the year ended March 31, 2007 Rupees
<b>SCHEDULE N: OTHER EXPENSES</b>			
Stores, Spares and Loose Tools Consumed		30,951,835	23,060,788
Packing Expenses		51,881,692	44,760,601
Job Charges / Labour Charges		46,636,378	26,065,374
Power and Fuel		22,970,906	17,370,458
Drawings, Designs and Layout Expenses		2,528,485	638,606
Rent		6,923,458	7,303,253
Rates and Taxes		9,726,969	11,202,953
Repairs:			
Buildings	6,911,656		3,693,419
Plant & Machinery	6,741,793		5,001,854
Others	11,413,377		9,285,021
		<u>25,066,826</u>	<u>17,980,294</u>
Insurance		2,985,257	3,749,758
Freight and Forwarding		31,163,344	25,371,621
Printing and Stationery		5,327,120	5,872,715
Postage and Telephones		11,900,403	11,063,387
Vehicle Expenses		8,236,177	8,610,738
Travelling Expenses		26,843,622	23,406,774
Conveyance Expenses		5,328,096	5,089,767
Legal and Professional Fees		10,699,881	10,763,314
Sales Tax		30,083,226	24,215,255
Advertisement & Sales Promotion		6,608,278	7,700,127
Auditors' Remuneration:			
Audit Fees	193,090		163,090
Tax Audit / Taxation matters	175,000		105,000
Other matters	100,000		-
Reimbursement of Expenses	43,069		18,699
		<u>511,159</u>	<u>286,789</u>
Directors' Fees		8,500	11,000
ERP Expenses written off		-	1,363,287
Bad Debts written off		8,130,215	2,959,279
Wealth Tax		145,580	114,382
Loss on Sale of Assets (Net)		2,280,130	1,090,577
Loss on Sale of Investments		412,501	-
Loss on Assets Discarded		-	679,991
Donations		107,402	43,854
Exchange Fluctuations		4,452,830	6,970,108
Miscellaneous Expenses		40,525,357	29,318,274
		<u>392,435,627</u>	<u>317,063,324</u>
<b>SCHEDULE O: INTEREST AND FINANCE CHARGES</b>			
Interest			
- On Fixed Loans		26,290,069	17,944,737
- Others		27,606,111	23,696,891
Cash Discount		15,127,030	13,982,791
		<u>69,023,210</u>	<u>55,624,419</u>
<b>SCHEDULE P: DEPRECIATION</b>			
Depreciation for the year		41,300,387	40,596,018
Less: Capitalised During the year		152,709	24,894
		<u>41,147,678</u>	<u>40,571,124</u>

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

## 1. Basis of Consolidation:

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

### a. Basis of Accounting:

- i) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2008.
- ii) The financial statements of the Group has been prepared in accordance with the Accounting Standards notified in the Companies (Accounting Standard) Rules, 2006.

### 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', notified in the Companies (Accounting Standard) Rules, 2006.
- 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, 2008	Country of Incorporation
i. Poona Bottling Company Pvt. Limited	50.78%	India
ii. Growel Energy Company Limited	50.39%	India
iii. Grauer & Weil (Shanghai) Limited	100.00%	China

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

	% Shares held as at March 31, 2008	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 notified in the Companies (Accounting Standard) Rules, 2006.

### 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. & Growel Energy Co. Ltd.
- 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.
- v. Bottles and cases are valued at the deposit rate prevailing as on 31st March, 1999.

### e. Impairment:

Impairment loss is recognised wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognised as an expense in the statement of profit and loss and the carrying amount of the asset is reduced to its recoverable amount. Previously recognised impairment loss is further provided or revised depending on changes in circumstances.

### 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 other than 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. Employee Benefits:

Short term employee benefits are accounted in the period during which the services have been rendered.

The Company's contribution to the Provident Fund is remitted to "Employees Provident Fund Organisation" based on fixed percentage of the eligible employee's salary and charged to Profit & Loss Account.

Superannuation benefits to certain employees, a defined contribution plan, as per Company's scheme, have been funded with Life Insurance Corporation of India and contribution is charged to Profit & Loss Account, when the contribution to the fund is due.

The Company's Liability towards Gratuity and Compensated Leave Encashment and other Long Term Benefits being defined Benefit plans are accounted for based on Actuarial valuation done at the year end using the Projected Unit Credit Method. Actuarial gains & losses 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. Premium or discount on Forward Contracts is amortised over the life of such contracts and is recognised as income or expenses. Any Profit or Loss arising in cancellation or renewal of Forward Contract is recognised as income or as expense for the year.

