

GO GREEN *from* ROWEL

Environment Friendly Process for a better world



Grauer & Weil (India) Limited

53rd

Annual Report ~ 2010-2011

Green Initiative

2nd September, 2011

In keeping with the ideology of preserving our planet earth so as to pass it on to the next generation in as much a pristine and pure form as possible, your company has embarked upon a Green Initiative to save the trees and contribute to the greenery within our Country.

Imagine that one day you come out from your house or office and you see is big puffs of black smoke and no trees, hear cars and no birds, smell gasoline and not flowers.

Our waste reduction or recycling activities and efforts can make a huge difference to save our planet. At the very least, the resolution to such grave issues, requires corporate action and intervention.

with a view to addressing this noble cause, The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by issuing a Circular no. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively. This allows companies to dispense away with sending of Annual Reports to its members as required under section 219 of Companies, Act 1956, in physical form.

Now the companies would be complying with the provisions of the Companies Act in case they are sending the information in electronic form to the registered e-mail of the shareholders. The notifications also bring out the fact that if the e-mail addresses of the members are not registered then Annual Reports comprising of Balance Sheet, Profit & Loss Account, Director's Report and Auditor's Report may continue to be sent in the physical form.

This initiative by authorities would help in saving lots of paper and in turn our trees. Here are some calculations to support our argument.

- Weight of an A4 size paper (210x297mm) = 4.366 gm.
- Pulp contained in a 25 m high and 30 cm diameter Pine Tree = 520 Kg
- Listed companies on Bombay Stock Exchange ~ 5050
- Total Investor Accounts in country ~ 6 millions
- Total number of Annual Reports required = 30204000000
- Assuming each report will have 100 pages
- Total weight of paper used = 1.32×10^8 Kg
- Number of trees needed to print that much paper = 256000

If this Green Initiative helps in saving only 10% of the trees even then we would have saved 25600 Trees.

We sincerely appeal to you to register your emails with the Companies Registrar and Transfer Agent M/s. Link Intime India Pvt. Ltd. at the following email address: grauernwellgogreen@linkintime.co.in

by mentioning your Folio Number or a letter addressed to LINK INTIME INDIA PVT LTD, UNIT : GRAUER & WEIL (INDIA) LTD., C-13, PANNALAL SILK MILLS COMPOUND, L.B.S. MARG, BHANDUP – WEST, MUMBAI – 400078.

The required E-registration form is also available on the Company's website www.growel.com and all are requested to take advantage of the same.

"We do not inherit the earth from our ancestors, we borrow it from our children."

Niraj More

Managing Director



'CELEBRATING ONE YEAR OF SERVICE & CELEBRATION'

THE JOURNEY HAS JUST BEGUN - 2010 - 2011



Self-Growth - 11th August 2010 - Growth 101 Mall
Bright & Colorful



Photozone - Growth 101 Mall - Maharashtra Registration



Celebrating Republic Day of India - 2011



Lord Ganesha Navratri Ganesha
Ganesh Chaturthi Celebration



Celebrating Christmas - Growth 101 Mall



'Global 23 Hour' - Growth 101 Mall



Cherish India - Exclusive World Cup Live -
Growth 101 Mall



SANJAY GANDHI NATIONAL PARK,
In association with
101
WORLD ENVIRONMENT DAY

Bring the Tiger - CSR Initiative - World Environment Day
Sanjay Gandhi National Park



Europe Calling 2011 - Celebrating Europe at Growth 101



Celebrating 1st Anniversary - Growth 101 Mall

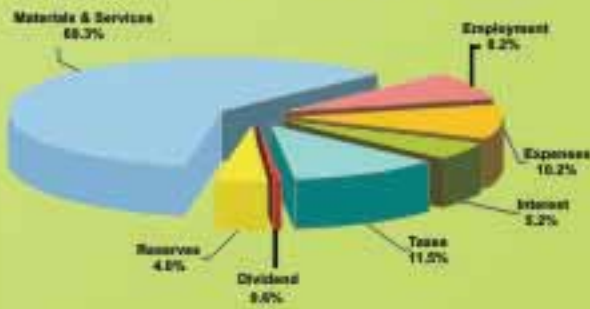


Share Their - CSR Activity - Kanda Moha Blind School
1st Anniversary 2011 - Growth 101

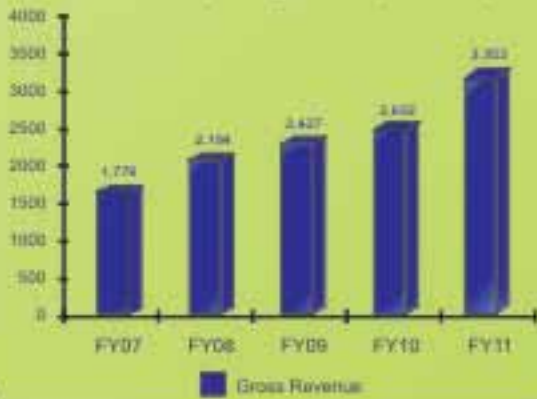


Celebrating President - Mumbai Institute -
CSR Activity - 1st Anniversary - Growth 101

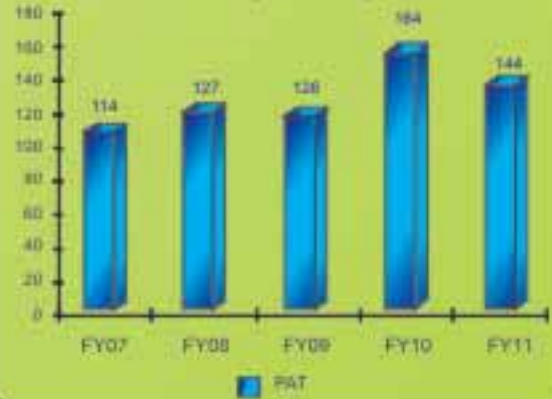
Income Distribution 2010 - 11



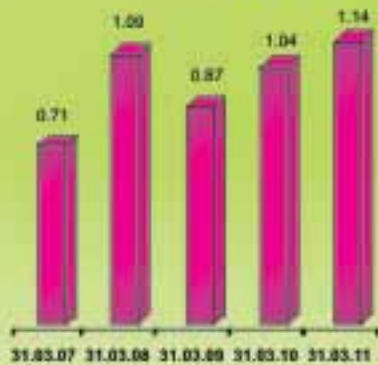
Gross Sale & Operating Income (Rs. Million)



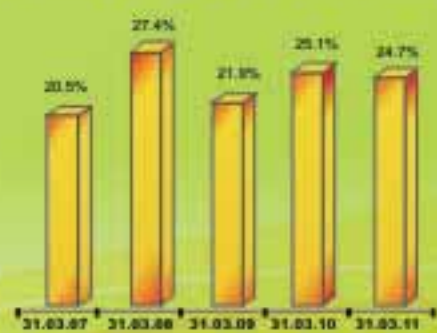
PAT (Rs. Million)



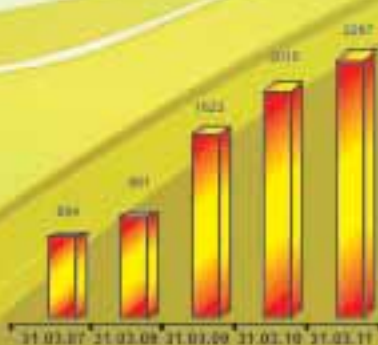
Debt: Equity Ratio



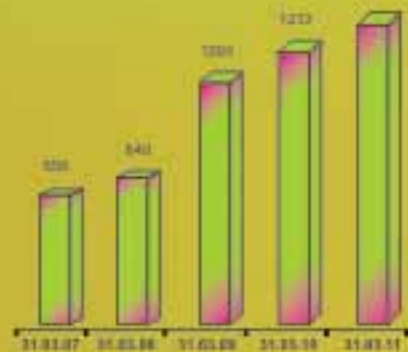
Ratio of Net Working Capital to Net Income (%)



Net Fixed Assets (Rs. Million)



Net Worth (Rs. Million)



BOARD OF DIRECTORS

| | |
|------------------------|---------------------------------------|
| Umeshkumar More | Chairman |
| Nirajkumar More | Managing Director |
| Rameshkumar More | Director (upto 06.07.2011) |
| Suresh Pareek | Director |
| K. C. Srivastava | Director |
| Madan Mohan Chaturvedi | Director |
| Rohan Shah | Director |
| Yogesh Samat | Director |
| Harnish D. Juthani | Whole Time Director (upto 15.03.2011) |
| Rohitkumar More | Whole Time Director |
| Vinod Haritwal | Director (w.e.f. 02.09.2011) |

COMMITTEES**AUDIT COMMITTEE**

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

SHAREHOLDERS COMMITTEE

| | |
|------------------|--------------------------|
| Nirajkumar More | Chairman |
| Rohitkumar More | Member |
| K. C. Srivastava | Member |
| Rameshkumar More | Member (upto 06.07.2011) |

SELECTION & REMUNERATION COMMITTEE

| | |
|------------------|----------|
| Umeshkumar More | Chairman |
| Suresh Pareek | Member |
| K. C. Srivastava | Member |

GROUP CFO

Anil Gupta (w.e.f. 15.11.2010)

SENIOR PRESIDENTS

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

PRESIDENTS

Pallavi More Vinay Gupta

SR. V.P. (CORP.) & CO. SECRETARY

Noel Jacob

SR. V.P. (EXPORTS)

Mala Singh

VICE PRESIDENTS

| | | |
|---------------|------------------|--------------------|
| M. T. Rara | Rattan Sharma | M. S. Seetharam |
| A. V. Dabir | D. K. Bhardwaj | Sharad Jhunjunwala |
| Dipen Parikh | Krishna Bhandari | Omprakash Pakhrija |
| Jagdish Kadam | Santosh Pandey | Gopal Bagaria |
| Anirudha Gore | | |

AUDITORS

M. M. Nissim And Co. Chartered Accountants

BANKERS

| | |
|----------------------|---------------------------------|
| Punjab National Bank | The Saraswat Co-op. Bank Ltd. |
| Axis Bank | Bank of Bahrain & Kuwait B.S.C. |

REGISTERED OFFICE

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

PLANTS

| | |
|-------------------|-------------------------------|
| Dadra | Chemicals - Finished Products |
| Barotiwala (H.P.) | Chemicals - Finished Products |
| Vapi | Chemicals - Intermediates |
| Samba (Jammu) | Chemicals - Finished Products |
| Alandi (Pune) | Engineering |
| Chembur (Mumbai) | Paints |

Visit us at: www.growel.com

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the 53rd Annual General Meeting of the members of GRAUER & WEIL [INDIA] LIMITED will be held on Friday, September 30, 2011 at 3:00 P.M. at 02nd Floor, Growel's 101 Mall, Growel House, Akurli Road, Kandivli (East), Mumbai – 400101 to transact with or without modification[s], the following businesses:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Profit and Loss Account for the year ended March 31, 2011 and the Balance Sheet as at that date together with the Report of the Directors and the Auditors thereon.
2. To declare a Dividend on Equity Shares for the year ended March 31, 2011.
3. To appoint a Director in place of Shri Rohan Shah, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri K. C. Srivastava, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri 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.

SPECIAL BUSINESS:

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

7. AS AN ORDINARY RESOLUTION:

“RESOLVED THAT in accordance with the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or re-enactments thereof, for the time being in force, the present Authorized Share Capital of the Company be and is hereby increased from Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 25,00,00,000 (Twenty Five Crores) Equity Shares of Re. 1/- (Rupee One only) each to Rs. 50,00,00,000/- (Rupees Fifty Crores only) divided into 50,00,00,000 (Fifty Crores) Equity Shares of Re. 1/- (Rupee One only) each by creation of 25,00,00,000 (Twenty Five Crores) Equity Shares of Re. 1/- (Rupee One only) each.”

8. AS AN ORDINARY RESOLUTION:

“RESOLVED THAT in accordance with the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or re-enactments thereof, for the time being in force, Clause V of the Memorandum of Association of the Company be and is hereby substituted by the following clause:

- V. The Authorised Share Capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crores only) divided in to 50,00,00,000 (Fifty Crores) Equity Shares of Re. 1/- (Rupee One) each.

The Shares in the capital of the Company for the time being whether original or increased may be divided into several classes with any preferential, deferred, qualified or other special rights, privileges, conditions or restrictions attached thereto, whether in regard to dividend, voting, return of capital or otherwise. The Company shall have power to issue Redeemable Preference Shares.

The right of the holders of any class of shares forming part of the capital for the time being of the Company may be modified, affected, varied, extended or abrogated in such manner as is or may be provided by the Articles of Association of the Company as originally registered or as altered from time to time.”

9. AS AN ORDINARY RESOLUTION:

“RESOLVED THAT Shri Vinod Haritwal who was appointed by the Board of Directors as an Additional Director of the company with effect from September 02, 2011, pursuant to section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting and being eligible offers himself for appointment and in respect of whom the company has received notice in writing from a member of the Company under section 257 and other applicable provisions, if any, of the Companies Act, 1956, proposing his candidature for the office of a Director; be and is hereby appointed as a Director of the Company, liable to retire by rotation.

FURTHER RESOLVED THAT subject to such approvals, consents and sanction as may be necessary and further subject to such terms and conditions, stipulations and restrictions as may be imposed by the authorities while granting such approvals, consents and sanctions, consent of the members be and is hereby accorded pursuant to the provisions of section 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, or any statutory modifications or re-enactment thereof, to the appointment of Shri Vinod Haritwal as a Whole Time Director of the Company for a period of 5 years with effect from September 05, 2011, on such terms and conditions including the remuneration payable to him, as a Whole Time Director and the minimum remuneration payable to him in the event of absence or inadequacy of profits in any year, as follows:

- a) **Salary:** in the scale of Rs. 1,00,000/- to Rs.5,00,000/- per month as may be decided by the Board from time to time.
- b) **Commission:** Upto Rs 30,00,000/- p.a. as may be decided by the Board from time to time.

- c) **Perquisites:** In addition to the Salary and Commission, Shri Vinod Haritwal shall be entitled to the following perquisites and benefits.
- i) Medical Allowance including reimbursement, as per rules of the Company subject to a maximum of Rs. 15,000/- p.a.
 - ii) Leave with full pay and all allowances as per rules of the company.
 - iii) Leave Travel Concession/Allowance for self and family including dependants as per rules of the company.
 - iv) Yearly encashment of leave as per rules of the company.
 - v) Contribution to Provident Fund and Gratuity Fund as per rules of the company.
 - vi) Provision of Car with Driver.
 - vii) Free Telephone Facility at residence and use of Mobile phone for the business of the Company.
 - viii) All other payments in the nature of perquisites and benefits as agreed by the Board of Directors subject to such limits for the remuneration and perquisites as laid down by the Government in Schedule XIII to the Companies Act, 1956 and /or changes/ variations/modifications made/that may be made therein from time to time.

