

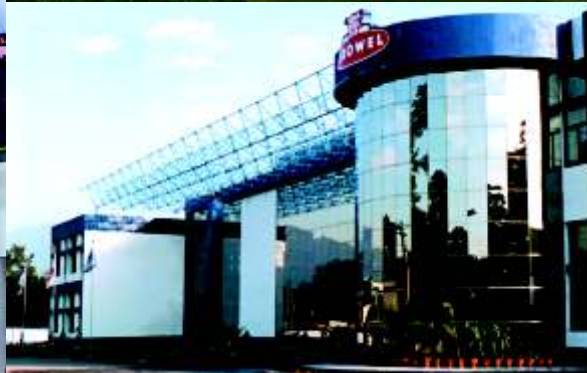
Trust the leader in SURFACE FINISHING



**Grauer & Weil (India) Limited**

51st

Annual Report ~ 2008-2009





A legacy... a heritage... a passion... that has built bright futures for over five decades.

Since its inception, Growel has built lasting relationships with all of its associates, based on consistent high-quality products, service, delivery, trust and confidence.

Our strive for excellence is achieved by adhering to the most stringent standards for Quality Assurance and International best practices, like continuous product innovation, backward integration and latest technical upgradation in a pollution free environment.

Modern, state-of-the-art laboratories, manned by highly qualified and experienced team of motivated researchers have brought many industry firsts to our credit.

The prestigious Indian Council of Science and Technology has recognized Growel's Chemical & Paints R&D Division. The research centre of both these divisions, are equipped with sophisticated analytical facilities and, supported by a full scale Pilot Plant. The Engineering division of the company comprises of a strong team of engineers, who work relentlessly to consolidate the latest technologies and offer the advantage of innovative designs to our valued customers.

Today, Growel is selling well beyond Indian shores exporting to over 50 countries, with branch offices established in Shanghai – China and Bangkok – Thailand.

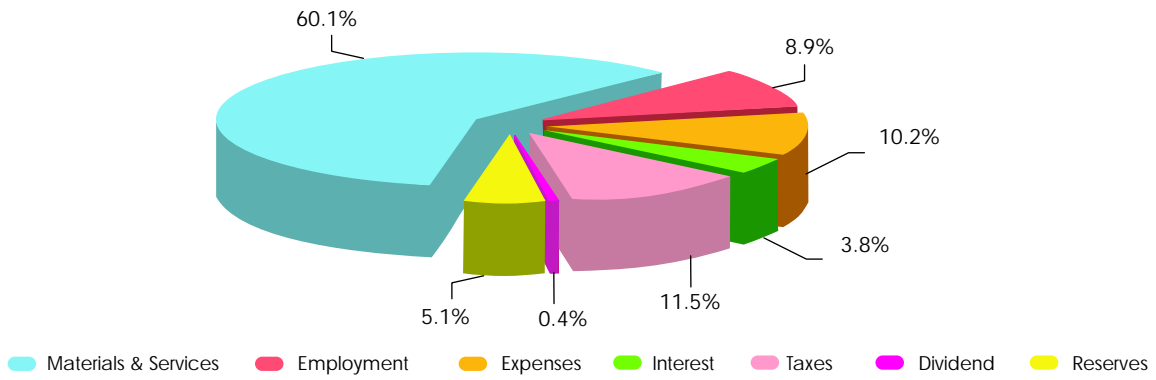
The national sales network of the company is supported by over 35 sales offices and, over 100 dealers & distributors, spread uniformly throughout the Indian sub-continent. These branches are well equipped with highly skilled technical personnel and service laboratories, to provide efficient after sales support to all of Growel's valued customers.

Grauer & Weil is the only company in India and one of the few in the world, to offer a complete package of corrosion protection solutions, consisting of electroplating chemicals and plants, industrial and high performance protective coatings, top coats & lacquers, zinc flake coatings, phosphating, anodizing and speciality chemicals, effluent treatment plants and waste water recovery systems, all under one roof making it uniquely a one-stop-shop for the surface finishing industry.

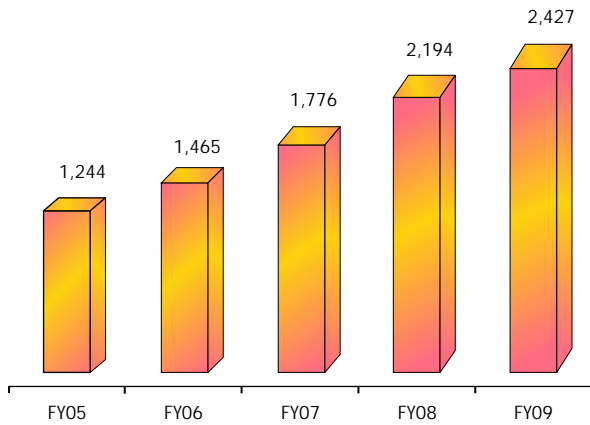
Embracing new age possibilities Grauer & Weil, has created world class facilities where research, design, innovation and manufacture meets customer delight globally.

"Every business enterprise carries the solemn responsibility to raise the living standards of mankind." We at the 'Growel Group' individually and collectively remain dedicated to this cause and shall relentlessly strive to build the highest standard of goods, at the most economical cost.

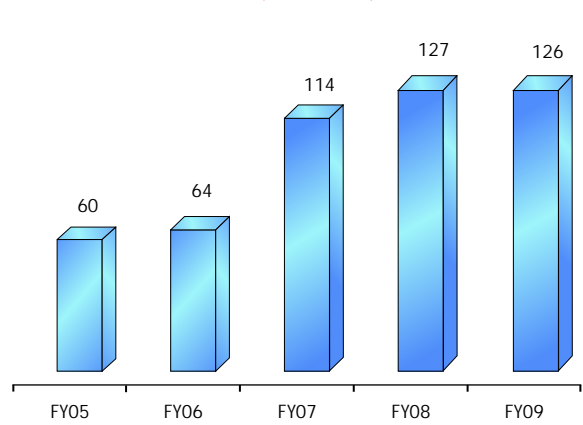
### Income Distribution 2008-09



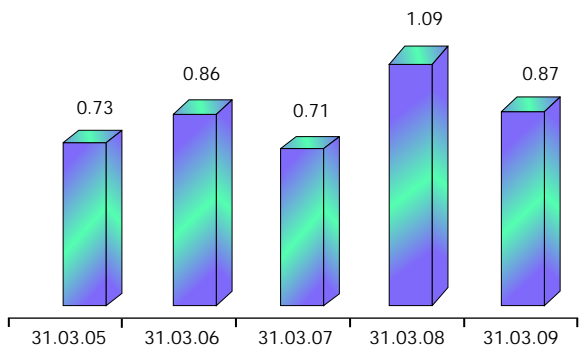
### Gross Sale & Operating Income (Rs. Million)



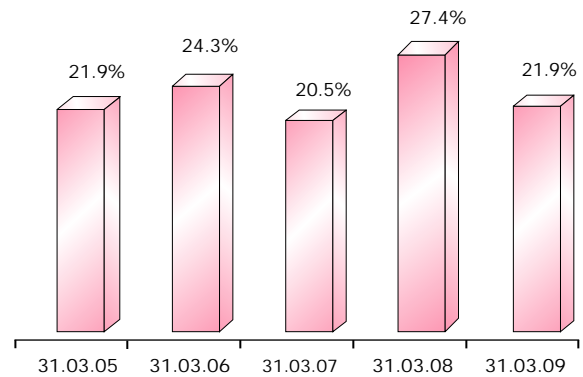
### PAT (Rs. Million)



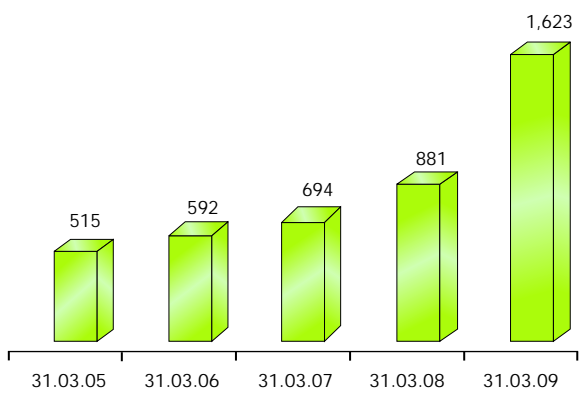
### Debt: Equity Ratio



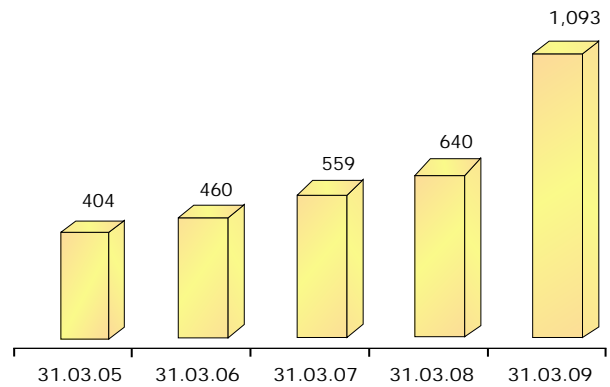
### Ratio of Net Working Capital to Net Income (%)



### Net Fixed Assets (Rs. Million)



### Net Worth (Rs. Million)



**BOARD OF DIRECTORS**

Umeshkumar More	Chairman
Nirajkumar More	Managing Director
Rameshkumar More	Director
Suresh Pareek	Director
K. C. Srivastava	Director
Madan Mohan Chaturvedi	Director
Rohan Shah	Director
Rohitkumar More	Whole Time Director

**COMMITTEES**
**AUDIT COMMITTEE**

Suresh Pareek	Chairman
Nirajkumar More	Member
Madan Mohan Chaturvedi	Member
K. C. Srivastava	Member

**GROUP CE (P)**

Harnish D. Juthani

**GROUP CFO**

Krishan Lal Swami

**GROUP COO**

Ranjit Madan

**SHAREHOLDERS COMMITTEE**

Nirajkumar More	Chairman
Rameshkumar More	Member
K. C. Srivastava	Member

 (w.e.f 10<sup>th</sup> October 2008)

 (w.e.f. 25<sup>th</sup> November, 2008)

 (w.e.f. 5<sup>th</sup> January, 2009)

**SENIOR PRESIDENTS**

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

Vinay Gupta

**VICE PRESIDENTS**

M. T. Rara	Pallavi More	Rattan Sharma
A. V. Dabir	Mala Singh	D. K. Bhardwaj
B. G. Advani	Dipen Parikh	Krishna Bhandari
M. S. Seetharam		

**COMPANY SECRETARY & V.P. (LEGAL)**

Noel Jacob

**AUDITORS**

M. M. Nissim And Co.	Chartered Accountants
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**BANKERS**

Punjab National Bank	The Saraswat Co-op. Bank Ltd.
HDFC Bank Ltd.	Dena Bank

**REGISTERED OFFICE**

Growel House, Akurli Road, Kandivli (East), Mumbai – 400101.

**PLANTS**

Dadra (U. T.)	Chemicals – Finished Products
Barotiwala (H.P.)	Chemicals – Finished Products
Samba (Jammu)	Chemicals – Finished Products
Vapi (Gujarat)	Chemicals – Intermediates
Alandi (Pune)	Engineering
Chembur, Mumbai (Maharashtra)	Paints

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## NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the 51<sup>st</sup> Annual General Meeting of the members of GRAUER & WEIL [INDIA] LIMITED will be held on Tuesday, 17<sup>th</sup> November, 2009 at 10.30 a.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, 2009 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, 2009.
3. To appoint a Director in place of Mr. Umeshkumar More, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. K. C. Srivastava, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Suresh Pareek, 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.

### **Registered Office:**

**Growel House,  
Akurli Road, Kandivli [East],  
Mumbai - 400 101  
29th September, 2009**

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

**Nirajkumar More  
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 11<sup>th</sup> November, 2009 to 17<sup>th</sup> November, 2009 (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 21<sup>st</sup> November, 2009.
4. Pursuant to the provisions of Section 205A of the Companies Act, 1956, Unclaimed Dividend up to the year ended March 31, 2001 has been transferred to the Investor 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 Investor 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
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
2007-08	21.08.2008	20.08.2015	19.09.2015

Members who have not yet encashed their dividend warrant(s) for the Financial Year ended 31<sup>st</sup> March, 2002 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. LINK INTIME INDIA PRIVATE 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. LINK INTIME INDIA PRIVATE 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: [helpline@linkintime.co.in](mailto:helpline@linkintime.co.in) ; URL : [www.linkintime.co.in](http://www.linkintime.co.in)

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. 17<sup>th</sup> November, 2009.
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 Directors who retire by rotation and are eligible for re-appointment (Resolutions at Item Nos. 3, 4 & 5):

**DIRECTORS RETIRING BY ROTATION:****A. Name : MR. UMESHKUMAR MORE**

Age : 61 Years [Date of Birth: 04/11/1948]

Qualifications : Diploma in Auto Engineering

Mr. Umeshkumar More is associated with the Company for the last 40 Years. He has got an experience of 40 years in various fields in different types of industries.

**Other Directorships:**

- |                                     |   |
|-------------------------------------|---|
| 1. Poona Bottling Company Pvt. Ltd. | 6. Growel Softech Ltd.                    |
| 2. Radhakishan Nandlal Pvt. Ltd.    | 7. Digikore Studios Ltd.                  |
| 3. Gorav Investment Pvt. Ltd.       | 8. Growel Corporate Management Ltd.       |
| 4. Waluj Beverages Pvt. Ltd.        | 9. Growel Goema (India) Pvt. Ltd.         |
| 5. Bubna More & Co. Pvt. Ltd.       | 10. Shree M. P. J. Cement Works Pvt. Ltd. |

**Committee Memberships:** NIL

**Shareholding in the Company:** 1601026 Equity Shares

**B. Name : MR. K. C. SRIVASTAVA**

Age : 65 Years [Date of Birth: 10/02/1944]

Qualifications : M.A.

Mr. K. C. Srivastava is associated with the Company since 29<sup>th</sup> March, 2006.

He has got an experience of about 40 years in Management Consultancy and Government Administration.

**Other Directorships:**

1. Videocon Industries Limited
2. NuPower Renewable Limited

**Committee Memberships:**

Audit Committee: Grauer & Weil [India] Limited

Shareholders Committee: Grauer & Weil [India] Limited

**Shareholding in the Company:** 312 Equity Shares

**C. Name : MR. SURESH PAREEK**

Age : 53 Years [Date of Birth: 10/04/1956]

Qualifications : B.Com. FCA.

Expertise : Finance

Mr. Suresh Pareek is associated with the Company since 29<sup>th</sup> September, 2006.

**Other Directorships:**

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

**Committee Memberships:**

Audit Committee (Chairman): Grauer & Weil [India] Limited

**Shareholding in the Company:** 185956 Equity Shares

**Registered Office:**

Growel House,  
Akurli Road, Kandivli [East],  
Mumbai - 400 101  
29<sup>th</sup> September, 2009

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

Nirajkumar More  
Managing Director



**Summary of Key Financial Data and Ratios for Last 5 Years**

Rs. Million

Financial Year ended / As on	31.03.05	31.05.06	31.03.07	31.05.08	31.03.09
Gross Sale	1,230.42	1,429.97	1,715.23	2,118.76	2,332.26
Other Operating Income	13.59	34.86	60.73	75.55	95.21
<b>Gross Operating Income</b>	<b>1,244.02</b>	<b>1,464.83</b>	<b>1,775.97</b>	<b>2,194.31</b>	<b>2,427.47</b>
Other Misc. Income	7.77	3.13	15.78	7.06	18.12
<b>Gross Total Income</b>	<b>1,251.79</b>	<b>1,467.96</b>	<b>1,791.75</b>	<b>2,201.37</b>	<b>2,445.59</b>
Trade Discounts	144.16	156.95	170.21	196.82	196.74
Excise Duty	101.75	116.35	183.77	226.44	201.29
<b>Net Income</b>	<b>1,005.88</b>	<b>1,194.67</b>	<b>1,437.78</b>	<b>1,778.11</b>	<b>2,047.56</b>
Cost of Materials	533.99	648.99	766.17	956.63	1,145.69
Salaries, Wages & Benefits	105.86	108.05	122.65	154.94	199.30
Other Expenses	252.24	287.20	312.95	387.41	440.78
<b>Total Expenditure</b>	<b>892.10</b>	<b>1,044.24</b>	<b>1,201.77</b>	<b>1,498.98</b>	<b>1,785.77</b>
Interest	19.99	41.02	55.62	68.79	86.46
Depreciation	22.93	26.85	35.19	37.30	40.42
<b>Profit Before Tax (PBT)</b>	<b>70.87</b>	<b>82.55</b>	<b>145.20</b>	<b>173.04</b>	<b>134.91</b>
Tax (Current, Deferred and FBT)	11.21	18.91	31.54	46.10	9.21
<b>Net Profit After Tax (PAT)</b>	<b>59.66</b>	<b>63.64</b>	<b>113.66</b>	<b>126.94</b>	<b>125.71</b>
Equity Share Capital	102.30	127.88	127.88	127.88	226.71
Reserves & Surplus	302.12	332.01	431.09	511.68	866.12
<b>Networth</b>	<b>404.42</b>	<b>459.89</b>	<b>558.97</b>	<b>639.56</b>	<b>1,092.83</b>
<b>Total Debt</b>	<b>294.78</b>	<b>394.78</b>	<b>395.00</b>	<b>698.06</b>	<b>947.25</b>
Deferred Tax Liabilities	42.59	37.50	43.84	47.94	48.36
<b>Total Sources of Funds</b>	<b>741.79</b>	<b>892.16</b>	<b>997.80</b>	<b>1,385.56</b>	<b>2,088.43</b>
<b>Net Fixed Assets</b>	<b>515.40</b>	<b>591.88</b>	<b>693.68</b>	<b>881.44</b>	<b>1,622.83</b>
<b>Investments</b>	<b>3.65</b>	<b>8.88</b>	<b>8.67</b>	<b>16.76</b>	<b>16.44</b>
Current Assets	432.17	556.63	635.75	949.99	984.72
Less: Current Liabilities	212.16	266.60	340.30	462.63	535.55
<b>Net Current Assets</b>	<b>220.01</b>	<b>290.03</b>	<b>295.45</b>	<b>487.36</b>	<b>449.17</b>
Misc. Expenditure	2.73	1.36	-	-	-
<b>Total Uses of Funds</b>	<b>741.79</b>	<b>892.16</b>	<b>997.80</b>	<b>1,385.56</b>	<b>2,088.43</b>
EPS (Rs.)*	5.83	5.02	8.89	9.93	5.54**
Book Value per Share (Rs.)*	39.53	35.96	43.71	50.01	48.20
Return on Capital Employed (ROCE)	15.3%	16.9%	23.7%	20.1%	12.5%
Return on Networth (RONW)	14.8%	13.8%	20.3%	19.8%	11.5%
Debt: Equity Ratio	0.73	0.86	0.71	1.09	0.87
Ratio of Net working Capital to Net Income	21.9%	24.3%	20.5%	27.4%	21.9%

\* On face value of Rs 10/- per share

\*\* EPS on expanded capital, post merger

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their 51<sup>st</sup> Annual Report together with the Audited Annual Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2009.

### FINANCIAL RESULTS

	2008-09	2007-08
	Rs. Million	Rs. Million
Gross Operating Revenue	2427.47	2,201.37
Net Revenue	2047.56	1,778.11
Earning before interest, depreciation, tax & amortizations (EBIDTA)	261.79	279.13
Profit before tax	134.91	173.04
Provision for tax (FBT, current & deferred tax)	9.20	46.10
Net profit after tax	125.71	126.94
Add: Profit brought forward from previous years	6.82	7.66
Profit available for disposal	132.53	134.60
Proposed Dividend and tax thereon	10.61	37.78
Transfer to General Reserve	12.50	90.00
Profit carried forward	109.42	6.82

### MERGER OF GROUP COMPANY BOMBAY PAINTS LTD.

The Scheme of Rehabilitation-cum-Merger of Bombay Paints Ltd. ("erstwhile BPL") with your Company w.e.f. the appointed date, 1<sup>st</sup> April, 2008 ("the Scheme of Merger"), as approved by the shareholders in their Extraordinary General Meeting held on 26<sup>th</sup> June, 2009, was sanctioned by the Hon'ble Board for Industrial and Financial Reconstruction ("Hon'ble BIFR") by their orders dated 24<sup>th</sup> July, 2009 and 11<sup>th</sup> September, 2009. Pursuant to the Scheme of Merger, 98,82,850 Equity Shares of Rs 10/- each fully paid-up aggregating to Rs 98.83 million would be issued and allotted to the shareholders of erstwhile BPL as on the record date (to be fixed in consultation with The Bombay Stock Exchange Ltd.) in the share swap ratio of 1:1. Consequent to this, the paid up Equity Share capital of your Company would go up from Rs 127.88 million to Rs 226.71 million.

Erstwhile BPL (now known as the "paint division of the Company") offers excellent scope for growth in the area of industrial paints, given the support of the synergic marketing infrastructure and financial resources of our company. Erstwhile BPL has achieved a gross turnover of Rs. 441.61 million and net profit after tax of Rs. 3.17 million for 2008-09, which are included in the above results of the Company.

Your Board believes that this merger would be beneficial for the Company, as it would help expand the business portfolio in a similar and synergetic line of industrial paints with high growth potential, de-risk the Company from cyclical pressures in the existing segments, and help achieve larger size and scale of operations.

Since the results for the current year include that of erstwhile BPL, which has been amalgamated with your Company w.e.f. 1<sup>st</sup> April, 2008, the current year's figures are not comparable with the figures of the previous year.

### DIVIDEND

In order to conserve the resources during the period of economic slowdown, your Board recommends payment of dividend of Re. 0.40 (4%) per Equity Share of Rs. 10/- each for 2008-09 on the expanded Equity Share capital of Rs. 226.71 million. While considering the same the following factors were given due cognisance:

- The adverse impact of the industrial recession faced by our country since the second half of 2008-09 and its effect on the performance of the Company as also erstwhile BPL.
- The burden of servicing the debt raised by your Company for the construction of the Mall.
- Substantial increase in the share capital base of the Company by virtue of the merger of erstwhile BPL with the Company, during the year under review.

Your Board seeks your approval for payment of the dividend for 2008-09.

### OPERATIONS

The financial year 2008-09 was a challenging year for your Company.

We are all aware that financial year 2008-09 had witnessed the onset of a severe global recession. The manufacturing operations of the Company, as also erstwhile BPL suffered significantly, particularly, because of our substantial dependence on the Auto Industry, which in fact, was one of the worst effected world-over. In addition the sudden crash in the commodity markets in the second half of 2008-09 created a sudden panic and massive de-stocking across the value chain, thereby impacting volumes negatively. The worst effected was the engineering division of the Company.

The slowdown in the Real Estate and the Retail Markets also compelled the Company to recalibrate the pace of work on the mall project.

Post merger, the Company's gross operating revenue increased by 10% to Rs 2,427.47 million in 2008-09 (from Rs 2,201.37 million in 2007-08). Net profit after tax marginally declined by 1% to Rs 125.71 million in 2008-09 (from Rs 126.94 million in 2007-08).

**STATUS OF ON-GOING PROJECTS****A) Jammu Project**

The Company's plant at Jammu was completed and commercial production started in June 2009. Volumes are expected to improve in future, once the demand picks up. This low cost manufacturing base along with the fiscal benefits is expected to further improve your Company's competitive edge.

**B) Growel's 101: The Shopping Mall**

The phase-I of Growel 101 Shopping Mall comprising 100,000 sq. ft. area is already operational with full occupancy since 2005-06.

The Company is now gearing itself for the commercial launch of the phase II of mall comprising additional 300,000 sq. ft. area before the end of current financial year 2009-10. The financial closure is achieved, the building is ready and the work on installation of utilities and amenities is progressing well. A few high profile retailers have already booked the mall space in phase-II and the Company is now in active negotiation with many other well known retailers for booking the mall space and the Company is hopeful of commercially commencing the phase-II with reasonable occupancy as per the plan.

**RESEARCH & DEVELOPMENT**

R&D is the bedrock of the Company's technical excellence. The Company continues to regularly invest in R&D and, is in the process of building a state-of-art new central R&D facility, at its existing premises to support a composite program for development of its surface finishing and other metal treatment activities amalgamated through its recent acquisitions. The Company remains steadfastly focused on developing and offering products / systems that are biodegradable and energy efficient.

**FUTURE PROSPECTS**

With some semblance returning to the market since early 2009, we are seeing the revival of economic activities. Hopefully it will bring good tidings to the future of your Company as well. Your management is relentlessly pursuing its efforts for business development, new product offerings, cost reduction and productivity gains, to meet the market challenges and improve its performance. These efforts coupled with the Company's strategy of concentric diversification into paints, lubricants (through its joint venture Growel Sidasa), and allied products are expected to further consolidate and strengthen your Company's leadership position in the surface finishing industry. We are reasonably confident that these measures and fructification of recent investments in new plant at Jammu and the mall project would deliver a substantial impetus to the future prospects in the long term. Our Exports have registered a healthy growth in the current year and we are striving hard to develop new markets in hitherto unexplored regions.

**FIXED DEPOSITS**

The company's balance of deposits as on March 31, 2009 was Rs 5.61 million (Previous year: Rs 11.61 million).

Unclaimed matured fixed deposits of Rs 15000 which were not claimed as on 31<sup>st</sup> March, 2009 (Previous year: Rs.15,000) have 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. Umeshkumar More, Mr. Suresh Pareek and Mr. K. C. Srivastava, Directors of your Company retire by rotation, and being eligible, have offered themselves for re-appointment.

**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, Mr. Madan Mohan Chaturvedi and Mr. K. C. Srivastava as members. The Audit Committee acts in accordance with the terms of reference specified from time to time by the Board.

**CORPORATE GOVERNANCE**

Your Company continues to practice good governance as set out by the Securities and Exchange Board of India. The detailed report on Mangement Discussion and Analysis and Report on Corporate Governance, as stipulated in Clause 49 of the Listing Agreement is enclosed with this report as Annexure 'A' and 'B'.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- 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, 2009.
- 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.
- The annual accounts have been prepared on a going concern basis.

**SUBSIDIARY COMPANIES**

As required under the Provisions of the Companies Act, 1956, the Audited Statement of Accounts of Poona Bottling Company Pvt. Limited, Growel Energy Company Limited and Grauer & Weil (Shanghai) Limited, subsidiaries of your company are attached herewith alongwith Auditors Reports. A statement under section 212 of the Companies Act, 1956, is also attached herewith.

**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.

**AUDITORS**

M/s. M. M. Nissim And Co., Chartered Accountants, Auditors of the Company retire 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 31st March, 2010, 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.

**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**

The information required under Section 217 (2A) of the Act, 1956, read with the Rules framed hereunder form part of this report. However, as per provision of Section 219 (1) (b) (iv) of the Act, the report and accounts are being sent to all shareholder excluding the statement of particulars of employees under Section 217 (2A) of the Act. Any shareholder interested in obtaining a copy of the statement may write to the Company Secretary at the Company's Registered Office.

**SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION**

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

**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.

**APPRECIATION**

The Directors wish to put on record their appreciation for the support of all our Bankers and the dedication and support of all our members and associates. Their efforts continue to be integral to our company's ongoing success.

**Registered Office:**  
Growel House,  
Akurli Road, Kandivli (East),  
Mumbai – 400 101

29th September, 2009

**For and on behalf of the Board of Directors**

**Nirajkumar More**      **Managing Director**  
**Suresh Pareek**        **Director**

## ANNEXURE – 'A' TO DIRECTORS' REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS

#### 1. AN OVERVIEW OF BUSINESS PERFORMANCE

The year 2008-09 was challenging for your Company due to severe global recession that affected auto industry and real estate sectors in particular, where the Company's dependence is substantial.

During the year 2008-09, the net revenue of the Company grew by 15% to Rs 2056.57 million (from Rs 1778.11 million in previous year 2007-08). An overview of the performance of different business segments of the Company is as under:

- a) **Chemical Segment:** Your Company is the industry leader in this segment and manufactures and sells chemicals required for metal finishing, their intermediates and other speciality chemicals, as well as pretreatment processes and industrial oils. The Company's chemical plants at Vapi and Dadra have been certified under ISO 9000:2000 and the plant at Barotiwala under ISO 14000. The Company has now commissioned its new plant at Jammu. The net revenue of chemical segments grew marginally to Rs 1365.61 million (from Rs 1337.77 million).
- b) **Engineering Segment:** Your Company is a leading manufacturer and provider of turnkey solutions for electroplating plants and their components, effluent treatment plants and other engineering products, from its plant located at Alandi, Pune. The engineering business was worst affected with its net revenue dropping by 43% to Rs 218.85 million (from Rs 384.72 million). The Company successfully implemented various cost reduction measures during the year, the benefits of which would be felt during 2009-10.
- c) **Shoppertainment Segment:** Your Company has undertaken development of a large shopping mall cum entertainment complex 'Growel 101' at Kandivli, Mumbai comprising of 750,000 sq. ft. in phases. The phase-I comprising 100,000 sq. ft. area is already operational with full occupancy since 2005-06. The net revenue from phase-I improved by 4% to Rs 54.44 million (from Rs 52.42 million). The Phase-II with additional 300,000 sq. ft. area is now nearing completion and is planned to be commercially launched before the end of 2009-10.
- d) **Paints Segment:** Your Company has made a synergic acquisition of industrial paint business with merger of Bombay Paints Limited (BPL) with itself w.e.f. 1<sup>st</sup> April, 2008. Its ISO 9000:2000 certified plant at Chembur, Mumbai is capable of manufacturing a wide range of paints for a variety of applications for a host of industries. Paints contributed net revenue of Rs 393.61 million during the year.