**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 & 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:**

**i. Identification of Segments:**

The Company has disclosed Business Segment as the Primary Segment. The Company's operating business are organized 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. 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.

**q. Change in Accounting Policy :**

Consequent to the notification on December 7, 2006 of Companies (Accounting Standard) Rules 2006, exchange difference arising on translation of foreign currency liabilities for acquisition of fixed assets from outside India, which was hitherto adjusted to the cost of the relevant fixed assets, are now being adjusted to Profit & Loss account in line with the requirement of the revised Accounting Standard - 11 "Effects of changes in Foreign Exchange Rates." This change in the accounting policy, however, does not have any material impact on the financial statements for the year.

3. Contingent Liability not provided for	2007-2008 (Rs.in '000)	2006-2007 (Rs.in'000)
Disputed matters in appeal / contested in respect of;		
a) Income Tax	6,252	214
b) Excise Duty	5,880	9,639
c) Sales Tax	3,120	-
c) Other matters	15,406	27,960
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 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 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. 284.51 Lakhs (Previous year Rs. 250.39 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' 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 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' as below the line items in Profit & Loss Account during the previous year. In view of the above out of court settlement the respective parties have withdrawn the cases / appeal from respective forum.

5. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	622,171	189,665
---	---------	---------

6. Managerial Remuneration;

i. Salary and Allowances	1,620	4,871
ii. Contribution to Provident Fund and other funds	206	371
iii. Perquisites	1,506	50
iv. Directors Sitting Fees	9	11
	<u>*3,341</u>	<u>*5,303</u>

\* Excluding Contribution / Provision for Gratuity and Leave Encashment

7. a) 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.
- b) During the year the company has written off as Bad Debts a sum of Rs.6668 thousand and has also initiated legal action against the party. However the approval of the authorised dealer for the same is awaited.
8. The Company has taken various premises under operating leases. These are generally not non-cancellable and range between 11 months to 3 years and above and are renewable by mutual consent on mutually agreeable terms. Lease payments are recognised in the Profit and Loss Account under the head "Rent"

	(Rs. in '000)	
	2007-2008	2006-2007
- Not later than one year	6131	4900
- Later than one year, but not later than five years	7247	3270
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.		
	2007-2008	2006-2007
i. Salaries, Wages & Benefits	11423	6013
ii. Chemicals consumed	4701	4731
iii. Travelling & Conveyance	1541	1157
iv. Repairs & Maintenance	165	187
v. Other expenses	398	285
	<hr/>	<hr/>
TOTAL	18228	12373
Less : Testing & Analysis Charges	(195)	(295)
	<hr/>	<hr/>
	18033	12078
	=====	=====

Depreciation includes Rs.1970 thousand (P.Y.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. 6659 thousand (P.Y. 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, 2007 to 31st March, 2009 vide their letter No. T.U.IV-15 (305)/2007 dated 25th April, 2008.

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

	2007-2008	2006-2007
i. Revenue Expenditure	448	621
ii. Capital Expenditure	666	248
	<hr/>	<hr/>
TOTAL	1114	869
	=====	=====

**10. Employee Benefits:**

- a. The Company has during the year adopted Accounting Standard 15 (revised 2005) "Employee Benefits". In accordance with transitional provisions, a sum of Rs.8564 thousand (net of deferred tax of Rs. 3495 thousand) towards Gratuity and other long term benefits, has been adjusted against the opening credit balance of General Reserve. This being the first year of implementation, the disclosures below are given only for the current year.

**b. During the year, the company has recognised the following in the Profit & Loss Account.**

**(i) Defined contribution plans:**

	Rs. In '000 2007-2008
Employer's Contribution to Provident Fund*	4184
Employer's Contribution to Superannuation Fund*	1672

\* Included in "Contribution to Provident & Other funds" (Refer schedule 'M')

**(ii) Defined benefit plans:**

	Gratuity * Unfunded	Leave Encashment * Unfunded
Service Cost	3434	1805
Interest Cost	2071	174
Expected return on plan assets	—	—
Net Actuarial (Gain/Loss)	397	2713
Net Cost	<u>5902</u>	<u>4692</u>

\* Included in "Salaries, Wages, Bonus Etc." (Refer schedule 'M')

**c. Reconciliation of benefit obligations and plan assets for the year**

Present value of defined benefit obligation	33821	6056
Fair value of plan assets	—	—
Net asset/ (liability) as at 31st March, 2008 Recognised in the Balance Sheet	<u>(33821)</u>	<u>(6056)</u>

	Gratuity Unfunded	Leave Encashment Unfunded
--	----------------------	------------------------------