FURTHER RESOLVED THAT the Board be and is hereby authorized to alter and /or vary the terms and conditions of the appointment including remuneration payable to him from time to time, provided however that the remuneration payable shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956 as existing or as amended, modified or reenacted from time to time.

Minimum Remuneration:

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

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

10 AS AN ORDINARY RESOLUTION:

“RESOLVED THAT in partial modification of Resolution No. 7 passed at the Annual General Meeting of the Company held on August 16, 2007 and Resolution No. 10 passed at the Annual General Meeting of the Company held on September 29, 2010 for the appointment and terms of remuneration of Shri Nirajkumar More as a Managing Director of the Company and in accordance with the provisions of Section 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the company hereby approves the maximum amount of Consolidated Salary payable to Shri Nirajkumar More (including the salary to be paid in the event of loss or inadequacy of profits in any financial year), during the tenure of his appointment as Rs. 5,00,000/- per month w.e.f. 01-09-2011 for the residual period of his term i.e. upto 31-10-2013.

FURTHER RESOLVED THAT the Board be and is hereby authorized to alter and /or vary the terms and conditions of the appointment including remuneration payable to him from time to time, provided however that the remuneration payable shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956 as existing or as amended, modified or reenacted from time to time.

FURTHER RESOLVED THAT except for the revision in the consolidated salary, all other terms and conditions of his appointment as a Managing Director of the Company as decided by the Resolution passed in the Annual General Meeting of the Company held on August 16, 2007 shall remain unchanged.”

11 AS AN ORDINARY RESOLUTION:

“RESOLVED THAT in partial modification of Resolution No. 9 passed at the Annual General Meeting of the Company held on August 21, 2008 and Resolution No. 11 passed at the Annual General Meeting of the Company held on September 29, 2010 for the reappointment and terms of remuneration of Shri Rohitkumar More as a Whole Time Director of the Company for a period of Five Years w.e.f. August 01, 2008 and in accordance with the provisions of Section 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the company hereby approves the revision in the maximum amount of Consolidated salary payable to Shri Rohitkumar More (including the salary to be paid in the event of loss or inadequacy of profits in any financial year), during the tenure of his appointment, as Rs.1,50,000/- per month w.e.f. 01-09-2011 for the residual period of his term ie. upto 31-07-2013.

FURTHER RESOLVED THAT the Board be and is hereby authorized to alter and /or vary the terms and conditions of the appointment including remuneration payable to him from time to time, provided however that the remuneration payable shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956 as existing or as amended, modified or reenacted from time to time.

FURTHER RESOLVED THAT except for the revision in the consolidated salary, all other terms and conditions of his appointment as a Whole Time Director of the Company as decided by the Resolution passed in the Annual General Meeting of the Company held on August 21, 2008 shall remain unchanged.”

12. AS A SPECIAL RESOLUTION:

“RESOLVED THAT in accordance with the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or re-enactments thereof, for the time being in force, Clause 3 of the Articles of Association of the Company be and is hereby substituted by the following clause:

3. The Authorised Share Capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crores only) divided in to 50,00,00,000 (Fifty Crores) Equity Shares of Re. 1/- (Rupee One) each”.

Registered Office:

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

For & on behalf of the Board of

Grauer & Weil [India] Limited

Nirajkumar U. More

Managing Director

Date : 02-09-2011

NOTES :

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING. Proxies submitted on behalf of the Companies, societies, etc., must be supported by an appropriate resolution/authority as applicable.
- The Register of Members and Transfer Books of the Company will remain closed from Saturday, September 24, 2011 to Friday, September 30, 2011 (both days inclusive).
- The Dividend on Equity Shares as recommended by the Directors for the year ended March 31, 2011 when declared at the Meeting of the Company will be paid on or after October 04, 2011:
 - to those members whose names appear on the Company's Register of members, after giving effect to all valid share transfers in physical form lodged with LinkIntime India Pvt. Ltd., Registrar and Share Transfer agent of the Company on or before September 23, 2011.
 - In respect of shares held in electronic form, to those 'Deemed Members' whose names appear in the statements of beneficial ownership furnished by National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) as at the opening hours of September 24, 2011.
- Pursuant to the provisions of Section 205(A) read with Section 205(C) of the Companies Act, 1956, Unclaimed Dividend up to the year ended March 31, 2004 has been transferred to the Investors Education & Protection Fund (IEPF). Members are hereby informed that Dividends which remain unclaimed / unpaid for a period of 7 years from the respective dates of declaration have to be transferred to The Investors Education & Protection Fund (IEPF) on the dates given in the table below:

| Financial Year | Date of declaration of Dividend | Last date for claiming unpaid Dividend | Due Date for transfer to IEPF |
|----------------|---------------------------------|--|-------------------------------|
| 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 |
| 2008-09 | 17.11.2009 | 16.11.2016 | 15.12.2016 |
| 2009-10 | 29.09.2010 | 28.09.2017 | 27.10.2017 |

Members who have not yet encashed their dividend warrant(s) for the Financial Years as indicated above are requested to claim the amounts forthwith from the Company.

- 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.
- 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.
- 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.
- 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. LINKINTIME 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 ; URL : 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. September 30, 2011.
11. For the convenience of Members /Proxies and for proper conduct of the meeting, entry to the meeting venue will be permitted against attendance slips only, which is enclosed, herewith in the Annual Report. Members are requested to sign at the place provided on the Attendance slip and hand it over at the entrance of the venue.
12. Members who are holding shares in Dematerialised form are requested to bring their Client ID and DP ID Numbers for easy identification at the meeting.
13. In all correspondence with the Company, members are requested to quote their Folio Number and in case their shares are held in Dematerialised form, they must quote their DP ID and Client ID Numbers.
14. Pursuant to the Circular No. 17/2011 Dated 21.04.2011 and Circular No. 18/2011 Dated 29.04.2011 issued by the Ministry of Corporate Affairs (MCA), Company has taken a "Green Initiative in Corporate Governance" and requested / are requesting the Shareholders who hold the shares in dematerialization form, to intimate their email ID to their Depository Participant (DP) and those who hold the shares in physical form, to intimate their email ID and Folio No. by sending mail on grauernweilgogreen@linkintime.co.in or by submitting filled in **E-Communication Registration Form attached at the end of this Report (Also available on our website www.growel.com) to M/s. LINKINTIME INDIA PRIVATE LIMITED.** The members holding shares in electronic form are requested to register their email address with their depository participants only. Even after registering for E-Communication, shareholders are entitled to receive such communication in physical form upon specific request.
15. Securities and Exchange Board of India (SEBI) vide circular ref no.MRD/DoP/CIR-05/2007 dated April 27, 2007, made PAN the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. In continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee (s) to furnish copy of PAN card to the company /RTAs for registration of such transfer of shares.
16. As per the provisions of the Companies Act, 1956, facility for making nominations is now available to individuals holding shares of the Company. The Nomination Form 2B prescribed by the Government can be obtained from the Secretarial Department of the Company at its Registered Office. The same is also available on the website of the Company www.growel.com.

LISTING REQUIREMENTS

As required under Clause 49(IV)(G) 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 : SHRI ROHAN SHAH**

Age : 48 Years [Date of Birth : 12.01.1963]

Qualifications : B.Com, LL.B.

Expertise : Advocate

Shri Rohan Shah is associated with the Company Since March 30, 2004.

Other Directorships : ➤ J. B. Chemicals & Pharmaceuticals Ltd.

Committee Memberships : NIL

Shareholding in the Company : 3120 Equity Shares

B. Name : SHRI K. C. SRIVASTAVA

Age : 67 Years [Date of Birth: 10.02.1944]

Qualifications : M.A.

Expertise : Exposure of about 40 Years in Management Consultancy & Government Administrative

Shri K. C. Srivastava is associated with the Company Since March 29, 2006.

Other Directorships : ➤ Liberty Videocon General Insurance Company Ltd.

➤ Videocon Industries Ltd.

➤ Nupower Renewables Ltd.

Committee Memberships :

Audit Committee of Grauer & Weil (India) Ltd.

Shareholders Committee of Grauer & Weil (India) Ltd.

Shareholding in the Company : 3120 Equity Shares

C. Name : SHRI SURESH PAREEK

Age : 55 Years [Date of Birth: 10.04.1956]

Qualifications : B.Com, FCA

Expertise : Finance

Shri Suresh Pareek is associated with the Company Since September 29, 2006.

Other Directorships : ➤ Ideal Cures Private Limited

➤ R.S. Global Infotech Limited

➤ Cliff Tradvest Private Limited

Committee Memberships : Audit Committee (Chairman) Grauer & Weil (India) Ltd.

Shareholding in the Company : 18,59,560 Equity Shares

APPOINTMENT OF DIRECTOR**A Name : SHRI VINOD HARITWAL**

Age : 53 years (Date of Birth 05th October 1958)

Qualifications : B.Com., LLB, CS, ACA.

Shri. Vinod Haritwal was associated with the company in the past for nearly 10 years and has 30 years of corporate experience.

Other Directorships : ➤ Aayurmed Biotech Pvt. Ltd.

➤ Kadambi Supergama Cancercare Pvt. Ltd.

➤ Team Personnel Management Pvt. Ltd.

Shareholding in the Company : 3120 Equity Shares.

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

Registered Office:

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

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

**Nirajkumar U. More
Managing Director**

Date : 02-09-2011

Summary of Key Financial Data and Ratios for Last 5 Years

Rs. Million

| Financial Year ended / As on | 31.03.07 | 31.05.08 | 31.03.09 | 31.03.10 | 31.03.11 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Gross Sale | 1,715.23 | 2,118.76 | 2,332.26 | 2,559.99 | 3,213.58 |
| Other Operating Income | 60.73 | 75.55 | 95.21 | 71.66 | 139.67 |
| Gross Operating Income | 1,775.97 | 2,194.31 | 2,427.47 | 2,631.66 | 3,353.25 |
| Other Misc. Income | 15.78 | 7.06 | 18.12 | 5.02 | 3.69 |
| Gross Total Income | 1,791.75 | 2,201.37 | 2,445.59 | 2,636.67 | 3,356.94 |
| Trade Discounts | 170.21 | 196.82 | 196.74 | 225.37 | 287.19 |
| Excise Duty | 183.77 | 226.44 | 201.29 | 148.68 | 234.21 |
| Net Income | 1,437.78 | 1,778.11 | 2,047.56 | 2,262.62 | 2,835.55 |
| Cost of Material | 766.17 | 956.63 | 1,145.69 | 1,256.58 | 1,597.83 |
| Salaries, Wages & Benenfits | 122.65 | 154.94 | 199.30 | 206.87 | 251.81 |
| Other Expenses | 312.95 | 387.41 | 440.78 | 426.81 | 552.28 |
| Total Expenditure | 1,201.77 | 1,498.98 | 1,785.77 | 1,890.26 | 2,401.92 |
| EBIDTA | 236.01 | 279.13 | 261.79 | 372.36 | 433.62 |
| % to Net Income | 0.16 | 0.16 | 0.13 | 0.16 | 0.15 |
| Interest | 55.62 | 68.79 | 86.46 | 99.07 | 158.21 |
| Depreciation | 35.19 | 37.30 | 40.42 | 43.92 | 72.56 |
| Profit Before Tax (PBT) | 145.20 | 173.04 | 134.91 | 229.37 | 202.86 |
| Tax (Current, Deferred and FBT) | 31.54 | 46.10 | 9.21 | 65.14 | 58.74 |
| Net Profit After Tax (PAT) | 113.66 | 126.94 | 125.71 | 164.23 | 144.12 |
| Equity Share Capital | 127.88 | 127.88 | 226.71 | 226.71 | 226.71 |
| Reserves & Surplus | 431.09 | 511.68 | 866.12 | 1,006.22 | 1,124.14 |
| Networth | 558.97 | 639.56 | 1,092.83 | 1,232.93 | 1,350.85 |
| Total Debt | 395.00 | 698.06 | 947.25 | 1,283.37 | 1,533.21 |
| Deferred Tax Liabilities | 43.84 | 47.94 | 48.36 | 78.80 | 119.63 |
| Total Sources of Funds | 997.80 | 1,385.56 | 2,088.43 | 2,595.10 | 3,003.69 |
| Net Fixed Assets | 693.68 | 881.44 | 1,622.83 | 2,009.95 | 2,286.65 |
| Investments | 8.67 | 16.76 | 16.44 | 16.41 | 16.40 |
| Current Assets | 635.75 | 949.99 | 984.72 | 1,057.90 | 1,471.00 |
| Less: Current Liabilities | 340.30 | 462.63 | 535.55 | 489.16 | 770.36 |
| Net Current Assets | 295.45 | 487.36 | 449.17 | 568.74 | 700.64 |
| Misc. Expenditure | - | - | - | - | - |
| Total Uses of Funds | 997.80 | 1,385.56 | 2,088.43 | 2,595.10 | 3,003.69 |
| Ratios | | | | | |
| EPS (Rs.)* | 8.89 | 9.93 | 5.54 ** | 7.24 | 6.36 |
| Book Value per Share (Rs.)* | 43.71 | 50.01 | 48.20 | 54.38 | 59.59 |
| Return on Capital Employed (ROCE) | 23.7% | 20.1% | 12.5% | 14.3% | 14.4% |
| Return on Networth (RONW) | 20.3% | 19.8% | 11.5% | 13.3% | 10.7% |
| Debt: Equity Ratio | 0.71 | 1.09 | 0.87 | 1.04 | 1.14 |
| Ratio of Net working Capital to Net Income | 20.5% | 27.4% | 21.9% | 25.1% | 24.7% |

* on face value of Rs 10/- per share

** EPS on expanded capital, post merger

EXPLANATORY STATEMENT PURSUANT TO SEC. 173 OF THE COMPANIES ACT, 1956:**ITEM NO. 7, 8 and 12 :**

Presently, the Company has an Authorised Share Capital of Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 25,00,00,000 (Twenty Five Crores) Equity Shares of Re. 1/- (Rupee One only) each and Issued, Subscribed and Paid up Share Capital of Rs. 22,67,05,750/- (Rupees Twenty Two Crores Sixty Seven Lacs Five Thousands Seven Hundred Fifty only) be subdivided into 22,67,05,750 (Twenty Two Crores Sixty Seven Lacs Five Thousands Seven Hundred Fifty) Equity Shares of the face value of Re. 1/- (Rupee One only) each

Presently, Promoters Groups of the Company are holding approx. 69% of the total Paid Up Share Capital of the Company and approx. 31% Paid Up Share Capital is with the Public. Thus the liquidity of the Shares in the Market is very low. In order to improve the liquidity of the Company's shares and with a view of keeping in mind the Long Term Prospects and Development of the existing Business Activities of the Company in the future, it is proposed to increase the Authorised Share Capital of the Company from existing of Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 25,00,00,000 (Twenty Five Crores) Equity Shares of Re. 1/- (Rupee One only) each to Rs. 50,00,00,000/- (Rupees Fifty Crores) divided into 50,00,00,000 (Fifty Crores) Equity Shares of Re. 1/- (Rupee One only) each by creation of 25,00,00,000 (Twenty Five Crores) Equity Shares of Re. 1/- (Rupee One only) each.