#### 2. EXPORTS DEVELOPMENT

Exports continue to be the major thrust of the Company's sales efforts. In the recent years, your Company has established a wholly owned foreign enterprise (WOFE) at Shanghai, China to tap the vast Chinese market and an overseas joint venture at Bangkok, Thailand to cater to the market in this region. Such initiatives have helped the Company to grow its exports by 4% to Rs 281.52 million (from Rs 270.76 million) despite the worst global recession prevailing in the international market. The Company is striving to develop more new markets in hitherto unexplored regions to further boost its export growth prospects.

#### 3. FINANCIAL PERFORMANCE

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

- a. The net profit after tax for the year marginally dropped by 1% to Rs. 125.71 million (from Rs. 126.94 million)
- b. The Company incurred total capital expenditure of Rs. 454.25 million, largely for the Shoppertainment project and Jammu factory.
- c. The term borrowings increased by Rs. 241.10 million mainly on account of loans to fund the Shoppertainment project and Jammu factory.
- d. The Company was able to reduce its working capital (net current assets) by 8% to Rs. 449.17 million (from Rs. 487.36 million), including net current assets of the newly acquired paints business, post merger.
- e. The debt equity ratio of the Company improved to 0.87 (from 1.09).

#### 4. OPPORTUNITIES, THREATS, RISKS, CONCERNS AND OUTLOOK

Due to recessionary scenario, there has been a mixed pattern in the sales and production of the Company's customer segments. However, since the Company's sales are fairly wide spread, these should see a healthy rebound in near future. Though the competition from national as well as international players is getting intense by the day, your Company expects to maintain its lead with superior R&D and a strong marketing network in India and overseas. The Company continues to associate with international manufacturers to offer the widest and latest options to its customers.

The Company has recently diversified into synergic and allied fields of surface treatment/finishes e.g. pre-treatment processes, oils & lubricants and industrial paints. With the expected revival of industrial growth in the engineering sector emerging on the horizon, 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 in coming years.

The Company has commenced commercial production at new 4000 MT manufacturing facility at Jammu, which is not only a low cost manufacturing base, but also enjoys important fiscal benefits which will help the Company increase its competitive edge.

Despite slow down in commercial real estate market, the Company has booked sizeable area for leasing to leading retail brands in phase-II of the shoppertainment mall, which is nearing completion, and your Company is hopeful of commercially launching the mall with reasonable occupancy before the end of 2009-10.

#### **5. FUTURE PROSPECTS**

With the signs of revival of economic activities seen globally, various initiatives being pursued by your management for business development, new product offerings, cost reduction and productivity gains, and fructification of recent investments would provide substantial impetus to the future prospects in the long run; and your Company expects to further consolidate and strengthen its leadership position in the surface finishing industry, grow business and improve profitability.

#### **6. HUMAN RESOURCES**

Your Company considers Human Resources as an invaluable asset of your Company. A comprehensive training and development plan is in place for upgradation of the quality and skills of its Human Resources. 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. During the year the Company implemented HRM module of SAP which will help streamline HR related processes and improve internal efficiency.

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 a pool of 684 talented officers and workmen.

#### **7. INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT FRAME WORK**

The Company has appropriate internal control systems and risk management frame work and these are designed to ensure the reliability of financial and other records and accountability of executive actions to the management's authorisation as well as to identify and initiate actions to mitigate risks. 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 already 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/frameworks are reviewed by the top Management and by the Audit Committee of the Board and proper follow up actions are ensured wherever required.

#### **8. CAUTIONARY STATEMENT**

Statements 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 principle of integrity, fairness, equity, transparency, accountability and commitment to values. Good Governance Practices stems from culture and mindset of the organisation.

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 Director. 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, 2009, 5 [Five] Board meetings were held on 30/06/2008, 31/07/2008, 21/08/2008, 31/10/2008 and 30/01/2009.

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 Directors	Category	No. of Board Meetings Attended	Attendance at Last AGM	No of Other Directorships Held	Outside Committee Positions Held
Mr. Umeshkumar More	Chairman	4	NO	10	None
Mr. Nirajkumar More	MD	5	YES	13	None
Mr. Rameshkumar More	ED	5	YES	9	None
Mr. Rohitkumar More	WTD	1	YES	6	None
Mr. Suresh Pareek	NED	5	YES	3	None
Mr. Madan Mohan Chaturvedi	NED	4	YES	2	None
Mr. Rohan Shah	NED	-	NO	1	None
Mr. K. C. Srivastava	NED	3	NO	2	None

MD stands for Managing Director

ED stands for Executive Director

WTD stands for Whole-Time Director

NED stands for Non-Executive 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 with 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 2008-2009, 4 [Four] Audit Committee Meetings were held.

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

Name of the Members	Status	No. of Meetings Held	No. of Meetings Attended
Mr. Suresh Pareek	Chairman	4	4
Mr. Nirajkumar More	Member	4	4
Mr. M. M. Chaturvedi	Member	4	3
Mr. K. C. Srivastava*	Member	4	1

\* Appointed w.e.f. 30-01-2009

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

The meetings of the Audit Committee are also attended by Chief Financial Officers, 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 21, 2008 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 Chairman, 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 2008-2009 and shareholding as on 31-03-2009:

[Rs. in '000]

Directors	Sitting Fees	Salary & Allowances	Perquisites	Share Holding as on 31-03-2009 (in Nos.)
Mr. Umeshkumar More	-	1303.20	2803.04	1601026
Mr. Rameshkumar More	7.00	-	-	2160
Mr. Nirajkumar More	2.00	395.00	-	2526024
Mr. Rohitkumar More	-	471.49	14.06	-
Mr. Rohan Shah	-	-	-	312
Mr. Madan Mohan Chaturvedi	6.50	-	-	312
Mr. K. C. Srivastava	6.00	-	-	-
Mr. Suresh Pareek	7.00	-	-	185956

**SHAREHOLDERS COMMITTEE:**

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



The Shareholders Committee met 4 [Four] times during the year ended 31st March, 2009.

The composition of the Shareholders Committee and details of the meetings attended by the Directors during the year 2008-2009 are given below:

Name of the Members	Status	No. of Meetings Held	No. of Meetings Attended
Mr. Nirajkumar More	Chairman	4	4
Mr. Rameshkumar 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	1	1	Nil
3.	Non-receipt of Share Certificate after Transfer	3	3	Nil
4.	Non-receipt of Annual Report	12	12	Nil
5.	Non-receipt of Demat Credit / Remat Certificate	2	2	Nil
6.	Non-receipt of Rejected DRFs	-	-	Nil
	<b>Total</b>	<b>33</b>	<b>33</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:

For Financial Year Ended	31.03.2008	31.03.2007	31.03.2006
<b>Date and Time</b>	21.08.2008 at 2.30 p.m.	16.08.2007 at 10.00 am	19.08.2006 at 3.00 pm
<b>Venue</b>	Gold Screen Hall, 2 <sup>nd</sup> Floor, Growel House, Akurli Road, Kandivli (East), Mumbai - 400101.	Gold Screen Hall, 2 <sup>nd</sup> Floor, Growel House, Akurli Road, Kandivli (East), Mumbai - 400101.	Juhu Jagruti Hall, Opp. Mithibhai College, Mumbai - 400 056.
<b>Any Special Resolution passed</b>	No	Yes	Yes by Postal Ballot

(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:**

1 There were no transactions of material nature other than reported under Related Party Disclosures that have been entered into by the Company with the promoters, directors, their relatives and the management and in any Company in which they are interested, that may have potential conflict with the interest of the Company.

2 Details on the use of proceeds from public issues, 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.

3 Details of information on appointment of new / re-appointment of Directors

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

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

The Company has complied with the requirements of the Stock Exchange, SEBI, and other Statutory Authorities on all matters relating to Capital Markets during the last three years. Redressal of 3 [Three] Complaints pending with SEBI have since been attended.

**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.sebiedifar.nic.in](http://www.sebiedifar.nic.in)

**GENERAL SHAREHOLDERS INFORMATION:**

- 1. ANNUAL GENERAL MEETING** : 51<sup>st</sup> Annual General Meeting.  
**DAY & DATE** : Tuesday, 17<sup>th</sup> November, 2009.  
**TIME** : 10.30 a.m.  
**VENUE** : Gold Screen Hall, Growel House, Akurli Road, Kandivli (East), Mumbai – 400101.

**2. FINANCIAL CALENDAR:**

- \* Financial reporting for the quarter ended June 30, 2009 : End of July, 2009.  
 \* Financial reporting for the quarter ended Sept.30, 2009 : End of Oct., 2009.  
 \* Financial reporting for the quarter ended Dec. 31, 2009 : End of Jan., 2010.  
 \* Financial reporting for the year ended March 31, 2010 : End of June, 2010 [Audited].

- 3. DATES OF BOOK CLOSURE** : 11<sup>th</sup> November, 2009 to 17<sup>th</sup> November, 2009 [Both days inclusive].

- 4. RECORD DATE OF PAYMENT OF DIVIDEND** : 10<sup>th</sup> November, 2009.

**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. LINK INTIME INDIA PRIVATE 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: [helpline@linkintime.co.in](mailto:helpline@linkintime.co.in); URL : [www.linkintime.co.in](http://www.linkintime.co.in)

**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 Ltd.,  
 Phiroze Jeejeebhoy Towers,  
 Dalal Street, Mumbai - 400 001  
 Tel: 022-2272 1234 Fax: 022-2272 1919

**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, 2009, a total of 57,99,587 Shares representing 45.35% 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:**

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

Months	High (Rs.)	Low (Rs.)	Monthly Volume (in Shares)
April 2008	127.80	89.50	233584
May 2008	121.70	96.00	270662
June 2008	109.80	69.50	195681
July 2008	80.40	64.00	192347
August 2008	112.00	77.50	1058677
September 2008	98.95	60.50	220419
October 2008	70.00	33.00	199683
November 2008	45.00	32.00	159743
December 2008	47.25	32.15	162481
January 2009	47.00	33.30	187679
February 2009	42.80	28.00	85768
March 2009	34.00	28.10	69421

**15. SHAREHOLDING PATTERN AS ON MARCH 31, 2009:**

Category	No. of shares held	% of shareholding
Promoters & Associates	6358794	49.73
Mutual Funds & UTI	2062	0.02
Banks & Financial Institutions	1875	0.01
Private Bodies Corporates	1048071	8.20
Indian Public/Others	4375426	34.21
NRI/OCBs	1001497	7.83
<b>Total</b>	<b>12787725</b>	<b>100.00</b>

**16. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2009:**

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto 500	5641	893397	6.98
501-1000	790	604031	4.72
1001-2000	572	803505	6.29
2001-3000	210	511339	4.00
3001-4000	67	236646	1.85
4001-5000	37	169033	1.32
5001-10000	63	445561	3.49
10001 & above	71	9124213	71.35
<b>Total</b>	<b>7451</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]
- SIDCO Industrial Complex, Phase II, Samba [J & K]
- B. D. Patil Marg, Gavanpada, Chembur, Mumbai - 400 074 [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**

**For and on behalf of the Board of Directors**

**Nirajkumar More**      **Managing Director**  
**Suresh Pareek**        **Director**

**29th September, 2009**

## DECLARATION

In accordance with Clause 49(I)(D) of the Listing Agreement with the Stock Exchange, I hereby confirm that all the members of the Board of Directors and the senior management personnel have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the year ended 31st March, 2009.

**Registered Office:**  
Growel House,  
Akurli Road,  
Kandivli [East],  
Mumbai - 400 101  
29th September, 2009

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

**Nirajkumar More  
Managing Director**

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## AUDITOR'S CERTIFICATE

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

We have examined the compliance of conditions of Corporate Governance by GRAUER & WEIL [INDIA] LIMITED (the Company) for the year ended 31st March, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 Shareholders 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  
M. No: 36490  
Mumbai  
29th September, 2009**

**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 a 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 Company has been taking various initiatives for export developments e.g. identification of new markets, new products introduction and expansion of distribution network overseas. As a result, the exports in 2008-2009 grew by 4% to Rs. 281.52 million, as compared to Rs. 270.76 million in 2007-2008.

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

	(Rs. in Millions)
(i) Total foreign exchange used	
(a) On import of raw materials, components, spare parts and capital goods	<b>362.34</b>
(b) Expenditure in foreign currencies for Business Travel, Seminars, Dividend and Royalties etc.	<b>11.11</b>
(ii) Total foreign exchange earned	<b>273.94</b>

Registered Office:  
Growel House,  
Akurli Road, Kandivli (East),  
Mumbai – 400 101

29th September, 2009

For and on behalf of the Board of Directors

Nirajkumar More      Managing Director  
Suresh Pareek         Director

**FORM - 'A'****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY 2008-2009**

<b>PARTICULARS</b>	<b>2008-2009</b>	<b>2007-2008</b>
<b>A. POWER AND FUEL CONSUMPTION</b>		
<b>1. ELECTRICITY</b>		
a) Purchased Units	<b>24,04,724</b>	21,44,991
Total amount (Rs.)	<b>1,57,88,501</b>	1,34,49,867
Average Rate/Unit (Rs.)	<b>6.57</b>	6.27
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 system working.	
<b>2. FURNACE/OTHER OIL</b>		
Quantity (Litres)	<b>88,094</b>	59,494
Total Cost (Rs.)	<b>26,90,901</b>	18,86,666
Average rate (Rs. per litre)	<b>30.55</b>	31.71

**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 2008-2009**

**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:**

	<b>2008-2009</b> <b>(Rs. in '000)</b>	2007-2008 (Rs. in '000)
a) Capital	<b>2572</b>	7325
b) Recurring	<b>24072</b>	18481
c) Total	<b>26644</b>	25806
d) Total R & D expenditure as a percentage of total Turnover	<b>1.37%</b>	1.52%

**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 Finish 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 by 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, Spain.

**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 31<sup>st</sup> March, 2009 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) Without qualifying our report, we draw attention to the fact that the Company, has pending filing of the scheme of merger of Bombay Paints Limited with the Company ('the scheme') sanctioned by the Hon'ble BIFR with the Registrar of Companies given effect to the scheme in the financial statement as detailed in note no.18 in schedule 'O'.
- 3) 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, 2009 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.
- 4) 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, 2009;
  - 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**  
**29th September, 2009**



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

- i. In respect of its fixed assets:
- The Company has compiled itemwise lists of only Plant & Machinery. In respect of other assets, we are informed that the Company is in the process of compiling proper records.
  - 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 there are no major discrepancies, as regards Plant and Machinery and in respect of other assets, discrepancies, if any, will then be dealt with in the accounts once the process of compilation is complete.
  - 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:
- The Inventory, excluding goods in transit has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As regards goods lying with third parties, confirmations have been obtained.
  - 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.
  - On the basis of our examination of the inventory records of the Company, we are of the opinion that the Company is maintaining proper records of its inventory. The discrepancies noticed on verification between the physical stocks and book records have been properly dealt with in the books of account.
- iii. (a) The Company has during the year granted unsecured loans to 2 companies listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 156 Lacs and the year end balance of Loans granted to such parties was Rs. 156 Lacs.
- 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.
  - The companies have repaid the principal amounts as stipulated and have been regular in the payment of interest where applicable.
  - There is no overdue amount of loans granted to companies listed in the register maintained under section 301 of the Companies Act, 1956.
  - The company has taken unsecured loans from 5 companies and a Director, covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 215 Lacs and the year end balance of such loans taken was Rs. 210 Lacs.
  - 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.
  - 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.
- 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 specialised 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 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 except for its Paints Division. We have broadly reviewed the books of accounts maintained by its Paint Division and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.

- 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 31<sup>st</sup> March 2009 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	20.66
Sales Tax	1998-99, 1999-2000, 2000-2001 And 2002-2003	Commissioner (Appeal)/Financial Commissioner.	45.95
Income Tax	2003-2004, 2004-2005 And 2005-2006	Commissioner (Appeal)	86.52

- 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 and 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. Based on our examination of the records and according to the information and explanations given to us, the company has not given any corporate 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.

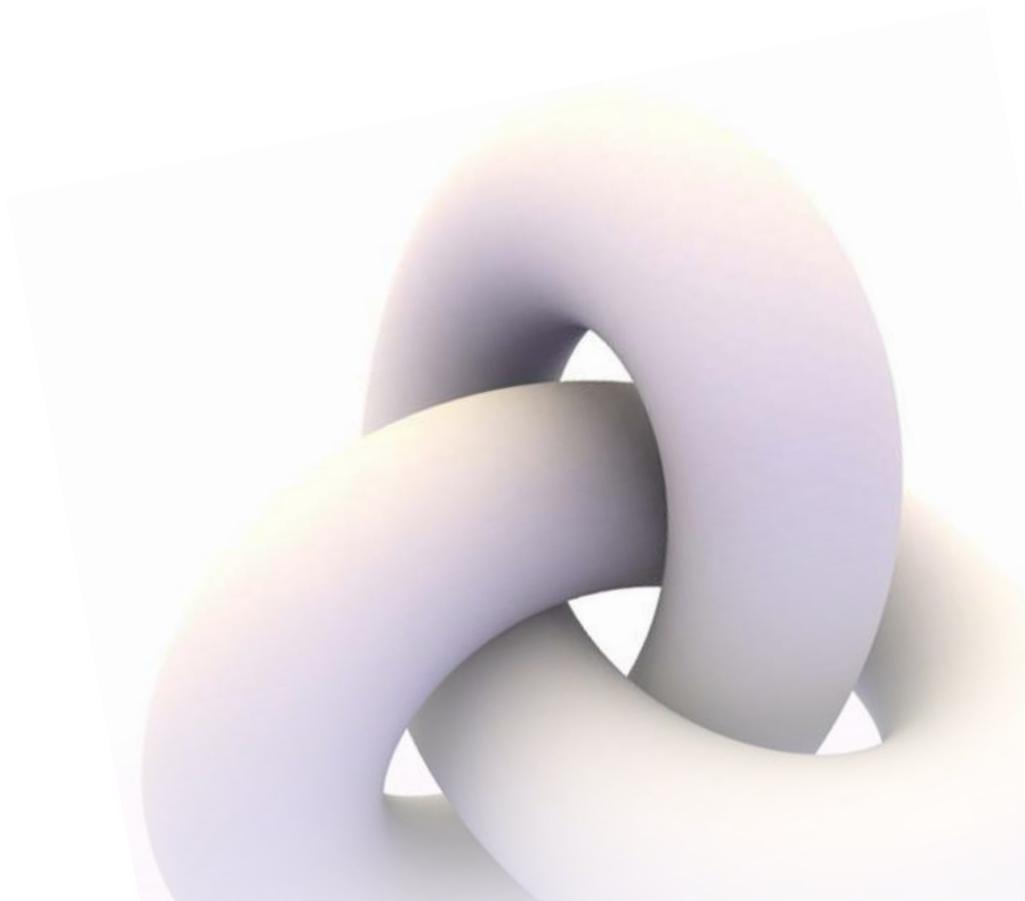
**FOR M. M. NISSIM AND CO.**  
Chartered Accountants

**N. KASHINATH**  
Partner  
Mem. No. 36490

Mumbai  
29th September, 2009



**Grauer & Weil (India) Ltd.**



**BALANCE SHEET AS AT 31ST MARCH, 2009**

	Schedule	Rupees	As At 31st March, 2009 Rupees	As At 31st March, 2008 Rupees
<b>SOURCES OF FUNDS</b>				
SHAREHOLDERS FUNDS				
Share Capital	<b>A</b>	<b>127,877,250</b>		127,877,250
Share Capital Suspense (Refer Note 18)	<b>A</b>	<b>98,828,500</b>		-
Reserves and Surplus	<b>B</b>	<b>866,121,282</b>		511,680,185
			<b>1,092,827,032</b>	639,557,435
LOAN FUNDS				
Secured Loans	<b>C</b>	<b>886,810,443</b>		637,227,677
Unsecured Loans	<b>D</b>	<b>60,437,457</b>		60,832,349
			<b>947,247,900</b>	698,060,026
DEFERRED TAX				
Deferred Tax Liabilities		<b>63,008,078</b>		61,865,120
Deferred Tax Assets		<b>(14,650,193)</b>		(13,922,789)
			<b>48,357,885</b>	47,942,331
			<b>2,088,432,817</b>	1,385,559,792
<b>APPLICATION OF FUNDS</b>				
FIXED ASSETS				
Gross Block	<b>E</b>	<b>1,135,348,697</b>		773,404,031
Less: Depreciation		<b>262,755,493</b>		222,822,865
Net Block		<b>872,593,204</b>		550,581,166
Capital Work in Progress & Capital Advances		<b>750,231,003</b>		330,859,956
			<b>1,622,824,207</b>	881,441,122
INVESTMENTS				
	<b>F</b>		<b>16,436,488</b>	16,757,081
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	<b>G</b>	<b>253,177,184</b>		225,451,613
Sundry Debtors		<b>386,821,768</b>		357,188,912
Cash and Bank Balances		<b>38,537,226</b>		44,377,710
Other Current Assets		<b>2,548,445</b>		1,210,964
Loans and Advances		<b>303,635,180</b>		321,760,582
		<b>984,719,803</b>		949,989,780
Less: CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	<b>H</b>	<b>348,725,329</b>		280,876,224
Provisions		<b>186,822,352</b>		181,751,967
		<b>535,547,681</b>		462,628,191
NET CURRENT ASSETS			<b>449,172,122</b>	487,361,589
			<b>2,088,432,817</b>	1,385,559,792
Notes to Accounts	<b>O</b>			

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

For and on behalf of the Board of Directors

**FOR M. M. NISSIM AND CO.**  
Chartered Accountants

**NIRAJKUMAR MORE**  
**SURESH PAREEK**

Managing Director  
Director

**N.KASHINATH**  
Partner  
Membership No.36490

**KRISHAN LAL SWAMI**  
**NOEL JACOB**

Group CFO  
Company Secretary & VP (Legal)

Mumbai, 29th September, 2009

Mumbai, 29th September, 2009

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Rupees	2008-2009 Rupees	2007-2008 Rupees
<b>INCOME</b>				
Income from Operations				
Gross sales			2,332,262,914	2,118,763,091
Less : Trade discount			196,739,757	196,818,712
Less : Excise duty			201,287,135	226,441,144
			<u>1,934,236,022</u>	<u>1,695,503,235</u>
Business Conducting Fees (Tax deducted at source Rs.12,971,620/-) (Previous Year Rs.13,729,852/-)			54,348,811	52,203,036
			<u>1,988,584,833</u>	<u>1,747,706,271</u>
Other Income	I		58,980,335	30,402,952
			<u>2,047,565,168</u>	<u>1,778,109,223</u>
<b>EXPENDITURE</b>				
Materials	J		1,145,692,028	956,631,290
Salaries, Wages and other benefits	K		199,298,558	154,940,275
Other Expenses	L		440,783,846	387,412,574
Interest & Finance charges	M		86,461,225	68,785,503
Depreciation	N		40,417,618	37,300,451
			<u>1,912,653,275</u>	<u>1,605,070,093</u>
			<u>134,911,893</u>	<u>173,039,130</u>
<b>PROFIT BEFORE TAX</b>				
PROVISION FOR TAXATION				
Current Tax-MAT		14,800,000		-
Less:MAT Credit Entitlement		(10,900,000)		-
Current Tax			3,900,000	34,500,000
Deferred Tax			415,554	7,600,219
Fringe Benefit Tax			4,889,757	4,000,000
			<u>125,706,582</u>	<u>126,938,911</u>
<b>PROFIT AFTER TAX</b>				
Accumulated losses of Bombay Paints Ltd. the merged company		(74,099,983)		-
Less: Equivalent amount Withdrawn from Amalgamation Reserve (Refer Note 18)		74,099,983		-
Add: Balance Brought Forward			6,819,858	7,663,240
			<u>132,526,440</u>	<u>134,602,151</u>
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>				
<b>APPROPRIATIONS</b>				
Dividend				
- Final Dividend			9,068,230	12,787,725
- Special Golden Jubilee Dividend			-	19,181,588
Tax on Proposed Dividend			1,541,146	5,812,980
Transfer to General Reserve			12,500,000	90,000,000
Balance Carried to Balance Sheet			109,417,064	6,819,858
			<u>132,526,440</u>	<u>134,602,151</u>
<b>BASIC AND DILUTED EARNINGS PER SHARE</b>				
			5.54	9.93
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 and on behalf of the Board of Directors

FOR M. M. NISSIM AND CO.  
Chartered Accountants

NIRAJKUMAR MORE  
SURESH PAREEK

Managing Director  
Director

N.KASHINATH  
Partner  
Membership No.36490

KRISHAN LAL SWAMI  
NOEL JACOB

Group CFO  
Company Secretary & VP (Legal)

Mumbai, 29th September, 2009

Mumbai, 29th September, 2009

## CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	Rupees	2008-2009 Rupees	2007-2008 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>			
NET PROFIT BEFORE TAX		134,911,893	173,039,130
Adjustments for:			
Depreciation	40,417,618		37,300,451
Write back of Diminution in value of Investments	(802,620)		-
(Profit)/Loss on sale of Fixed Assets	(6,459,719)		2,344,634
Unrealised foreign exchange (gains) / losses	(510,635)		(1,685,972)
Interest paid	86,461,225		68,785,503
Interest received	(6,218,829)		(7,048,666)
Dividends	(14,055)		(8,370)
Wealth Tax	157,250		145,580
Bad Debts written off	304,834		8,130,215
		<b>113,335,069</b>	<b>107,963,375</b>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		<b>248,246,962</b>	<b>281,002,505</b>
Adjustments for:			
(Increase) / Decrease in Trade and other receivables	15,312,673		(231,856,399)
(Increase) / Decrease in Inventories	46,724,989		(55,082,892)
(Increase) / Decrease in Trade and other payables	(35,970,814)		47,327,801
		<b>26,066,848</b>	<b>(239,611,490)</b>
CASH GENERATED FROM OPERATIONS		<b>274,313,810</b>	<b>41,391,015</b>
Direct Taxes Paid		<b>(33,348,688)</b>	<b>(36,723,985)</b>
NET CASH FROM OPERATING ACTIVITIES		<b>240,965,122</b>	<b>4,667,030</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Capital Expenditure		<b>(454,246,008)</b>	<b>(234,948,963)</b>
Sale of Fixed Assets		<b>16,608,950</b>	<b>7,544,069</b>
(Purchase) / Sale of Investments		-	<b>(8,090,000)</b>
Interest received		<b>4,881,348</b>	<b>6,316,775</b>
Dividend and Income from Units		<b>14,055</b>	<b>8,370</b>
NET CASH USED IN INVESTING ACTIVITIES		<b>(432,741,655)</b>	<b>(229,169,749)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Proceeds from Borrowings (Net of Repayments)		<b>286,231,303</b>	<b>303,059,916</b>
Interest Paid		<b>(88,012,613)</b>	<b>(68,074,169)</b>
Dividend Paid		<b>(38,206,210)</b>	<b>(14,051,706)</b>
NET CASH FROM FINANCING ACTIVITIES		<b>160,012,480</b>	<b>220,934,040</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		<b>(31,764,053)</b>	<b>(3,568,680)</b>
Opening cash and cash equivalents		<b>71,301,168</b>	<b>49,456,915</b>
Closing cash and cash equivalents		<b>39,537,115</b>	<b>45,888,235</b>
Notes to the cash flow statement			
<b>Components of cash and cash equivalents:</b>			
Cash and bank balances		<b>38,537,226</b>	<b>44,377,711</b>
Unrealised foreign exchange gains - net		<b>999,889</b>	<b>1,510,524</b>
		<b>39,537,115</b>	<b>45,888,235</b>

Note: Pursuant to the scheme of merger of Bombay Paint Ltd. with the company cash & cash equivalents as at April 1, 2008 amounting to Rs. 25.41 millions have been taken over by the company.