**d. Change in defined benefit obligation**

Present value of obligation as at 1st April, 2007	31242	3603
Service Cost	3434	1805
Interest Cost	2071	174
Actuarial (Gain) / Loss	397	2713
Benefits paid	(3323)	(2239)
Present value of obligation as at 31st March, 2008	<u>33821</u>	<u>6056</u>

**e. Change in fair value of plan assets**

Fair value of plan assets as at 1st April, 2007	—	—
Expected return on plan assets	—	—
Contribution by employer	3323	2239
Actuarial Gain / (Loss)	—	—
Benefits Paid	(3323)	(2239)
Fair value of plan assets as at 31st March, 2008	<u>—</u>	<u>—</u>

**f. The principal actuarial assumptions**

Discount rate	7% p.a	7% p.a
Salary escalation rate:	4% p.a	4% p.a

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

11. The Company enters into forward exchange contracts being derivative 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, 2008.
  - (ii) Un-hedged foreign currency exposure is Rs. 77412 Thousand (62248) (US \$15,03,612 (13,74,562) Euro 2,96,683 (48,952), GBP 180 (5,810)) receivables as on 31st March, 2008.
  - (iii) Premium on Forward Exchange Contracts to be amortised over the life of the contract Rs. Nil (Previous Year - Rs. Nil).
12. There are no Micro, Small and Medium Enterprises as defined in the "MICRO, SMALL, MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006", to whom the Company owes dues on account of principle amount together with interest & accordingly no additional disclosures have been made.

The above information has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.
13. The Company has not given effect to the groups share of profit / loss of M/s Growel Goema (I) Pvt. Ltd and M/s Growel Sidasa Industries Pvt. Ltd for the current year, as the audited financial statements for the year ended 31st March, 2008 are not available as required by Accounting Standard on accounting for investments in Associates (AS23).
14.
  - (i) During the year under consideration and in the previous year, substantial part of Plant and Machinery, comprising mainly used for production, were sold at the slump value.
  - (ii) In lieu of point no. (i) above, the left over plant and machinery, amounting to Rs. 53.21 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'.
15. 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, 2008 have been prepared on "Going Concern" basis, as the Company is continuing to carry on its other activities.

16. SEGMENT REPORTING

The following tables present revenue and profit/(loss) information regarding business / geographical segments for the year ended 31st March, 2008 and certain assets and liabilities information regarding business and geographical segments as 31st March, 2008.

(a) Primary Segment Reporting by business segments

(Rs. In '000)

	Chemical	Engineering	Shoppertainment	Bottling Operations	Total
<b>Segment revenue</b>					
Income from operations	1328416 (1136988)	367087 (224274)	52203 (52058)		1747706 (1413320)
Add: Inter segment Revenue					0
Add: Other Income	9355 (7603)	17637 (9818)	221 (1217)	3093 (4366)	30306 (23004)
Add: Unallocable					3190 (5300)
<b>Total</b>	<b>1337771</b> (1144591)	<b>384724</b> (234092)	<b>52424</b> (53275)	<b>3093</b> (4366)	<b>1781202</b> (1441624)
<b>Segment Results</b>	<b>286266</b> (233653)	<b>15103</b> (-1832)	<b>31191</b> (30452)	<b>- 6082</b> (- 21131)	<b>326478</b> (241142)
Less: Interest					69023 (55618)
Less: Other Unallocable Expenditure net of unallocable Income					90735 (61452)
<b>Profit Before Tax</b>					<b>166720</b> (124072)
Less: Provision for current and Deferred tax					46161 (31542)
<b>Profit After Tax</b>					<b>120559</b> (92530)
Segment Assets	733706 (637364)	232827 (177517)	501360 (312213)	156072 (157171)	1623965 (1284265)
Unallocated corporate Assets					380780 (210665)
<b>Total Assets</b>					<b>2004745</b> (1494930)
Segment Liabilities	162147 (142433)	116220 (88145)	16345 (17475)	73118 (67831)	367830 (315884)
Unallocated corporate Liabilities					914406 (530974)
<b>Total Liabilities</b>					<b>1282236</b> (846858)
Capital Expenditure	43052 (18757)	3522 (10831)	187088 (104248)	981 0	
Depreciation	18493 (17605)	1521 (1004)	10217 (9878)	3847 (5383)	
Non Cash Expenditure	6668 (4178)	1462 (882)			

(b) Secondary segment reporting by geographical segment

	Domestic	Exports	Total
Revenue	1510447 (1225060)	270755 (216564)	1781202 (1441624)
Total assets	1918633 (1422796)	86112 (72134)	2004745 (1494930)