Consequent to the Increase in the Authorised Share Capital of the Company as above, it is necessary to amend the Clause V of the Memorandum of Association of the Company and Article 3 of the Articles of Association of the Company.

Your Directors recommend the above Resolutions for your approval.

None of the other Directors of the Company is/are in any way concerned or interested in the Resolutions except to the extent of their Shareholdings.

Item No. 9

The Board of Directors at their Meeting held on September 02, 2011, appointed Shri Vinod Haritwal as an Additional Director of the Company w.e.f. September 02, 2011.

Pursuant to the provisions of section 260 of the Companies Act 1956, he would hold office upto the date of the ensuing Annual General Meeting. The company has in terms of provisions of section 257 of the Companies Act 1956 received a Notice in writing from a member, proposing his candidature for the office of a Director of the company.

He is a qualified Chartered Accountant and Company Secretary and has over 30 years of corporate experience and was associated with our company previously for a period of 10 years.

Further the Board also subject to the approval of the Members, appointed Shri Vinod Haritwal as a Whole Time Director of the Company for a period of 5 (Five) years w.e.f. September 05, 2011.

Brief Terms and conditions of his appointment including the remuneration payable to him as a Whole Time Director are set out in the resolution.

The Board of Directors of the company consider it desirable to avail the services of Shri Vinod Haritwal as a Whole Time Director of the Company and accordingly recommends the Resolution at item no.9 for the approval of the members.

None of the Directors except Shri Vinod Haritwal are interested in the resolution.

Item No. 10

The Board of Directors pursuant to the resolution passed in the 49th Annual General Meeting held on August 16, 2007 appointed Shri Nirajkumar More as a Managing Director of the company w.e.f. November 01, 2008 for a period of 5 (Five) years, by passing a resolution in the Board Meeting held on October 30, 2008.

Subsequently with the merger of Bombay Paints Ltd. with the company and the increase in duties and responsibilities of Shri Nirajkumar More the Board by passing a resolution, increased his total monthly consolidated salary to Rs. 1,50,000/- in the scale of Rs. 1,00,000/- to Rs. 5,00,000/- w.e.f. 01-10-2009, for the residual period of his term i.e. Upto 31-10-2013, which was approved by the members in their Annual General Meeting held on September 29, 2010.

With Shri Nirajkumar More shouldering additional responsibilities for the Mall operations, in addition to the existing responsibilities, the Board in their meeting held on September 02, 2011 felt that there needs to be an increase in remuneration in the consolidated salary payable to him. As the consolidated salary was approved at Rs. 1,50,000/- by the members in the Annual General Meeting held on September 29, 2010 the Directors thought that subject to the consent of the members there should be an increase in his consolidated salary to Rs. 2,00,000/- w.e.f. September 01, 2011, in the scale of Rs. 1,00,000/- to Rs. 5,00,000/-.

In the interest of the company the Board recommends the Resolution as set out in Item No. 10 of the Notice for the approval of the members.

Shri Nirajkumar More is concerned or interested in this resolution as it relates to his own revision in scales of salary. Shri Umeshkumar More being related to Shri Nirajkumar More may be deemed to be concerned or interested in the resolution. None of the other Directors of the company are concerned or interested in the resolution.

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

Item No. 11

Shri Rohitkumar More was reappointed by the members of the company by passing a resolution in the 50th Annual General Meeting held on August 21, 2008 as a Whole Time Director of the company for a further period of 5 (Five) years w.e.f. August 01, 2008 on a Consolidated Salary of Rs. 25,000/- per month in the scale of Rs. 25,000/- to Rs. 50,000/- per month.

Subsequently the members in the 52nd Annual General Meeting held on September 29, 2010 approved the increase in his Consolidated salary to Rs. 60,000/- in the scale of Rs. 50,000/- to Rs. 1,50,000/- per month w.e.f. August 01, 2011 for the residual period of his term upto July 31, 2013.

Shri Rohitkumar More is a Mechanical Engineer who looks after the day to day operations of the engineering division at Pune and has experience of over 17 years. The Board in their meeting held on September 02, 2011 thought it fit, subject to the consent of the members, to increase his consolidated salary in the scale of Rs. 50,000/- to Rs. 1,50,000/- w.e.f. 01-09-2011 for the residual period of his term upto July 31, 2013.

In the interest of the company the Board recommends the resolution as set out in Item No. 11 of the Notice for the approval of the members.

Shri Rohitkumar More is interested in the resolution as it relates to his own revision of salary. None of the other Directors of the company are in any way concerned or interested in the resolution.

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

Registered Office:
Growel House, Akurli Road,
Kandivli [East], Mumbai - 400 101

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

Nirajkumar U. More
Managing Director

Date : 02-09-2011

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their 53rd Annual Report together with the Audited Annual Accounts of the Company for the financial year ended 31st March, 2011.

FINANCIAL RESULTS

| | 2010-11 | 2009-10 |
|---|-------------|-------------|
| | Rs. Million | Rs. Million |
| Gross Operating Revenue | 3353.25 | 2631.66 |
| Net Revenue | 2835.55 | 2262.62 |
| Earning before Interest, Depreciation, Tax & Amortizations (EBIDTA) | 433.62 | 372.36 |
| Profit Before Tax | 202.86 | 229.37 |
| Provision for Tax (FBT, Current & Deferred Tax) | 58.74 | 65.14 |
| Net Profit after Tax | 144.12 | 164.23 |
| Add: Profit brought forward from previous years | 236.49 | 109.42 |
| Profit available for disposal | 380.61 | 273.65 |
| Proposed Dividend and Tax thereon | 21.08 | 21.15 |
| Transfer to General Reserve | 14.00 | 16.00 |
| Profit carried forward | 345.53 | 236.50 |

SUBDIVISION / SPLITTING OF EQUITY SHARES OF THE COMPANY

Your Board of Directors, subject to the confirmation by the Shareholders of the Company, gave their consent, by passing a Resolution in the Board Meeting held on June 15, 2011, for the sub – division / splitting of 1 Equity Share of Face Value and Paid up Value of Rs. 10/- each of the Company into 10 Equity Shares of Face Value and Paid up Value of Re. 1/- each and Consequential alteration to the Memorandum and Articles of Association of the Company.

Accordingly Notices of Postal Ballot were sent to all the Shareholders of the Company on June 20, 2011. The Chairman of the Company has declared the results of Postal Ballot on July 26, 2011 and declared as passed with overwhelming majority (Approx. 99.88%). The relevant Depositories and The Bombay Stock Exchange granted their consent and the Share Split is effective and accordingly quoted on the Stock Exchange. A new ISIN number has been allotted which is INE266D01021.

DIVIDEND

Your Board has recommended payment of Dividend for the year ended 31st March, 2011 at 8% (Proposed) i.e.0.08 paise on Equity Shares of Re. 1/- each and seeks your approval for the same.

OPERATIONS

The year under review saw a good growth in revenues and the gross Sales of the Company grew by 25.53% over the last year.

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

STATUS OF ON-GOING PROJECTS

Growel's 101: The Shopping Mall

The Second Phase of the Shopping Mall became Operational in August, 2010 and has become a popular destination with many renowned brands operating. The Neo classical architectural theme of the Mall has presented a unique concept to the city of Mumbai which has been well appreciated by many and is evident from the increasing number of footfalls.

RESEARCH & DEVELOPMENT

R&D is the bedrock of the Company's technical excellence. The Company continues to regularly invest in R&D and, has built 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

- The Surface Treatment Division of the Company has registered a significant growth in the current year, both in respect of Chemicals and the Engineering activities.
- The Industrial Paints Division is expected to grow by over 50% compared to the previous year. The Company is planning to reorganize the Production facilities of the Division to cope up with the rising Demand.

- c. The sale of Industrial Lubricants (thru Growel Sidasa) is set to increase by approximately 40% over the last year.
- d. The Shoppertainment Business is expected to have an exponential growth by the year end.

FIXED DEPOSITS

The Company's balance of Deposits as on March 31, 2011 was Rs. 8.90 Million (Previous year: Rs. 6.64 Million). Unclaimed Matured Fixed Deposits of Rs. 15,000/- which were not claimed as on March 31, 2011 (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

The Board has appointed Shri Vinod Haritwal as an Additional Director of the Company with effect from September 02nd, 2011. His term will expire at the forth coming Annual General Meeting. Being eligible, he offers himself for reappointment and the Board recommends that he be reappointed. The Company has received the required notices along with security deposits from a member proposing his candidature as Director of the Company.

Shri Harnish D. Juthani, Whole Time Director of the Company has resigned from the Directorship of the Company on March 15, 2011. He was associated with the Paints Division of Company from 2004 onwards and has contributed substantially to the growth and expansion of Paints Division (Erstwhile Bombay Paints Ltd.) of the Company and to bring out the Paints Division from its BIFR status. The Board will miss his guidance greatly and has placed on record its appreciation for the invaluable contribution made by him during his tenure as a Whole Time Director.

Shri Rameshkumar More, Director of the Company has resigned from the Directorship of the Company on July 6, 2011. He was associated with the Company since 1982 and has contributed substantially to the growth and expansion of the Business of the Company. The Board has placed on record its appreciation for the invaluable contribution made by him during his tenure as a Director.

As per the provisions of the Companies Act, 1956, and in terms of the Articles of Association of the Company, Shri Rohan Shah, Shri K. C. Srivastava and Shri. Suresh Pareek, 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., Shri Suresh Pareek, Shri Nirajkumar More, Shri Madan Mohan Chaturvedi and Shri 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 is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Report.

The requisite Certificate from the Auditors of the Company confirming Compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparations of the Annual Accounts, the applicable Accounting Standards have been followed.
- b) 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, 2011.
- c) 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.
- d) The Annual accounts have been prepared on a going concern basis.

SUBSIDIARY COMPANIES

The Consolidated Financial Statements presented by the Company include financial information of its subsidiaries prepared in compliance with applicable Accounting Standards. The Ministry of Corporate Affairs, Government of India vide its Circular No.5/12/2007-CL-III dated February 08, 2011 has granted general exemption under section 212(8) of the Companies Act, 1956, from attaching the Balance Sheet, Profit and Loss Account and other documents to the Balance Sheet of the Company provided certain conditions are fulfilled. Any member of the Holding and the Subsidiary Company is entitled to seek detailed information at any point of time. The Annual Accounts of the Subsidiary Companies have also been kept for inspection by any investor at the Registered Office of the Company.

Details of the Subsidiaries are covered in this Annual Report.

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 March 31, 2012, 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 u/s. 217(2A) of the Companies Act, 1956, read with the rules framed hereunder form part of this report. However, as per provisions of Section 219(1)(b)(iv) of the Act, the report and accounts are being sent to all the shareholders 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 Address and the same is available for inspection by members at the Registered Office of the Company on working days between 10:00 a.m to 12.00 noon upto the date of the ensuing AGM.

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 fees.

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

Date : 02-09-2011

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

Nirajkumar U. More
Managing Director

ANNEXURE – ‘A’: TO DIRECTORS’ REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

I. AN OVERVIEW OF BUSINESS PERFORMANCE

During the year 2010-11, the net revenue of the Company grew by 25.32% to Rs. 2835.55 Million (from Rs. 2262.62 Million in previous year 2009-10). 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 net revenue of chemical segment grew to Rs. 1914.67 Million (from Rs. 1601.08 Million).
- b) **Engineering Segment:** Your Company is one of the leading manufacturers 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 regained a part of its lost ground and its net revenues increased by 141.93% to Rs. 342.46 Million (from Rs. 141.55 Million).
- c) **Shoppertainment Segment:** Your Company has undertaken development of a large shopping mall cum entertainment complex area ‘Growel’s 101’ at Kandivli, Mumbai comprising of 750,000 sq. ft. in phases. The phase-I comprising 100,000 sq. ft. area has been operational with full occupancy since 2005-06. The net revenue from Phase-I was Rs. 53.38 Million (previous year Rs.56.20 Million). The Phase-II with additional 300,000 sq. ft. area was launched in August, 2010 and is 80% occupied. Full occupancy is expected to reach by March, 2012.
- d) **Paints Segment:** The Paints Division of your Company has contributed a net income of Rs. 474.54 Million during the year which was marginally higher than the previous financial year. However, your Company is confident that in the current year with adequate changes in the product mix, there will be greater revenues contributing to the overall growth of the Company. The Plant at Chembur, Mumbai is ISO 14001:2004 and is capable of manufacturing a wide range of paints for a variety of applications for a host of industries.

2. EXPORTS DEVELOPMENT

Exports continue to be the major thrust of the Company’s sales efforts. Such initiatives have helped the Company to grow its exports by 4.32% to Rs. 341.92 Million (from Rs. 327.74 Million) despite a slow down 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 decreased by 12.24% to Rs.144.12 Million mainly due to interest and depreciation on account of Phase II of the Mall being operational since August 2010.
- b. The Company incurred total Capital Expenditure of Rs. 1227.68 Million, largely for the Shoppertainment project.
- c. The Borrowings increased by Rs. 59.14 Million mainly on account of Loans to fund the Shoppertainment project.
- d. The Working Capital (Net Current Assets) increased by 131.90 Million.
- e. The Debt Equity Ratio of the Company improved to 1.14 (from 1.04).

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 to 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 expected to be in full occupancy by March, 2012.

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 up gradation 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. A HRM module of SAP is functioning effectively and improves the 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 708 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 authorization 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 principal of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance Practices stems from the culture and mindset of the organization.

A detailed report on implementation by the Company of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with The Bombay Stock Exchange Ltd. 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 is presented in the subsequent sections of the report.