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

For and on behalf of the Board of Directors

FOR M. M. NISSIM AND CO.  
Chartered Accountants

NIRAJKUMAR MORE  
SURESH PAREEK

Managing Director  
Director

N.KASHINATH  
Partner  
Membership No.36490

KRISHAN LAL SWAMI  
NOEL JACOB

Group CFO  
Company Secretary & VP (Legal)

Mumbai, 29th September, 2009

Mumbai, 29th September, 2009

**SCHEDULES ANNEXED TO THE BALANCE SHEET**

	Rupees	As At 31st March, 2009 Rupees	As At 31st March, 2008 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 & Securities Premium account			
SHARE CAPITAL SUSPENSE			
9882850 Equity shares of Rs. 10/- each fully paid-up, to be issued pursuant to the Scheme of Merger of Bombay Paints Ltd with the Company. (Refer Note - 18)		<u>98,828,500</u>	<u>-</u>
<b>SCHEDULE B: RESERVES AND SURPLUS</b>			
AMALGAMATION RESERVE			
Surplus arising on acquisition of assets at Fair Market Value	333,051,859		-
Less: Cancellation & Extinguishment of Investment	(1,148,213)		-
Amalgamation expenses	(13,270,292)		-
Transfer to Profit & Loss account	(74,099,983)		-
	<u>244,533,371</u>		-
Less: Transfer to General Reserves-II	(244,533,371)		-
		-	-
GENERAL RESERVE-I			
As per Last Balance Sheet	504,860,327		423,424,550
Less : Transitional Liability - AS 15 (Revised) on 'Employee benefits'	-		8,564,223
	<u>504,860,327</u>		<u>414,860,327</u>
Add: Transferred from Profit and Loss Account	12,500,000		90,000,000
		<b>517,360,327</b>	504,860,327
GENERAL RESERVE-II			
Transferred from Amalgamation Reserve (Refer Note 18)	244,533,371		-
Less: Amount transferred to Profit & Loss account being difference of Depreciation on Original Cost & Fair Value	5,189,480		-
		<u>239,343,891</u>	-
PROFIT AND LOSS ACCOUNT			
		<u>109,417,064</u>	6,819,858
		<u><b>866,121,282</b></u>	<u>511,680,185</u>

	As At 31st March, 2009 Rupees	As At 31st March, 2008 Rupees
<b>SCHEDULE C: SECURED LOANS</b>		
CREDIT FACILITIES FROM BANKS AND FINANCIAL INSTITUTION		
Term Loans from Banks (Repayable within one year Rs.82.90 million, Previous year Rs.49.04 million)	<b>336,320,776</b>	154,385,153
Term Loans from a Financial Institution Housing Development Finance Corporation Ltd	<b>432,769,289</b>	343,500,128
Working Capital Facilities	<b>110,897,892</b>	129,509,883
HIRE PURCHASE CREDITS	<b>6,822,486</b>	9,832,513
	<b><u>886,810,443</u></b>	<b><u>637,227,677</u></b>
NOTES :		
<p>1 Term loans for shopping mall at Kandivli, Mumbai availed from Punjab National Bank, The Saraswat Co-op Bank Limited and HDFC Ltd are secured by pari-passu first charge by joint mortgage by way of deposit of title deeds of immovable properties of shoppertainment division of the Company at Kandivli. Pending, creation of charge on the assets of shoppertainment division at Kandivli, a charge by way of deposit of title deeds of Vapi &amp; Dadra has been created as an interim security in favour of The Saraswat Co-operative Bank Ltd.</p> <p>Corporate Term loan from The Saraswat Co-operative Bank Ltd is secured by legal mortgage of fixed assets including land and building of the Paints Division at Chembur.</p> <p>Term loan from Punjab National Bank for Samba unit at Jammu is secured by first charge on the block of assets of Samba unit.</p>		
<p>2 Working capital facilities sanctioned by Axis Bank to Paints division of the Company is secured by hypothecation of all current assets comprising of finished / semi-finished goods, raw material, stores and spares, book debts and second charge on movable and immovable fixed assets of Paints Division, save and except specified fixed assets exclusively charged under hire purchase agreement.</p> <p>Working capital facilities sanctioned by Punjab National Bank and Dena Bank are secured by hypothecation of all assets comprising of finished / semi-finished goods, raw material, stores and spares and book debts of the company except that of Paints division and movable fixed assets of Barotiwala, Dadra, Vapi and Alandi (Pune) units on pari-passu basis. These facilities are further secured by a pari-passu charge by joint mortgage by way of deposit of title deeds of the immovable fixed assets of Barotiwala unit and a second pari-passu charge on the movable assets of Samba unit.</p>		
<p>3 Hire purchase credits are secured by hypothecation of specific assets purchased under the scheme.</p>		
<b>SCHEDULE D: UNSECURED LOANS</b>		
Fixed Deposits (Repayable within one year Rs.2.57million, Previous year Rs.6.12 million)	<b>5,613,000</b>	11,611,000
Dealer Deposits	<b>29,827,886</b>	31,721,349
Inter Corporate Deposits	<b>19,496,571</b>	12,000,000
Loan from Directors	<b>5,500,000</b>	5,500,000
	<b><u>60,437,457</u></b>	<b><u>60,832,349</u></b>



SCHEDULE E : FIXED ASSETS

Sl. No.	Description	GROSS BLOCK (AT COST/FAIR VALUE)					DEPRECIATION				NET BLOCK	
		As at 01-04-2008	Acquired on Merger	Additions during the year	Sales/ adjustments during the year	As at 31-03-2009	Upto 31-03-2008	Deduction for Sale/ Adjustments	For the Year	Upto 31-03-2009	As at 31-03-2009	As at 31-03-2008
1.	Land											
	a) Freehold	8,203,099	103,704,000	-	-	111,907,099	-	-	-	-	111,907,099	8,203,099
	b) Leasehold	14,741,100	175,470,000	-	1,450,000	188,761,100	1,021,743	211,926	3,128,610	3,938,427	184,822,673	13,719,357
2.	Buildings	324,682,168	46,582,000	4,855,834	1,667,127	374,452,875	45,816,569	383,367	11,758,822	57,192,024	317,260,851	278,865,599
3.	Plant and Machinery	254,346,529	12,316,000	9,719,094	10,362,846	266,018,777	109,293,881	3,850,099	17,154,420	122,598,202	143,420,575	145,052,648
4.	Laboratory Equipment	24,930,856	-	311,827	-	27,242,683	10,479,489	-	1,257,006	11,736,495	15,506,188	16,451,367
5.	R&D Equipment	37,933,400	3,012,000	2,950,061	-	43,895,461	14,811,998	-	2,234,397	17,046,395	26,849,066	23,121,402
6.	Furniture, Fittings and Fixtures	31,817,001	1,392,505	695,624	-	33,905,130	17,391,812	-	2,121,638	19,513,450	14,391,680	14,425,189
7.	Office Equipments	26,025,218	-	4,656,838	-	30,682,056	11,492,659	-	2,537,708	14,030,367	16,651,689	14,532,559
8.	Vehicles	48,724,660	391,901	8,950,698	2,530,743	55,536,516	12,514,714	1,416,093	5,012,112	16,110,733	39,425,783	36,209,946
9.	Intangible Assets (Computer Software)	-	-	2,947,000	-	2,947,000	-	-	589,400	589,400	2,357,600	-
	<b>Total</b>	773,404,031	342,868,406	35,086,976	16,010,716	1,135,348,697	222,822,865	5,861,485	45,794,113	262,755,493	872,593,204	550,581,166
	Previous Year	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

Note: 1. Buildings 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.1,91,55,665/- being cost of vehicles not registered in the name of the company.

	As at 31st March,2009		As at 31st March,2008	
	Nos.	Rupees	Nos.	Rupees
<b>SCHEDULE F: INVESTMENTS (NON TRADE, LONG TERM)</b>				
(at cost less permanent diminution in value)				
SHARES				
<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
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>				
<b>In Subsidiaries</b>				
Poona Bottling Co. Pvt Limited (Fully paid-up Equity shares of Rs. 100/- each)	95,970	407,085	95,970	407,085
Growel Energy Company Limited (Fully paid-up Equity shares of Rs.10/- each)	49,400	494,000	49,400	494,000
Grauer & Weil (Shanghai) Limited	-	7,890,000	-	7,890,000
<b>In Associates / Joint Ventures</b>				
Growel Goema (I) Pvt Limited (Fully paid up Equity shares of Rs. 10/- each)	149,980	1,499,800	149,980	1,499,800
Growel Sidasa Industries Pvt Limited (Fully paid up Equity shares of Rs. 10/- each)	444,900	4,449,000	444,900	4,449,000
Grauer & Weil (Thailand) Limited (Fully paid up Equity shares of THB 100 each)	9,800	1,098,050	9,800	1,098,050
<b>Others</b>				
In fully paid-up Equity Shares of Rs. 10 each				
Shree Vaishnavi Dyeing & Printing Limited	1,500	6,000	1,500	6,000
Growel Softech Pvt. Limited	37,000	37,000	37,000	37,000
Saraswat Co-operative Bank Limited	5,000	50,000	2,500	25,000
Rasik Plast Limited	13,500	1	13,500	1
Surlux Health Centres Limited	1,000	1	1,000	1
Shivalik Solid Waste Management Limited	20,000	200,000	20,000	200,000
NATIONAL SAVINGS CERTIFICATES		60,300		60,300
		<b>16,436,488</b>		<b>16,757,081</b>
		As at 31st March,2009	As at 31st March,2008	
	Cost	Market value	Cost	Market value
	Rs.	Rs.	Rs.	Rs.
Aggregate value of Quoted Investments	245,251	148,034	590,844	6,792,268
Aggregate value of Unquoted Investments	16,191,237		16,166,237	
	<b>16,436,488</b>		<b>16,757,081</b>	

	Rupees	As At 31st March, 2009 Rupees	As At 31st March, 2008 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	<b>15,409,592</b>		13,371,890
Raw Materials	<b>100,668,536</b>		109,872,570
Work-in-Progress	<b>37,372,880</b>		36,419,118
Finished Goods	<b>73,894,142</b>		41,754,739
Goods in Transit	<b>25,832,034</b>		24,033,296
		<b>253,177,184</b>	225,451,613
(ii) Sundry Debtors (Refer Note no.6) Exceeding six months			
- Secured	<b>1,894,875</b>		200,762
- Unsecured-Considered good	<b>63,921,253</b>		67,632,724
- Unsecured-Considered doubtful	<b>17,997,024</b>		-
	<b>83,813,152</b>		67,833,486
Other Debts			
- Secured	<b>11,215,588</b>		11,276,492
- Unsecured-Considered good	<b>309,790,052</b>		278,078,934
	<b>321,005,640</b>		289,355,426
Less: Provision for Doubtful Debts	<b>17,997,024</b>		-
		<b>386,821,768</b>	357,188,912
(iii) Cash and Bank balances			
Cash on hand	<b>2,613,139</b>		1,656,031
With Scheduled Banks :			
In Current Accounts	<b>23,376,035</b>		26,971,275
In Fixed Deposits	<b>4,003,057</b>		1,645,021
(Includes Rs.150000/- on account of unclaimed Dividends, Previous year Rs.220,000/-)			
In Margin accounts	<b>8,544,995</b>		14,105,383
		<b>38,537,226</b>	44,377,710
(iv) Other Current Assets			
Interest Receivable	<b>2,513,650</b>		1,183,262
Interest Accrued but not due	<b>34,795</b>		27,702
		<b>2,548,445</b>	1,210,964
<b>II. LOANS AND ADVANCES</b>			
(Unsecured considered good unless otherwise specified)			
Inter Corporate Loans (Refer Note no. 7(a & b))			
- Secured	-		100,000,000
- Unsecured	<b>15,645,724</b>		25,065,000
Balances with Excise Department	<b>37,753,991</b>		29,029,391
Income Tax	<b>140,652,806</b>		103,930,472
MAT Credit Entitlement	<b>10,900,000</b>		-
Deposits (Refer Note no.7 (a))	<b>17,010,167</b>		14,687,909
Advance to Suppliers	<b>46,414,071</b>		33,647,546
Loans to Staff	<b>2,359,705</b>		1,209,118
Prepaid Expenses	<b>2,926,130</b>		2,241,633
Advances recoverable in cash or in kind or for value to be received	<b>29,972,586</b>		11,949,513
		<b>303,635,180</b>	321,760,582
		<b>984,719,803</b>	949,989,781

	Rupees	Rupees	As At 31st March, 2009 Rupees	As At 31st March, 2008 Rupees
<b>SCHEDULE H: CURRENT LIABILITIES &amp; PROVISIONS</b>				
<b>(a) CURRENT LIABILITIES</b>				
Acceptances		-		1,025,263
Sundry Creditors				
- Due to Micro, Small & Medium Enterprises		<b>4,142,837</b>		-
- Others		<b>246,770,752</b>		193,699,445
Advance from customers		<b>30,154,202</b>		29,959,545
Investor Education and Protection Fund shall be credited by*				
- Unclaimed Dividends	<b>794,616</b>			1,597,032
- Unclaimed Fixed Deposits	<b>15,000</b>			16,296
		<b>809,616</b>		1,613,328
Interest accrued but not due		<b>881,279</b>		2,432,668
Other Liabilities		<b>65,966,643</b>		52,145,975
			<b>348,725,329</b>	280,876,224
<b>(b) PROVISIONS</b>				
Provision for Income Tax		<b>121,545,682</b>		102,408,451
Proposed Dividend		<b>9,068,230</b>		31,969,313
Tax on Proposed Dividend		<b>1,541,146</b>		5,433,185
Provision for Retirement Benefits		<b>54,667,294</b>		41,941,018
			<b>186,822,352</b>	181,751,967
			<b>535,547,681</b>	462,628,191

\* The figures reflect the position as at 31st March, 2009. The Actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates.

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

	Rupees	2008-09 Rupees	2007-08 Rupees
<b>SCHEDULE I: OTHER INCOME</b>			
Plating and Service charges (Gross)*		11,205,921	13,413,615
License Fees		1,400,000	700,000
Interest Received (Gross)*		6,218,829	7,048,666
Profit on sale of assets (Net)		11,086,606	-
Diminution in value of Investments written back		802,620	-
Dividend on investments (other than Trade Investments)		14,055	8,370
Miscellaneous Receipts (Gross)*		8,612,524	9,232,301
Exchange Fluctuations Gains		19,639,780	-
		<b>58,980,335</b>	30,402,952
		<b>2,957,755</b>	1,085,418
* Tax Deducted at source			
<b>SCHEDULE J: MATERIAL</b>			
RAW MATERIAL CONSUMED			
Opening Stock	109,872,570		78,693,605
Add: Opening stock on Amalgamation	27,013,399		-
Add: Purchases	1,067,027,759		995,374,119
	<b>1,203,913,728</b>		1,074,067,724
Less: Closing Stock	100,668,536		109,872,570
		<b>1,103,245,192</b>	964,195,154
Purchase for Resale		35,312,756	-
		<b>1,138,557,948</b>	964,195,154
(INCREASE) / DECREASE IN STOCKS			
Opening Stock			
Work-in-Progress	36,419,118		32,274,931
Finished Goods	41,754,739		39,231,604
	<b>78,173,857</b>		71,506,535
Add: Opening stock on Amalgamation			
Work-in-Progress	4,830,400		-
Finished Goods	40,926,759		-
	<b>45,757,159</b>		-
	<b>123,931,016</b>		71,506,535
Less: Closing Stock			
Work-in-Progress	37,372,880		36,419,118
Finished Goods	73,894,142		41,754,739
	<b>111,267,022</b>		78,173,857
		<b>12,663,994</b>	(6,667,322)
VARIATION IN EXCISE DUTY ON OPENING & CLOSING STOCK OF FINISHED GOODS		<b>(5,529,914)</b>	(896,542)
		<b>1,145,692,028</b>	956,631,290

	Rupees	2008-09 Rupees	2007-08 Rupees
<b>SCHEDULE K: SALARIES, WAGES AND OTHER BENEFITS</b>			
Salaries, Wages, Bonus etc.		<b>163,543,547</b>	124,403,728
Contribution to Provident and Other Funds		<b>12,039,490</b>	9,448,212
Welfare Expenses		<b>23,715,522</b>	21,088,335
		<b>199,298,559</b>	<b>154,940,275</b>
<b>SCHEDULE L: OTHER EXPENSES</b>			
Stores, Spares and Loose Tools Consumed		<b>23,528,944</b>	30,951,835
Packing Expenses		<b>71,815,656</b>	51,881,692
Job Charges/Labour charges		<b>36,382,305</b>	46,636,378
Power and Fuel		<b>27,989,595</b>	22,876,145
Drawings, Designs and Layout Expenses		<b>1,967,419</b>	2,528,485
Rent		<b>8,084,272</b>	6,923,458
Rates and Taxes		<b>12,237,609</b>	9,299,406
Repairs & Maintenance:			
Buildings	<b>8,877,384</b>		6,212,187
Plant and Machinery	<b>8,195,801</b>		6,741,793
Others	<b>12,103,642</b>		11,413,377
		<b>29,176,827</b>	24,367,357
Insurance		<b>3,462,249</b>	2,985,257
Freight and Forwarding		<b>40,023,761</b>	31,163,344
Printing and Stationery		<b>6,377,819</b>	5,323,205
Postage and Telephones		<b>12,510,319</b>	11,874,018
Vehicle Expenses		<b>9,662,410</b>	8,236,177
Travelling Expenses		<b>26,331,647</b>	26,368,425
Conveyance Expenses		<b>5,236,387</b>	5,328,096
Legal and Professional Fees		<b>19,718,428</b>	9,507,214
Sales Tax		<b>47,219,853</b>	30,083,226
Advertisement & Sales Promotion		<b>5,343,937</b>	6,608,278
Auditors' Remuneration:			
Audit Fees	<b>125,000</b>		125,000
Tax Audit / Taxation Matters	<b>175,000</b>		175,000
Cost Audit Fees	<b>40,000</b>		-
Other Matters	<b>107,500</b>		140,000
Reimbursement of Expenses	<b>78,294</b>		43,069
		<b>525,794</b>	483,069
Directors' Sitting Fees		<b>34,500</b>	8,500
Bad Debts written off		<b>304,834</b>	8,130,215
Wealth Tax		<b>157,250</b>	145,580
Loss on Sale / Discard of Assets (Net)		<b>4,626,887</b>	2,344,634
Donations		<b>185,004</b>	107,402
Exchange Fluctuations loss		-	4,452,830
Miscellaneous Expenses		<b>47,880,139</b>	38,798,348
		<b>440,783,846</b>	<b>387,412,574</b>

	Rupees	2008-09 Rupees	2007-08 Rupees
<b>SCHEDULE M: INTEREST &amp; FINANCE CHARGES</b>			
Interest			
- On Fixed Loans		<b>37,752,787</b>	26,290,069
- Others		<b>31,318,092</b>	27,368,404
Cash Discount		<b>17,390,346</b>	15,127,030
		<u><b>86,461,225</b></u>	<u>68,785,503</u>
<b>SCHEDULE N: DEPRECIATION</b>			
Depreciation for the year		<b>45,794,113</b>	37,423,534
Less: Capitalised During the year		<b>187,015</b>	123,083
Less: Withdrawn from General Reserve - II		<b>5,189,480</b>	
		<u><b>40,417,618</b></u>	<u>37,300,451</u>

**SCHEDULE O: NOTES FORMING PARTS 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 and fair valuation under a Scheme approved by The Hon'ble Board for Industrial & Financial Reconstruction (Hon'ble BIFR) in accordance with the Companies Act, 1956 and the applicable Accounting Standards notified by 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.

Income from operations in paints division includes Job Contract receipts, net of payments made to Sub Contractors. The Company follows the "Percentage of Completion Method" of accounting for all contracts. The revenue from the execution of contracts is recognised proportionately with the degree of completion achieved under each contract, matching revenue with expenses incurred.

**d. Fixed Assets and Depreciation:**

i. Fixed assets are stated at cost of acquisition/fair value including expenditure incurred during construction / erection 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 and assets acquired upto 31/12/1986 at its Paints Division, Chembur.
- 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.

v. Computer software is being amortised on straight line method over a period of five years.

vi. Additional depreciation arising on fair value of the assets at its Paints division is adjusted against General Reserve II.

**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. Current investments are stated at lower of cost and fair value.

**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 is 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 being defined benefit plan is 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. The Gratuity liability is partly funded through a trust with the Life Insurance Corporation of India for employees of Paints Division.

Compensated leave encashment being other long term employee benefit is accounted for based on Actuarial valuation done at the year end using 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 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 and 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 organised and managed separately according to the nature of the products and services provided, with each segment representing strategic business unit that offers different products and serves different markets.

**ii. Segment Revenue & Results:**

The Income and Expenses which are not directly attributable to business segment are shown as unallocated income and expenses.

**iii. Segment Assets & Liabilities:**

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

**o. Leases:**

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

**p. Provision & Contingent Liabilities:**

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is

made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

<b>2. Contingent Liabilities not provided for:</b>	<b>2008-2009</b>	2007-2008
	<b>(Rs. in '000)</b>	(Rs. in '000)
Disputed matters in appeal / contested in respect of;		
- Income Tax	<b>8652</b>	6252
- Excise Duty	<b>4805</b>	4052
- Sales Tax	<b>4595</b>	3120
- Other matters	<b>15406</b>	15406
- Bank Guarantees	<b>15940</b>	-
	<b>2008-2009</b>	2007-2008
	(Rs. in '000)	(Rs. in '000)
<b>3. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)</b>	<b>684420</b>	622171
<b>4. Tax deducted at sources on Job Contract sales</b>	<b>1718</b>	<b>1637</b>
<b>5. Managerial Remuneration:</b>	<b>2008-2009</b>	2007-2008
	<b>(Rs. in '000)</b>	(Rs. in '000)
i) Salary and allowances	<b>3203</b>	1620
ii) Contribution to Provident Fund and other funds*	<b>308</b>	206
iii) Perquisites	<b>2817</b>	1506
iv) Directors Sitting Fees	<b>35</b>	9
	<b>*6363</b>	<b>*3341</b>
*Excluding Contribution / Provision for Gratuity and Leave Encashment		
<b>6. Sundry Debtors includes:</b>	<b>2008-2009</b>	2007-2008
	<b>(Rs. in '000)</b>	(Rs. in '000)
Debts due from Companies under same Management		
i) Grauer & Weil (Thailand) Limited	<b>9426</b>	13154
ii) Growel Sidasa Industries Pvt. Limited	<b>704</b>	38
iii) Growel Goema India Pvt. Limited	<b>18621</b>	13995
iv) Digikore Designs Limited	-	3
v) Grauer & Weil (Shanghai) Limited	<b>23103</b>	-
<b>7. Loans and Advances includes:</b>	<b>2008-2009</b>	2007-2008
	<b>(Rs. in '000)</b>	(Rs. in '000)
a) Amount due from a subsidiary Company		
i) Poona Bottling Co. Pvt. Limited		
- On account of Loan	<b>10640</b>	1565
- On account of Deposit	<b>7050</b>	7050
b) Loan to Associates / Companies Under the same Management		
i) Grauer & Weil (Thailand) Limited		
- On account of Loan	<b>5000</b>	5000
c) Amount due from Associates / Companies under the same Management		
i) Growel Sidasa Industries Pvt. Limited		
- On account of Expenses	<b>9</b>	1
ii) Growel Softech Limited		
- On account of Expenses	<b>119</b>	119
iii) Growel Corporate Management Limited		
- Share application money pending allotment	-	213
- On account of Expenses	<b>115</b>	59
- Advance for Service	-	400

**8. Disclosure required by clause 32 of the listing agreement**

Amount due from following parties

(Rs. In '000)

	Amount Outstanding	Maximum Balance during the year	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	10640 (1565)	10640 (1565)	Nil (Nil)	Nil (Nil)
(ii) Associates				
1) Grauer & Weil (Thailand) Limited	5000 (5000)	5000 (5000)	Nil (Nil)	Nil (Nil)

Notes:

- All the above loans and advance are interest bearing.
- Loans to employees as per Companies policies are not considered
- Previous year figures are in brackets.

9. 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.

10. 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	2008-2009 (Rs. in'000)	2007-2008 (Rs. in'000)
- Not later than one year	6431	6131
- Later than one year, but not later than five year	14232	7247

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

Pre operative expenses pending allocation	2008-2009 (Rs. In '000)	2007-2008 (Rs. In '000)
1) Rates and Taxes	129272	20225
2) Insurance	131	1
3) Professional Fees	5536	10135
4) Borrowing Cost	62221	17897
5) Salary and Wages	2341	1161
6) Miscellaneous	8590	3072
Add: Brought forward from previous year	208091	52491
	94495	42004
	302586	94495

12. 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.

	2008-2009 (Rs. in '000)	2007-2008 (Rs. in '000)
i) Salaries, Wages & Benefits	13521	11423
ii) Chemicals consumed	3970	4701
iii) Traveling & Conveyance	728	1541
iv) Repairs & Maintenance	190	165
v) Other expenses	5492	398
	23901	18228
Less : Testing & analysis charges	(234)	(195)
	23667	18033

Depreciation includes Rs 2352 thousand (P.Y. 1970 thousand) in respect of Fixed Assets used for Research & Development.

Capital Expenditure on Research & Development during the year is Rs.2261 thousand (P.Y. 6659 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:

	<b>2008-2009</b> <b>(Rs. in '000)</b>	2007-2008 (Rs. in '000)
Revenue Expenditure	<b>405</b>	448
Capital Expenditure	<b>311</b>	666
	<b><u>716</u></b>	<u>1114</u>

### 13. Employee Benefits:

As Per Accounting Standard 15 'Employee Benefits', the disclosures of Employee benefits as defined in accounting Standard are given below:

<b>(i) Defined contribution plans</b>	<b>2008-09</b> <b>(Rs. in '000)</b>	2007-2008 (Rs. in '000)
Employer's Contribution to Provident Fund*	<b>5967</b>	4184
Employer's Contribution to Superannuation Fund*	<b>1671</b>	1672

\*included in 'contribution to Provident & Other funds' (Refer Schedule 'K')

#### ii. a. Defined benefit plans:

	<b>Gratuity *</b> <b>2008-2009</b> <b>(Rs. in '000)</b>	<b>Gratuity *</b> <b>2008-2009</b> <b>(Rs. in '000)</b>	Gratuity * 2007-2008 (Rs. in '000)
	<b><u>Partly Funded</u></b>	<b><u>Unfunded</u></b>	<u>Unfunded</u>
Current Service Cost	<b>6652</b>	<b>2428</b>	3434
Interest Cost	<b>595</b>	<b>2367</b>	2071
Expected return on Plan assets	<b>(91)</b>	-	-
Actuarial (Gain)/Loss	<b>(5623)</b>	<b>711</b>	397
<b>Net Cost</b>	<b><u>1533</u></b>	<b><u>5506</u></b>	<u>5902</u>

#### b. Reconciliation of benefit obligations and plan assets for the year

	<b>Gratuity *</b> <b>2008-2009</b> <b>(Rs. in '000)</b>	<b>Gratuity *</b> <b>2008-2009</b> <b>(Rs. in '000)</b>	Gratuity * 2007-2008 (Rs. in '000)
	<b><u>Partly Funded</u></b>	<b><u>Unfunded</u></b>	<u>Unfunded</u>
Present value of defined benefit obligation on amalgamation.	<b>9276</b>	<b>36397</b>	33821
Fair value of plan assets	<b>1157</b>	-	-
Net asset/ (liability) as at 31 <sup>st</sup> March, 2009 recognised in the Balance Sheet	<b><u>(8119)</u></b>	<b><u>(36397)</u></b>	<u>(33821)</u>

Experience adjustments on plan liabilities: Not available

Experience adjustments on plan assets: Not available

The management has relied on the overall actuarial valuation conducted by the actuary. However, experience adjustments on plan liabilities are not readily available hence not disclosed.