Note: Previous year's figures are in brackets

### 17. Related party disclosures

(i). List of Related Parties

#### Associates

Growel Goema (I) Pvt. Limited  
Growel Sidasa Industries Pvt. Limited  
Grauer & Weil (Thailand) 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. Rameshkumar R. More	Director
Mr. Nirajkumar U. More	Director
Mr. Rohitkumar R. More	Director
Mr. K. C. Srivastava	Director
Mr. M. M. Chaturvedi	Director
Mr. Rohan shah	Director
Mr. Suresh Pareek	Director
Mr. Gorav R. More	Director
Mr. Mann Singh	Director

Bombay Paints Limited

Growel Softech Limited

Digikore Designs Limited

Growel Corporate Management Limited

Growel Projects 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

Mrs. Stuti G. More

B) II] TRANSACTIONS WITH RELATED PARTIES

(Rs. In '000)

Transactions	Associates	Key Management Personnel (KMP)	Enterprises of KMP	Relatives of KMP	Total 2007-08	Total 2006-07
Sales	44287	0	41	0	44328	37043
Purchases	537	0	2170	0	2707	1840
Interest Received	0	0	2029	0	2029	0
Interest Paid	235	198	398	0	831	456
Rent Recieved	0	0	61	1	62	177
Rent Paid	0	858	60	774	1692	1463
Contract Payments	0	0	94157	0	94157	13878
Services Received (SAP)	0	0	2847	0	2847	4741
Services Received (Maintenance)	0	0	9962	0	9962	1693
Compensation Received	0	0	674	0	674	665
Salaries	0	0	0	899	899	717
Director's Fees	0	9	0	0	9	11
Managerial Remuneration	0	3331	0	0	3331	5292
Share Application	0	0	0	0	0	213
Sale Shares	0	0	0	0	0	3499
Loans accepted	0	5500	12698	0	18198	1500
Repayment of loans accepted	0	0	1500	0	1500	6400
Loans Advanced	262	0	121820	0	122082	2738
Repayment of loans Advanced	0	0	2550	0	2550	0
Commission Paid	84	0	0	0	84	0
Commission Received	1072	0	0	0	1072	0
<b>Outstanding Balances as on 31st March 2008</b>						
- Unsecured Loans	2000	5500	14469	0	21969	3500
- Current Liabilities	100	88	9466	0	9654	3043
- Debtors	27187	0	33166	0	60353	25039
- Loans & Advances	5460	0	193237	0	198697	6361

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.

18. EARNINGS PER SHARE

Calculation of Earnings per share for the year ended 31.03.2008

	31.03.2008	31.03.2007
Profit / (Loss) for the year after Minority Interest	123,721,953	102,982,503
Weighted average number of equity shares (Face Value Rs.10 per share)	Nos. 12,787,725	12,787,725
Basic Earnings per share	Rs. 9.68	8.05

**19. DEFERRED TAX**

The break up of Net Deferred Tax Liability as on 31.3.2008 is as under:

(Rs. in '000)

	As at March 31, 2008		As at March 31, 2007	
	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		61865		51817
Provision for Doubtful Debts, Leave Encashment and Gratuity	13437		7338	
Other Items giving rise to timing differences	486		642	
<b>Total</b>	<b>13923</b>	<b>61865</b>	<b>7980</b>	<b>51817</b>
Net Deferred Tax Liability		47942		43837
Net difference in Deferred Tax Liability		4105		6342
Add: Tax on transitional provisional Adjusted in general reserve		3495		-
Amount debited to Profit & Loss Account		7600		6342

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 'Q' which form an integral part of the Financial Statements

for M. M. NISSIM AND CO. Chartered Accountants	UMESHKUMAR N. MORE NIRAJKUMAR U. MORE	- -	Chairman & Managing Director Director
N. KASHINATH Partner MEM No.: 36490	NOEL JACOB	-	Company Secretary & V. P. (Legal)
Mumbai, 30th June, 2008	Mumbai, 30th June, 2008		

**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 50th Annual General Meeting of the Company to be held on Thursday, August 21, 2008 at 02.30 p. m. at Gold Screen Hall, 2<sup>nd</sup> 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 50th Annual General Meeting of the Company to be held on Thursday, August 21, 2008 at 02.30 p. m. at Gold Screen Hall, 2<sup>nd</sup> floor, Growel House, Akurli Road, Kandivli (East), Mumbai 400101.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

signed by the said \_\_\_\_\_ Affix a Revenue Stamp \_\_\_\_\_

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