BOARD OF DIRECTORS:

The Company’s Board as of date consists of 9 Directors, the Chairman being an Executive Director. As per the Listing Agreement the Company should have 5 [Five] 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 6 (Six) Independent Directors and has an optimum combination of Executive and Non-Executive Directors.

Shri Vinod Haritwal has joined the Board as an additional Director w.e.f. September 02, 2011.

Shri Harnish D. Juthani – Whole Time Director and Shri. Ramesh Kumar More – Director have resigned from the Board.

The Board of your Company has 3 [Three] Executive Directors and 6 [Six] Non-Executive Directors.

During the financial year ended March 31, 2011, 7 [Seven] Board meetings were held on 15.05.2010, 11.08.2010, 18.08.2010, 25.08.2010, 29.09.2010, 10.11.2010 and 14.02.2011.

The details of composition of the Board, category, attendance of Directors at Board Meetings during the financial year and at 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 |
|---|----------|--------------------------------|------------------------|--------------------------------|----------------------------------|
| Shri Umeshkumar More | Chairman | 7 | YES | 11 | None |
| Shri Nirajkumar More | MD | 7 | YES | 14 | None |
| Shri Rameshkumar More | ED | 6 | YES | 8 | None |
| Shri Rohitkumar More | WTD | 0 | NO | 6 | None |
| Shri Suresh Pareek | NED | 7 | YES | 4 | None |
| Shri M. M. Chaturvedi | NED | 3 | NO | 2 | None |
| Shri Rohan Shah | NED | 0 | NO | 1 | None |
| Shri K. C. Srivastava | NED | 6 | YES | 6 | None |
| Shri Harnish D. Juthani (upto 15.03.2011) | WTD | 5 | YES | NA | NA |
| Shri Yogesh Samat (w.e.f. 25.08.2010) | NED | 4 | YES | 1 | None |
| Shri Hosi N. Karanjia (upto 04-08-2010) | NED | 1 | NA | NA | NA |

MD stands for Managing Director.

NED stands for Non-Executive Director

WTD stands for Whole-Time Director

ED stands for 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 confirm to the requirements of clause 49 of the Listing Agreement with the Stock Exchange and the Companies Act, 1956, to take informed decisions in the best interests 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 2010-2011, 6 [Six] 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 |
|----------------------------|---------------|-----------------------------|---------------------------------|
| Shri Suresh Pareek | Chairman | 6 | 6 |
| Shri Nirajkumar More | Member | 6 | 6 |
| Shri M. M. Chaturvedi | Member | 6 | 3 |
| Shri K. C. Srivastava | Member | 6 | 5 |

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

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

Shri 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 September 29, 2010 to attend to the shareholders queries.

REMUNERATION & SELECTION COMMITTEE :

The Company has constituted a Remuneration & Selection Committee (being a non-mandatory requirement) which meet, as and when required. All matters relating to review and approval of compensation / remuneration payable to Senior Personnel, Relatives of Directors, Executive and Non-Executive Directors are examined by the Committee and recommended to the Board for their approval.

The Company pays remuneration to its Chairman, Managing Director and Whole Time Directors by way of salary, commissions, 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 2010-2011 and shareholding as on 31-03-2011:

(Amt. in Rs.)

| Directors | Sitting Fees | Salary & Allowances | Perquisites | Share Holding as on 31-03-2011 (In Nos.) |
|-------------------------|--------------|---------------------|-------------|--|
| Shri Umeshkumar More | - | 13,33,200 | 39,600 | 23,16,857 |
| Shri Rameshkumar More | 60,000 | - | - | 2,160 |
| Shri Nirajkumar More | - | 22,20,200 | 39,600 | 17,64,153 |
| Shri Rohitkumar More | - | 6,49,023 | 39,600 | - |
| Shri Rohan Shah | - | - | - | 312 |
| Shri M. M. Chaturvedi | 30,000 | - | - | 312 |
| Shri K. C. Srivastava | 60,000 | - | - | - |
| Shri Suresh Pareek | 70,000 | - | - | 1,88,764 |
| Shri Harnish D. Juthani | - | - | - | NA |
| Shri Hosi N. Karanjia | 10,000 | - | - | NA |
| Shri Yogesh Samat | 40,000 | - | - | - |

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 / transmission of shares, non receipt of declared dividends, non receipt of Annual Report, issues concerning de-materialization, re-materialization etc.

The Shareholders Committee met 5 [Five] times during the year ended March 31, 2011.

The composition of the Shareholders Committee and details of the meetings attended by the Directors during the year 2010-2011 are given below:

| Name of the Members | Status | No. of Meetings Held | No. of Meetings Attended |
|-----------------------|----------|----------------------|--------------------------|
| Shri Nirajkumar More | Chairman | 5 | 5 |
| Shri Rameshkumar More | Member | 5 | 5 |
| Shri K. C. Srivastava | Member | 5 | 4 |

Shri 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 / Renewal of Dividend Warrants | 15 | 14 | --- |
| 2 | Non-receipt of Bonus Shares | 2 | 3 | -- |
| 3 | Non-receipt of Share Certificate | 8 | 6 | --- |
| 4 | Non-receipt of Annual Report | 19 | 12 | --- |
| 5 | Non-receipt of Demat Credit / Remat Certificate | --- | --- | --- |
| 6 | Non-receipt of Rejected DRFs | --- | --- | --- |
| | Total | 44 | 44 | -- |

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

GENERAL BODY MEETINGS:

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

| Particulars | 31.03.2010 | Extra Ordinary General Meeting | 31.03.2009 | 31.03.2008 |
|--------------------------------------|---|---|---|---|
| Date and Time | 29.09.2010 at 10.30 a.m. | 26.06.2009 at 10.30 a.m. | 17.11.2009 at 10.30 a.m. | 21.08.2008 at 2.30 p.m. |
| Venue | Growel 101 Mall, Growel House, Akurli Road, Kandivli (East), Mumbai - 400101. | Gold Screen Hall, 2nd Floor, Growel House, Akurli Road, Kandivli (East), Mumbai - 400101. | Gold Screen Hall, 2nd Floor, Growel House, Akurli Road, Kandivli (East), Mumbai - 400101. | Gold Screen Hall, 2nd Floor, Growel House, Akurli Road, Kandivli (East), Mumbai - 400101. |
| Any Special Resolution passed | Yes | Yes | No | No |

Company has also passed the Resolutions for Splitting / subdivision of 1 (One) Equity Shares of Face Value of Rs. 10/- (Rupees Ten each) into 10 (Ten) Equity Shares of Face Value of Re. 1 (Rupee One each) by Postal Ballot, results of which were declared by the Chairman of the Company on July 26, 2011.

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 the 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 5 (Five) 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 Report 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**

GENERAL SHAREHOLDERS INFORMATION :

1. **ANNUAL GENERAL MEETING** : 53rd Annual General Meeting.
DAY & DATE : Friday, September 30, 2011
TIME : 03.00 p.m.
VENUE : 2nd Floor, Growel's 101 Mall, Growel House, Akurli Road, Kandivli (East), Mumbai – 400101.
2. **FINANCIAL CALENDAR** :
* Financial reporting for the Quarter ended June 30, 2011 : By the end of August 14, 2011.
* Financial reporting for the Quarter ended Sept. 30, 2011 : By the end of November 14, 2011.
* Financial reporting for the Quarter ended Dec. 31, 2011 : By the end of February 14, 2012.
* Financial reporting for the Year ended March 31, 2011 : By the end of Sept. 30, 2012.
3. **DATES OF BOOK CLOSURE** : September 24, 2011 to September 30, 2011 [Both days inclusive]
4. **RECORD DATE OF PAYMENT OF DIVIDEND** : September 23, 2011.
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 authorized 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. LINKINTIME 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; URL : www.linkintime.co.in
7. **COMPANY SECRETARY & COMPLIANCE OFFICER:** Shri Noel Jacob

8. ADDRESS FOR CORRESPONDENCE:

Share Department:
 GRAUER & WEIL [INDIA] LIMITED
 'Growel House', Akurli Road, Kandivli [East], Mumbai - 400 101.
 Tel: 022-6699 3000. Fax : 022-6699 3010.
 E-mail: hq@growel.com / secretarial@growel.com

9. LISTING :

The Bombay Stock Exchange 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: INE266D01021.

11. DEPOSITORY CONNECTIVITY : NSDL and CDSL**12. ISIN NO. FOR THE COMPANY'S SECURITY: INE266D01021****13. DEMATERIALISATION OF SHARES:**

As on March 31, 2011, a total of 65,91,309 Shares representing 29.07% of the paid up capital of the Company were held in dematerialised form with NSDL and CDSL. Member can hold shares in electronic forms and trade the same in Depository System. However, they may hold the same in physical form also.

14. STOCK PRICE DATA:

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

| Month | High Price (Rs.) | Low Price (Rs.) | No. of Shares Traded | Total Turnover (Rs.) |
|--------------|------------------|-----------------|----------------------|----------------------|
| April 10 | 74.90 | 65.40 | 14,00,248 | 9,86,74,645 |
| May 10 | 70.80 | 57.15 | 5,69,872 | 3,71,39,659 |
| June 10 | 69.00 | 57.70 | 2,73,336 | 1,79,54,140 |
| July 10 | 74.90 | 58.00 | 6,49,809 | 4,62,85,529 |
| August 10 | 94.75 | 70.50 | 15,95,128 | 13,37,01,492 |
| September 10 | 109.90 | 79.70 | 25,30,721 | 24,73,81,285 |
| October 10 | 106.15 | 91.20 | 5,81,578 | 5,75,08,383 |
| November 10 | 98.80 | 73.05 | 3,57,322 | 3,13,52,437 |
| December 10 | 84.90 | 67.10 | 1,85,586 | 1,42,30,716 |
| January 11 | 81.65 | 66.10 | 1,23,087 | 91,28,006 |
| February 11 | 69.90 | 55.00 | 1,51,953 | 96,54,475 |
| March 11 | 64.85 | 55.00 | 2,00,342 | 1,20,53,527 |

15. SHAREHOLDING PATTERN AS ON MARCH 31, 2011:

| Category | No. of shares held | % of shareholding |
|--------------------------------|--------------------|-------------------|
| Promoters & Associates | 15501241 | 68.3761 |
| Mutual Funds & UTI | 2312 | 0.0102 |
| Banks & Financial Institutions | 1950 | 0.0086 |
| Private Body Corporates | 1201543 | 5.3000 |
| Indian Public/Others | 5734638 | 25.2955 |
| NRI/OCBs | 228891 | 1.0096 |
| Total | 22670575 | 100.00 |

16. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2011:

| No. of Equity Shares held | No. of Shareholders | No. of Shares held | % of Equity Capital |
|---------------------------|---------------------|--------------------|---------------------|
| Upto 500 | 8195 | 1238470 | 5.4630 |
| 501-1000 | 991 | 779257 | 3.4370 |
| 1001-2000 | 643 | 921459 | 4.0650 |
| 2001-3000 | 221 | 551708 | 2.4340 |
| 3001-4000 | 80 | 287776 | 1.2690 |
| 4001-5000 | 62 | 288633 | 1.2730 |
| 5001-10000 | 92 | 668559 | 2.9490 |
| 10001 & above | 100 | 17934713 | 79.1100 |
| Total | 10384 | 22670575 | 100.0000 |

17. PLANT LOCATIONS :

- a. 215/1, Plot No. 10, Dadra Industrial Estate, Dadra - 396 191. [Dadra & Nagar Haveli - U.T.]
- b. 407, GIDC Industrial Estate, Vapi - 396 195. [Gujarat]
- c. Plot No. 31 & 32, Industrial Estate, Barotiwala - 174 103. [H. P.]
- d. Survey No. 66, Village-Dhanore, Taluka-Khed, District - Pune, [Maharashtra]
- e. SIDCO Industrial Complex, Phase II, Samba [J & K]
- f. B. D. Patil Marg, Chembur, Mumbai – 400074.

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

Date : 02-09-2011

For & on behalf of the Board of

Grauer & Weil [India] Limited

Nirajkumar U. More
Managing Director

DECLARATION

In accordance with Clause 49(l)(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 March 31, 2011.

Registered Office:

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

Date : 02-09-2011

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

Nirajkumar U. More
Managing Director

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 March 31, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with the 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 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

September 02, 2011.

ANNEXURE – 'C' TO DIRECTOR'S 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 2010-2011 grew by 4.30% to Rs. 341.92 Million, as compared to Rs. 327.74 Million in 2009-2010.

(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 | 397.25 |
| (b) Expenditure in foreign currencies for Business Travel, Seminars, Dividend and Royalties etc. | 11.11 |
| (ii) Total foreign exchange earned | 366.46 |

Registered Office:

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

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

Nirajkumar U. More
Managing Director

Date : 02-09-2011

FORM - 'A'**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY 2010-2011**

| PARTICULARS | 2010-2011 | 2009-2010 |
|--------------------------------------|--|-------------|
| A. POWER AND FUEL CONSUMPTION | | |
| 1. ELECTRICITY | | |
| a) Purchased Units | 26,92,407 | 24,27,554 |
| Total amount (Rs.) | 1,61,34,973 | 1,28,62,301 |
| Average Rate/Unit (Rs.) | 5.99 | 12.88 |
| 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. | |
| 2. FURNACE/OTHER OIL | | |
| Quantity (Litres) | 3,26,193 | 3,60,615 |
| Total Cost (Rs.) | 71,23,299 | 57,06,820 |
| Average Rate (Rs. per litre) | 21.84 | 15.82 |

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 2010-2011****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:

| | 2010-2011 (Rs. in '000) | 2009-2010 (Rs. in '000) |
|--|-----------------------------------|-----------------------------------|
| a) Capital | 7,712 | 83,745 |
| b) Recurring | 27,469 | 21,882 |
| c) Total | 35,181 | 1,05,567 |
| d) Total R & D expenditure as a percentage of total Turnover | 1.31% | 4.82% |

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**1) Efforts, in brief made towards technology absorption, adaptation and innovation:**

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 uses.
- 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 Sidas, 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 31st March, 2011 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 Note no- 17 of schedule O to the accounts on non provision for diminution in the value of investments relating to investments in equity shares of a subsidiary, associates. The management considers these investments as strategic investments and based upon projected future earnings expect the diminution in value to be temporary, upon which, we have placed our reliance.

In view of the above, the aggregate impact of the same is not quantifiable.