	<b>Gratuity * 2008-2009 (Rs. in '000)</b>	<b>Gratuity * 2008-2009 (Rs. in '000)</b>	<b>Gratuity * 2007-2008 (Rs. in '000)</b>
<b>c. Change in defined benefit obligation</b>	<b><u>Partly Funded</u></b>	<b><u>Unfunded</u></b>	<b><u>Unfunded</u></b>
Present value of obligation as at 1 <sup>st</sup> April, 2008	-	33821	31242
Liability on Amalgamation	8214	-	-
Current Service Cost	6652	2428	3434
Interest Cost	595	2367	2071
Actuarial (gain) / loss	(5623)	711	397
Benefits paid	(562)	(2930)	(3323)
Present value of obligation as at 31 <sup>st</sup> March, 2009	<u>9276</u>	<u>36397</u>	<u>33821</u>
<b>d. Change in Plan Assets</b>	<b><u>Partly funded</u></b>	<b><u>Unfunded</u></b>	<b><u>Unfunded</u></b>
Opening fair value of plan assets on 1 <sup>st</sup> April,2008	-	-	-
On Amalgamation	1066	-	-
Expected return on plan Assets	91	-	-
Contribution by Employer	562	-	-
Benefits Paid	(562)	-	-
Actuarial gain / (loss)	-	-	-
Closing fair value of plan assets as on 31 <sup>st</sup> March,2009	<u>1157</u>	<u>-</u>	<u>-</u>
<b>e. Reconciliation of expected return and actual return on plan assets</b>	<b><u>Partly funded</u></b>	<b><u>Unfunded</u></b>	<b><u>Unfunded</u></b>
Expected return on plan assets	91	-	-
Actuarial gain / (loss)	-	-	-
Actual return on plan assets	<u>91</u>	<u>-</u>	<u>-</u>
<b>f. Reconciliation of opening and closing net liability / (asset) recognized in the Balance Sheet</b>	<b><u>Partly funded</u></b>	<b><u>Unfunded</u></b>	<b><u>Unfunded</u></b>
Opening net liability as on 1 <sup>st</sup> April,2008	-	33821	31242
Liability on Amalgamation	7148	-	-
Expenses as recognized in Profit & Loss account	1533	5506	5902
Actuarial gain / (loss)	0	-	-
Benefits Paid	(562)	(2930)	-
Net Liability / (Assets)	<u>8119</u>	<u>36397</u>	<u>-</u>
<b>g. Investments under plan assets as on 31<sup>st</sup> March,2009</b>			
LIC Group Gratuity (Cash Accumulation) Policy: 100%			
<b>h. The principal actuarial assumptions</b>	<b><u>Partly funded</u></b>	<b><u>Unfunded</u></b>	<b><u>Unfunded</u></b>
<b>Discount rate</b>	7.5% p.a	7% p.a	7% p.a
<b>Salary escalation rate:</b>	4% p.a	4% p.a	4% p.a
<b>Expected rate of return on plan assets</b>	8.5% 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.

\* included in "Salaries, Wages, Bonus Etc." (Refer schedule K)

14. 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, 2009.
- (ii) Un-hedged foreign currency exposure is as under:

	USD	EURO	GBP	HKD	<b>Total INR (Rs. In '000)</b>
Receivable	1357928	187845	-	-	<b>76709</b>
Payable	50527	42069	180	5500	<b>5443</b>

- (iii) Premium on Forward Exchange Contracts to be amortised over the life of the contract Rs. Nil (Previous Year – Rs. Nil).

15. Micro, Small and Medium Enterprise Development Act, 2006

The information given below and that given in Schedule H "Current Liabilities and provisions" regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

	<b>2008-09 (Rs. In '000)</b>	2007-08 (Rs. In '000)
(i) Interest amounts unpaid as at the year end	<b>83</b>	NIL
(ii) Principal amounts paid after appointed date during the year	<b>10289</b>	NIL
(iii) Amount of interest accrued and unpaid as at the year End	<b>83</b>	NIL

16. **Details Of Contracts in Progress as on 31<sup>st</sup> March 2009:**

a. Contract Receipt for work done	<b>69108</b>
b. Contract Costs for work done	<b>33637</b>
c. Amount of advances received	-
d. Amount of retention	<b>3545</b>
e. Amount due from Customers for Contract Billing	<b>20268</b>
f. Amount due from Sub Contractors for Contract Billing	<b>12185</b>
g. Contingencies for Contracts	-

**17 Segment Reporting:**

The following tables present revenue and profit/(loss) information regarding business/ geographical segments for the year ended 31st March, 2009 and certain assets and liabilities information regarding business and geographical segments as at 31st March, 2009

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

	Rs. In '000				
	Chemical	Engineering	Shoppertainment	Paints	Total
<b>Segment revenue</b>					
<b>Income from operations</b>	<b>1339513</b>	<b>203091</b>	<b>54348</b>	<b>395602</b>	<b>1992554</b>
	(1328416)	(367087)	(52203)		(1747706)
Add ; Inter segment Revenue				<b>-3970</b>	<b>-3970</b>
Add : Other Income	<b>26101</b>	<b>15758</b>	<b>93</b>	<b>1979</b>	<b>43931</b>
	(9355)	(17637)	(221)		(27213)
Add ; Unallocable					<b>15050</b>
					(3190)
<b>Total</b>	<b>1365614</b>	<b>218849</b>	<b>54441</b>	<b>393611</b>	<b>2047565</b>
	(1337771)	(384724)	(52424)	-	(1778109)
<b>Segment Results</b>	<b>276456</b>	<b>-27179</b>	<b>27769</b>	<b>23502</b>	<b>300548</b>
	(286266)	(15103)	(31191)		(332560)
Less : Interest					<b>86461</b>
					(68786)
Less : Other Unallocable					<b>79175</b>
Expenditure net of unallocable					(90735)
Income					
<b>Profit Before Tax</b>					<b>134912</b>
					(173039)
Less: Provision for Current					<b>9205</b>
and Deferred tax					(46100)
<b>Profit After Tax</b>					<b>125707</b>
					(126939)
Segment Assets	<b>888963</b>	<b>191593</b>	<b>856189</b>	<b>475642</b>	<b>2412387</b>
	(733706)	(232827)	(501360)		(1467893)
Unallocated corporate Assets					<b>211593</b>
					(380382)
<b>Total Assets</b>					<b>2623980</b>
					(1848275)
Segment Liabilities	<b>154448</b>	<b>98951</b>	<b>33499</b>	<b>81089</b>	<b>367987</b>
	(162147)	(116220)	(16345)		(294712)
Unallocated corporate Liabilities					<b>2255993</b>
					(1553563)
<b>Total Liabilities</b>					<b>2623980</b>
					(1848275)
Capital Expenditure	<b>106887</b>	<b>6029</b>	<b>335088</b>	<b>4621</b>	
	(43052)	(3522)	(187088)		
Depreciation	<b>20008</b>	<b>1896</b>	<b>10267</b>	<b>1553</b>	
	(18493)	(1521)	(10217)		
Non Cash Expenditure	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	
	(6683)	(1462)	(NIL)		

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

	Domestic	Exports	Total
Revenue	<b>1766047</b>	<b>281518</b>	<b>2047565</b>
	(1507354)	(270755)	(1778109)
Total Assets	<b>2546687</b>	<b>77293</b>	<b>2623980</b>
	(1762163)	(86112)	(1848275)

Note : Previous year's figures are in brackets

**18. Scheme of Merger:**

Pursuant to the scheme of merger under section 18 (1)(c) and other applicable provisions of "Sick Industrial Companies (Special Provisions) Act, 1985" (SICA) sanctioned by the Hon'ble BIFR vide order dated 24<sup>th</sup> July, 2009 and 11<sup>th</sup> September, 2009 erstwhile Bombay Paints Limited engaged in the manufacture of Paints, has been merged into the Company with effect from the appointed date 1<sup>st</sup> April, 2008.

Upon the scheme of merger being effective:

- As per the order of Hon'ble BIFR, the merger has been accounted under the "Purchase Method" prescribed by Accounting Standard 14 "Accounting for Amalgamation" and all the assets and liabilities as appearing in the books of erstwhile Bombay Paints Limited have been recorded at their respective fair values by the Company.
- In terms of the Scheme of Merger, the Company is required to issue and allot 98,82,850 equity shares of Rs. 10 each fully paid up aggregating to Rs. 988.29 Lacs to the shareholders of erstwhile Bombay Paints Limited in the ratio of one fully paid equity share of Rs. 10 each of the Company for every one fully paid equity share of Rs. 10 each of erstwhile Bombay Paints Limited ("the consideration").
- Excess of the net effect on fair valuation of assets and liabilities of erstwhile Bombay Paints Limited identified by the board as prescribed to be fair valued, by an independent valuer, for this purpose (Identified Assets) has been credited to "Amalgamation Reserve" to be dealt with in accordance with the scheme.
- The resultant surplus in the "Amalgamation Reserve" amounting to Rs. 2445.33 lacs after setting off the loss on extinguishment of investment of Rs. 11.48 lacs, existing accumulated losses of erstwhile Bombay Paints Limited of Rs. 741.00 lacs and amalgamation expenses of Rs. 132.70 lacs has been transferred to "General Reserve II" in accordance with the scheme.
- The scheme shall become effective upon the Company filing the order of the Hon'ble BIFR sanctioning the scheme with Registrar of Companies (ROC). Pending such filing, the Accounts have been compiled, as if the scheme has become effective and consequently the effects of the merger scheme have been incorporated in the accounts. The Company has represented that it is reasonably certain that the order post completion of the procedural formalities, will be filed with the ROC in due course.

**19 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 Sidas Industries Pvt Limited  
Grauer & Weil (Thailand) Limited

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

Mr. Umeshkumar More  
Mr. Rameshkumar More  
Mr. Nirajkumar More  
Mr. Rohitkumar More  
Mr. Rohan Shah  
Mr. M M Chaturvedi  
Mr. K C Srivastava  
Mr. Suresh Pareek  
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 More  
Mrs. Pallavi More  
Mrs. Draupadidevi More  
Mr. Abhishek More



**(ii) Transactions with Related Parties**

Transactions	Subsidiaries	Associates	Key Management Personnel (KMP)	Enterprises of KMP	Relatives of KMP	Total 2008-09 Rs. In '000	Total 2007-08 Rs. In '000
Sales	24990	56269				<b>81259</b>	44328
Purchases		10280				<b>10280</b>	2707
Interest received	787	1122				<b>1909</b>	2191
Interest Paid		225	585	1357		<b>2167</b>	831
Royalty Income		847				<b>847</b>	-
Rent Received				23	1	<b>24</b>	62
Rent Paid	673		858	88	774	<b>2393</b>	2827
Professional Fees				1400		<b>1400</b>	-
Contract Payments						-	94157
Services received						-	2847
Services received (Maintenance)						-	9962
Salaries					892	<b>892</b>	899
Investment In Shares						-	7890
Director's Fees			35			<b>35</b>	9
Managerial Remuneration			7780			<b>7780</b>	3331
Deposit For Rent						-	200
Loans Accepted			2000	3500		<b>5500</b>	15500
Repayment of Loans accepted			2000			<b>2000</b>	1500
Reimbursement Of Expenses	942	98		147		<b>1187</b>	-
Loans advanced	9475			6		<b>9481</b>	119802
Repayment of Loans advanced	400					<b>400</b>	-
Commission Paid						-	84
Construction				98666		<b>98666</b>	-
Commission Received						-	1072
Services GPL				3585		<b>3585</b>	-
<b>Outstanding Balances as on 31st March, 2009</b>							
- Unsecured Loans		2000	6487	13500		<b>21987</b>	17500
- Creditors & Other Liabilities	107	109		5559		<b>5775</b>	9695
- Debtors	23103	28752		3		<b>51858</b>	31529
- Loans & Advances	17690	6131		80125		<b>103946</b>	132694

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.

**20 Earnings Per Share**

Calculation of Earnings per share for the year ended 31.03.2009

		<b>31.03.2009</b>	<b>31.03.2008</b>
Profit for the year	Rs.	<b>125,706,583</b>	126,938,911
Weighted average number of equity shares (Face Value Rs. 10 per share)	Nos.	<b>22,670,575*</b>	12,787,725
Basic Earnings per share	Rs.	<b>5.54</b>	9.93

\*Includes 9,882,850 equity shares to be allotted against Share Capital Suspense to the share holders of erstwhile Bombay Paints Limited under the Scheme of Merger

**21 Deferred Tax:**

The break up of Net Deferred Tax liability is as under:

	2008-09 Rs. In '000		2007-08 Rs. In '000	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Depreciation	-	63008	-	61865
Provision for Leave Encashment and Gratuity	14590	-	13437	-
Other items giving rise to timing differences	61	-	486	-
	<b>14651</b>	<b>63008</b>	13923	61865
Net Deferred Tax Liability		<b>48357</b>		47942
Net Difference In Deferred Tax liability		<b>415</b>		4105
Add: Deferred Tax On Transitional Provisional adjusted in General Reserve		-		3495
Amount Debited To Profit & Loss Account		<b>415</b>		7600

**22. 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)	9,631 (10647)
2	Basic Chemicals	Tons	1300 (1300)	338 (288)
3	Intermediary Chemicals	Tons	1200 (1200)	1667 (1889)
4	Electroplating Equipment	**	**	**
5	Paints, Enamels and Varnishes	KL	7329	
6	Oil Bound Distempers	MT	1380	2466

\* Includes Production for Inter Manufacturing Unit, Captive Consumption and Free Samples

\*\* As the Company is manufacturing different types of Plants and equipment on made to order basis, quantitywise information is not feasible.

B) Traded Items:

	Units	Qty	Rs. In '000 Purchase Value
Basic Chemicals	Tons	20	13986
Other Items			21327
			(-)

## C) Particulars Of Stocks And Turnover:

	Units	Opening Stock		Closing Stock		Turnover	
		Quantity	Value Rs. In Million	Quantity	Value Rs. In Million	Quantity	Value Rs. In Million
<b>Manufacturing</b>							
1 Electroplating Chemicals	Tons	355.12 (228.50)	33.84 (25.80)	281.52 (355.12)	25.21 (33.84)	9,251.61 (10,029.38)	1,437.21 (1,322.64)
2 Basic Chemicals	Tons	3.01 (3.36)	0.92 (1.50)	2.64 (3.01)	0.40 (0.92)	337.83 (285.34)	101.94 (141.65)
3 Intermediary Chemicals	Tons	36.41 (74.67)	6.99 (11.91)	93.16 (36.41)	11.33 (6.99)	588.89 (777.39)	110.53 (114.16)
4 Electroplating Equipment*							225.56 (423.61)
5 Free Sample							0.35 (0.32)
6 Paints, Enamels, Varnishes and Oil Bound Distempers	Kl	396.00	40.93	312.00	36.93	2,475.00	437.64
7 Others			- (-)		- (-)		0.27 (116.23)
							2,313.50 (2,118.61)
<b>Trading</b>							
Chemicals	Tons	- (0.20)	- (0.02)	0.10 (-)	0.02 (-)	20.07 (1.02)	14.68 (0.15)
Others							4.08 (-)
			<u>82.68</u> (39.23)		<u>73.89</u> (41.75)		<u>2,332.26</u> (2,118.76)

\*As the company is manufacturing different types of Plants and Equipments on made to order basis, quantitywise information is not feasible.

Others include sale of chemicals for which Quantity-wise bifurcation have not been ascertained by the company

## D) Raw Materials &amp; Bought Out Components Consumed

(Rs. In Million)

	Units	2008-2009		2007-2008	
		Quantity	Value	Quantity	Value
Inorganic Compounds	Tons	6020.59	391.46	6496.76	321.63
Organic Compounds	Tons	1909.51	291.10	2221.79	243.43
Metals	Tons	46.97	56.42	53.21	89.04
Mild Steel & Angles, Beams Channels, Sheets, Rods and Flats	Tons	54.54	38.43	129.75	64.31
Stainless Steel, Rods, Sheets & Flats	Tons	9.66	16.66	13.99	23.97
Electric Motors	Nos.	177.00	3.20	468.00	5.27
Rectifiers	Nos.	17.00	1.42	67.00	9.01
Pigments	Tons	460.00	51.30	-	0.00
Resins	Tons	721.00	76.80	-	0.00
Solvents	Tons	1168.00	62.33	-	0.00
Others	Tons	732.00	114.13	-	207.54
			1103.25		964.20
		%	Rs.in Million	%	Rs.in Million
Imported		39	430.43	39	380.70
Indigenous		61	672.82	61	583.50
		100	1103.25	100	964.20

	Nos	2008-09 Rs. In Million	Nos	2007-08 Rs. In Million
E) C.I.F. VALUE OF IMPORTS				
(a) Raw Materials		<b>344.09</b>		336.18
(b) Components & Spare Parts		<b>0.07</b>		3.87
(c) Capital Goods		<b>18.18</b>		6.72
F) REMITTANCES IN FOREIGN CURRENCY				
Dividend (Net of Taxes)		<b>1.93</b>		0.01
Number of Non-Resident Shareholders		<b>2</b>		1
Number of Shares held by Non-Residents on which dividend was remitted	<b>772738</b>		78750	
Year for which dividend was remitted		<b>2007-08</b>		2006-07
G) EXPENDITURE IN FOREIGN CURRENCY (On Payment basis)				
(a) Travelling		<b>5.37</b>		6.68
(b) Fees & Registration		<b>0.00</b>		0.24
(c) Seminar & exhibition		<b>1.23</b>		1.36
(d) Membership & subscription		<b>0.04</b>		0.03
(e) Professional Fees		-		0.29
(f) Bank charges		<b>1.18</b>		0.64
(g) Commission		<b>1.36</b>		0.32
(h) Free Samples Foreign		<b>0.00</b>		0.48
H) EARNINGS IN FOREIGN CURRENCY				
F.O.B. Value of Exports (Including Deemed Exports)		<b>273.94</b>		264.72

23 Previous years figures have been regrouped and reclassified wherever required. Previous year's figures are not comparable with that of the current year on account of the effect of the merger scheme.

Signatures to schedules 'A' to 'O' which form an integral part of the Financial Statements

**FOR M. M. NISSIM AND CO.**  
Chartered Accountants

**N.KASHINATH**  
Partner  
Membership No.36490

Mumbai, 29th September, 2009

**For and on behalf of the Board of Directors**

**NIRAJKUMAR MORE**  
**SURESH PAREEK**

**KRISHAN LAL SWAMI**  
**NOEL JACOB**

Mumbai, 29th September, 2009

**Managing Director**  
**Director**

**Group CFO**  
**Company Secretary & VP (Legal)**

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

**I. Registration Details**

Registration No. 

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

 State Code 

1	1
---	---

Balance Sheet Date 

3	1
---	---

0	3
---	---

2	0	0	9
---	---	---	---

Date                      Month                      Year

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

Public Issue 

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

 Rights Issue 

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

Bonus Issue 

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

 Private Placement 

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

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

Total Liabilities 

2	6	2	3	9	8	0
---	---	---	---	---	---	---

 Total Assets 

2	6	2	3	9	8	0
---	---	---	---	---	---	---

**Sources of Funds**

Paid -up Capital 

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

 Reserve & Surplus 

	8	6	6	1	2	1
--	---	---	---	---	---	---

Secured Loan 

	8	8	6	8	1	0
--	---	---	---	---	---	---

 Unsecured Loans 

		6	0	4	3	7
--	--	---	---	---	---	---

Dfererred Tax Liabilities 

		4	8	3	5	8
--	--	---	---	---	---	---

 Share Capital Suspense 

		9	8	8	2	8
--	--	---	---	---	---	---

**Application of Funds**

Net Fixed Assets 

1	6	2	2	8	2	4
---	---	---	---	---	---	---

 Investments 

		1	6	4	3	7
--	--	---	---	---	---	---

Net Current Assets 

	4	4	9	1	7	2
--	---	---	---	---	---	---

 Misc. Expenditure 

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

Accumulated Losses 

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

**IV. Performance of Company (Amounts in Rs. Thousands)**

Turnover 

2	0	4	7	5	6	5
---	---	---	---	---	---	---

 Total Expenditure 

1	9	1	2	6	5	3
---	---	---	---	---	---	---

Profit /Loss before Tax 

+	-				
✓					
1	3	4	9	1	2

 Profit /Loss after Tax 

+	-				
✓					
1	2	5	9	0	7

Earning Per Share in Rs. 

5	.	5	4
---	---	---	---

 Final Dividend Rate % 

4
---

**V. Generic Names of Three Principal Products/Services of the Company**

(As per monetary terms)

Item Code No (ITC Code)

3	8	2	4	9	0	2	1
---	---	---	---	---	---	---	---

Product Description

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

Item Code No (ITC Code)

8	5	4	3	3	0	0	0
---	---	---	---	---	---	---	---

Product Description

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

Item Code No (ITC Code)

3	2	0	8	9	0	0	3
---	---	---	---	---	---	---	---

Service Description

P	A	I	N	T	S		E	N	A	M	E	L	S
A	N	D		V	A	R	N	I	S	H	E	S	

**For and on behalf of the Board of Directors**

**FOR M. M. NISSIM AND CO.**  
Chartered Accountants

**NIRAJKUMAR MORE**  
**SURESH PAREEK**

**Managing Director**  
**Director**

**N.KASHINATH**  
Partner  
Membership No.36490

**KRISHAN LAL SWAMI**  
**NOEL JACOB**

**Group CFO**  
**Company Secretary & VP (Legal)**

Mumbai, 29th September, 2009

Mumbai, 29th September, 2009

**STATEMENT ATTACHED TO THE BALANCE SHEET AS AT MARCH 31. 2009**

Pursuant to section 212 of the Companies Act, 1956.

Name of the Subsidiary Company	:	POONA BOTTLING COMPANY LIMITED	GROWEL ENERGY COMPANY LIMITED	GRAUER & WEIL (SHANGHAI) LIMITED
1 Financial year ending	:	March 31, 2009	March 31, 2009	December 31, 2008
2 Date from which it became subsidiary	:	November 15, 1970	January 4, 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. 4,333,743 (Loss)	NIL	Rs. 57,07,844 (Loss)
b) For the previous financial years of the subsidiary since it became the holding Company's Subsidiary	:	Rs. 10,50,68,894 (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

**For and on behalf of the Board of Directors**

**FOR M. M. NISSIM AND CO.**  
Chartered Accountants

**N.KASHINATH**  
Partner  
Membership No.36490

Mumbai. 29th September, 2009

**NIRAJKUMAR MORE**  
**SURESH PAREEK**

**KRISHAN LAL SWAMI**  
**NOEL JACOB**

Mumbai. 29th September, 2009

**Managing Director**  
**Director**

**Group CFO**  
**Company Secretary & VP (Legal)**





## **BOARD OF DIRECTORS**

Umeshkumar More - Chairman

Rameshkumar More

Nirajkumar More

Rohitkumar More

Gorav 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 50<sup>th</sup> Annual General Meeting of the members of POONA BOTTLING COMPANY PRIVATE LIMITED will be held on Monday, 28<sup>th</sup> September, 2009 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, 2009 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  
22nd June, 2009

**For & on behalf of the Board of  
Poona Bottling Company Pvt. Ltd.**

**Rameshkumar 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.

**DIRECTOR'S REPORT TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting 50<sup>th</sup> Annual Report together with the Audited Accounts for the year ended 31st March 2009.

**OPERATIONS:**

The Board plan 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, 2009.

**FIXED DEPOSITS:**

The Company has not invited or accepted Fixed Deposits during the financial year 2008-2009.

**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, 2009.
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, 2010 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 Director's Report.

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

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

**PARTICULARS OF EMPLOYEES:**

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

**SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION:**

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

**Registered Office:**

410/1, 411/2,  
Bombay Pune Road,  
Dapodi, Pune - 411 012  
22nd June, 2009

**For & on behalf of the Board of  
Poona Bottling Company Pvt. Ltd.**

**Rameshkumar More  
Director**

**Nirajkumar More  
Director**

**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 **31<sup>st</sup> March, 2009**. 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 such other authorities as may be 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) during the aforesaid Financial Year i.e. on 04-04-2008, 05-05-2008, 30-06-2008, 29-07-2008, 31-12-2008 and 06-03-2009 and in respect of each meeting proper notices were given and proceedings were properly recorded in the Minutes Book maintained for the purpose.
5. The Company need 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 2008 was held in time, i.e. on 29<sup>th</sup> July, 2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not given or advanced any amount as defined in Section 295 of the Companies Act, 1956.
9. The Company has not entered into contracts falling within the purview of Section 297 of the Act.
10. The Company has complied with the provisions of Section 301 of the Companies Act, 1956.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approval from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate Share Certificates during the financial year.
13. The Company has:
  - i. delivered all the certificates on Allotment/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 Section 293(1)(d) of the Act are not applicable.
25. The Company being a Private Limited Company, provisions of Section 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 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.

**Place: Mumbai**

**Date: 22<sup>nd</sup> June, 2009**

**CHINTAN K. GANDHI**  
**Company Secretary**  
**ACS : 21369**  
**COP : 7894**

**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 within the prescribed Time (Yes / No)	If delay in filing, whether requisite addl. Fees paid (Yes/No)
1.	Annual Return made up to 29-07-2008 (Date of A.G.M.)	159	20-08-2008	Yes	-
2.	Annual Account for the year ended 31-03-2008	220	05-08-2008	Yes	-
3.	Compliance Certificate for the year ended 31-03-2008	383(A)	20-08-2008	Yes	-

Place: Mumbai

Date: 22<sup>nd</sup> June, 2009

**CHINTAN K. GANDHI**  
 Company Secretary  
 ACS : 21369  
 COP : 7894

**AUDITORS REPORT**

We have audited the attached Balance Sheet of **POONA BOTTLING COMPANY PRIVATE LIMITED** as at 31st March, 2009 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. 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. 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, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 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-amortiation of leasehold land.                     |
| Clause 1(b)(v)   | Regarding impairment of Assets.                                  |
| Clause 1(f)      | Regarding Deferred Tax Assets/Liability                          |
| Clause 2 (b)     | regarding the closure of the bottling operations of the Company. |
| Clause 6         | regarding non confirmation of balances.                          |

In the case of

- a. Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
- 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 S MOTANI**  
**(Partner)**

**Place: Mumbai**

**Dated: 22nd June, 2009**

**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) 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 ten parties covered in the register maintained U/s.301 of the Act the maximum amount of total loan outstanding during the year is Rs.8,26,11,467/- and the closing balance as at 31<sup>st</sup> March, 2009 amounted to Rs. 8,23,11,467/-.
- (b) As no agreements have been entered into with the parties covered U/s. 301 of the Companies Act, 1956 for the loans granted we are unable to give any opinion whether the loans granted by the Company are prejudicial to the interests of the Company.
- (c) In the absence of any agreements with the parties covered U/s. 301 of the Companies Act, 1956 we are unable to offer any comments on the regularity of the repayments of the loans.
- (d) In the absence of any agreements with the parties covered U/s. 301 of the Companies Act, 1956 we are unable to comment on whether any overdue instalments exceeding Rs.100,000/- to be received in respect of loans granted by the Company are there are not.
- (e) As per the information and explanations given to us and the register under section 301 of the Companies Act, 1956 produced before us we find that the Company has taken loan from one companies the maximum amount outstanding during the year is Rs. 1,13,98,308/- and the closing balance as on 31<sup>st</sup> Mar 2009 amounted Rs. 1,13,98,308/-.
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.6,00,000/- Rs.9,00,000/- and Rs.9,00,000/- 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, 2009 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, 2009 stand at Rs.19,62,61,096/- which exceeds 50% of its entire net worth. Further cash losses for the year ended 31<sup>st</sup> March, 2009 is Rs. 52,24,718/-. Further, Company has also incurred cash loss for the immediately preceding year ended 31<sup>st</sup> March 2008 was 24,64,170/-.
  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 not traded in shares, securities, debentures and other securities, Share derivative. Further we were informed that the investments in hand as on 31<sup>st</sup> March, 2009 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 one Company, maximum amount outstanding to that Company is Rs.1,13,98,308/- and closing balance outstanding as at 31.03.2009 is Rs. 1,13,98,308/-.
  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 S. Motani**  
**(Partner)**

**Place: Mumbai**  
**Dated: 22nd June, 2009**

**STATEMENT REFERRED TO IN PARA 9(B) OF THE ANNEXURE TO THE AUDIT REPORT**

Excise Dues

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

**BALANCE SHEET AS AT 31ST MARCH 2009**

	Schedule	Rupees	As At 31 March, 2009 Rupees	As At 31 March, 2008 Rupees
<b>SOURCES OF FUNDS</b>				
SHAREHOLDERS FUNDS				
Share Capital	A	18,900,000		18,900,000
Reserves & Surplus	B	<u>251,780,025</u>		<u>251,820,295</u>
			<b>270,680,025</b>	270,720,295
SECURED LOAN	C		<b>360,707</b>	633,005
UNSECURED LOAN	D		<b>11,398,308</b>	4,167,408
DEFERRED TAX LIABILITY			<u>—</u>	<u>—</u>
			<b><u>282,439,040</u></b>	<b><u>275,520,708</u></b>
<b>APPLICATION OF FUNDS</b>				
FIXED ASSETS				
Gross Block	E	156,053,075		156,053,075
Less Depreciation		<u>124,993,409</u>		<u>121,695,557</u>
Net Block			<b>31,059,666</b>	34,357,518
<b>INVESTMENTS</b>	F		<b>6,121,438</b>	6,699,756
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
Sundry Debtors	G	28,773,199		28,882,509
Cash and Bank Balances		765,765		1,456,967
Loans and Advances		<u>86,013,642</u>		<u>84,675,180</u>
		<u>115,552,606</u>		<u>115,014,656</u>
<b>Less: CURENT LIABILITIES AND PROVISIONS</b>				
Curent Liabilities	H	66,555,766		68,318,237
Provisions		<u>—</u>		<u>—</u>
		<u>66,555,766</u>		<u>68,318,237</u>
<b>NET CURRENT ASSETS</b>			<b>48,996,840</b>	46,696,419
<b>PROFIT AND LOSS ACCOUNT</b>				
As per Last Year Balance Sheet		187,767,015		181,435,314
During the Year		<u>8,494,081</u>	<b>196,261,096</b>	<u>6,331,701</u>
			<b><u>282,439,040</u></b>	<b><u>275,520,708</u></b>
Notes to Accounts	L			