- 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, 2011 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 with para 2 above and 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, 2011.
 - i) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - ii) 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
 (Firm Reg No: 107122W)

N. KASHINATH
Partner
 Mem. No. 36490

Mumbai

2nd September, 2011

ANNEXURE REFERRED TO IN PARAGAPH I 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 still 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. 78.93 Lacs (157.40 Lacs) and the year end balance of Loans granted to such parties was Rs. 50.00 Lacs (66.43 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 4 Companies and 2 Directors, covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 378.50 Lacs (255 Lacs) and the year end balance of such loans taken was Rs. 378.50 Lacs (255 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. (a) In our opinion, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. (a) Based on the audit procedure applied by us and according to the information, explanations and representation given to us, we are of the opinion that particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered in the register maintained under that section have been so entered.
- In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of rupees five lacs in respect of each party during the year have been made at prices which are prima-facie, reasonable having regard to prevailing market prices at that time except that in respect of certain specialized services availed no comparison of prices could be made as we were informed that there are no prevailing market prices.
- vi. The Company has complied with the provisions of Section 58A, 58AA 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 have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of the Company's products to which the said

rules are applicable and are of the opinion that prima facie the prescribed accounts have been made and maintained. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

- ix. (a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other Statutory dues with the appropriate authorities, where applicable. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March 2011 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 | 16.77 |
| Sales Tax | 2002-2003 and 2003-2004 | Commissioner (Appeal)/Financial Commissioner | 29.29 |
| Income Tax | 2008-2009 | Commissioner (Appeal) | 0.94 |

- x. The Company has no accumulated losses at the end of the financial year and has not incurred cash losses, in the current financial year and in the immediately preceding financial year.
- xi. The Company has not defaulted in repayment of its dues to banks. The company has not borrowed by way of debentures and from Financial Institutions.
- xii. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.
- xiii. The Company is not a chit fund or nidhi or mutual benefit fund or society and hence the provisions of Clauses 4(xiii) (a) to (d) of the Order, are not applicable to the Company.
- xiv. The Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4 (xiv) of the Order are not applicable to the Company.
- xv. 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 term loans, we have to state that, the Company has, prima-facie, applied the term loans for the purpose for which they were raised.
- xvii. According to the information and explanations, given to us and on an overall examination of the Financial Statements of the Company, we are of the opinion that, prima-facie; no funds raised on short term basis have been used for long term investments.
- xviii. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The Company has not issued any debentures during the year.
- xx. The Company has not raised any money through a public issue, during the year.
- xxi. According to the information and explanations given to us and to the best of our knowledge and belief no fraud on or by the Company, has been noticed or reported by the Company during the year.

For M. M. Nissim And Co.
Chartered Accountants
 (Firm Reg No: 107122W)

N. KASHINATH
Partner
 Mem. No. 36490

Mumbai

2nd September, 2011



Grauer & Weil (India) Limited



Dadra Plant



Jammu Plant



Barafiwala Plant



Chembur Plant



Vapi Plant



Pune Plant

BALANCE SHEET AS AT 31st March, 2011

| | Schedule | Rupees | As At 31st March, 2011 Rupees | As At 31st March, 2010 Rupees |
|---|----------|---------------|-------------------------------------|-------------------------------------|
| SOURCES OF FUNDS | | | | |
| SHAREHOLDERS FUNDS | | | | |
| Share Capital | A | 226,705,750 | | 226,705,750 |
| Reserves and Surplus | B | 1,124,141,224 | | 1,006,221,680 |
| | | | 1,350,846,974 | 1,232,927,430 |
| LOAN FUNDS | | | | |
| Secured Loans | C | 1,409,686,362 | | 1,215,253,316 |
| Unsecured Loans | D | 123,528,091 | | 68,119,049 |
| | | | 1,533,214,453 | 1,283,372,365 |
| DEFERRED TAX | | | | |
| Deferred Tax Liabilities | | 140,823,972 | | 103,446,006 |
| Deferred Tax Assets | | (21,196,548) | | (24,647,984) |
| | | | 119,627,424 | 78,798,022 |
| | | | 3,003,688,851 | 2,595,097,817 |
| APPLICATION OF FUNDS | | | | |
| FIXED ASSETS | | | | |
| Gross Block | E | 2,644,628,361 | | 1,355,986,935 |
| Less: Depreciation | | 383,272,877 | | 308,170,009 |
| Net Block | | 2,261,355,484 | | 1,047,816,926 |
| Capital Work in Progress & Capital Advances | | 25,296,637 | | 962,134,398 |
| | | | 2,286,652,121 | 2,009,951,324 |
| INVESTMENTS | | | | |
| | F | | 16,399,488 | 16,408,488 |
| CURRENT ASSETS, LOANS AND ADVANCES | | | | |
| Inventories | G | 490,512,888 | | 347,428,504 |
| Sundry Debtors | | 610,567,423 | | 446,793,352 |
| Cash and Bank Balances | | 90,818,408 | | 69,337,107 |
| Other Current Assets | | 4,436,093 | | 3,708,496 |
| Loans and Advances | | 274,666,842 | | 190,628,007 |
| | | 1,471,001,654 | | 1,057,895,466 |
| Less: CURRENT LIABILITIES AND PROVISIONS | | | | |
| Current Liabilities | H | 682,088,253 | | 409,392,766 |
| Provisions | | 88,276,159 | | 79,764,695 |
| | | 770,364,412 | | 489,157,461 |
| NET CURRENT ASSETS | | | 700,637,242 | 568,738,005 |
| | | | 3,003,688,851 | 2,595,097,817 |
| Notes to Accounts | O | | | |

Schedules 'A' to 'H' and O referred to above form an integral part of the Balance Sheet

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

For M. M. NISSIM AND CO.

Chartered Accountants
(Firm Reg. No.: 107122W)

N.KASHINATH

Partner

Membership No.36490

Mumbai, 2nd September, 2011

For and on behalf of the board of the Directors

UMESHKUMAR MORE Chairman
NIRAJKUMAR MORE Managing Director

ANIL GUPTA

NOEL JACOB

Group CFO

Sr.VP (Corp) & Company Secretary

Mumbai, 2nd September, 2011

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31st March, 2011

| | Schedule | Rupees | 2010-2011 Rupees | 2009-10 Rupees |
|---|----------|--------|----------------------|-------------------|
| INCOME | | | | |
| Income from Operations | | | | |
| Gross sales | | | 3,213,584,018 | 2,559,991,356 |
| Less: Trade discount | | | 287,188,574 | 225,371,278 |
| Less: Excise Duty | | | 234,207,624 | 148,684,460 |
| | | | 2,692,187,820 | 2,185,935,618 |
| Business Conducting Fees/Licence Fees and related income (Tax deducted at source Rs.8,666,302. (Previous Year Rs. 8,407,042/-)) | | | 102,148,644 | 56,227,784 |
| | | | 2,794,336,464 | 2,242,163,402 |
| Other Income | I | | 41,214,247 | 20,455,681 |
| | | | 2,835,550,711 | 2,262,619,083 |
| EXPENDITURE | | | | |
| Materials | J | | 1,597,833,130 | 1,256,582,473 |
| Salaries, Wages and other benefits | K | | 251,810,865 | 206,866,441 |
| Other Expenses | L | | 552,280,054 | 426,811,929 |
| Interest & Finance charges | M | | 158,212,707 | 99,069,954 |
| Depreciation | N | | 72,555,041 | 43,921,040 |
| | | | 2,632,691,797 | 2,033,251,837 |
| | | | 202,858,915 | 229,367,246 |
| PROFIT BEFORE TAX | | | | |
| PROVISION FOR TAXATION | | | | |
| Current Tax | | | 40,470,000 | 39,000,000 |
| Less: MAT Credit Entitlement | | | (22,560,000) | (4,300,000) |
| | | | 17,910,000 | 34,700,000 |
| Deferred Tax | | | 40,829,403 | 30,440,137 |
| | | | 144,119,512 | 164,227,109 |
| PROFIT AFTER TAX | | | | |
| Add: Balance Brought Forward | | | 236,495,474 | 109,417,064 |
| PROFIT AVAILABLE FOR APPROPRIATION | | | | |
| APPROPRIATIONS | | | | |
| Dividend | | | | |
| - Final Dividend (Proposed) | | | 18,136,460 | 18,136,460 |
| Tax on Proposed Dividend | | | 2,942,187 | 3,012,239 |
| Transfer to General Reserve | | | 14,000,000 | 16,000,000 |
| | | | 35,078,647 | 37,148,699 |
| Balance Carried to Balance Sheet | | | 345,536,339 | 236,495,474 |
| Basic and Diluted Earnings per share | | | 6.36 | 7.24 |
| Notes to Accounts | O | | | |

Schedules 'I' to 'N' and O referred to above form an integral part of the Profit & Loss Account

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

For M. M. NISSIM AND CO.
Chartered Accountants
(Firm Reg. No.: 107122W)

N.KASHINATH
Partner
Membership No.36490
Mumbai, 2nd September, 2011

For and on behalf of the board of the Directors
UMESHKUMAR MORE Chairman
NIRAJKUMAR MORE Managing Director

ANIL GUPTA Group CFO
NOEL JACOB Sr.VP (Corp) & Company Secretary

Mumbai, 2nd September, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

| | 2010-2011 | | 2009-2010 | |
|--|--------------------|----------------------|---------------|----------------------|
| | Rupees | Rupees | Rupees | Rupees |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| NET PROFIT BEFORE TAX | 202,858,915 | | 229,367,246 | |
| Adjustment for: | | | | |
| Depreciation | 72,555,041 | | 43,921,040 | |
| Bad Debts written off (Net of provisions written back) | 1,741,156 | | 3,649,177 | |
| Provision for diminution in value of Investments | - | | (943,500) | |
| Unrealised Exchange Loss | 1,935,356 | | 5,020,940 | |
| Income / Profit (Loss) relating to Investment Activity | (225,237) | | 1,996,655 | |
| Wealth Tax | 194,744 | | 217,106 | |
| Interest - Net | 154,794,179 | | 95,011,782 | |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | | 416,401,541 | | 378,240,446 |
| Adjustment for: | | | | |
| Trade and other receivables | (217,941,111) | | (75,357,566) | |
| Inventories | (143,084,384) | | (94,251,320) | |
| Trade Payable | 280,953,137 | | 66,295,615 | |
| CASH GENERATED FROM OPERATIONS | | (80,072,358) | | (103,313,270) |
| Direct Taxes paid | (32,265,082) | 336,329,183 | (31,718,810) | 274,927,176 |
| | | (32,265,082) | | (31,718,810) |
| NET CASH FROM OPERATING ACTIVITIES | | 304,064,101 | | 243,208,366 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Fixed Assets | (357,056,883) | | (439,657,148) | |
| Proceeds from Sale of Fixed Assets | 2,891,139 | | 2,374,702 | |
| Purchase of Investments | - | | (9,000) | |
| Proceeds from Sale of Investments | 9,000 | | 55,500 | |
| Interest received | 2,690,931 | | 2,898,121 | |
| Income from Investments | 13,820 | | 18,050 | |
| NET CASH FROM INVESTING ACTIVITIES | | (351,451,992) | | (434,319,775) |
| | | (47,387,892) | | (191,111,409) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Net proceeds from working capital borrowings | 173,424,238 | | 136,717,283 | |
| Net proceeds from dealers deposits | 40,799,880 | | 6,147,163 | |
| Proceeds from Term Loans | 110,000,000 | | 813,100,000 | |
| Repayment of Term Loans | (89,315,782) | | (622,794,293) | |
| Hire Purchase Credits taken | 2,327,885 | | 1,475,000 | |
| Hire Purchase Credits repaid | (2,003,295) | | (4,940,688) | |
| Fixed Deposits accepted | 4,300,000 | | 4,257,000 | |
| Fixed Deposits repaid | (2,040,000) | | (2,387,000) | |
| Inter Corporate Deposits accepted | 5,350,000 | | 850,000 | |
| Inter Corporate Deposits repaid | - | | (200,000) | |
| Loan taken from Directors | 6,999,162 | | 5,150,000 | |
| Loan Repaid to Directors | - | | (1,250,000) | |
| Interest paid | (158,091,873) | | (99,208,758) | |
| Dividend / Corporate Dividend tax paid | (20,945,668) | | (9,983,476) | |
| NET CASH FROM FINANCING ACTIVITIES | | 70,804,547 | | 226,932,231 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | | 23,416,655 | | 35,820,822 |
| CASH AND CASH EQUIVALENTS AS AT 31.03.10 | | 75,357,936 | | 39,537,115 |
| CASH AND CASH EQUIVALENTS AS AT 31.03.11 | | 98,774,593 | | 75,357,936 |
| Components of cash and cash equivalents: | | | | |
| Cash and bank balances | | 90,818,408 | | 69,337,107 |
| Unrealised foreign exchange gains/ loss - net | | 7,956,185 | | 6,020,829 |
| | | 98,774,593 | | 75,357,936 |

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

For M. M. NISSIM AND CO.

Chartered Accountants

(Firm Reg. No.: 107122W)

N.KASHINATH

Partner

Membership No.36490

Mumbai, 2nd September, 2011

For and on behalf of the board of the Directors

UMESHKUMAR MORE Chairman

NIRAJKUMAR MORE Managing Director

ANIL GUPTA

Group CFO

NOEL JACOB

Sr.VP (Corp) & Company Secretary

Mumbai, 2nd September, 2011

SCHEDULE ANNEXED TO THE BALANCE SHEET

| | Rupees | As At 31st March, 2011 Rupees | As At 31st March, 2010 Rupees |
|---|--------------------|-------------------------------------|-------------------------------------|
| SCHEDULE A: SHARE CAPITAL | | | |
| AUTHORISED | | | |
| 25,000,000 Equity Shares of Rs. 10 each | | 250,000,000 | 250,000,000 |
| ISSUED, SUBSCRIBED AND PAID-UP | | | |
| 2,26,70,575 Equity Shares of Rs. 10 each fully paid-up | | 226,705,750 | 226,705,750 |
| 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 | | | |
| SCHEDULE B: RESERVES AND SURPLUS | | | |
| GENERAL RESERVE I | | | |
| As per Last Balance Sheet | 533,360,327 | | 517,360,327 |
| Add : Transferred from Profit and Loss Account | 14,000,000 | | 16,000,000 |
| | | 547,360,327 | 533,360,327 |
| GENERAL RESERVE-II | | | |
| As per Last Balance Sheet | 236,365,879 | | 239,343,891 |
| Add: Excess Provision of expenses on Amalgamation written Back transfer from Profit & Loss Account | - | | 2,166,572 |
| Less: Amount transfer to Profit & Loss account being difference of Depreciation on Original Cost & fair value. | 5,121,321 | | 5,144,584 |
| | | 231,244,558 | 236,365,879 |
| PROFIT AND LOSS ACCOUNT | | 345,536,339 | 236,495,474 |
| | | 1,124,141,224 | 1,006,221,680 |

| | | As At 31st March, 2011 Rupees | As At 31st March, 2010 Rupees |
|--|--|--|--|
| SCHEDULE C: SECURED LOANS | | | |
| CREDIT FACILITIES FROM BANKS | | | |
| Term Loans (Repayable within one year Rs.214.59 million, Previous year Rs.124 million) | | 984,965,561 | 964,281,343 |
| Working Capital Facilities | | 421,039,413 | 247,615,175 |
| HIRE PURCHASE CREDITS | | 3,681,388 | 3,356,798 |
| | | <u>1,409,686,362</u> | <u>1,215,253,316</u> |
| NOTES : | | | |
| 1 Term loans from Punjab National Bank and The Saraswat Co-op Bank are secured by pari-passu first charge by way of joint mortgage of deposit of title deeds of immovable properties of the Company at Kandivli. | | | |
| 2 Term loan from The Saraswat Co-operative Bank Ltd is secured by legal mortgage of fixed assets including land & Building of its Paint Division at Mumbai. | | | |
| 3 Term loan from Punjab National Bank for Sambha unit at Jammu is secured by first charge on the block of assets of Sambha unit | | | |
| 4 Working capital facilities are secured by hypothecation of all stocks,moveable assets and book debts by way of first charge on Pari-Passu basis and are further collaterally secured by second Pari-Passu charge on the block assets of Shopping Mall at Kandivli, Mumbai. Working Capital facilities are from Punjab National Bank are further collaterally secured by first charge on the block assets of Samba. | | | |
| 5 Hire purchase credits are secured by hypothecation of specific assets purchased there against. | | | |
| SCHEDULE D: UNSECURED LOANS | | | |
| Fixed Deposits: (Repayable within one year Rs. 1.09 million, Previous year Rs. 1.94 million) | | 8,904,000 | 6,644,000 |
| Dealer Deposits | | 76,774,929 | 35,975,049 |
| Inter Corporate Deposits | | 21,450,000 | 16,100,000 |
| Loan from Directors | | 16,399,162 | 9,400,000 |
| | | <u>123,528,091</u> | <u>68,119,049</u> |

SCHEDULE E: FIXED ASSETS

| Sr. No. | Description | GROSS BLOCK (AT COST/FAIR VALUE) | | | | DEPRECIATION | | | | NET BLOCK | |
|---------|---------------------------------------|----------------------------------|---------------------------|------------------------------------|----------------------|--------------------|---------------------------------|-------------------|--------------------|----------------------|----------------------|
| | | As at 01-04-2010 | Additions during the year | Sales/ adjustments during the year | As at 31-03-2011 | Upto 01-04-2010 | Deduction for Sale/ adjustments | For the Year | Upto 31-03-2011 | As at 31-03-2011 | As at 31-03-2010 |
| 1. | Land | | | | | | | | | | |
| | a) Freehold | 111,907,099 | - | - | 111,907,099 | - | - | - | - | - | 111,907,099 |
| | b) Leasehold | 188,761,100 | - | - | 188,761,100 | 7,053,391 | - | 3,008,597 | 10,061,988 | 178,699,112 | 181,707,709 |
| 2. | Buildings | 490,815,303 | 843,165,984 | - | 1,333,981,288 | 70,315,511 | - | 30,134,758 | 100,450,269 | 1,233,531,019 | 420,499,792 |
| 3. | Plant and Machinery | 356,928,129 | 310,165,586 | - | 667,093,714 | 141,000,105 | - | 26,852,551 | 167,852,657 | 499,241,057 | 215,928,024 |
| 4. | Laboratory Equipment | 29,130,717 | 1,882,088 | 547,100 | 30,465,705 | 13,081,135 | 454,674 | 1,412,988 | 14,039,449 | 16,426,256 | 16,049,582 |
| 5. | R&D Equipment | 46,208,194 | 7,712,787 | - | 53,920,981 | 18,764,307 | - | 2,414,353 | 21,178,660 | 32,742,320 | 27,443,887 |
| 6. | Furniture Fittings and Fixtures | 37,774,420 | 94,071,847 | - | 131,846,267 | 21,786,308 | - | 4,886,869 | 26,673,178 | 105,173,089 | 15,988,112 |
| 7. | Office Equipments | 33,382,608 | 5,140,714 | - | 38,523,322 | 15,229,043 | (80) | 1,446,619 | 16,675,742 | 21,847,580 | 18,153,565 |
| 8. | Vehicles | 54,336,802 | 29,731,016 | 4,706,118 | 79,361,700 | 19,325,722 | 2,118,902 | 6,096,513 | 23,303,334 | 56,058,366 | 35,011,080 |
| 9. | Intangible Assets (Computer Software) | 6,742,563 | 2,024,622 | - | 8,767,185 | 1,614,487 | - | 1,423,112 | 3,037,600 | 5,729,586 | 5,128,076 |
| | Total | 1,355,986,935 | 1,293,894,644 | 5,253,218 | 2,644,628,361 | 308,170,009 | 2,573,496 | 77,676,362 | 383,272,877 | 2,261,355,484 | 1,047,816,926 |
| | Previous Year | 1,135,348,697 | 227,899,280 | 7,261,042 | 1,355,986,935 | 262,755,493 | 3,796,635 | 49,211,151 | 308,170,009 | 1,047,816,927 | |

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. 19,155,665/- being cost of vehicles not registered in the name of the company.

| | As at 31st March, 2011 | | As at 31st March, 2010 | |
|---|-------------------------------|-------------------------|-------------------------------|-------------------------|
| | Nos. | Rupees | Nos. | Rupees |
| SCHEDULE F: INVESTMENTS (NON TRADE, LONG TERM) | | | | |
| (at cost less permanent diminution in value) | | | | |
| SHARES | | | | |
| Quoted | | | | |
| In fully paid-up Equity Shares of Rs. 10 each | | | | |
| Arihant Threads Limited | 2,100 | 6,300 | 2,100 | 6,300 |
| 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 |
| Unquoted | | | | |
| In Subsidiaries | | | | |
| Poona Bottling Co. Pvt Ltd (Fully paid-up Equity shares of Rs. 100/- each) | 95,970 | 407,085 | 95,970 | 407,085 |
| Growel Energy Company Ltd (Fully paid-up Equity shares of Rs. 10/- each) | - | - | - | - |
| Grauer & Weil (Shanghai) Limited | - | 7,890,000 | - | 7,890,000 |
| In Associates / Joint Ventures | | | | |
| 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 |
| Growel Energy Company Ltd (Fully paid-up Equity shares of Rs. 10/- each) | 49,400 | 494,000 | 49,400 | 494,000 |
| Grauer & Weil (Thailand) Limited (Fully paid up Equity shares of THB 100 each) | 9,800 | 1,098,050 | 9,800 | 1,098,050 |
| Others | | | | |
| 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 | - | - | - | - |
| Saraswat Cooperative Bank Ltd | 5,000 | 50,000 | 5,000 | 50,000 |
| Rasik Plast Limited | 13,500 | 1 | 13,500 | 1 |
| Surlux Health Centres Limited | 1,000 | 1 | 1,000 | 1 |
| Shivalik Solid Waste Management Ltd. | 20,000 | 200,000 | 20,000 | 200,000 |
| National Savings Certificates | | 60,300 | | 69,300 |
| | | 16,399,488 | | 16,408,488 |
| | As at 31st March, 2011 | | As at 31st March, 2010 | |
| | Cost Rs. | Market value Rs. | Cost Rs. | Market value Rs. |
| Aggregate value of Quoted Investments | 245,251 | 422,638 | 245,251 | 333,461 |
| Aggregate value of Unquoted Investments | 16,154,237 | | 16,163,237 | |
| | 16,399,488 | | 16,408,488 | |

| | Rupees | As At 31st March, 2011 Rupees | As At 31st March, 2010 Rupees |
|---|--------------------|-------------------------------------|-------------------------------------|
| SCHEDULE G: CURRENT ASSETS, LOANS AND ADVANCES | | | |
| I. CURRENT ASSETS | | | |
| (i) Inventories | | | |
| Stores, Spares and Packing Materials | 14,820,263 | | 16,548,948 |
| Raw Materials | 242,675,476 | | 176,902,943 |
| Work-in-Progress | 36,348,723 | | 31,632,280 |
| Finished Goods | 134,064,947 | | 95,920,947 |
| Goods in Transit | 62,603,479 | | 26,423,386 |
| | | 490,512,888 | 347,428,504 |
| (ii) Sundry Debtors (Refer Note no.5) | | | |
| Exceeding six months | | | |
| - Secured | 20,429,980 | | 9,002,078 |
| - Unsecured-Considered good | 105,860,777 | | 88,876,577 |
| - Unsecured-Considered Doubtful | - | | 17,452,612 |
| | 126,290,757 | | 115,331,267 |
| Other Debts | | | |
| - Secured | 24,980,827 | | 9,043,508 |
| - Unsecured-Considered good | 459,295,839 | | 339,871,189 |
| | 484,276,666 | | 348,914,697 |
| - Provision for Doubtful Debts | - | | 17,452,612 |
| | | 610,567,423 | 446,793,352 |
| (iii) Cash and Bank balances | | | |
| Cash on hand | 2,377,781 | | 1,676,129 |
| With Scheduled Banks : | | | |
| In Current Accounts | 76,559,639 | | 54,160,796 |
| In Fixed Deposits | 4,283,680 | | 4,383,230 |
| In Margin accounts | 7,597,308 | | 9,116,952 |
| | | 90,818,408 | 69,337,107 |
| (iv) Other Current Assets | | | |
| Interest Receivable | 4,426,597 | | 3,704,400 |
| Interest Accrued but not due | 9,496 | | 4,096 |
| | | 4,436,093 | 3,708,496 |
| II. LOANS AND ADVANCES | | | |
| (Unsecured considered good unless otherwise specified) | | | |
| Inter Corporate Loans (Refer Note no. 7 (b)) | 5,000,000 | | 6,642,840 |
| Balances with Excise Department | 49,452,251 | | 53,677,771 |
| Advance (Less Provision) | 3,209,166 | | 11,608,828 |
| MAT Credit Entitlement | 37,760,000 | | 15,200,000 |
| Deposits (Refer Note no.7 (a)) | 31,197,087 | | 29,372,826 |
| Advance to Suppliers | 105,639,542 | | 40,920,893 |
| Loans to Staff | 2,810,471 | | 1,837,024 |
| Prepaid Expenses | 4,134,680 | | 4,213,028 |
| Advances recoverable in cash or in kind or for value to be received (Refer Note no.7 (c)) | 35,463,645 | | 27,154,797 |
| | | 274,666,842 | 190,628,007 |
| | | 1,471,001,654 | 1,057,895,467 |

| | Rupees | Rupees | As At 31st March, 2011 Rupees | As At 31st March, 2010 Rupees |
|---|------------------|--------------------|-------------------------------------|-------------------------------------|
| SCHEDULE H: CURRENT LIABILITIES & PROVISIONS | | | | |
| (a) CURRENT LIABILITIES | | | | |
| Acceptances | | 32,551,470 | | - |
| Sundry Creditors | | | | |
| - Due to Micro, Small & Medium Enterprises | | 1,542,371 | | 1,658,730 |
| - Others | | 369,270,914 | | 267,230,069 |
| Advance from customers | | 74,990,141 | | 19,404,710 |
| Investor Education and Protection Fund shall be credited by* | | | | |
| Unclaimed dividends | 1,623,548 | | | 1,420,516 |
| Unclaimed Fixed Deposits | 15,000 | | | 18,000 |
| | | 1,638,548 | | 1,438,516 |
| Interest accrued but not due | | 863,310 | | 742,475 |
| Other Liabilities | | 201,231,499 | | 118,918,266 |
| | | | 682,088,253 | 409,392,766 |
| (b) PROVISIONS | | | | |
| Proposed Dividend | | 18,136,460 | | 18,136,460 |
| Tax on Proposed dividend | | 2,942,187 | | 3,012,239 |
| Provision for Retirement Benefits | | 67,197,512 | | 58,615,996 |
| | | | 88,276,159 | 79,764,695 |
| | | | 770,364,412 | 489,157,461 |
| *The figures reflect the position as at 31st March, 2011. The Actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates. | | | | |