As per our attached Report of even date  
For R.N.BHANSALI & CO.  
Chartered Accountants

YOGESH MOTANI  
Partner

Mumbai  
22nd June, 2009

For and on behalf of The Board of Directors  
RAMESHKUMAR MORE Director

NIRAJKUMAR MORE Director

Mumbai  
22nd June, 2009

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

	Schedule	For the year ended March 31 2009 Rupees	For the year ended March 31 2008 Rupees
<b>INCOME</b>			
Compensation Received		2,564,662	3,075,704
Other Income	I	1,268,546	81,800
		<u>3,833,208</u>	<u>3,157,504</u>
<b>EXPENDITURE</b>			
Employees Remuneration & Benefit	J	5,918,561	298,129
Operating and Other Expenses	K	3,139,365	5,323,545
Depreciation	E	3,297,852	3,847,226
		<u>12,355,778</u>	<u>9,468,900</u>
<b>LOSS BEFORE TAXATION</b>		<b>8,522,570</b>	6,311,396
PROVISION FOR TAXATION			
Current Year		-	-
Fringe Benefit Tax		11,781	60,656
<b>LOSS FOR THE YEAR AFTER TAXATION</b>		<b>8,534,351</b>	6,372,052
Add / (less): Prior Period Adjustment		-	5,610
		<u>8,534,351</u>	<u>6,377,662</u>
Less: Transferred from Revaluation Reserve		40,270	45,961
<b>NET LOSS FOR THE YEAR</b>		<b>8,494,081</b>	6,331,701
Add: Balance Brought Forward		187,767,015	181,435,314
Deficit Carried to Balance Sheet		<u>196,261,096</u>	<u>187,767,015</u>
<b>Notes to Accounts</b>	L		

As per our attached Report of even date

For R.N.BHANSALI & CO.  
Chartered Accountants

YOGESH MOTANI  
Partner

Mumbai  
22nd June, 2009

For and on behalf of The Board of Directors  
RAMESHKUMAR MORE Director

NIRAJKUMAR MORE Director

Mumbai  
22nd June, 2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009**

	Rupees	For the Year ended March 31, 2009 Rupees	For the Year ended March 31, 2008 Rupees
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>			
NET (LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS		<b>(8,522,570)</b>	(6,311,396)
Adjustments for			
Depreciation	<b>3,297,852</b>		3,847,226
(Profit) / loss on sale of Investments	<b>(81,904)</b>		(8,446)
Dividend	<b>(8,300)</b>		(3,150)
(Profit) / loss on sale of asset	-		347,997
Prior period items	-		(5,610)
		<b>3,207,648</b>	4,178,017
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		<b>(5,314,922)</b>	(2,133,379)
Adjustments for			
(Increase) / Decrease in Trade and other receivables	<b>(1,229,152)</b>		(1,615,390)
Increase / (Decrease) in Trade and other payables	<b>(1,774,252)</b>		956,647
		<b>(3,003,404)</b>	(658,743)
CASH GENERATED FROM OPERATION		<b>(8,318,326)</b>	(2,792,122)
NET CASH FROM OPERATING ACTIVITIES		<b>(8,318,326)</b>	(2,792,122)
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>			
Redemption of Mutual Funds / Shares		<b>660,222</b>	85,000
Investment in Mutual Funds / Shares		-	(399,000)
Loss on sale of Nifty Investment		-	(412,501)
Purchase of Vehicles		-	(980,747)
Sale of Asset		-	800,000
Dividend Received		<b>8,300</b>	3,150
		<b>668,522</b>	(904,098)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>			
ICD RECEIVED		<b>10,261,997</b>	3,637,744
RECEIVED TOWARDS SECURED LOAN		-	845,000
REPAYMENT OF ICD		<b>(3,031,097)</b>	-
REPAYMENT OF SECURED LOAN		<b>(272,298)</b>	(211,995)
		<b>6,958,602</b>	4,270,749
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)		<b>(691,202)</b>	574,529
Opening Balance		<b>1,456,967</b>	882,438
Closing Balance		<b>765,765</b>	1,456,967

As per our attached Report of even date

For R.N.BHANSALI & CO.  
Chartered Accountants

YOGESH MOTANI  
Partner

Mumbai  
22nd June, 2009

For and on behalf of The Board of Directors  
RAMESHKUMAR MORE Director

NIRAJKUMAR MORE Director

Mumbai  
22nd June, 2009

**SCHEDULES ANNEXED TO BALANCE SHEET AS AT MARCH 31, 2009**

	Rupees	As At March 31 2009 Rupees	As At March 31 2008 Rupees
<b>SCHEDULE A: SHARE CAPITAL</b>			
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 (India) 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: RESERVES &amp; SURPLUS</b>			
Capital Reserve			
As per last Balance Sheet	<u>243,764,647</u>		<u>243,764,647</u>
		<b>243,764,647</b>	<u>243,764,647</u>
Revaluation Reserve			
As per last Balance Sheet	<b>8,055,648</b>		8,110,884
Less: Sale of asset	-		9,275
Less: Transferred to Profit & Loss Account	<u>40,270</u>		45,961
		<b>8,015,378</b>	<u>8,055,648</u>
		<u><b>251,780,025</b></u>	<u>251,820,295</u>
<b>SCHEDULE C: SECURED LOAN</b>			
HDFC BANK LTD			
(Secured by the vehicle)		<u>360,707</u>	633,005
		<u><b>360,707</b></u>	<u>633,005</u>
<b>SCHEDULE D: UNSECURED LOAN</b>			
LOAN FROM COMPANIES			
		<u><b>11,398,308</b></u>	<u>4,167,408</u>

**SCHEDULE E : FIXED ASSETS**

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS AT 31/03/2008	ADDITIONS	DEDUCTIONS	AS AT 31/03/2009	UPTO 31/03/2008	for the year	Adjustments	UPTO 31/03/2009	AS AT 31/03/2009	AS AT 31/03/2008
Freehold Land	7,823,430	-	-	<b>7,823,430</b>	-	-	-	-	<b>7,823,430</b>	7,823,430
Leasehold Land	1,061	-	-	<b>1,061</b>	-	-	-	-	<b>1,061</b>	1,061
Buildings	17,722,096	-	-	<b>17,722,096</b>	11,053,861	433,712	-	<b>11,487,573</b>	<b>6,234,523</b>	6,668,235
Plant & Machinery	59,755,162	-	-	<b>59,755,162</b>	54,433,720	742,950	-	<b>55,176,670</b>	<b>4,578,492</b>	5,321,442
Furniture & Fixtures	2,718,694	-	-	<b>2,718,694</b>	2,573,921	26,204	-	<b>2,600,125</b>	<b>118,569</b>	144,773
Vehicles	980,747	-	-	<b>980,747</b>	211,596	199,133	-	<b>410,729</b>	<b>570,018</b>	769,151
Bottles & Cases	67,051,885	-	-	<b>67,051,885</b>	53,422,459	1,895,853	-	<b>55,318,312</b>	<b>11,733,573</b>	13,629,426
Total	156,053,075	-	-	<b>156,053,075</b>	121,695,557	3,297,852	-	<b>124,993,409</b>	<b>31,059,666</b>	34,357,518
Previous year	162,601,278	980,747	7,528,950	156,053,075	124,632,510	3,847,226	6,784,179	121,695,557	34,357,518	37,968,768

	As at March 31 2009 Rupees	As at March 31 2008 Rupees
<b>SCHEDULE F: INVESTMENTS (AT COST, NON TRADE)</b>		
LONG TERM:		
IN SHARES (Fully Paid up shares of Rs.10/- each)		
Quoted		
900 shares of Bank of India (Market Value Rs.227,610/- (previous year 151,020/-))	<b>40,500</b>	40,500
Unquoted		
15000 shares of Waluj Beverages Pvt Ltd.	<b>150,000</b>	150,000
1000 shares of The Saraswat Co-operative Bank Ltd	<b>10,000</b>	10,000
601500 shares of Growel Softech Ltd.	<b>3,870,438</b>	3,870,438
100000 shares of Growel Goema Ltd.	<b>1,002,500</b>	1,002,500
460000 shares of Digikore Studios Ltd.	<b>1,009,000</b>	1,009,000
390 shares of Shree MPJ Builders PVT LTD	<b>39,000</b>	39,000
SHORT TERM:		
IN MUTUAL FUNDS		
HDFC Short Cash Management (Nil units (NAV Rs. Nil)) (Previous Year 38378 units (NAV Rs.649287/-))	-	578,318
	<b><u>6,121,438</u></b>	<b><u>6,699,756</u></b>

**SCHEDULE G: CURRENT ASSETS LOANS AND ADVANCES**

(I) CURENT ASSETS		
(i) Sundry Debtors (Unsecured, considered good)		
Outstanding for a period exceeding six months	<b>27,855,906</b>	28,300,980
Other Debts	<b>917,293</b>	581,529
	<b><u>28,773,199</u></b>	<u>28,882,509</u>
(ii) Cash and Bank Balances		
Cash on hand	<b>675,252</b>	1,358,683
Balances With Scheduled Banks In Current Account	<b>90,513</b>	98,284
	<b>765,765</b>	<u>1,456,967</u>
(II) LOANS AND ADVANCES (unsecured considered good unless otherwise stated)		
Loans	<b>82,311,466</b>	81,682,621
Deposits	<b>258,133</b>	201,013
Advance Income Tax/Tax deducted at source	<b>2,225,890</b>	1,671,074
Advances recoverable in cash or in kind or for value to be received Considered good	<b>1,218,153</b>	1,120,472
	<b><u>86,013,642</u></b>	<u>84,675,180</u>
	<b><u>115,552,606</u></b>	<u>115,014,656</u>

	<b>As at March 31 2009 Rupees</b>	As at March 31 2008 Rupees
<b>SCHEDULE H: CURRENT LIABILITIES AND PROVISION</b>		
Sundry creditors	<b>2,797,064</b>	3,842,959
Deposits towards use of premises	<b>7,050,000</b>	7,603,070
Deposit against bottles & cases	<b>54,926,574</b>	55,440,974
Advances from customers	<b>1,000,000</b>	1,000,000
Other Liabilities	<b>782,128</b>	431,234
	<b><u>66,555,766</u></b>	<u>68,318,237</u>
	<b>For the year ended March 31 2009 Rupees</b>	For the year ended March 31 2008 Rupees
<b>SCHEDULE I: OTHER INCOMES</b>		
Interest	<b>5,545</b>	5,700
Sundry Balances Written Back	<b>1,172,797</b>	-
Profit on Investment	<b>81,904</b>	8,446
Profit on sale of asset	-	64,504
Dividends recieved	<b>8,300</b>	3,150
	<b><u>1,268,546</u></b>	<u>81,800</u>
<b>SCHEDULE J: EMPLOYEES REMUNERATION &amp; BENEFIT</b>		
Salaries and Allowances	<b>5,886,503</b>	289,833
Medical & Welfare Expenses	<b>32,058</b>	8,296
	<b><u>5,918,561</u></b>	<u>298,129</u>
<b>SCHEDULE K: OPERATING &amp; OTHER EXPENSES</b>		
Rent,Rates and Taxes	<b>293,127</b>	427,563
Power,Fuel & Water	<b>64,453</b>	94,761
Postage and Telephone	<b>13,103</b>	26,385
Travelling & Conveyance	<b>1,267,791</b>	475,197
Printing & Stationery	<b>4,840</b>	3,915
Membership & Subscription	<b>32,975</b>	13,497
Legal & Professional Fees	<b>513,765</b>	1,192,667
Auditors' Remuneration	<b>27,575</b>	28,090
Vehicle Maintenance & Insurance	<b>19,830</b>	-
Loss on Sale of Investment (Derivative)	-	412,501
Repairs to Buildings	-	699,469
Business Contact Expenses	-	529,554
Transport Charges	-	599,000
Security Charges	-	511,276
General Charges	<b>32,295</b>	73,682
Interest Paid	<b>869,611</b>	235,988
	<b><u>3,139,365</u></b>	<u>5,323,545</u>

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009

## 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. 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.45.78 lacs, Board is of the opinion that book value represents the more or less the same realisable value, so diminishing in value of assets, if at all, if any, the same will be provided for at the time of sale as per AS-28, 'Impairment of Assets'.

## c) Bottles &amp; 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 Mutual Funds are accounted on cash basis.

## 2. a) Claims Against THE 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 filed an appeal before the Hon'ble High Court, Mumbai. The Hon'ble High Court ordered the Company to continue to pay an amount equal to 50% of the basic and the DA till final disposal of the appeal.

With a view to limit the ongoing costs, the Company closed its bottling unit under the Industrial Dispute Act with effect from 02.08.2001 and retrenched all its employees from that date. The employees of the Company filed complaints in the Industrial Court, Pune and the matter is sub judice. The Company has made payments as per the interim orders of the Industrial Court, Pune and High Court, Mumbai. Further the Industrial Court, Pune vide order dated 20<sup>th</sup> 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 Hon'ble High Court Mumbai has admitted the appeal but refused the interim stay as applied.

During the year under consideration the Company had paid Rs.48.38 lacs as per the order dated 6<sup>th</sup> August 2008 of Hon'ble High Court Mumbai towards full and final settlement of all the concerned workers.

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.



- |   |                       |               |
|---|-----------------------|---------------|
| 3. Contingent Liabilities not provided for  | <b>2008-2009</b>      | 2007-2008     |
| a) Disputed Excise Duty liability   | <b>Rs. 28.28 Lacs</b> | Rs.28.28 Lacs |
| b) Disputed gratuity  | <b>Rs. 0.69 Lacs</b>  | Rs. 0.69 Lacs |
| 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 Pvt. 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  
 Growel Project Limited

**Key Management Personnel**

Mr. Umeshkumar More  
 Mr. Rameshkumar More  
 Mr. Nirajkumar More  
 Mr. Rohitkumar More  
 Mr. Gorav More

**Relatives of Key Management**

Mrs. Premlata More  
 Mrs. Umadevi More  
 Mrs. Pallavi More  
 Mrs. Jhumka More  
 Mrs. Stuti More

**Summary of Related Party Transactions**

Name	Compensation	Loans/ Advances Given	Loans/ Advances Recovered	(Rupees)
				Loan Received
With Companies in which Key Management Personnel are interested	18,00,000	24,50,000	17,30,000	Nil
With Holding Company	6,00,000	Nil	Nil	90,75,000

**DETAILS OF CLOSING BALANCES OF RELATED PARTIES AS ON 31<sup>ST</sup> MARCH,2009**

Name	Debtors	Loans	Advances	(Rupees)
				Current Liabilities
				Loans Payable
With Companies in which Key Management Personnel are interested	2,86,65,704	8,23,11,467	1,75,193	Nil
With Holding Company	107,495	Nil	Nil	1,13,98,308

7. Earning per shares

Calculation of Earning per share for the year ended 31.3.2009

		<b>31.3.2009</b>	31.3.2008
Loss for the Year After Tax	<b>Rs.</b>	<b>(8534351)</b>	(6372052)
Weighted Average number of Equity Shares (Face Value Rs.10/- per share)	<b>Nos.</b>	<b>189,000</b>	189,000
Basic and Diluted Earnings per share		<b>(45.16)</b>	(33.71)

8. The Company's operations during the year predominantly relate to trading, investment 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.NIL (Prev. year Rs.4,12,501/-) to the profit and loss account in respect of derivatives contract entered for Nil (Prev. year 2350 lots) of Nifty. No contract is outstanding as at 31<sup>st</sup> March, 2009.
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, 2009.
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 earlier years substantial portion of Plant and Machinery are sold and as the bottling operations of the Company are suspended; hence the details in respect of installed capacity, production and sale have not been provided.

	<b>2008-2009</b>	2007-2008
14. Value of Imports on CIF Basis	<b>Nil</b>	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:

	<b>Current Year</b>	Previous Year
For Statutory Audit	<b>Rs.25,000/-*</b>	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.  
 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**

**For R.N.BHANSALI & CO.**  
**Chartered Accountants**

**YOGESH MOTANI**  
**Partner**

**Mumbai**  
**22nd June, 2009**

**For and on behalf of The Board of Directors**

**RAMESHKUMAR MORE**                      **Director**

**NIRAJKUMAR MORE**                      **Director**

**Mumbai**  
**22nd June, 2009**

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

I. Registration details

Registration No. 

1	1	3	0	7
---	---	---	---	---

 State Code 

1	1
---	---

Balance Sheet date 

3	1
---	---

0	3
---	---

2	0	0	9
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Date                      Month                      Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Rights Issue						
<table border="1" style="display: inline-table;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	<table border="1" style="display: inline-table;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L
N	I	L					
N	I	L					
Bonus Issue	Private Placement						
<table border="1" style="display: inline-table;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	<table border="1" style="display: inline-table;"><tr><td>N</td><td>I</td><td>L</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;"><tr><td>2</td><td>8</td><td>2</td><td>4</td><td>3</td><td>9</td></tr></table>	2	8	2	4	3	9	<table border="1" style="display: inline-table;"><tr><td>2</td><td>8</td><td>2</td><td>4</td><td>3</td><td>9</td></tr></table>	2	8	2	4	3	9	
2	8	2	4	3	9									
2	8	2	4	3	9									
Sources of Funds	Reserve & Surplus													
Paid -up Capital	<table border="1" style="display: inline-table;"><tr><td>2</td><td>5</td><td>1</td><td>7</td><td>8</td><td>0</td></tr></table>	2	5	1	7	8	0							
2	5	1	7	8	0									
<table border="1" style="display: inline-table;"><tr><td></td><td>1</td><td>8</td><td>9</td><td>0</td><td>0</td></tr></table>		1	8	9	0	0								
	1	8	9	0	0									
Secured Loan	Unsecured Loans													
<table border="1" style="display: inline-table;"><tr><td></td><td></td><td></td><td>3</td><td>6</td><td>1</td></tr></table>				3	6	1	<table border="1" style="display: inline-table;"><tr><td></td><td>1</td><td>1</td><td>3</td><td>9</td><td>8</td></tr></table>		1	1	3	9	8	
			3	6	1									
	1	1	3	9	8									
Dfererred Tax Liabilities														
<table border="1" style="display: inline-table;"><tr><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>				N	I	L								
			N	I	L									
Application of Funds	Investments													
Net Fixed Assets	<table border="1" style="display: inline-table;"><tr><td></td><td></td><td></td><td>6</td><td>1</td><td>2</td><td>1</td></tr></table>				6	1	2	1						
			6	1	2	1								
<table border="1" style="display: inline-table;"><tr><td></td><td>3</td><td>1</td><td>0</td><td>6</td><td>0</td></tr></table>		3	1	0	6	0								
	3	1	0	6	0									
Net Current Assets	Accumulated Losses													
<table border="1" style="display: inline-table;"><tr><td></td><td>4</td><td>8</td><td>9</td><td>9</td><td>7</td></tr></table>		4	8	9	9	7	<table border="1" style="display: inline-table;"><tr><td></td><td>1</td><td>9</td><td>6</td><td>2</td><td>6</td><td>1</td></tr></table>		1	9	6	2	6	1
	4	8	9	9	7									
	1	9	6	2	6	1								

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

Turnover	Total Expenditure														
<table border="1" style="display: inline-table;"><tr><td></td><td></td><td></td><td>3</td><td>8</td><td>3</td><td>3</td></tr></table>				3	8	3	3	<table border="1" style="display: inline-table;"><tr><td></td><td></td><td>1</td><td>2</td><td>3</td><td>5</td><td>6</td></tr></table>			1	2	3	5	6
			3	8	3	3									
		1	2	3	5	6									
Profit /Loss before Tax	Profit /Loss after Tax														
+ -	+ -														
<table border="1" style="display: inline-table;"><tr><td></td><td>✓</td></tr></table> <table border="1" style="display: inline-table;"><tr><td>8</td><td>5</td><td>2</td><td>3</td></tr></table>		✓	8	5	2	3	<table border="1" style="display: inline-table;"><tr><td></td><td>✓</td></tr></table> <table border="1" style="display: inline-table;"><tr><td>8</td><td>5</td><td>3</td><td>4</td></tr></table>		✓	8	5	3	4		
	✓														
8	5	2	3												
	✓														
8	5	3	4												

(Please tick appropriate box + for profit, - for loss)

Earning Per Share in Rs. 

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

 Dividend Rate % 

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
---	---	---	---	---	---	---	---	---

(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
---	---	---	---	---	---	---	---	---

(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
---	---	---	---	---	---	---	---	---

**For and on behalf of The Board of Directors**

**For R.N.BHANSALI & CO.**

Chartered Accountants

**YOGESH MOTANI**

Partner

Mumbai

22nd June, 2009

**RAMESHKUMAR MORE**

**Director**

**NIRAJKUMAR MORE**

**Director**

Mumbai

22nd June, 2009



**BOARD OF DIRECTORS**

Rameshkumar More

Maan Singh Thakur

Amit Kumar Modi

**AUDITORS**

S. Tandon & Associates  
Chartered Accountants

**REGISTERED OFFICE**

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

**NOTICE**

NOTICE is hereby given that the Seventh Annual General Meeting of the Shareholders of Growel Energy Company Limited will be held at the Registered Office of the Company at Akurli Road, Kandivli (E), Mumbai on Tuesday, 28<sup>th</sup> day of July, 2009 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, 2009 along with the Schedules and Notes on Accounts attached thereto together with the reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Ramesh Kumar More, who retires by rotation and being eligible, offers himself for re-appointment.
3. 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.

**Place: Chandigarh**  
**Date: 15<sup>th</sup> June, 2009**

**By Order of the Board of Directors**

**Amit Kumar Modi**  
**Director**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY 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.

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their 7th Annual Report together with the Audited Accounts for the period ended 31<sup>st</sup> March 2009.

### 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 and Project Expenses (Pending capitalization/ allocation) incurred by the Company till 31.03.2009 amount to Rs. 82.59 Lacs (Rs. 75.27 Lacs till 31.03.2008).

### DIVIDEND

As there was no activity during the year, your Board has decided not to recommend any dividend for the period ended March 31, 2009.

### FIXED DEPOSITS

Your Company has neither invited nor accepted any Fixed Deposits during the financial year 2008 – 2009.

### DIRECTORS

In accordance with the provisions of Section 256 of the Companies Act, 1956, Mr. Rameshkumar More will be liable to retire by rotation at the forthcoming Annual General Meeting. Being eligible, the re-appointment of Mr. Rameshkumar More is recommended by the Directors for your approval.

### 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, 2009 the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Pre-Operative & Project 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, 2009 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.

Place: Chandigarh  
Date: 15<sup>th</sup> June, 2009

For and on behalf of the Board of  
Growel Energy Company Limited  
Amit Kumar Modi  
Chairman



**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, 2009. 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 Company (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 and 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 our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of these books;
  - (iii) The Balance Sheet and Profit and Loss Account dealt with by this report is in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet and Profit and 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 the affairs of the Company as at 31<sup>st</sup> March, 2009; and
    - ii) No Profit and 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: 15<sup>th</sup> June, 2009**

**Alok Krishan**  
**Partner**

**ANNEXURE TO THE AUDITORS' REPORT**

Statement referred to in paragraph (3) of our report of even date to the shareholders of Growel Energy Company Limited on accounts for the year ended 31st March 2009.

- (i) a) The Company is maintaining proper records to show full particulars including quantitative detail 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, 2009. Therefore clause (a) to (c) of this order is not applicable.
- (iii) The Company has taken unsecured loan from Mr. Mann Singh Thakur, Director of Company amounting to Rs. 37,15,000 up to 31<sup>st</sup> March, 2009.
- (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 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, 2009 and hence, this clause is not applicable to inventories.
- (v) According to the information and explanations given to us, the Company has entered all the transactions, which are required to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.
- (vi) As Per information & Explanation 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 the Reserve Bank of India & provisions of sections 58AA of the Companies Act, 1956 and rules framed there are not applicable.
- (vii) In our opinion, the Company has prima facie 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 sec 209(1) (d) of the Companies Act 1956.
- (ix) a) According to the information and explanations given to us by the management, the provisions 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, as 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 guarantee for loans taken from banks and 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 clauses (x) (xiii) and (xiv) of CARO are not applicable to the Company.

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

**Place: Chandigarh  
Date: 15<sup>th</sup> June, 2009**

**Alok Krishan  
Partner**

## BALANCE SHEET AS AT 31ST MARCH 2009

	Schedule	Rupees	As At 31st March, 2009 Rupees	Rupees	As At 31st March, 2008 Rupees
<b>SOURCES OF FUNDS</b>					
SHAREHOLDERS' FUNDS					
Share Capital	I		<b>7,980,390.00</b>		7,980,390.00
Reserve & Surplus			-		-
			<b>7,980,390.00</b>		<b>7,980,390.00</b>
LOAN FUNDS					
Unsecured Loans	II		<b>3,715,000.00</b>		2,000,000.00
			<b>11,695,390.00</b>		<b>9,980,390.00</b>
<b>APPLICATION OF FUNDS</b>					
FIXED ASSETS					
Gross Block	III	<b>670,460.00</b>		127,060.00	
Less :Depreciation		<b>116,833.00</b>		55,201.12	
Net Block			<b>553,627.00</b>		71,858.88
Add: Capital Work in Progress (Pending For Capitalization/allocation)			<b>204,206.00</b>		-
			<b>757,833.00</b>		71,858.88
<b>PRE-OPERATIVE &amp; PROJECT EXPENSES</b> (Pending Allocation)	IV		<b>8,259,111.06</b>		7,527,522.12
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>					
Cash and Bank Balances	V	<b>496,930.94</b>		1,470,432.00	
Loan & Advances	VI	<b>2,235,879.00</b>		749,046.00	
		<b>2,732,809.94</b>		2,219,478.00	
Less: Current Liabilities & Provisions	VII	<b>231,030.00</b>		15,135.00	
<b>NET CURRENT ASSETS</b>			<b>2,501,779.94</b>		2,204,343.00
<b>MISCELLANEOUS EXPENDITURE</b> (To the Extent Not Written off or Adjusted)					
Preliminary Expenses			<b>78,039.00</b>		78,039.00
Deffered Revenue Expenses			<b>98,627.00</b>		98,627.00
			<b>11,695,390.00</b>		<b>9,980,390.00</b>
<b>NOTES ON ACCOUNTS</b>	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

Alok Krishan  
(Partner)

Place: Chandigarh  
Date : 15<sup>th</sup> June, 2009

For and on behalf of Board of Directors

Amit Kumar Modi  
Director

Maan Singh Thakur  
Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED AS AT 31ST MARCH 2009

		For the Year ended 31st March, 2009 Rupees		For the Year ended 31st March, 2008 Rupees
	Rupees		Rupees	
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>				
(Increase) / (Decrease in Trading and other receivables	<b>(1,486,833)</b>		71,751	
Increase / ( Decrease ) in Trade and other payables	<b>215,895</b>		<u>(530,896)</u>	
		<b>(1,270,938)</b>		<u>(459,145)</u>
CASH GENERATED FROM OPERATIONS		<b>(1,270,938)</b>		<u>(459,145)</u>
NET CASH USED IN OPERATING ACTIVITIES		<b>(1,270,938)</b>		<u>(459,145)</u>
<b>B CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Capital Expenditure		<b>(1,417,563)</b>		<u>(861,654)</u>
NET CASH USED IN INVESTMENT ACTIVITIES		<b>(1,417,563)</b>		<u>(861,654)</u>
<b>C CASH FLOW FROM FINANCIAL ACTIVITIES</b>				
Share capital	-		-	
Share application money received	-		280,390	
Receipt / Payment of unsecured loan	<b>1,715,000</b>		<u>2,000,000</u>	
		<b>1,715,000</b>		<u>2,280,390</u>
NET CASH FROM FINANCIAL ACTIVITIES		<b>1,715,000</b>		<u>2,280,390</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		<b>(973,501)</b>		<u>959,591</u>
CASH AND CASH EQUIVALENTS				
CLOSING BALANCE		<b>496,931</b>		1,470,432
Less : Opening Balance		<b>1,470,432</b>		510,841
NET INCREASE / (DECREASE) IN CASH EQUIVALENTS		<b>(973,501)</b>		<u>959,591</u>

For S. Tandon & Associates  
Chartered Accountants

For and on behalf of Board of Directors

Alok Krishan  
(Partner)