SCHEDULE ANNEXED TO THE PROFIT AND LOSS ACCOUNT

| | Rupees | 2010-11 Rupees | 2009-10 Rupees |
|---|----------------------|----------------------|----------------------|
| SCHEDULE I: OTHER INCOME | | | |
| Plating and Service charges (Gross)* | | 9,991,049 | 8,918,799 |
| License Fees | | 550,000 | 400,000 |
| Interest Received (Gross)* | | 3,418,528 | 4,058,172 |
| Profit on sale of assets (Net) | | 259,800 | - |
| Diminution in value of Investments written back | | - | 943,500 |
| Dividend on investments (other than Trade Investments) | | 13,820 | 18,050 |
| Miscellaneous Receipts (Gross)* | | 23,029,421 | 6,117,160 |
| Exchange fluctuations | | 3,951,629 | - |
| | | <u>41,214,247</u> | <u>20,455,681</u> |
| * Tax Deducted at source | | <u>546,571</u> | <u>3,394,085</u> |
| SCHEDULE J: MATERIAL RAW MATERIAL CONSUMED | | | |
| Opening Stock | 176,902,943 | | 100,668,536 |
| Add : Purchases | <u>1,671,124,059</u> | | <u>1,317,243,612</u> |
| | <u>1,848,027,002</u> | | <u>1,417,912,148</u> |
| Less: Closing Stock | <u>242,675,476</u> | | <u>176,902,943</u> |
| | | <u>1,605,351,526</u> | <u>1,241,009,205</u> |
| Purchase for Resale | | <u>30,850,099</u> | <u>28,406,668</u> |
| | | <u>1,636,201,625</u> | <u>1,269,415,873</u> |
| (INCREASE) / DECREASE IN STOCKS | | | |
| Opening Stock | | | |
| Work-in-Progress | 31,632,280 | | 37,372,880 |
| Finished Goods | <u>95,920,947</u> | | <u>73,894,142</u> |
| | <u>127,553,227</u> | | <u>111,267,022</u> |
| Less: Closing Stock | | | |
| Work-in-Progress | 36,329,198 | | 31,632,280 |
| Finished Goods | <u>134,064,947</u> | | <u>95,920,947</u> |
| | <u>170,394,145</u> | | <u>127,553,227</u> |
| | | <u>(42,840,918)</u> | <u>(16,286,205)</u> |
| Variation in Excise duty on Opening & Closing Stock of finished Goods | | <u>4,472,423</u> | <u>3,452,805</u> |
| | | <u>1,597,833,130</u> | <u>1,256,582,473</u> |
| SCHEDULE K: SALARIES, WAGES AND OTHER BENEFITS | | | |
| Salaries, Wages, Bonus etc. | | 214,066,765 | 171,995,622 |
| Contribution to Provident and Other Funds | | 12,554,316 | 11,562,432 |
| Welfare Expenses | | 25,189,784 | 23,308,387 |
| | | <u>251,810,865</u> | <u>206,866,441</u> |

| | Rupees | 2010-11 Rupees | 2009-10 Rupees |
|---|-------------------|--------------------|-------------------|
| SCHEDULE L: OTHER EXPENSES | | | |
| Stores, Spares and Loose Tools Consumed | | 36,108,840 | 13,377,557 |
| Packing Expenses | | 70,122,849 | 81,715,468 |
| Job Charges/Labour charges | | 50,480,006 | 29,662,511 |
| Power and Fuel | | 33,074,989 | 21,586,540 |
| Drawings, Designs and Layout Expenses | | 484,656 | 343,809 |
| Rent | | 8,989,844 | 8,171,599 |
| Rates and Taxes | | 11,948,910 | 12,809,542 |
| Repairs & Maintenance: | | | |
| Buildings | 20,411,709 | | 6,396,742 |
| Plant and Machinery | 9,276,446 | | 7,100,340 |
| Others | 7,589,222 | | 8,727,723 |
| | | 37,277,377 | 22,224,805 |
| Insurance | | 4,280,746 | 3,850,068 |
| Freight and Forwarding | | 57,441,469 | 42,023,459 |
| Printing and Stationery | | 7,282,054 | 5,977,687 |
| Postage and Telephones | | 11,853,936 | 11,546,669 |
| Vehicle Expenses | | 12,202,133 | 9,611,959 |
| Travelling Expenses | | 30,090,322 | 24,033,731 |
| Conveyance Expenses | | 6,504,080 | 7,313,435 |
| Legal and Professional Fees | | 21,340,212 | 16,834,164 |
| Sales Tax | | 58,123,002 | 48,803,196 |
| Advertisement & Sales Promotion | | 18,723,454 | 5,615,102 |
| Auditors' Remuneration: | | | |
| Audit Fees | 185,000 | | 185,000 |
| Tax Audit /Taxation Matters | 175,000 | | 160,000 |
| Cost Audit Fees | 40,000 | | 40,000 |
| Other Matters | 47,500 | | 70,000 |
| Reimbursement of Expenses | 48,361 | | 40,674 |
| | | 495,861 | 495,674 |
| Directors' Sitting Fees | | 270,000 | 147,500 |
| Bad Debts written off | | 1,741,156 | 3,649,177 |
| (Less- Provision for doubtful debts written back Rs.17,452,613) | | | |
| Wealth Tax | | 194,744 | 217,106 |
| Loss on Sale/Discard of Assets (Net) | | 48,383 | 1,089,705 |
| Loss on Sale of Investments (Net) | | - | 925,000 |
| Donations | | 82,851 | 113,703 |
| Exchange Fluctuations loss | | - | 3,678,283 |
| Miscellaneous Expenses | | 73,118,180 | 50,994,480 |
| | | 552,280,054 | 426,811,929 |

| | Rupees | 2010-11 Rupees | 2009-10 Rupees |
|---|--------|---------------------------|-------------------|
| SCHEDULE M: INTEREST & FINANCE CHARGES | | | |
| Interest | | | |
| - On Fixed Loans | | 79,914,315 | 35,582,708 |
| - Others | | 52,558,136 | 43,121,135 |
| Cash Discount | | 25,740,256 | 20,366,111 |
| | | <u>158,212,707</u> | <u>99,069,954</u> |
| SCHEDULE N: DEPRECIATION | | | |
| Depreciation for the year | | 77,676,362 | 49,211,151 |
| Less: Capitalised during the year | | - | 145,527 |
| Less: Withdrawn from General Reserve -II | | 5,121,321 | 5,144,584 |
| | | <u>72,555,041</u> | <u>43,921,040</u> |

SCHEDULE O: NOTES FORMING PARTS OF THE ACCOUNTS**I. 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 of certain assets on merger under a Scheme approved by The Hon'ble Board for Industrial & Financial Reconstruction (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 / materialized.

c. Revenue Recognition:

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

Equipment manufactured by the Engineering Division for use by other divisions are included in the Sales at transfer price and are capitalised by other division.

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

Income arising out of Business Conducting/License Fees are accounted at contracted rates, keeping in view the collectability of the resulting receivables is reasonably assured and is disclosed net of indirect taxes, if any.

Revenue from amenities provided is recognized at value of service and is disclosed net of indirect taxes, if any. Recoveries made against common area maintenance expenses are netted of against relevant expenses.

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.
- 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 liability is estimated and provided for. Deferred tax assets pertaining to unabsorbed business loss & depreciation is recognized only to the extent of virtual certainty of its realization.

n. Segment Reporting:

i. Identification of Segments:

The Company has disclosed Business Segment as the Primary Segment. The Company's operating business are organized and managed separately according to the nature of the products and services provided, with each segment representing strategic business unit that offers different products and serves different markets.

ii. Segment Revenue & Results:

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

iii. Segment Assets & Liabilities:

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

o. Leases:

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

p. Provision & Contingent Liabilities:

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

2. Contingent Liabilities not provided for:

| | 2010-2011 (Rs. in '000) | 2009-2010 (Rs. in '000) |
|--|----------------------------|----------------------------|
| Disputed matters in appeal / contested in respect of; | | |
| - Income Tax | 94 | 5850 |
| - Excise Duty | 4416 | 4416 |
| - Sales Tax | 2929 | 4534 |
| Bank Guarantees | 81367 | 44009 |
| Others | 100 | - |
| 3. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances) | 2462 | 24,579 |
| 4. Tax deducted at sources on Job Contract sales | 1128 | 1309 |

5. Managerial Remuneration

| | 2010-2011 (Rs. in '000) | 2009-2010 (Rs. in '000) |
|---|----------------------------|----------------------------|
| i) Salary and allowances | 6946 | 5066 |
| ii) Contribution to Provident Fund and other funds* | 152 | 328 |
| iii) Perquisites | 158 | 1677 |
| iv) Directors Sitting Fees | 270 | 148 |
| Total | *7526 | *7219 |

*Excluding Contribution / Provision for Gratuity and Leave Encashment

6. Sundry Debtors includes:

| | 2010-2011 (Rs. in '000) | 2009-2010 (Rs. in '000) |
|--|----------------------------|----------------------------|
| Debts due from Companies under same Management | | |
| i) Grauer & Weil (Thailand) Limited | 24609 | 15980 |
| ii) Growel Sidasa Industries Pvt. Limited | 14765 | 4618 |
| iii) Growel Goema India Pvt. Limited | 39574 | 14679 |
| iv) Grauer & Weil (Shanghai) Limited | 35932 | 32686 |

7. Loans and Advances includes:

| | 2010-2011 (Rs. In '000) | 2009-2010 (Rs. in '000) |
|--|----------------------------|----------------------------|
| a) Amount due from a subsidiary Company | | |
| i) Poona Bottling Co. Pvt. Limited | - | 3274 |
| - On account of Loan | 7050 | 7050 |
| - On account of Deposit | | |
| b) Loan to Associates /Companies Under the same Management | | |
| i) Grauer & Weil (Thailand) Limited | | |
| - On account of Loan (including interest of Rs.4. lacs) | 6922 | 6522 |
| c) Amount due from Associates /Companies under the same Management- On account of expenses | | |
| i) Growel Sidasa Industries Pvt. Ltd. | 79 | 116 |
| ii) Growel Softech Limited | 119 | 119 |
| iii) Growel Corporate Management Ltd. | - | 16 |
| iv) Digikore Design Ltd. | 39 | 39 |

8. Disclosure required by clause 32 of the listing agreement

Amount due from following parties
Shares held by the Loanee company

(Rs. In '000)

| | Amount Outstanding | Maximum Balance during the year | No. of shares held at the year end | Maximum No. of shares held during the year |
|---------------------------------|--------------------|---------------------------------|------------------------------------|--|
| i) Subsidiaries | | | | |
| Poona Bottling Co. Pvt. Limited | Nil (3274) | 6047 (3274) | 4097500 (4097500) | 4097500 (4097500) |
| (ii) Associates | | | | |
| Grauer & Weil (Thailand) Ltd. | 6922 (6522) | 6922 (6522) | 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 :

| Particular | 2010-2011 | 2009-2010 |
|---|-----------|-----------|
| - Not later than one year | 8151 | 6326 |
| - Later than one year, but not latter than five years | 14035 | 8108 |
| - More than five years | 1022 | 1800 |

11. Capital Work in Progress includes

Pre operative expenses pending allocation

| | 2010-2011 | 2009-2010 |
|---|---------------|---------------|
| 1) Rates and Taxes | 1271 | 2504 |
| 2) Insurance | 584 | 94 |
| 3) Professional Fees | 6789 | 9557 |
| 4) Borrowing Cost | 33844 | 77016 |
| 5) Salary and Wages | - | 331 |
| 6) Miscellaneous | 4611 | 10004 |
| | 47099 | 99506 |
| Add: Brought forward from previous year | 356736 | 293686 |
| | 403835 | 393192 |
| Less-Capitalised during the year | 403748 | 36456 |
| Total | 87 | 356736 |

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

| | (Rs. in '000) | |
|-----------------------------------|---------------|--------------|
| | 2010-2011 | 2009-2010 |
| i) Salaries, Wages & Benefits | 16643 | 12847 |
| ii) Chemicals consumed | 4214 | 4694 |
| iii) Traveling & Conveyance | 1130 | 1187 |
| iv) Repairs & Maintenance | 939 | 159 |
| v) Other expenses | 495 | 1179 |
| Total | <u>23421</u> | <u>20066</u> |
| Less : Testing & analysis charges | (155) | (603) |
| Total | <u>23266</u> | <u>19463</u> |

Depreciation includes Rs 2036 thousand (P.Y. 2094 thousand) in respect of Fixed Assets used for Research & Development.

Capital Expenditure on Research & Development during the year is Rs 7148 thousand (P.Y. 80928 thousand).

This information also complies with the terms of approval of In-house Research & Development facility at R&D centre, Kandivli, Mumbai granted by Government of India, Ministry of Science & Technology, Department of Scientific & Industrial Research for the period 1st April, 2009 to 31st March, 2012 vide their letter No. T.U.IV-15 (305)/2009 dated 16th June, 2009.

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

| | (Rs. In '000) | |
|---------------------|---------------|-----------|
| | 2010-2011 | 2009-2010 |
| Revenue Expenditure | 4203 | 2359 |
| Capital Expenditure | 564 | 2817 |

13. Employee Benefits:

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

(i) Defined contribution plans:

| | (Rs. In '000) | |
|---|---------------|-----------|
| | 2010-2011 | 2009-2010 |
| Employer's Contribution to Provident Fund* | 5830 | 5261 |
| Employer's Contribution to Superannuation Fund* | 2026 | 1862 |

*included in "contribution to Provident & Other funds" (Refer schedule K)

(ii) a. Defined benefit plans:

| | (Rs. In '000) | | | |
|--------------------------------|------------------------|------------------------|------------------------|------------------------|
| | Gratuity *2010-2011 | Gratuity *2010-2011 | Gratuity *2009-2010 | Gratuity *2009-2010 |
| | <u>Partly Funded</u> | <u>Unfunded</u> | <u>Partly Funded</u> | <u>Unfunded</u> |
| Current Service Cost | 881 | 2945 | 853 | 2934 |
| Interest Cost | 788 | 3160 | 681 | 2548 |
| Expected return on Plan assets | (169) | - | (132) | - |
| Actuarial (Gain)/Loss | (1514) | 5139 | (358) | 3371 |
| Net Cost | <u>(14)</u> | <u>11244</u> | <u>1044</u> | <u>8853</u> |

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

| | (Rs. In '000) | | | |
|---|-------------------------|------------------------|------------------------|------------------------|
| | Gratuity * 2010-2011 | Gratuity *2010-2011 | Gratuity *2009-2010 | Gratuity *2009-2010 |
| | <u>Partly Funded</u> | <u>Unfunded</u> | <u>Partly Funded</u> | <u>Unfunded</u> |
| Present value of defined benefit obligation . | 9771 | 48993 | 10099 | 39500 |
| Fair value of plan assets | 2281 | - | 2112 | - |
| Net asset/ (liability) as at 31 st March, 2011 | <u>(7490)</u> | <u>48993</u> | <u>(7987)</u> | <u>(39500)</u> |
| Recognised in the Balance Sheet | | | | |
| 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.

c. Change in defined benefit obligation

| | (Rs. In '000) | | | |
|--|--|---|--|---|
| | Gratuity *2010-2011 <u>Partly Funded</u> | Gratuity *2010-2011 <u>Unfunded</u> | Gratuity *2009-2010 <u>Partly Funded</u> | Gratuity *2009-2010 <u>Unfunded</u> |
| Present value of obligation as at 1 st April, 2010 | 10099 | 39500 | 9276 | 36397 |
| Current Service Cost | 881 | 2945 | 853 | 2934 |
| Interest Cost | 788 | 3160 | 681 | 2548 |
| Actuarial (Gain) / Loss | (1514) | 5139 | (336) | 3371 |
| Benefits paid | (483) | (1751) | (375) | (5750) |
| Present value of obligation as at 31 st March, 2011 | 9771 | 48993 | 10099 | 39500 |

d. Change in Plan Assets

| | (Rs. In '000) | |
|--|--|--|
| | Gratuity *2010-2011 <u>Partly funded</u> | Gratuity *2009-2010 <u>Partly funded</u> |
| Opening fair value of plan assets on 1 st April, 2010 | 2112 | 1157 |
| Expected return on plan Assets | 169 | 132 |
| Contribution by Employer | 483 | 1176 |
| Benefits Paid | (483) | (375) |
| Actuarial Gains/(loss) | * | 22 |
| Closing fair value of plan assets as on 31 st March, 2011 | 2281 | 2112 |