Amit Kumar Modi  
Director

Maan Singh Thakur  
Director

Place: Chandigarh  
Date : 15<sup>th</sup> June, 2009

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

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b>SCHEDULE - I</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
800,000 Equity Shares of Rs.10/- each (Previous year 800,000 Equity Shares of Rs 10/- Each)	<b>8,000,000.00</b>	8,000,000.00
<b>Issued, Subscribed and Paid Up Capital</b>		
98,039 Equity Shares of Rs.10/- each (Previous year 98,039 Equity Shares of Rs 10/- Each)	<b>980,390.00</b>	980,390.00
<b>Share Application Money</b>		
(Pending allotment)	<b>7,000,000.00</b>	7,000,000.00
	<b>7,980,390.00</b>	7,980,390.00
<b>SCHEDULE- II</b>		
<b>UNSECURED LOANS</b>		
From Director	<b>3,715,000.00</b>	2,000,000.00
	<b>3,715,000.00</b>	2,000,000.00

## SCHEDULE III

## FIXED ASSETS

(RUPEES)

Particulars	Rate of Dep	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		Gross value as on 01.04.2008	Addition during the year	Sale/ Adjustment	Gross Value 31.03.2009	As on 01.04.2008	Dep During the year	Total as on 31.03.2009	As on 31.03.09	As on 31.03.08
Furniture & Fixture	18.10%	13,000.00	-	-	13,000.00	3,435.72	1,731.28	5,167.00	7,833.00	9,564.28
Office equipment	13.91%	24,940.00	-	-	24,940.00	6,328.20	2,588.80	8,917.00	16,023.00	18,611.80
Camera	20%	20,500.00	-	-	20,500.00	7,425.00	2,615.00	10,040.00	10,460.00	13,075.00
Computer	40%	68,620.00	-	-	68,620.00	38,012.20	12,243.80	50,256.00	18,364.00	30,607.80
Survey Equipment	13.91%	-	543,400.00	-	543,400.00	-	42,453.00	42,453.00	500,947.00	-
		127,060.00	543,400.00	-	670,460.00	55,201.12	61,631.88	116,833.00	553,627.00	71,858.88
<b>Capital Work in Progress</b>		-	204,206.00	-	204,206.00	-	-	-	204,206.00	-
<b>Total</b>		127,060.00	747,606.00	-	874,666.00	55,201.12	61,631.88	116,833.00	757,833.00	71,858.88
<b>Previous Year</b>		127,060.00	-	-	127,060.00	25,575.00	29,626.12	55,201.12	71,858.88	101,485.00

Note : Depreciation on all assets has been provided on written Down Value method on single shift basis

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b>SCHEDULE IV - PRE OPERATIVE &amp; PROJECT EXPENSES</b>		
<b>Engineering Consultancy And Technical Assistance Expenses (A)</b>		
Technical & Engg. & Geol. Survey Exp	750.00	192523.00
	<b>750.00</b>	<b>192,523.00</b>
<b>Project Management &amp; Other Project Expenses (B)</b>		
Depreciation	61,631.88	29626.12
Legal & Professional Charges	51,000.00	500.00
Salary & Wages	228,043.00	177991.00
Printing & Stationary	19,689.00	15561.00
Rates & Taxes	3,428.00	100513.00
Electricity & Water Charges	-	85.00
Travelling & Conveyance	257,155.00	52540.00
Bonus	-	2760.00
Audit Fees	12,133.00	12360.00
Telephone & telex	820.00	3534.00
General Charges	-	25290.00
Postage & Telegram	44.00	1805.00
Rent	60,000.00	12000.00
Entertainment Exp	106.00	4161.00
Membership & Subscription	2,252.00	6000.00
Extension Fees	-	149865.00
Guest House Exp	-	837.00
Staff Welfare	5,380.00	
	<b>701,681.88</b>	<b>595,428.12</b>
<b>Interest &amp; Finance Charges (C)</b>		
Bank Charges	14,323.99	1,927.00
Interest - Other	3,203.00	
	<b>17,526.99</b>	<b>1,927.00</b>
<b>Total for Current Year (A+B+C)</b>	<b>719,958.87</b>	<b>789,878.12</b>
Fringe Benefit Tax	11,630.00	2,775.00
Expenses upto Previous year	7,527,522.19	6,734,869.00
<b>Total Pre Oprative Expenses Transferred to Balance Sheet</b>	<b>8,259,111.06</b>	<b>7,527,522.12</b>
<b>SCHEDULE- V</b>		
<b>CASH AND BANK BALANCE</b>		
Cash in Hand	9,527.08	9,329.00
Balance with Schedule Banks	487,403.86	1,461,103.00
	<b>496,930.94</b>	<b>1,470,432.00</b>

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b>SCHEDULE-VI</b>		
<b>LOANS</b>		
Loan to Companies	<b>1,090,000.00</b>	-
ADVANCE RECOVERABLE IN CASH OR IN KIND OR FOR VALUE RECEIVED OR ADJUSTED		
Deposit with Himchal Pradesh State Electricity Board	<b>500,000.00</b>	500,000.00
Advance to Suppliers	<b>443,108.00</b>	39,050.00
Loan to Other	<b>202,771.00</b>	202,771.00
Advance Fringe Benefit Tax	-	2,725.00
Prepaid Expenses	-	4,500.00
	<b>2,235,879.00</b>	749,046.00
<b>SCHEDULE- VII</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
Sundry Creditors	<b>126,055.00</b>	-
Expenses Payable	<b>93,345.00</b>	12,360.00
Provision for Fringe Benefit Tax	<b>11,630.00</b>	2,775.00
	<b>231,030.00</b>	15,135.00

**SCHEDULE VIII: NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2009****1 Significant Accounting Policies**

## a) Basic 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 &amp; Depreciation

i) Fixed Assets are stated at cost of acquisition including expenditure incurred during construction / erection period less accumulated depreciation. The cost of 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 Companies Act, 1956.

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

## d) Provisions and 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 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.

## 2. The break of preliminary expenses is as under:

(Rupees)

	<b>31-03-2009</b>	31-03-2008
Filing fee & cost of stamp papers	72,194	72,194
Professional Fee	5,000	5,000
Other Expenses	845	845
	<b>78,039</b>	78,039

## 3. Auditors Remuneration:

(Rupees)

	<b>2008-09</b>	2007-08
Statutory Audit Fees	12133	12360
	<b>12133</b>	12360

## 4. Company has incurred Pre-operative Expenses up to 31.03.09 amounting to Rs. 82,59,111/-

## 5 Related party Disclosure:

## 1) List of Related Parties

Holding Company: Grauer & Weil (India) Limited

## 2) Transactions with related parties

(Rupees)

<b>Transactions</b>	<b>2008-09</b>	2007-08
Outstanding Balance as on 31 <sup>st</sup> March 2009	37,15,000	20,00,000
Unsecured Loan from Director (Mr. Mann Singh Thakur)		

## 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 rearranged wherever considered necessary to make comparable with those of current year.

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

**Alok Krishan**  
**(Partner)**

**Place: Chandigarh**  
**Date: 15<sup>th</sup> June, 2009**

**For and on Behalf of the Board**

**Amit Kumar Modi**  
**Director**

**Maan Singh Thakur**  
**Director**



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

( Rs. IN '000 )

SR.NO	PARTICULARS	2008-09	2007-08
<b>1</b>	<b>REGISTRATION DETAILS</b>		
a)	REGISTRATION NO.	<b>134438</b>	134438
b)	STATE CODE	<b>11</b>	11
c)	BALANCE SHEET DATE	<b>31.03.2009</b>	31.03.2008
<b>2</b>	<b>CAPITAL RAISED DURING THE YEAR</b>		
a)	PUBLIC ISSUE	-	-
b)	RIGHT ISSUE	-	-
c)	BONUS ISSUE	-	-
	PRIVATE PLACEMENT	-	-
<b>3</b>	<b>POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b>		
a)	TOTAL LIABILITIES	<b>11695</b>	9980
b)	TOTAL ASSETS	<b>11695</b>	9980
	<b>SOURCE OF FUNDS</b>		
a)	PAID UP CAPITAL	<b>980</b>	980
b)	SHARE APPLICATION MONEY	<b>7000</b>	7000
c)	RESERVE & SURPLUS		
d)	SECURED LOAN		
e)	UNSECURED LOAN	<b>3715</b>	2000
	<b>APPLICATION OF FUNDS</b>		
a)	NET FIXED ASSETS	<b>9017</b>	7599
b)	INVESTMENTS		
c)	NET CURRENT ASSETS	<b>2501</b>	2204
d)	MISCELLANEOUS EXPENDITURE	<b>177</b>	177
e)	ACCUMULTAED LOSSES	-	-
<b>4</b>	<b>PERFORMANCE OF COMPANIES</b>		
a)	TURNOVER	-	-
b)	TOTAL EXENDITURE	-	-
	i) PROFIT BEFORE TAX	-	-
	ii) EARNING PER SHARE	-	-
<b>5</b>	<b>GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/ SERVICES OF COMPANY</b>		
i)	ITEM CODE NO. (ITC CODE)		
	PRODUCT DISCRPTION	-	-
ii)	ITEM CODE NO. (ITC CODE)		
	PRODUCT DISCRPTION	-	-

For S. Tandon & Associates  
Chartered Accountants

For and on behalf of Board of Directors

Alok Krishan  
(Partner)

Amit Kumar Modi  
Director

Maan Singh Thakur  
Director

Place: Chandigarh  
Date : 15<sup>th</sup> June, 2009



**Grauer & Weil (Shanghai) Ltd.**



**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors have pleased in present their 1st Annual Report together with the Audited Accounts of the Company for the year ended 31st December, 2008.

The Company has been set up to promote the sales of Specialty Chemicals for the Electroplating Industry. Your Company would be sourcing products from Grauer & Weil (India) Limited, who are Market Leaders in their own country and have an impeccable standing.

**Financial Results:****Year ended 31-12-2008**

	(Amt. in RMB)	(Amt. in INR)
Sales & Operating Revenue	533,746.77	3,193,941
Profit / (Loss) before Tax	(953,850.99)	(5,707,844)
Net Profit / (Loss) after Tax	(953,850.99)	(5,707,844)

This being the first year of operations, which commenced only in July, 2008, the results are not indicative of future growth of business. There is stiff competition in the market and your Company is taking steps to obtain approvals and registrations for our products to expand business in the relevant markets.

**Dividend:**

The Management does not recommend any Dividend for the Year ended 31<sup>st</sup> December, 2008.

**Future Prospects:**

The prospects of growth are good and we are seeing continuing incremental sales month on month despite the recessionary trend world over towards the second half of the last financial year. Your Company is hopeful of making the Shanghai operations self sufficing shortly.

**Appreciation:**

The Management wished to place on record their appreciation for the dedication and support of all our Members and Associates. Their efforts continue to be integral to our Company's on going success.

**Place :** Shanghai

**Date :** 9th April, 2009

**For Grauer & Weil (Shanghai) Limited**

**Harnish D. Juthani**  
Legal Representative

## AUDITORS' REPORT

### TO GRAUER & WEIL (SHANGHAI) LIMITED

We have audited the accompanying financial statements of GRAUER & WEIL (SHANGHAI) LIMITED (hereinafter is called "the Company" for short), which comprise the balance sheet as at December 31, 2008, and the income statement, the cash flow statement, the owners' equity variation statement for the year then ended, and notes to the financial statements.

#### I. Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation of these financial statements in accordance with the Accounting Standards for Business Enterprises and the Accounting Regulations for Business Enterprises issued by the Ministry of Finance of the Peoples' Republic of China. This responsibility includes: (1) designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error; (2) selecting and applying appropriate accounting policies; (3) making accounting estimates that are reasonable in the circumstances.

#### II. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with China's Auditing Standards for the Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### III. Opinion

In our opinion, the financial statements comply with the requirements of the Accounting Standards for Business Enterprises and the Accounting Regulations for Business Enterprises issued by the Ministry of Finance of the People's Republic of China and present fairly, in all material respects, the financial position of the Company as at December 31, 2008, and the results of operations and cash flows of the Company for the year then ended.

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#### Shanghai junhe Certified Public Accountants Co. Ltd.

Chinese CPA

Chinese CPA

Shanghai China

April 9th, 2009

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**BALANCE SHEET AS AT 31ST DECEMBER, 2008**

	December 31, 2008	
	INR	INR
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	2,396,359	
Trade accounts receivable	1,069,187	
Other accounts receivable	252,566	
Inventories	8,484,634	
<b>Total Current Assets</b>		12,202,746
<b>Non-Current Assets:</b>		
Fixed assets-cost	803,264	
Less: accumulated depreciation	75,002	
Fixed assets-net value	728,262	
Less: Provision for impairment of fixed assets	-	
<b>Fixed Assets-Written-down value</b>		728,262
<b>Total Assets</b>		<u>12,931,008</u>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Current Liabilities:</b>		
Trade accounts payable	10,017,795	
Advances from customers	119,392	
Taxes payable & Other payables to governmental authorities	(1,038,973)	
Including: Taxes payable	-	
Other accounts payable	279,596	
Total Current Liabilities	9,377,810	
<b>Total Liabilities</b>		9,377,810
<b>Owners' equity (or Shareholders' Equity):</b>		
Paid-in Capital	10,330,977	
Undistributed profits	(6,777,779)	
<b>OWNERS' EQUITY</b>		3,553,198
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<u>12,931,008</u>
Note : The figures in INR is converted at the rate of Rs.7.1057 of 1 Chinese RMB		

## INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2008

ITEM	For the Year Ended December 31, 2008
	INR
<b>I. General operating revenue</b>	<b>3,193,941</b>
<b>II. General operating cost</b>	
Cost of Sales	2,916,222
Operating Expenses	899,262
General and administrative expenses	5,095,752
Finance expenses	(9,450)
	<u>8,901,785</u>
Profit / (Loss) Before Tax	<b>(5,707,844)</b>
Taxation	-
Net Profit / (Loss) for the year	<b>(5,707,844)</b>

Note : The figures in INR is converted at the average rate of Rs.5.9840 of 1 Chinese RMB (7.1057+4.8625)/2

## OWNERS' EQUITY VARIATION STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2008

ITEM	For the Year Ended December 31, 2008		
	OWNERS' EQUITY BELONGING TO PARENT COMPANY		
	Paid-in capital	Undistributed profits	Total
	INR	INR	INR
I. Closing balance of last year	-	-	-
II. Increase or decrease of this year (decrease as "-")	10,330,977		10,330,977
III. Net profit / (Loss) during the year		(6,777,779)	(6,777,779)
III Closing balance of this year	10,330,977	(6,777,779)	3,553,198

## CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2008

	Year ended 31-Dec-08	
	INR	INR
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
NET PROFIT BEFORE TAX		(5,707,844)
Adjustments for:		
Depreciation		63,162
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(5,644,682)
Adjustments for:		
(Increase) / Decrease in Trade and other receivables	(2,379,848)	
(Increase) / Decrease in Inventories	(8,484,634)	
(Increase) / Decrease in Trade and other payables	9,377,810	
		(1,486,672)
CASH GENERATED FROM OPERATIONS		(7,131,354)
NET CASH FROM OPERATING ACTIVITIES		(7,131,354)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Capital Expenditure		(803,264)
NET CASH USED IN INVESTING ACTIVITIES		(803,264)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Issue of Share Capital		10,330,977
NET CASH FROM FINANCING ACTIVITIES		10,330,977
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		2,396,359
Opening cash and cash equivalents		-
Closing cash and cash equivalents		2,396,359
<b>Notes to the cash flow statement</b>		
Components of cash and cash equivalents:		
Cash and bank balances		2,396,359
		2,396,359



## Remarks: Notes to financial statements form an integral part of financial statements

### 1 COMPANY BACKGROUND

GRAUER & WEIL (SHANGHAI) LIMITED (hereinafter referred to as 'the Company'), was set up on November 15th, 2007 under the approval of Shanghai Industrial and Commercial Bureau. The Company's registered capital and paid-in capital are both USD 200,000, legal representative: HARNISH DHARAMDAS JUTHANI. Main business scope: Store chemicals (besides dangerous articles, easy toxin-made products and special chemicals) and chemical machine, provide relative after-sale services in bonded area; International trade, transit trade and general trade in bonded area; Wholesale chemicals (besides dangerous articles, easy toxin-made products and special chemicals) and chemical machine, agent commission (besides auctions), provide imports & exports and other relative services, lay the merchandise out, provide commercial simplified process and give business advisory in bonded area (if the goods involving a quota permit management or special management, do according to the relevant state regulations) (operating with permission license if required).

### 2 PRINCIPAL ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES

#### Accounting Systems

The financial statements have been prepared in accordance with the Accounting Standards for Enterprises, Accounting Regulations for Enterprises and related supplementary regulations.

#### Accounting Period

The Company's accounting period dated from 1 January to 31 December.

#### Accounting Base Currency

The Company uses the Renminbi (RMB) as its accounting base currency.

#### Accounting and Pricing Basis

Accrual basis accounting is adopted and the value of all assets is recorded on acquisition costs.

#### Foreign Currency Transactions

Transactions denominated in foreign currencies are translated into RMB at the exchange rates stipulated by the People's Bank of China prevailing at the time of the day. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RMB at the exchange rates stipulated by the People's Bank of China at the balance sheet date, the Gain or Loss for the foreign exchange should be taken to the profit and loss account, the difference however caused by principal and interest which is arisen from the loan for Fixed Assets purchasing or constructing should be capitalized.

#### Cash Equivalents

For necessary prerequisites for investment could be treated as cash equivalents are: short-term (within 3 months), high liquidity, readily convertible to known amounts of cash, and insignificant risk of changes in value.

#### Accounting Method for Bad Debts

- (1) Recognition criteria: In the event that debtor files bankruptcy or has been deregistered, found dead, missing and therefore becomes insolvent; and debtor fails to perform the obligation of repayment in due time and it is proved by solid evidence that the relevant amount of money can never be collected, the account receivable in question will be written off after approved by certain authority of the Company.
- (2) Accounting method: Provision for bad debts are provided using "allowance method". Bad debts are provided according to the age of receivables, except that there is evidence that the receivable can be surely collected.

No bad-debt provision provided for transactions between related parties.

#### Accounting Method for Inventories

- (1) Valuing method for obtaining and issuing inventories: inventories are valued at historical cost.
- (2) Low value consumables: amortized at one time.
- (3) Inventory system: perpetual inventory system is taken. The loss comes up from inventory shortage and damage is dealt with in the income statement of current accounting period.
- (4) Provision for loss on realization: adjustment is made to the lower of cost and net realizable amount. Provision for loss on realization is recognized for each item separately.

**Fixed Assets and Depreciation**

## (1) Criteria for recognition of fixed assets

Building, properties, machinery and equipment, motor vehicles, tooling, etc. used in the production process and with estimated useful lives of more than 1 year are accounted for fixed assets.

## (2) Recognition for fixed assets

Fixed assets are stated at historical cost.

## (3) Depreciation provision scope:

Except when equipment for continue use has been written down to remaining value and when land accounted by evaluation separately, all property, plant and equipment should accrue depreciation.

## (4) Method of Depreciation

Depreciation is provided to write off the cost of each category of fixed assets over their estimated useful lives from the month after they are put into operation, using the straight-line method. The estimated useful life of each category of the fixed assets is as follows:

<u>Category of fixed assets</u>	<u>Estimated residual value</u>	<u>Estimated useful life</u>	<u>Annual depreciation rate</u>
Electronic Equipment	10%	5 years	18%
Office Equipment	10%	5 years	18%
Transport Equipment	10%	5 years	18%

In consideration of impairment provision, depreciation is provided according to the net book value over the remaining useful lives.

## (5) Fixed assets impairment provision

Provision for impairment loss on fixed assets will be provided while the recoverable amount of fixed assets is lower than net book value due to the continuing drop of the market price, outdate of technology, damage, idle for long time etc.

Fixed asset impairment is provided according to single item.

**Revenue Recognition**

## (1) Revenue from the sale of goods

Revenue for the sale of goods are recognized when all the following conditions have been satisfied: i) the significant risks and rewards of ownership of the goods have been transferred to buyers; ii) neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold are retained by the Company; iii) it is probable that the economic benefits associated with the transaction will flow to the Company; iv) and the relevant amount of revenue and costs can be measured reliably.

## (2) Rendering of services

Services have been provided and related revenue has been received or the right to collect payment has been established, the total amount of service revenue and costs can be measured reliable. When the provision of services is started and completed in different accounting years and the outcome of a transaction involving the rendering of services can be estimated reliably, an enterprise should recognize the service revenue at the balance sheet date by the use of the percentage of completion method.

## (3) Use by others of enterprise assets

If it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably, revenue should be measured according to relevant contract and agreement.

**3 TAXATION**

The corporate and local income taxes are examined and calculated by accrued tax payable method.

Value Added Tax 17%; Business Tax 5%; Income Tax 25%

**4 NOTES TO THE FINANCIAL STATEMENTS (Denominated in INR)**
**4.1 Cash**

Item	As at December 31 2008		As at December 31 2007	
	Original Currency	INR	Original Currency	INR
Cash on hand		119,212	-	-
Cash in bank		2,277,147	-	-
USD	371.72	18052	-	-
RMB	317,927.14	2,259,095	-	-
Total		2,396,359	-	-

**4.2 Trade Accounts Receivable**

Aging	As at December 31 2008			As at December 31 2007		
	Amount	Percentage	Provision for bad debts	Amount	Percentage	Provision for bad debts
Within 1 year	1,069,187	100%	-	-	-	-
Above 1 year	-	-	-	-	-	-
Total	1,069,187	100%	-	-	-	-
Main Debtors:						
Luhong Industrial Trade Co., Ltd.				291,618		-
Shanghai Wangcao Electroplating Material Co., Ltd.				291,334		-
Shanghai Hengmao metal technology Co., Ltd.				145,667		-

**4.3 Other Accounts Receivable**

Aging	As at December 31 2008			As at December 31 2007		
	Amount	Percentage	Provision for bad debts	Amount	Percentage	Provision for bad debts
Within 1 year	252,566	100%	-	-	-	-
Above 1 years	-	-	-	-	-	-
Total	252,566	100%	-	-	-	-
Main Debtors:						
Office Deposit			106,585			-
Rent Deposit			56,846			-

**4.4 Inventories and Provision for Loss on Realization**

Item	As at December 31 2008		As at December 31 2007	
	Amount	Provision for loss	Amount	Provision for loss
Goods In Stock	8,484,634	-	-	-
Total	8,484,634	-	-	-

**4.5 Fixed Assets**

Cost	Office equipment	Transport equipment	Electronic equipments	Total
Opening				
Additions	127,903	426,342	249,019	803,264
Disposals				
Closing	127,903	426,342	249,019	803,264
Accumulated Depreciation				
Opening				
Additions	11,310	32,314	19,539	63,162
Disposals				
Closing	11,310	32,314	19,539	63,162
Impairment Provision				
Beginning Balance	-	-	-	-
Ending Balance	-	-	-	-
Net book value				
Beginning Balance	-	-	-	-
Ending Balance	116,593	394,028	229,481	740,102

**4.6 Trade Accounts Payable**

	As at December 31 2008	As at December 31 2007
Total	10,017,795	-
Main Creditors:		
GRAUER & WEIL (INDIA) LIMITED	10,017,795	-

**4.7 Advances from Customers**

	As at December 31 2008	As at December 31 2007
Total	119,392	-
Main Creditors:		
Wenzhou Yiben Plastics Co., Ltd.	119,392	-

**4.8 Taxes Payable & Other Payable to Governmental Authorities**

Item	As at December 31 2008	As at December 31 2007
Value added tax	(1,039,142)	-
River course management fee	168	-
Business Tax	-	-
Income tax	-	-
Total	(1,038,973)	-

**4.9 Other Accounts Payable**

	As at December 31 2008	As at December 31 2007
Total	279,596	-
Main Creditors:		
GRAUER & WEIL (INDIA) LIMITED	279,596	-

**4.10 Paid-in Capital**

Investor	Percentage	As at December 31 2008	As at December 31 2007	Notes
GRAUER & WEIL (INDIA) LIMITED	100%	10,330,977		USD 200,000
Total	100%	10,330,977	-	

The above capital invested by shareholders has been verified by Shanghai Xingzhong Certified Public Accountants on March 19th 2008, with Capital Verification Report numbered Xingyanpuwaizi (2008) - 0006.

**4.11 Undistributed Profits**

Beginning balance of undistributed profits	-
Add : Adjustment	
Undistributed profits after adjustment	-
Add : Profits of the year	(5,707,844)
Other transfer-in	-
Less : Reserve fund provided	
Dividend payable	-
Others	-
Ending balance of undistributed profits	(5,707,844)

**4.12 Operating Revenue**

Item	2008	2007
Revenue from primary businesses	3,193,941	-
Total	3,193,941	-

**4.13 Operating Expenses**

	2008	2007
Total	899,262	-
Including :		
Salary	347,509	-
Entertainment expense	2,938	-

**4.14 General and Administrative Expenses**

	2008	2007
Total	5,095,752	-
Including :		
Salary	769,782	-
Welfare	34,810	-
Initial Expense	3,205,636	-

**5 CONTINGENCIES**

No Contingent events occurred which influenced the financial statement of the Company until Dec. 31, 2008.

**6 COMMITMENTS**

No commitments that influenced the financial statement of the Company until Dec. 31, 2008.

**7 NON-ADJUSTING EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

No non-adjusting events that influenced the financial statement of the Company occurred until the financial statements were finished.

**8 OTHER IMPORTANT PROCEEDING**

No status influenced the financial statement of the Company during the period.



CONSOLIDATED



**AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

**TO THE BOARD OF DIRECTORS OF 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, 2009 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 for our opinion.
3. The financial statements of subsidiaries which in the aggregate represent total assets as at March 31, 2009 of Rs. 3435.14 Lacs and total revenue for the year ended on that date of Rs.70.27 Lacs and of an associate which reflect the Group's share of Loss, upto December 31, 2008 of Rs. 130.88 Lacs have been audited by other auditors and we have relied upon such audited financial statements for the purpose of our examination of the consolidated financial statements.
4. Attention is invited to the following Notes in Schedule 'R' to the Consolidated Financial Statements;
  - (a) Note 16 regarding going concern basis of a subsidiary Company.
  - (b) Without qualifying our report, we draw attention to the fact that the company, has pending filing of the scheme of merger of Bombay Paints Limited with the Company ('the scheme') sanctioned by the Hon'ble BIFR with the Registrar of Companies given effect to the scheme in the financial statement as detailed in note no.17 in schedule 'R'.
5. Subject to our remarks in para 4(a) and (b) 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', notified by the Companies (Accounting Standard) Rule,2006 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, 2009;
    - 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  
 29<sup>th</sup> September, 2009



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	Rupees	As At 31st March, 2009 Rupees	As At 31st March, 2008 Rupees
<b>SOURCES OF FUNDS</b>				
SHAREHOLDERS FUNDS				
Share Capital	A	127,877,250		127,877,250
Share Capital Suspense (Refer Note 18)	B	98,828,500		-
Reserves and Surplus	C	891,179,707		553,383,779
			1,117,885,457	681,261,029
MINORITY INTEREST	D		37,115,807	41,316,415
LOAN FUNDS				
Secured Loans	E	887,171,150		637,860,682
Unsecured Loans	F	64,152,457		65,434,757
			951,323,607	703,295,439
DEFERRED TAX				
Deferred Tax Liabilities		63,008,078		61,865,120
Deferred Tax Assets		(14,650,193)		(13,922,789)
			48,357,885	47,942,331
			<b>2,154,682,756</b>	<b>1,473,815,214</b>
<b>APPLICATION OF FUNDS</b>				
FIXED ASSETS				
Gross Block	G	1,292,875,496		929,584,166
Less: Depreciation		387,928,900		344,573,625
Net Block		904,946,596		585,010,541
Capital Work in Progress & Capital Advances		758,694,320		338,387,478
			1,663,640,916	923,398,019
INVESTMENTS	H		11,329,160	14,654,898
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	I	258,093,307		225,451,613
Sundry Debtors		397,497,741		386,071,421
Cash and Bank Balances		42,196,282		55,193,389
Other Current Assets		1,790,138		1,210,964
Loans and Advances		381,497,266		398,657,013
		1,081,074,734		1,066,584,400
Less: CURRENT LIABILITIES AND PROVISIONS	J			
Current Liabilities		414,704,738		349,244,027
Provisions		186,833,982		181,754,742
		601,538,720		530,998,769
NET CURRENT ASSETS			479,536,014	535,585,631
MISCELLANEOUS EXPENDITURE	K		176,666	176,666
			<b>2,154,682,756</b>	<b>1,473,815,214</b>
Basis of Consolidation, Significant Accounting Policies and Notes to Accounts	R			

Schedules 'A' to 'K' and 'R' 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 and on behalf of the Board of Directors

FOR M. M. NISSIM AND CO.  
Chartered Accountants

NIRAJKUMAR MORE  
SURESH PAREEK

Managing Director  
Director

N.KASHINATH  
Partner  
Membership No.36490

KRISHAN LAL SWAMI  
NOEL JACOB

Group CFO  
Company Secretary & VP (Legal)

Mumbai, 29th September, 2009

Mumbai, 29th September, 2009

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	2008-2009 Rupees	2007-2008 Rupees
<b>INCOME</b>			
<b>Income from Operations</b>			
Gross sales		2,320,472,510	2,118,763,091
Less : Trade discount		196,739,758	196,818,712
Less : Excise Duty		201,287,135	226,441,144
		<u>1,922,445,617</u>	<u>1,695,503,235</u>
Business Conducting Fees		54,348,810	52,203,036
(Tax deducted at source Rs.12,971,620/- (Previous Year Rs.13,729,852/-))			
Other Income	L	61,426,546	33,495,952
		<u>2,038,220,973</u>	<u>1,781,202,223</u>
<b>EXPENDITURE</b>			
Materials	M	1,140,775,905	956,631,290
Salaries, Wages and Other Benefits	N	207,473,243	155,238,404
Other Expenses	O	446,119,518	392,435,627
Interest & Finance Charges	P	86,544,198	69,023,210
Depreciation	Q	43,778,632	41,147,678
		<u>1,924,691,496</u>	<u>1,614,476,209</u>
		<u>113,529,477</u>	<u>166,726,014</u>
Less: Prior Period adjustment		-	5,610
<b>PROFIT BEFORE TAX</b>		<b>113,529,477</b>	<b>166,720,404</b>
<b>PROVISION FOR TAXATION</b>			
Current Tax-MAT		14,800,000	34,500,000
Less:MAT Credit Entitlement		(10,900,000)	-
		<u>3,900,000</u>	<u>34,500,000</u>
Deferred Tax		415,554	7,600,219
Fringe Benefit Tax		4,901,538	4,060,656
<b>PROFIT AFTER TAX</b>		<b>104,312,385</b>	<b>120,559,529</b>
Accumulated losses of Bombay Paints Ltd, the merged company		(74,099,983)	-
Less: Equivalent amount withdrawn from Amalgamation Reserve (Ref. Note 17)		<u>74,099,983</u>	-
Transfer from Revaluation Reserve		40,270	45,961
<b>NET PROFIT/(LOSS) BEFORE MINORITY INTEREST</b>		<b>104,352,655</b>	<b>120,605,490</b>
Share of Minority Interest		4,180,787	3,143,650
<b>NET PROFIT/(LOSS) AFTER MINORITY INTEREST</b>		<b>108,533,442</b>	<b>123,749,140</b>
Add: Balance Brought Forward		(130,875,437)	(126,842,284)
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>(22,341,995)</b>	<b>(3,093,144)</b>
<b>APPROPRIATIONS</b>			
Dividend			
- Final Dividend		9,068,230	12,787,725
- Special Golden Jubilee Dividend		-	19,181,588
Tax on Proposed Dividend		1,541,146	5,812,980
Transfer to General Reserve		12,500,000	90,000,000
		<u>23,109,376</u>	<u>127,782,293</u>
<b>Balance Carried to Balance Sheet</b>		<b>(45,451,371)</b>	<b>(130,875,437)</b>
<b>Basic and Diluted Earnings per share</b>		<b>4.79</b>	<b>9.68</b>
<b>Basis of Consolidation, Significant Accounting Policies and Notes to Accounts</b>	R		

Schedules 'L' to 'Q' and 'R' referred to above form an integral part of the Profit And Loss Account  
This is the Profit And Loss Account referred to in our report of even date

FOR M. M. NISSIM AND CO.  
Chartered Accountants

N.KASHINATH  
Partner  
Membership No.36490

Mumbai, 29th September, 2009

For and on behalf of the Board of Directors

NIRAJKUMAR MORE  
SURESH PAREEK

KRISHAN LAL SWAMI  
NOEL JACOB

Mumbai, 29th September, 2009

Managing Director  
Director

Group CFO  
Company Secretary & VP (Legal)

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	Rupees	2008-2009 Rupees	Rupees	2007-2008 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
NET PROFIT/(LOSS) BEFORE TAX		113,529,477		166,714,794
Adjustments for :				
Depreciation	43778632		41,147,677	
(Profit) / Loss on Sale of Investments	(81904)		(8,446)	
Deferred Revenue Expenditure	-		(98,627)	
Write back of Diminution in value of Investments	(802620)		-	
Unrealised foreign exchange (gains) / losses	(510635)		(1,685,972)	
(Profit) / Loss on sale of Fixed Assets	(6459719)		2,280,130	
Loss on Sale of Investments	-		412,501	
Interest Paid	86544198		69,023,210	
Interest Received	(5437377)		(7,054,366)	
Wealth Tax	157250		145,580	
Dividend and Income from units	(22355)		(11,520)	
Bad Debts written off	304834		8,130,215	
		<b>117,470,304</b>		<b>112,280,382</b>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		<b>230,999,781</b>		<b>278,995,176</b>
Adjustments for :				
(Increase) / Decrease in Trade and other receivables	54696030		(231,539,878)	
(Increase) / Decrease in Inventories	41808866		(55,082,892)	
Increase / (Decrease) in Trade and other payables	(48076083)		47,980,532	
		<b>48,428,813</b>		<b>(238,642,238)</b>
CASH GENERATED FROM OPERATIONS		<b>279,428,594</b>		<b>40,352,938</b>
Direct Taxes Paid		<b>(33,348,688)</b>		<b>(37,485,126)</b>
NET CASH FROM OPERATING ACTIVITIES		<b>246,079,906</b>		<b>2,867,812</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Capital Expenditure/Technical knowhow fees		<b>(456,466,835)</b>		<b>(236,692,738)</b>
Sale of Fixed Assets		<b>16,608,950</b>		<b>8,344,070</b>
(Purchase)/Sale of Investments		<b>660,222</b>		<b>(926,501)</b>
Interest received		<b>4,886,893</b>		<b>6,322,475</b>
Dividend and Income from Units		<b>22,355</b>		<b>11,520</b>
NET CASH USED IN INVESTING ACTIVITIES		<b>(434,288,415)</b>		<b>(222,941,174)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Proceeds from Borrowings (Net of Repayments)		<b>284,264,905</b>		<b>308,290,665</b>
Interest Paid		<b>(88,882,583)</b>		<b>(68,311,877)</b>
Dividend Paid		<b>(38,206,210)</b>		<b>(14,051,707)</b>
NET CASH FROM FINANCING ACTIVITIES		<b>157,176,112</b>		<b>225,927,081</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		<b>(31,032,397)</b>		<b>5,853,719</b>
Opening cash and cash equivalents		<b>74,228,567</b>		<b>50,850,194</b>
Closing cash and cash equivalents		<b>43,196,171</b>		<b>56,703,913</b>
<b>Notes to the cash flow statement</b>				
Components of cash and cash equivalents:				
Cash and bank balances		<b>42,196,282</b>		<b>55,193,389</b>
Unrealised foreign exchange gains - net		<b>999,889</b>		<b>1,510,524</b>
		<b>43,196,171</b>		<b>56,703,913</b>

Notes: Pursuant to Scheme of Merger of Bombay Paints Ltd with the Company, cash and cash equivalents as at April 1, 2008 amounting to Rs.254.12 lacs have been taken over by the Company

This is the Cashflow referred to in our report of even date

FOR M. M. NISSIM AND CO.  
Chartered Accountants

N.KASHINATH  
Partner  
Membership No.36490

Mumbai, 29th September, 2009

For and on behalf of the Board of Directors

NIRAJKUMAR MORE  
SURESH PAREEK

KRISHAN LAL SWAMI  
NOEL JACOB

Mumbai, 29th September, 2009

Managing Director  
Director

Group CFO  
Company Secretary & VP (Legal)

SCHEDULES ANNEXED TO THE CONSOLIDATED BALANCE SHEET

	Rupees	As At 31st March, 2009 Rupees	As At 31st March, 2008 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>
		<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 & Securities Premium account			
<b>SCHEDULE B: SHARE CAPITAL SUSPENSE</b>			
9,882,850 Equity Shares of Rs.10/- each fully paid -up, to be issued pursuant to the Scheme of Amalgamation of Bombay Paints Ltd with the Company. (Refer Note 18 )		<u>98,828,500</u>	<u>-</u>
<b>SCHEDULE C: RESERVES AND SURPLUS</b>			
CAPITAL RESERVE			
As per Last Balance Sheet		123,783,688	123,783,688
CAPITAL RESERVE (ON CONSOLIDATION)			
As per Last Balance Sheet		9,520,703	9,520,703
REVALUATION RESERVE			
As per Last Balance Sheet	4,037,780		4,118,707
Less: Transfer to Profit and Loss Account	<u>(20,449)</u>		<u>(28,049)</u>
	4,017,331		4,090,658
Less: Transfer to Minority Interest	<u>-</u>		<u>52,878</u>
		4,017,331	4,037,780
AMALGAMATION RESERVE			
Surplus arising on acquisition of assets at Fair Market Value	333,051,859		-
Less: Cancellation & Extinguishment of Investment	<u>(1,148,213)</u>		-
Amalgamation expenses	<u>(13,270,292)</u>		-
Transfer to Profit & Loss account	<u>(74,099,983)</u>		-
	244,533,371		-
Less: Transfer to General Reserve -II	<u>(244,533,371)</u>		-
GENERAL RESERVE-I			
As per Last Balance Sheet	546,917,045		465,249,560
Less: Transitional Liability - AS 15 (Revised) on 'Employee benefits'	<u>-</u>		<u>8,564,223</u>
	546,917,045		456,685,337
Add/Less: Share of Accumulated Profit/(Loss) in respect of investment in associate companies (Net)	2,426,827		231,708
Add: Transferred from Profit and Loss Account	<u>12,500,000</u>		<u>90,000,000</u>
		<b>556,990,218</b>	<b>546,917,045</b>

	As At 31st March, 2009 Rupees	As At 31st March, 2008 Rupees
GENERAL RESERVE-II		
Transferred from Amalgamation Reserves	<b>244,533,371</b>	-
Less: Amount transferred to Profit & Loss account	<b>5,189,480</b>	-
	<b>239,343,891</b>	-
FOREIGN CURRENCY TRANSLATION RESERVE	<b>2,975,247</b>	-
BALANCE OF PROFIT & LOSS ACCOUNT	<b>(45,451,371)</b>	(130,875,437)
	<b>891,179,707</b>	<b>553,383,779</b>

**SCHEDULE D: MINORITY INTEREST**

MINORITY INTEREST IN EQUITY

93,030 (previous year 93,030) equity shares held by minority interest	<b>9,303,000</b>	9,303,000
48,639 (previous year 48,639) equity shares held by minority interest	<b>486,390</b>	486,390

MINORITY INTEREST IN NON-EQUITY

Balance as on 01.04.2008	<b>31,527,025</b>	34,670,675
Less: Share of loss for the year	<b>(4,180,787)</b>	(3,116,463)
Less: Share of transfer from revaluation reserve	<b>(19,821)</b>	(27,187)
	<b>27,326,417</b>	31,527,025
	<b>37,115,807</b>	<b>41,316,415</b>

**SCHEDULE E: SECURED LOANS**

CREDIT FACILITIES FROM BANKS AND FINANCIAL INSTITUTIONS

Term Loans from Banks (Repayable within one year Rs.82.90 million, Previous year Rs.49.04 million)	<b>336,320,776</b>	498,518,286
Term Loans from a Financial Institution Housing Development Finance Corporation Ltd	<b>432,769,289</b>	-
Working Capital Facilities	<b>110,897,892</b>	129,509,883
HIRE PURCHASE CREDITS	<b>7,183,193</b>	9,832,513
	<b>887,171,150</b>	<b>637,860,682</b>

1 Term loans for shopping mall at Kandivli, Mumbai availed from Punjab National Bank, The Saraswat Co-op Bank Limited and HDFC Ltd are secured by pari-passu first charge by joint mortgage by way of deposit of title deeds of immovable properties of shoppertainment division of the Company at Kandivli. Pending, creation of charge on the assets of shoppertainment division at Kandivli, a charge by way of deposit of title deeds of Vapi & Dadra has been created as an interim security in favour of The Saraswat Co-operative Bank Ltd.

Corporate Term loan from The Saraswat Co-operative Bank Ltd is secured by legal mortgage of fixed assets including land and building of the Paints Division at Chembur.

Term loan from Punjab National Bank for Samba unit at Jammu is secured by first charge on the block of assets of Samba unit.

2 Working capital facilities sanctioned by Axis Bank to Paints division of the Company is secured by hypothecation of all current assets comprising of finished / semi-finished goods, raw material, stores and spares, book debts and second charge on moveable and immovable fixed assets of Paints Division, save and except specified fixed assets exclusively charged under hire purchase agreement.

Working capital facilities sanctioned by Punjab National Bank and Dena Bank are secured by hypothecation of all assets comprising of finished / semi-finished goods, raw material, stores and spares and book debts of the company except that of Paints division and movable fixed assets of Barotiwala, Dadra, Vapi and Alandi (Pune) units on pari-passu basis. These facilities are further secured by a pari-passu charge by joint mortgage by way of deposit of title deeds of the immovable fixed assets of Barotiwala unit and a second pari-passu charge on the movable assets of Samba unit.

3 Hire purchase credits are secured by hypothecation of specific assets purchased under the scheme.

**SCHEDULE F: UNSECURED LOANS**

Fixed Deposits: (Repayable within one year Rs.2.57 million, Previous year Rs.6.12 million)	<b>5,613,000</b>	11,611,000
Dealer Deposits	<b>29,827,886</b>	31,721,349
Inter Corporate Deposits	<b>19,496,571</b>	14,602,408
Loan from Directors	<b>9,215,000</b>	7,500,000
	<b>64,152,457</b>	<b>65,434,757</b>

**SCHEDULE G: FIXED ASSETS**

Sr. No.	Description	GROSS BLOCK (AT COST / FAIR VALUE )					DEPRECIATION				NET BLOCK	
		As of 01-04-2008	Acquired on Merger	Additions during the year	Sales/ adjustments during the year	As of 31-03-2009	Upto 31-03-2008	Deduction for Sale/ Adjustments	For the Year	Upto 31-03-2009	As of 31-03-2009	As of 31-03-2008
1.	Land											
	a) Freehold	16,026,529	103,704,000	-	-	<b>119,730,529</b>	-	-	-	-	<b>119,730,529</b>	16,026,529
	b) Leasehold	14,742,161	175,470,000	-	1,450,000	<b>188,762,161</b>	1,021,743	211,926	3,128,610	<b>3,938,427</b>	<b>184,823,734</b>	13,720,418
2.	Buildings	342,404,263	46,582,000	4,855,834	1,667,127	<b>392,174,970</b>	56,870,430	383,367	12,192,534	<b>68,679,597</b>	<b>323,495,373</b>	285,533,833
3.	Plant and Machinery	314,101,691	12,316,000	9,719,094	10,362,846	<b>325,773,939</b>	163,727,602	3,850,099	17,897,370	<b>177,774,873</b>	<b>147,999,066</b>	150,374,089
4.	Laboratory Equipment	26,930,856	-	311,827	-	<b>27,242,683</b>	10,479,489	-	1,257,006	<b>11,736,495</b>	<b>15,506,188</b>	16,451,367
5.	R&D Equipment	37,933,400	3,012,000	2,950,061	-	<b>43,895,461</b>	14,811,998	-	2,234,397	<b>17,046,395</b>	<b>26,849,066</b>	23,121,402
6.	Furniture, Fittings and Fixtures	34,548,695	1,392,505	695,624	-	<b>36,636,824</b>	19,969,169	-	2,149,573	<b>22,118,742</b>	<b>14,518,082</b>	14,579,526
7.	Office Equipment	26,139,279	-	5,577,160	-	<b>31,716,439</b>	11,544,425	-	2,628,458	<b>14,172,883</b>	<b>17,543,556</b>	14,594,854
8.	Bottles & Cases	67,051,885	-	-	-	<b>67,051,885</b>	53,422,459	-	1,895,853	<b>55,318,312</b>	<b>11,733,573</b>	13,629,426
9.	Vehicles	49,705,407	391,901	9,377,040	2,530,743	<b>56,943,605</b>	12,726,310	1,416,093	5,243,559	<b>16,553,776</b>	<b>40,389,829</b>	36,979,097
10.	Intangible Assets (Computer Software)	-	-	2,947,000	-	<b>2,947,000</b>	-	-	589,400	<b>589,400</b>	<b>2,357,600</b>	-
	Total	929,584,166	342,868,406	36,433,640	16,010,716	<b>1,292,875,496</b>	344,573,625	5,861,485	49,216,760	<b>387,928,900</b>	<b>904,946,596</b>	585,010,541
	Previous Year	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

Note:

- Buildings includes residential premises at Vapi amounting to Rs. 521,866/- for which conveyance is yet to be executed by the Company and includes premises in Co-operative societies and the cost of shares allotted by the societies.
- Vehicles include Rs.19,155,665/- being cost of vehicles not registered in the name of the Company.

	As At 31st March, 2009 Rupees	As At 31st March, 2008 Rupees
<b>SCHEDULE H: INVESTMENTS (NON TRADE, LONG TERM)</b>		
<b>(at cost less permanent diminution in value)</b>		
(A) In Associates		
Carrying cost of investments in associates (see note below)	<b>5,611,669</b>	8,038,496
(B) Others		
(a) Fully paid Equity Shares (Quoted)	<b>285,751</b>	631,344
(b) Fully paid Equity Shares (Unquoted)	<b>5,371,440</b>	5,346,440
(c) Units in Mutual Funds	-	578,318
(d) National savings Certificates	<b>60,300</b>	60,300
	<b>11,329,160</b>	14,654,898

**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	Original Cost of Investment	Amt of Goodwill/ (Capital Reserve) in Original Cost	Accumulated Profit/(Loss) as at year end	Rupees Carrying cost of Investments
Growel Goema (I) Pvt Limited	India	149,980	2,502,300	330,788	1,055,260	3,557,560
		(149,980)	(2,502,300)	(330,788)	(591,526)	(3,493,471)
Growel Sidasa Industries Pvt.Limited	India	444,900	4,449,000		-2,394,891	2,054,109
		(444,900)	(4,449,000)		(96,025)	(4,545,025)
Grauer & Weil (Thailand) Limited	Thailand	9,800	1,098,050		-13,087,839	
		(9,800)	(1,098,050)		(-3,215,226)	
			8,049,350			5,611,669
			(8,049,350)			(8,038,496)

Figures in brackets are in respect of previous year.

	<b>As At 31st March, 2009 Rupees</b>	As At 31st March, 2008 Rupees
<b>SCHEDULE I: 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	<b>15,409,592</b>	13,371,890
Raw Materials	<b>100,668,536</b>	109,872,570
Work-in-Progress	<b>37,372,880</b>	36,419,118
Finished Goods	<b>78,810,265</b>	41,754,739
Goods in Transit	<b>25,832,034</b>	24,033,296
	<b>258,093,307</b>	225,451,613
(ii) Sundry Debtors (Refer Note no.7)		
Exceeding six months		
- Secured	<b>1,894,875</b>	200,762
- Unsecured-Considered good	<b>91,777,159</b>	95,933,704
- Unsecured-Considered doubtful	<b>17,997,024</b>	
	<b>111,669,058</b>	96,134,466
Other Debts		
- Secured	<b>11,215,588</b>	11,276,492
- Unsecured-Considered good	<b>292,610,119</b>	278,660,463
	<b>303,825,707</b>	289,936,955
- Less: Provision for Doubtful Debts	<b>17,997,024</b>	-
	<b>397,497,741</b>	386,071,421
(iii) Cash and Bank balances		
Cash on hand	<b>3,417,130</b>	3,024,043
With Scheduled Banks :		
In Current Accounts	<b>26,231,100</b>	28,530,661
In Fixed Deposits	<b>4,003,057</b>	1,645,021
In Margin accounts	<b>8,544,995</b>	14,105,383
Balances with Non-Scheduled bank in foreign currency	<b>-</b>	7,888,281
	<b>42,196,282</b>	55,193,389
(iv) Other Current Assets		
Interest Receivable	<b>1,755,343</b>	1,183,262
Interest Accrued but not due	<b>34,795</b>	27,702
	<b>1,790,138</b>	1,210,964
<b>II. LOANS AND ADVANCES</b>		
(Unsecured considered good unless otherwise specified)		
Inter Corporate Loans (Refer Note no. 8(a) & (b))		
- Secured	<b>-</b>	100,000,000
- Unsecured	<b>88,407,190</b>	23,500,000
Balances with Excise Department	<b>37,753,991</b>	29,029,391
Income Tax	<b>142,878,696</b>	105,601,546
MAT Credit Entitlement	<b>10,900,000</b>	-
Deposits	<b>17,931,731</b>	8,338,922
Advance to Suppliers	<b>46,857,179</b>	33,686,596
Loans to Staff	<b>2,562,476</b>	1,209,118
Prepaid Expenses	<b>2,926,130</b>	2,246,133
Advances recoverable in cash or in kind or for value to be received (Refer Note no.8(b))	<b>31,279,873</b>	95,045,307
	<b>381,497,266</b>	398,657,013
	<b>1,081,074,734</b>	1,066,584,400



	<b>As At 31st March, 2009 Rupees</b>	As At 31st March, 2008 Rupees
<b>SCHEDULE J: CURRENT LIABILITIES &amp; PROVISIONS</b>		
(a) CURRENT LIABILITIES		
Acceptances	-	1,025,263
Sundry Creditors		
- Due to Micro, Small & Medium Enterprises	<b>4,142,837</b>	-
- Others	<b>248,828,721</b>	197,542,404
Deposit towards deposits for bottles & cases	<b>54,926,574</b>	55,440,974
Deposits towards use of premises	-	553,070
Advance from customers	<b>31,273,595</b>	30,959,545
Investor Education and Protection Fund shall be credited by*		
- Unclaimed dividends	<b>794,616</b>	1,597,032
- Unclaimed fixed deposits	<b>15,000</b>	16,296
	<b>809,616</b>	1,613,328
Interest accrued but not due	<b>881,279</b>	2,432,668
Other Liabilities	<b>73,842,116</b>	59,676,775
	<b>74,723,395</b>	62,109,443
	<b>414,704,738</b>	349,244,027
(b) PROVISIONS		
Provision for Income Tax	<b>121,557,312</b>	102,411,226
Proposed Dividend	<b>9,068,230</b>	31,969,313
Tax on Proposed dividend	<b>1,541,146</b>	5,433,185
Provision for Retirement Benefits	<b>54,667,294</b>	41,941,018
	<b>186,833,982</b>	181,754,742
	<b>601,538,720</b>	530,998,769

\* The figures reflect the position as at 31st March, 2009. The Actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates.

**SCHEDULE K: MISCELLANEOUS EXPENDITURE**

(To the extent not Written off or adjusted)

Preliminary Expenses	<b>78,039</b>	78,039
Deferred Revenue Expenditure	<b>98,627</b>	98,627
	<b>176,666</b>	176,666

**SCHEDULE ANNEXED TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT**

	Rupees	For the year ended March 31, 2009 Rupees	For the year ended March 31, 2008 Rupees
<b>SCHEDULE L: OTHER INCOME</b>			
Plating and Service charges (Gross)*		11,205,921	13,413,615
License Fees		1,400,000	700,000
Interest Received (Gross)*		5,437,377	7,054,366
Profit on sale of assets (Net)		11,086,606	-
Profit on sale of Investments		81,904	8,446
Diminution in value of Investments written back		802,620	-
Dividend on investments (other than Trade Investments)		22,355	11,520
Miscellaneous Receipts (Gross)*		9,785,321	9,232,301
Exchange Fluctuations Gains		19,639,780	-
Compensation received		1,964,662	3,075,704
		<u>61,426,546</u>	<u>33,495,952</u>
		<u>2,957,755</u>	<u>1,085,418</u>
* Tax Deducted at source			
<b>SCHEDULE M: MATERIAL</b>			
RAW MATERIAL CONSUMED			
Opening Stock	109,872,570		78,693,605
Add: Opening stock on Amalgamation	27,013,399		-
Add: Purchases	1,067,027,759		995,374,119
	<u>1,203,913,728</u>		<u>1,074,067,724</u>
Less: Closing Stock	100,668,536		109,872,570
		<u>1,103,245,192</u>	<u>964,195,154</u>
Purchase for Resale		35,312,756	-
		<u>1,138,557,948</u>	<u>964,195,154</u>
ADD: (INCREASE) / DECREASE IN STOCKS			
Opening 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>
Add: On Amalgamation			
Work-in-Progress	4,830,400		-
Finished Goods	40,926,759		-
	<u>45,757,159</u>		-
	<u>123,931,016</u>		-
Closing Stock			
Work-in-Progress	37,372,879		36,419,118
Finished Goods	78,810,265		41,754,739
	<u>116,183,144</u>		<u>78,173,857</u>
		<u>7,747,872</u>	<u>(6,667,322)</u>
VARIATION IN EXCISE DUTY ON OPENING & CLOSING STOCK OF FINISHED GOODS		<u>(5,529,915)</u>	<u>(896,542)</u>
		<u>1,140,775,905</u>	<u>956,631,290</u>

	Rupees	For the year ended March 31, 2009 Rupees	For the year ended March 31, 2008 Rupees
<b>SCHEDULE N: SALARIES, WAGES AND OTHER BENEFITS</b>			
Salaries, Wages, Bonus etc.		<b>166,813,065</b>	124,592,332
Contribution to Provident and Other Funds		<b>12,039,490</b>	9,448,212
Welfare Expenses		<b>23,782,388</b>	21,096,631
Settlement paid to former employees		<b>4,838,300</b>	101,229
		<b>207,473,243</b>	155,238,404
<b>SCHEDULE O: OTHER EXPENSES</b>			
Stores, Spares and Loose Tools Consumed		<b>23,528,944</b>	30,951,835
Packing Expenses		<b>71,815,656</b>	51,881,692
Job Charges / Labour charges		<b>36,382,305</b>	46,636,378
Power and Fuel		<b>28,072,353</b>	22,970,906
Drawings, Designs and Layout Expenses		<b>1,967,419</b>	2,528,485
Rent		<b>8,108,403</b>	6,923,458
Rates and Taxes		<b>12,530,736</b>	9,726,969
Repairs & Maintenance:			
Buildings	<b>8,877,384</b>		6,911,656
Plant and Machinery	<b>8,195,801</b>		6,741,793
Others	<b>12,103,642</b>		11,413,377
		<b>29,176,827</b>	25,066,826
Insurance		<b>3,671,821</b>	2,985,257
Freight and Forwarding		<b>40,152,938</b>	31,163,344
Printing and Stationery		<b>6,462,845</b>	5,327,120
Postage and Telephones		<b>12,612,069</b>	11,900,403
Vehicle Expenses		<b>9,863,322</b>	8,236,177
Travelling Expenses		<b>28,216,652</b>	26,843,622
Conveyance Expenses		<b>5,236,387</b>	5,328,096
Legal and Professional Fees		<b>20,305,760</b>	10,699,881
Sales Tax		<b>47,247,379</b>	30,083,226
Advertisement & Sales Promotion		<b>5,343,937</b>	6,608,278
Auditors' Remuneration:			
Audit Fees	<b>152,575</b>		193,090
Tax Audit / Taxation Matters	<b>175,000</b>		175,000
Cost Audit Fees	<b>40,000</b>		
Other Matters	<b>107,500</b>		100,000
Reimbursement of Expenses	<b>78,294</b>		43,069
		<b>553,369</b>	511,159
Directors' Sitting Fees		<b>34,500</b>	8,500
Bad Debts written off		<b>304,834</b>	8,130,215
Wealth Tax		<b>157,250</b>	145,580
Loss on Sale of Investments		-	412,501
Loss on Sale / Discard of Assets ( Net )		<b>4,626,887</b>	2,280,130
Donations		<b>185,004</b>	107,402
Exchange Fluctuations		-	4,452,830
Miscellaneous Expenses		<b>49,561,921</b>	40,525,357
		<b>446,119,518</b>	392,435,627

	<b>Rupees</b>	<b>For the year ended March 31, 2009 Rupees</b>	<b>For the year ended March 31, 2008 Rupees</b>
<b>SCHEDULE P: INTEREST &amp; FINANCE CHARGES</b>			
Interest			
- On Fixed Loans		<b>37,752,787</b>	26,290,069
- Others		<b>31,401,065</b>	27,606,111
Cash Discount		<b>17,390,346</b>	15,127,030
		<b>86,544,198</b>	69,023,210
<b>SCHEDULE Q: DEPRECIATION</b>			
Depreciation for the year		<b>49,155,127</b>	41,300,387
Less: Capitalised During the year		<b>187,015</b>	152,709
Less: Withdrawn from General Reserve-II		<b>5,189,480</b>	-
		<b>43,778,632</b>	41,147,678

**Schedule 'R': Basis of Consolidation, Significant Accounting Policies and Notes to the Accounts 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, 2009 except Grauer & Weil (Shanghai) Limited having its year end 31st December, 2008.
- ii) The financial statements of the Indian subsidiaries and associates have been prepared in compliance with the Companies (Accounting Standard) Rules, 2006, and those of a foreign subsidiary has been prepared in compliance with the local laws and applicable accounting standards, and necessary adjustment for material differences in the accounting polices where applicable have been made in the consolidated financial statements.

**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, 2009	% Shares held as at March 31, 2008	Country of Incorporation
i. Poona Bottling Company Pvt. Limited	50.78%	50.78%	India
ii. Growel Energy Company Limited	50.39%	50.39%	India
iii. Grauer & Weil (Shanghai) Limited	100.00%	100.00%	China

d. The following Associate companies are considered in the consolidated financial statements:

	% Shares held as at March 31, 2009	% Shares held as at March 31, 2008	Country of Incorporation
i. Growel Goema (India) Pvt. Limited	29.996%	29.996%	India
ii. Grauer & Weil (Thailand) Limited	49.00%	49.00%	Thailand
iii. Growel Sidasa Industries Pvt. Limited	49.433%	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 and fair valuation under a Scheme approved by The Hon'ble Board for Industrial & Financial Reconstruction (Hon'ble BIFR), in accordance with the Companies Act, 1956 and the applicable Accounting Standards notified by 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.

Income from operations in Paints division includes Job Contract receipts, net of payments made to Sub Contractors. The Company follows the "Percentage of Completion Method" of accounting for all contracts. The revenue from the execution of contracts is recognised proportionately with the degree of completion achieved under each contract, matching revenue with expenses incurred.

**d. Fixed Assets and Depreciation:**

i. Fixed Assets are stated at cost of acquisition/fair value 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 and assets acquired upto 31/12/1986 at its Paints Division.
- 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. Depreciation in respect of Fixed Assets of Grauer & Weil (Shanghai) Ltd., is provided over their estimated useful life, using the straight line method. The estimated useful life of each category of fixed assets is as follows :

Category	Useful life	Rate of Depreciation
Office Equipment	5 Years	18%
Vehicle	5 Years	18%

v. Premium on leasehold land is amortised over its lease period, unless its is a perpetual lease.

- Lease monies paid for leasehold land are not amortised over the period of lease in Poona Bottling Co. Pvt. Ltd.

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

vii. Computer software is being amortised on straight line method over a period of five years.

viii. Additional depreciation arising on fair value of the assets at its Paints division is adjusted against General Reserve II.

**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.

Current investment are stated at lower of cost and fair value.

**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 being defined benefit plan is 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. The Gratuity liability is partly funded through a trust with the Life Insurance Corporation of India for employees of Paints Division.

Compensated leave encashment being other long term employee benefit is accounted for based on Actuarial valuation done at the year end using 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 organised and managed separately according to the nature of the products and services provided, with each segment representing strategic business unit that offers different products and serves different markets.

**ii. Segment Revenue & Results:**

The Income and Expenses which are not directly attributable to business segment are shown as unallocated income and expenses.

**iii. Segment Assets & Liabilities:**

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

**o. Leases:**

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

**p. Provisions & Contingent Liabilities:**

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

3. Contingent Liability not provided for:	2008-2009 (Rs. in '000)	2007-2008 (Rs. in '000)
Disputed matters in appeal / contested in respect of:		
a) Income Tax	8652	6252
b) Excise Duty	6633	5880
c) Sales Tax	4595	3120
d) Other Matters	15406	15406
e) Gratuity	69	69
f) Bank guarantee	15940	-
<b>4. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances):</b>	<b>684420</b>	<b>622171</b>
<b>5. Tax deducted at sources on job contract sales:</b>	<b>1718</b>	<b>1637</b>
<b>6. Managerial Remuneration:</b>	<b>2008-2009 (Rs. in '000)</b>	<b>2007-2008 (Rs. in '000)</b>
i. Salary and Allowances	3203	1620
ii. Contribution to Provident Fund and other funds	308	206
iii. Perquisites	2817	1506
iv. Directors Sitting Fees	35	9
	<u>*6363</u>	<u>*3341</u>
• Excluding Contribution / Provision for Gratuity and Leave Encashment.		
<b>7. Sundry Debtors includes:</b>	<b>2008-2009 (Rs. in '000)</b>	<b>2007-2008 (Rs. in '000)</b>
Debts due from Companies under same Management		
i) Grauer & Weil (Thailand) Limited	9426	13154
ii) Growel Sidasa Industries Pvt. Limited	704	38
iii) Growel Goema India Pvt. Limited	18621	13995
iv) Digikore Designs Limited	-	3
<b>8. Loans and Advances includes:</b>	<b>2008-2009 (Rs. in '000)</b>	<b>2007-2008 (Rs. in '000)</b>
a) Loan to Associates /Companies Under the same Management		
i) Grauer & Weil (Thailand) Limited - On account of Loan	<b>5000</b>	5000
b) Amount due from Associates /Companies under the same Management		
i) Growel Sidasa Industries Pvt. Limited - On account of Expenses	<b>9</b>	1
ii) Growel Softech Limited - On account of Expenses	<b>119</b>	119
ii) Growel Corporate Management Limited - Share application money pending allotment - On account of Expenses - Advance for Service	<b>115</b> - <b>115</b> -	213 59 400
<b>9.</b> 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>10.</b> 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 payment:	<b>2008-2009</b>	2007-2008
	<b>(Rs. In '000)</b>	(Rs. In '000)
- Not later than one year	<b>6431</b>	6131
- Later than one year, but not later than five years	<b>14232</b>	7247

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.

	<b>2008-2009</b>	2007-2008
	<b>(Rs. In '000)</b>	(Rs. In '000)
i) Salaries, Wages & Benefits	<b>13521</b>	11423
ii) Chemicals consumed	<b>3970</b>	4701
iii) Traveling & Conveyance	<b>728</b>	1541
iv) Repairs & Maintenance	<b>190</b>	165
v) Other expenses	<b>5492</b>	398
	<b>23901</b>	18228
Less: Testing & analysis charges	<b>(234)</b>	(195)
	<b>23667</b>	18033

Depreciation includes Rs.2352 thousand (P.Y.Rs 1970 thousand) in respect of Fixed Assets used for Research & Development.

Capital Expenditure on Research & Development during the year as certified by Management is Rs. 2261 thousand (P.Y. Rs. 6659 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;

	<b>2008-2009</b>	2007-2008
	<b>(Rs. In '000)</b>	(Rs. In '000)
Revenue Expenditure	<b>405</b>	448
Capital Expenditure	<b>311</b>	666
	<b>716</b>	1114

**12. Employee Benefits :**

a. As per Accounting Standard 15 (Revised 2005) "Employee Benefits" the disclosure of Employee Benefits as defined in accounting Standard are given below.

<b>i. Defined contribution plans:</b>	<b>2008-2009</b>	2007-2008
	<b>Rs. In '000</b>	Rs. In '000
Employer's Contribution to Provident Fund*	<b>5967</b>	4184
Employer's Contribution to Superannuation Fund*	<b>1671</b>	1672

\* included in 'Contribution to Provident & Other Funds' (Refer Schedule 'N')

<b>ii. Defined benefit plans:</b>	<b>Gratuity *</b>	<b>Gratuity *</b>	<b>Gratuity *</b>
	<b>2008-2009</b>	<b>2008-2009</b>	<b>2007-2008</b>
	<b>Rs. In '000.</b>	<b>Rs. In '000.</b>	<b>Rs. In '000.</b>
	<b>Partly Funded</b>	<b>Unfunded</b>	<b>Unfunded</b>
Current Service Cost	<b>6652</b>	<b>2428</b>	3434
Interest Cost	<b>595</b>	<b>2367</b>	2071
Expected return on Plan assets	<b>(91)</b>	-	-
Actuarial (Gain)/Loss	<b>(5623)</b>	<b>711</b>	397
<b>Net Cost</b>	<b>1533</b>	<b>5506</b>	5902

<b>b. Reconciliation of benefit obligations and plan assets for the year</b>	<b>Gratuity * 2008-2009 (Rs. In '000) Partly Funded</b>	<b>Gratuity * 2008-2009 (Rs. In '000) Unfunded</b>	<b>Gratuity * 2007-2008 (Rs. In '000) Unfunded</b>
Present value of defined benefit obligation on amalgamation	9276	36397	33821
Fair value of plan assets	1157	-	-
Net Asset / (Liability) as at 31 <sup>st</sup> March, 2009 recognised in the Balance Sheet	<u>(8119)</u>	<u>(36397)</u>	<u>(33821)</u>
Experience adjustments on plan liabilities: Not available			
Experience adjustments on plan assets: Not available			
The management has relied on the overall actuarial valuation conducted by the actuary.			
However, experience adjustments on plan liabilities are not readily available hence not disclosed.			
<b>c. Change in defined benefit obligation</b>	<b>Gratuity * 2008-2009 (Rs. In '000) Partly Funded</b>	<b>Gratuity * 2008-2009 (Rs. In '000) Unfunded</b>	<b>Gratuity * 2007-2008 (Rs. In '000) Unfunded</b>
Present value of obligation as at 1 <sup>st</sup> April, 2008	-	33821	31242
Liability on Amalgamation	8214		
Current Service Cost	6652	2428	3434
Interest Cost	595	2367	2071
Actuarial (Gain) / Loss	(5623)	711	397
Benefits paid	(562)	(2930)	(3323)
Present value of obligation as at 31 <sup>st</sup> March, 2009.	<u>9276</u>	<u>36397</u>	<u>33821</u>
<b>d. Change in Plan Assets</b>	<b>Gratuity * 2008-2009 (Rs. In '000) Partly Funded</b>	<b>Gratuity * 2008-2009 (Rs. In '000) Unfunded</b>	<b>Gratuity * 2007-2008 (Rs. In '000) Unfunded</b>
Opening fair value of Plan Assets on 1 <sup>st</sup> April, 2008	-	-	-
On Amalgamation	1066	-	-
Expected return on plan Assets	91	-	-
Contribution by Employer	562	-	-
Benefits Paid	(562)	-	-
Closing fair value of plan assets as on 31 <sup>st</sup> March, 2009.	<u>1157</u>	<u>-</u>	<u>-</u>
<b>e. Reconciliation of expected return and actual return on plan assets</b>	<b>Gratuity * 2008-2009 (Rs. In '000) Partly Funded</b>	<b>Gratuity * 2008-2009 (Rs. In '000) Unfunded</b>	<b>Gratuity * 2007-2008 (Rs. In '000) Unfunded</b>
Expected return on plan assets	91	-	-
Actual return on plan assets	<u>91</u>	<u>-</u>	<u>-</u>
<b>f. Reconciliation of opening and closing net Liability / (Asset) recognised in the Balance Sheet</b>	<b>Gratuity * 2008-2009 (Rs. In '000) Partly Funded</b>	<b>Gratuity * 2008-2009 (Rs. In '000) Unfunded</b>	<b>Gratuity * 2007-2008 (Rs. In '000) Unfunded</b>
Opening net liability as on 1 <sup>st</sup> April, 2008	-	33821	31242
Liability on Amalgamation	7148	-	-
Expenses as recognised in Profit & Loss account	1533	5506	5902
Benefits Paid	(562)	(2930)	-
Net Liability / (Assets)	<u>8119</u>	<u>36397</u>	<u>37144</u>

**g. Investments under plan assets as on 31<sup>st</sup> March, 2009:**

LIC Group Gratuity (Cash Accumulation) Policy - 100%

**h. The principal actuarial assumptions**

	<b>Gratuity * 2008-2009 Partly Funded</b>	<b>Gratuity * 2008-2009 Unfunded</b>	<b>Gratuity * 2007-2008 Unfunded</b>
Discount rate	<b>7.5% p.a</b>	<b>7% p.a</b>	7% p.a
Salary escalation rate:	<b>4% p.a</b>	<b>4% p.a</b>	4% p.a
Expected rate of return on plan assets	<b>8.5% p.a</b>	-	-

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.

\* included in 'Salaries, Wages, Bonus Etc.' (Refer Schedule 'N')

**13. (i) The Company does not have any outstanding position in respect of forward exchange contracts as at 31<sup>st</sup> March, 2009.**

(ii) Un-hedged foreign currency exposure is as under:

	USD	EURO	GBP	HKD	<b>Total INR (Rs. In 000)</b>
Receivable	1357928	187845	-	-	<b>76709</b>
Payable	50527	42069	180	5500	<b>5443</b>

(iii) Premium on Forward Exchange Contracts to be amortised over the life of the contract Rs. Nil (Previous Year – Rs. Nil).

**14. Micro, Small and Medium Enterprise Development Act, 2006:**

The information given below and that given in 'Schedule H Current Liabilities and provisions' regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

	<b>2008-09 (Rs. In 000)</b>	2007-08 (Rs. In 000)
(i) Interest amounts unpaid as at the year end	<b>83</b>	-
(ii) Principal amounts paid after appointed date during the year	<b>10289</b>	-
(iii) Amount of interest accrued and unpaid as at the year End	<b>83</b>	-

**15. Details Of Contracts in Progress as on 31<sup>st</sup> March 2009:**

a) Contract Receipt for work done	<b>69108</b>
b) Contract Costs for work done	<b>33637</b>
c) Amount of advances received	-
d) Amount of retention	<b>3545</b>
e) Amount due from Customers for Contract Billing	<b>20268</b>
f) Amount due from Sub Contractors for Contract Billing	<b>12185</b>
g) Contingencies for Contracts	-

**16. The bottling 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 subsidiary company for the year ended 31<sup>st</sup> March, 2009 have been prepared on "Going Concern" basis, as the subsidiary company is continuing to carry on its other activities.**

**17. Scheme of Merger:**

Pursuant to the scheme of merger under section 18 (1)(c) and other applicable provisions of "Sick Industrial Companies (Special Provisions) Act, 1985" (SICA) sanctioned by the Hon'ble BIFR vide order dated 24<sup>th</sup> July, 2009 and 11<sup>th</sup> September, 2009 erstwhile Bombay Paints Limited engaged in the manufacture of Paints, has been merged into the Company with effect from the appointed date 1<sup>st</sup> April, 2008.

Upon the scheme of merger being effective:

a) As per the order of Hon'ble BIFR, the merger has been accounted under the "Purchase Method" prescribed by Accounting Standard 14 "Accounting for Amalgamation" and all the assets and liabilities as appearing in the books of erstwhile Bombay Paints Limited have been recorded at their respective fair values by the Company.

- b) In terms of the Scheme of Merger, the Company is required to issue and allot 98,82,850 equity shares of Rs. 10 each fully paid up aggregating to Rs. 988.29 Lacs to the shareholders of erstwhile Bombay Paints Limited in the ratio of one fully paid equity share of Rs. 10 each of the Company for every one fully paid equity share of Rs. 10 each of erstwhile Bombay Paints Limited ("the consideration").
- c) Excess of the net effect on fair valuation of assets and liabilities of erstwhile Bombay Paints Limited identified by the board as prescribed to be fair valued, by an independent valuer, for this purpose (Identified Assets) has been credited to "Amalgamation Reserve" to be dealt with in accordance with the scheme.
- d) The resultant surplus in the "Amalgamation Reserve" amounting to Rs. 2445.33 lacs after setting off the loss on extinguishment of investment of Rs.11.48 lacs, existing accumulated losses of erstwhile Bombay Paints Limited of Rs. 741.00 lacs and amalgamation expenses of Rs. 132.70 lacs has been transferred to "General Reserve II" in accordance with the scheme.
- e) The scheme shall become effective upon the Company filing the order of the Hon'ble BIFR sanctioning the scheme with Registrar of Companies (ROC). Pending such filing, the Accounts have been compiled, as if the scheme has become effective and consequently the effects of the merger scheme have been incorporated in the accounts. The Company has represented that it is reasonably certain that the order post completion of the procedural formalities, will be filed with the ROC in due course.

**18 Segment reporting:**

The following tables present revenue and profit/(loss) information regarding business/ geographical segments for the year ended 31st March, 2009 and certain assets and liabilities information regarding business and geographical segments as at 31st March, 2009

(a) Primary Segment Reporting by business segments

(Rs. In 000)

	Chemical	Engineering	Shoppertainment	Paints	Bottling Operations	Total
Segment revenue						
<b>Income from operations</b>	<b>1339513</b>	<b>203091</b>	<b>54348</b>	<b>395602</b>	-	<b>1992554</b>
	(1328416)	(367087)	(52203)	-	-	(1747706)
Add : Inter segment Revenue				<b>(3970)</b>	-	<b>(3970)</b>
Add : Other Income	<b>26101</b>	<b>15758</b>	<b>93</b>	<b>1979</b>	<b>(2578)</b>	<b>41353</b>
	(9355)	(17637)	(221)	-	(3093)	(30306)
Add : Unallocable						<b>8284</b>
						(3190)
<b>Total</b>	<b>1365614</b>	<b>218849</b>	<b>54441</b>	<b>393611</b>	<b>(2578)</b>	<b>2038221</b>
	(1337771)	(384724)	(52424)	-	(3093)	(1781202)
Segment Results	<b>276456</b>	<b>(27179)</b>	<b>27769</b>	<b>23502</b>	<b>(8534)</b>	<b>292014</b>
	(286266)	(15103)	(31191)	-	(-6082)	(326478)
Less : Interest						<b>86544</b>
						(69023)
Less : Other Unallocable Expenditure net of unallocable Income						<b>91941</b>
						(90735)
Profit Before Tax						<b>113529</b>
						(166720)
Less : Provision for Current and Deferred tax						<b>9217</b>
						(46161)
Profit After Tax						<b>104312</b>
						(120559)
Segment Assets	<b>888963</b>	<b>191593</b>	<b>856189</b>	<b>475642</b>	<b>152734</b>	<b>2565121</b>
	(733706)	(232827)	(501360)	-	(156072)	(1623965)
Unallocated corporate Assets						<b>190923</b>
						(380780)
<b>Total Assets</b>						<b>2756044</b>
						(2004745)

Segment Liabilities	<b>154448</b> (162147)	<b>98951</b> (116220)	<b>33499</b> (16345)	<b>81089</b> -	<b>78315</b> (73118)	<b>446302</b> (367830)
Unallocated corporate Liabilities						<b>2309742</b> (1636915)
Total Liabilities						<b>2756044</b> (2004745)
Capital Expenditure	<b>106887</b> (43052)	<b>6029</b> (3522)	<b>335088</b> (187088)	<b>4621</b> -	- (981)	
Depreciation	<b>20008</b> (18493)	<b>1896</b> (1521)	<b>10267</b> (10217)	<b>1553</b> -	<b>3298</b> (3847)	
Non Cash Expenditure	- (6683)	- (1462)	- -	- -	- -	

(b) Secondary segment reporting by Geographical segment

	<b>Domestic</b>	<b>Exports</b>	<b>Total</b>
Revenue	<b>1756704</b> (1510447)	<b>281517</b> (270755)	<b>2038221</b> (1781202)
Total Assets	<b>2678751</b> (1918633)	<b>77293</b> (86112)	<b>2756044</b> (2004745)

Note : Previous year's figures are in brackets

**19 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 (KMP) their relatives and enterprises where significant influence exists, with whom the Company had transactions**

Mr. Umeshkumar More  
 Mr. Rameshkumar More  
 Mr. Nirajkumar More  
 Mr. Rohitkumar More  
 Mr. K C Srivastava  
 Mr. M M Chaturvedi  
 Mr. Rohan Shah  
 Mr. Suresh Pareek  
 Mr. Gorav More  
 Mr. Mann Singh  
 Growel Softech Limited  
 Digikore Designs Limited  
 Growel Corporate Management Limited  
 Growel Projects Limited  
 Shree MPJ Cement Works Pvt Limited  
 Ridhi Sidhi Limited  
 Bubna More & Co Pvt Limited  
 Radhakishan Nandlal Pvt Limited  
 Waluj Beverages Pvt Limited  
 Gorav Investment Pvt Limited

**Relatives of Key Management Personnel**

Mrs. Premlata More  
 Mrs. Pallavi More  
 Mrs. Draupadidevi N More  
 Mr. Abhishek More  
 Mrs. Umadevi More  
 Mrs. Jhumka More  
 Mrs. Stuti More

(ii) Transactions with Related Parties

(Rs. In 000)

Transactions	Associates	Key Management Personnel(KMP)	Enterprises of KMP	Relatives of KMP	Total 2008-09	Total 2007-08
Sales	56269	-	-	-	56269	44328
Purchases	10280	-	-	-	10280	2707
Interest received	1122	-	-	-	1122	2029
Interest Paid	225	585	1357	-	2167	831
Royalty Income	847	-	-	-	847	-
Rent Received	-	-	23	1	24	62
Rent Paid	-	858	88	774	1720	1692
Professional Fees	-	-	1400	-	1400	-
Contract Payments	-	-	-	-	-	94157
Services received (SAP)	-	-	-	-	-	2847
Services received (Maintenance)	-	-	-	-	-	9962
Compensation Received	-	1800	-	-	1800	674
Salaries	-	-	-	892	892	899
Director's Fees	-	35	-	-	35	9
Managerial Remuneration	-	7780	-	-	7780	3331
Loans Accepted	-	11075	3500	-	14575	18198
Repayment of Loans accepted	-	2000	-	-	2000	1500
Reimbursement Of Expenses	98	-	147	-	245	-
Loans advanced	-	2450	6	-	2456	122082
Repayment of Loans advanced	-	1730	-	-	1730	2550
Commission Paid	-	-	-	-	-	84
Construction	-	-	98666	-	98666	-
Commission Received	-	-	-	-	-	1072
Services GPL	-	-	3585	-	3585	-
<b>Outstanding Balances as on 31st March 2009</b>						
- Unsecured Loans	2000	6,487	95811	-	104298	21969
- Credits & Other Liabilities	109	-	5559	-	5668	9654
- Debtors	28752	-	28669	-	57421	60353
- Loans & Advances	6131	-	80300	-	86431	198697

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.

**20 Earnings Per Share:**

Calculation of Earnings per share for the year ended 31.03.2009

		<b>31.03.2009</b>	31.03.2008
Profit for the year	Rs.	<b>108,533,442</b>	123,721,953
Weighted average number of Equity Shares (Face Value Rs. 10 per share)	Nos.	<b>22,670,575 *</b>	12,787,725
Basic Earnings per share	Rs.	<b>4.79</b>	9.68

\*Includes 9,882,850 equity shares to be allotted against Share Capital Suspende to the share holders of erstwhile Bombay Paints Limited under the Scheme of Merger

**21 Deferred Tax:**

The break up of Net Deferred Tax liability as on 31.3.2009 is as under

**(Rs. In 000)**

	<b>As of March 31,2009</b>		As of March 31,2008	
	<b>Deferred Tax Assets</b>	<b>Deferred Tax Liabilities</b>	Deferred Tax Assets	Deferred Tax Liabilities
Depriciation		<b>63008</b>	-	61865
Provision for Leave Encashment And Gratuity	<b>14590</b>		13437	-
Other items giving rise to timing differences	<b>61</b>		486	-
<b>Total</b>	<b>14651</b>	<b>63008</b>	13923	61865
Net Deferred Tax Liability	-	<b>48357</b>	-	47942
Net Difference In Deferred Tax Liability	-	<b>415</b>	-	4105
Add: Deferred Tax On Transitional Provisional Adjusted In General Reserve	-	-	-	3495
Amount Debited To Profit & Loss Account	-	<b>415</b>	-	7600

22 Previous year's figures have been regrouped and reclassified wherever required. Previous year's figures are not comparable with that of the current year on account of the effect of the merger scheme.

Signatures to Schedules 'A' to 'R' which form an integral part of the Financial Statements

**For and on behalf of the Board of Directors**

**FOR M. M. NISSIM AND CO.**  
Chartered Accountants

**NIRAJKUMAR MORE**  
**SURESH PAREEK**

**Managing Director**  
**Director**

**N.KASHINATH**  
Partner  
Membership No.36490

**KRISHAN LAL SWAMI**  
**NOEL JACOB**

**Group CFO**  
**Company Secretary & VP (Legal)**

Mumbai, 29th September, 2009

Mumbai, 29th September, 2009

**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 51st Annual General Meeting of the Company to be held on Tuesday, November 17, 2009 at 10.30 a. m. at Gold Screen Hall, 2nd floor, Growel House, Akurli Road, Kandivli (East), Mumbai - 400 101.

SIGNATURE OF THE SHAREHOLDERS OR PROXY

**PROXY**

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

L. F. No. / DPID No.

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

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

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

as my/our proxy to vote for me/us and on my/our behalf at the 51st Annual General Meeting of the Company to be held on Tuesday, November 17, 2009 at 10.30 a. m. at Gold Screen Hall, 2nd floor, Growel House, Akurli Road, Kandivli (East), Mumbai - 400 101.

As witness my/our hand(s) this \_\_\_\_\_ day of ....., 2009.

Affix a  
Revenue  
Stamp

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

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





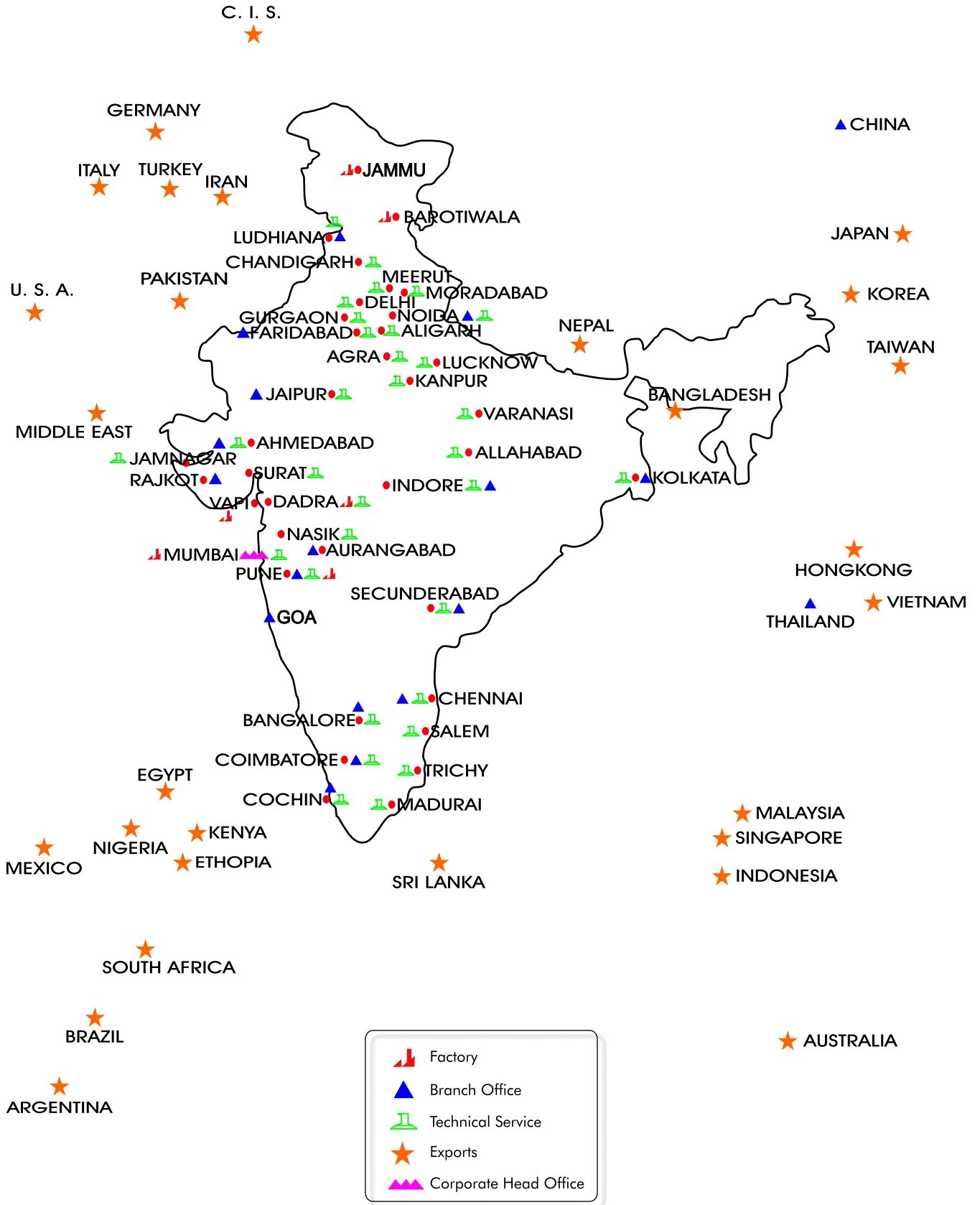
# NOTES

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# NOTES

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# GROWEL NETWORK



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Email: [hq@growel.com](mailto:hq@growel.com)