* (Rs. 22/-)

e. Reconciliation of expected return and actual return on plan assets

| | (Rs. In '000) | |
|--------------------------------|--|--|
| | Gratuity *2010-2011 <u>Partly funded</u> | Gratuity *2009-2010 <u>Partly funded</u> |
| Expected return on plan assets | 169 | 132 |
| Actuarial Gains/(loss) | * | 22 |
| Actual return on plan assets | 169 | 154 |

* (Rs. 22/-)

f. Reconciliation of opening and closing net liability/(asset) recognized in the Balance Sheet

| | (Rs. In '000) | | | |
|---|--|---|--|---|
| | Gratuity *2010-2011 <u>Partly funded</u> | Gratuity *2010-2011 <u>Unfunded</u> | Gratuity *2009-2010 <u>Partly funded</u> | Gratuity *2009-2010 <u>Unfunded</u> |
| Opening net liability as on 1 st April, 2010 | 7987 | 39500 | 8119 | 36397 |
| Expenses as recognized in Profit & Loss account | (14) | 11244 | 1044 | 8853 |
| Contribution by the employer | (483) | (1751) | (1176) | (5750) |
| Net Liability/ (Assets) | 7490 | 48993 | 7987 | 39500 |

g. Investments under plan assets as on 31st March, 2011:

LIC Group Gratuity (Cash Accumulation) Policy -100%

h. The principal actuarial assumptions

| | (Rs. In '000) | | | |
|---|--|---|---|--|
| | Gratuity* 2010-2011 <u>Partly funded</u> | Gratuity* 2010-2011 <u>Unfunded</u> | Gratuity * 2009-2010 <u>Partly funded</u> | 20 Gratuity* 2009-2010 <u>Unfunded</u> |
| Discount rate | 8.30% p.a | 8.25% p.a | 7.5% p.a | 8% p.a |
| Salary escalation rate | 4% p.a | 5% p.a | 4% p.a | 5% p.a |
| Expected rate of return on plan assets | 8% p.a | - | 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 31st March, 2011.
(ii) Un-hedged foreign currency exposure is as under:

| Particular | (Rs. In '000) | | | | | | |
|------------|---------------|------------|-------------|------------|------------|------------|-------------|
| | <u>JPY</u> | <u>USD</u> | <u>EURO</u> | <u>GBP</u> | <u>HKD</u> | <u>SGD</u> | Total (INR) |
| Receivable | - | 2285457 | 97576 | - | - | - | 109464 |
| | - | (2729250) | (98213) | (8934) | (5500) | - | (134066) |
| Payable | 397828 | 423216 | 25484 | 17660 | 12500 | 6975 | 19715 |
| | (-) | (102105) | (25400) | (17910) | (5500) | (-) | (7462) |

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.

(Rs In '000)

| No | Particular | 2010-2011 | 2009-2010 |
|-------|--|-----------|-----------|
| (i) | Principal amount due to suppliers under MSMED | 1542 | 1659 |
| (ii) | Interest accrued and due to suppliers under MSMED on above amount, unpaid | 6 | 6 |
| (iii) | Payments made to suppliers (other than interest) beyond the appointed date during the year | 6650 | 6366 |
| (iv) | Interest paid to suppliers under the MSMED | - | - |
| (v) | Interest due and payable towards suppliers under MSMED Act towards payments already made | 30 | 32 |
| (vi) | Amount of cumulative interest accrued and unpaid as at the year end | 36 | 38 |

16. Details Of Contracts in Progress as on 31st March 2011

(Rs. In '000)

| Sr. No | Particular | 2010-2011 | 2009-2010 |
|----------|--|-----------|-----------|
| A | Contract Receipt for work done | 86072 | 62002 |
| B | Contract Costs for work done | 51357 | 27616 |
| C | Amount of advances received | - | - |
| D | Amount of retention | 4452 | 5095 |
| E | Amount due from Customers for Contract Billing | 19841 | 15112 |
| F | Amount due from Sub Contractors for Contract Billing | 14792 | 9912 |
| G | Contingencies for Contract | - | - |

17. The company has investment of Rs. 78.90 lacs in equity shares of Grauer & Weil (Shanghai) Ltd , a wholly owned subsidiary company and investments in equity shares of Growel Goema (I) Pvt. Ltd, Growel Sidasa Industries Pvt. Ltd and Grauer & Weil (Thailand) Limited being investments in associates amounting to Rs. 70.47 lacs. The net worth of these companies have eroded. The management considers these as strategic investments and based upon projected future earnings, expects that the diminution in value of investments is temporary and that no provision is required, upon which, the auditors being unable to make an informed judgement, have placed their reliance.

18. The following tables present revenue and profit/(loss) information regarding business/ geographical segments for the year ended 31st March, 2011 and certain assets and liabilities information regarding business and geographical segments as at 31st March, 2011

(a) Primary Segment Reporting by business segments**Rs. In '000**

| | Chemical | Engineering | Shoppertainment | Paints | Total |
|---|---------------------------------|-----------------------------|---------------------------------|-----------------------------|---------------------------------|
| Segment revenue | | | | | |
| Income from operations | 1,893,818 (1,593,976) | 324,596 (132,728) | 102,148 (56,228) | 477,496 (463,791) | 2,798,058 (2,246,723) |
| Less: Inter segment Revenue | | | | 3,722 (4,559) | 3,722 (4,559) |
| Add: Other Income | 20,848 (7,100) | 17,864 (8,825) | 101 (20) | 761 (1,459) | 39,574 (17,404) |
| Add: Unallocable | | | | | 1,641 (3,052) |
| Total | 1,914,666 (1,601,076) | 342,460 (141,553) | 102,249 (56,248) | 474,535 (460,690) | 2,835,551 (2,262,619) |
| Segment Results | 281,123 (362,579) | 9,911 (14,235) | 83,008 (29,218) | 17,917 (34,652) | 391,959 (412,214) |
| Less: Interest | | | | | 158,212 (99,070) |
| Less: Other Unallocable Expenditure net of unallocable Income | | | | | 30,888 (83,777) |
| Profit Before Tax | | | | | 202,859 (229,367) |
| Less: Provision for Current and Deferred tax | | | | | 58,739 (65,140) |
| Profit After Tax | | | | | 144,120 (164,227) |
| Segment Assets | 1,242,633 (965,267) | 214,434 (156,648) | 1,460,446 (1,187,049) | 546,691 (588,612) | 3,464,204 (2,897,576) |
| Unallocated corporate Assets | | | | | 309,849 (186,679) |
| Total Assets | | | | | 3,774,053 (3,084,255) |
| Segment Liabilities | 298,902 (194,134) | 137,223 (67,097) | 127,872 (75,890) | 114,449 (107,653) | 678,446 (444,773) |
| Unallocated corporate Liabilities | | | | | 3,095,607 (2,639,482) |
| Total Liabilities | | | | | 3,774,053 (3,084,255) |
| Capital Expenditure | 63,896 (114,619) | 2,854 (1,393) | 279,906 (320,959) | 2,628 (2,558) | |
| Depreciation | 32,065 (24,175) | 1,980 (1,635) | 30,968 (10,326) | 1,581 (1,797) | |

(b) Secondary segment reporting by Geographical segment

| | Domestic | Foreign | Total |
|--------------|---------------------------------|-----------------------------|---------------------------------|
| Revenue | 2,470,140 (1,934,870) | 365,411 (327,750) | 2,835,551 (2,262,619) |
| Total Assets | 3,563,402 (2,932,610) | 210,651 (151,645) | 3,774,053 (3,084,255) |

Note : Previous year's figures are in brackets

19 Related party disclosures**(i) List of Related Parties****Subsidiaries**

Poona Bottling Company Pvt Limited

Grauer & Weil (Shanghai) Ltd

Associates

Growel Goema (I) Pvt Limited

Growel Sidasa Industries Pvt Ltd

Grauer & Weil (Thailand) Limited

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

Mr. Umeshkumar N. More

Mr. Rameshkumar R More

Mr. Nirajkumar U More

Mr. Rohitkumar R More

Mr. Rohan Shah

Mr. M M Chaturvedi

Mr. Harnish Juthani (upto 15th March, 2011)

Mr. K C Srivastava

Mr. Suresh Pareek

Mr. Yogesh Samat

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

Waluj Beverages Pvt. Ltd

Relatives of Key Management Personnel

Mrs. Premalata U More Wife of Mr. Umeshkumar More

Mrs. Pallavi N More Wife of Mr. Nirajkumar More

Mrs. Draupadidevi N More Mother of Mr. Umeshkumar More

Mr. Abhishek R More Son of Mr. Rameshkumar More

RELATED PARTY TRANSACTIONS

Rs' 000

| | Subsidiary | | Associates | | KMP | | Enterprise of KMP | | Relatives of KMP | |
|------------------------------------|------------|---------|------------|---------|---------|---------|-------------------|---------|------------------|---------|
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| Director's fees | | | | | | | | | | |
| Mr Ramesh More | | | | | 60 | 25 | | | | |
| Mr K.Srivashtava | | | | | 60 | 50 | | | | |
| Mr Suresh Pareek | | | | | 70 | 45 | | | | |
| Mr M.M. Chaturvedi | | | | | 30 | 5 | | | | |
| Mr Umeshkumar More | | | | | | 1 | | | | |
| Mr Yogesh Samat | | | | | 40 | | | | | |
| Mr Hosi Karanjia | | | | | 10 | 22 | | | | |
| Interest Received | | | | | | | | | | |
| Poona Bottling Company Pvt Ltd. | 123 | 970 | | | | | | | | |
| Grauer & Weil (Thailand) Ltd. | | | 400 | 400 | | | | | | |
| Loan Accepted | | | | | | | | | | |
| Ridhi Sidhi Ltd | | | | | | | 4,500 | 600 | | |
| Bubna More & Co Pvt Ltd | | | | | | | 850 | | | |
| Mr Neerajkumar More | | | | | 2,000 | 5,150 | | | | |
| Mr Umeshkumar More | | | | | 5,000 | | | | | |
| RadhaKishan Nandlal Pvt Ltd | | | | | | | | 250 | | |
| Repayment of Loan Accepted | | | | | | | | | | |
| Mr Neerajkumar More | | | | | | 1,250 | | | | |
| Ridhi Sidhi Ltd | | | | | | | | 250 | | |
| Interest Paid | | | | | | | | | | |
| Growel Goema (I) Pvt Ltd. | | | 230 | 230 | | | | | | |
| Ridhi Sidhi Ltd | | | | | | | 663 | 325 | | |
| Bubna More & Co Pvt Ltd | | | | | | | 435 | 362 | | |
| RadhaKishan Nandlal Pvt Ltd | | | | | | | 914 | 904 | | |
| Mr Neerajkumar More | | | | | 1,189 | 866 | | | | |
| Mr Umeshkumar More | | | | | 269 | | | | | |
| Poona Bottling Company Pvt Ltd. | | 3,997 | | | | | | | | |
| Loan / Advance Given | | | | | | | | | | |
| Poona Bottling Company Pvt Ltd. | 2,650 | 100 | | | | | | | | |
| Repayment of Loans advanced | | | | | | | | | | |
| Poona Bottling Company Pvt Ltd. | 6,048 | 5,100 | | | | | | | | |
| Purchases | | | | | | | | | | |
| Growel Sidasa Industries Pvt Ltd | | | 399 | 2 | | | | | | |
| Grauer & Weil (Thailand) Ltd. | | | | 66 | | | | | | |
| Project Expenses | | | | | | | | | | |
| Growel Projects Ltd | | | | | | | 59,584 | 128,800 | | |
| Rent paid | | | | | | | | | | |
| Poona Bottling Company Pvt Ltd. | 600 | 662 | | | | | | | | |
| Ridhi Sidhi Ltd | | | | | | | 215 | 180 | | |
| Mr Neerajkumar More | | | | | 1,056 | 768 | | | | |
| Mr Umeshkumar More | | | | | 90 | 90 | | | | |
| Mrs Pallavi More | | | | | | | | | 516 | 426 |
| Mrs Premlata More | | | | | | | | | 540 | 348 |
| Rent received. | | | | | | | | | | |
| Ridhi Sidhi Ltd | | | | | | | 103 | 102 | | |
| Mrs. Draupadidevi More | | | | | | | | | | 1 |
| Bubna More & Co Pvt Ltd | | | | | | | | | | |
| RadhaKishan Nandlal Pvt Ltd | | | | | | | | | | |
| Sales | | | | | | | | | | |
| Grauer & Weil (Shanghai) Ltd | 26,802 | 22,295 | | | | | | | | |
| Growel Goema (I) Pvt Ltd. | | | 113,645 | 616 | | | | | | |
| Growel Sidasa Industries Pvt Ltd | | | 32,629 | 13,728 | | | | | | |
| Grauer & Weil (Thailand) Ltd. | | | 33,726 | 21,364 | | | | | | |

Rs' 000

| | Subsidiary | | Associates | | KMP | | Enterprise of KMP | | Relatives of KMP | |
|----------------------------------|------------|---------|------------|---------|---------|---------|-------------------|---------|------------------|---------|
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| Reimbursement of Expenses | | | | | | | | | | |
| Poona Bottling Company Pvt Ltd. | 863 | 627 | | | | | | | | |
| Growel Goema (I) Pvt Ltd. | | | 1,305 | 561 | | | | | | |
| Growel Sidasa Industries Pvt Ltd | | | 213 | 191 | | | | | | |
| Grauer & Weil (Shanghai) Ltd | | 64 | | | | | | | | |
| Grauer & Weil (Thailand) Ltd. | | | | 5 | | | | | | |
| Services Paid | | | | | | | | | | |
| Growel Projects Ltd | | | | | | | | 3,723 | | |
| Sap Expenses - Services | | | | | | | | | | |
| Growel Softech Ltd | | | | | | | 180 | | | |
| Managerial Remuneration | | | | | | | | | | |
| Mr Neerajkumar More | | | | | 2,260 | 2,105 | | | | |
| Mr Umeshkumar More | | | | | 1,373 | 2,940 | | | | |
| Mr Rohit More | | | | | 689 | 391 | | | | |
| Mr Harnish Juthani | | | | | 2,936 | 1,636 | | | | |
| Salaries | | | | | | | | | | |
| Mrs Pallavi More | | | | | | | | | 3,311 | 535 |
| Mr Abhishek More | | | | | | | | | 296 | 332 |
| Sale of Investments | | | | | | | | | | |
| Waluj Beverages Pvt Ltd | | | | | | | | | 56 | |
| Professional fees | | | | | | | | | | |
| Growel Corporate Management Ltd | | | | | | | 526 | 915 | | |
| Mr Harnish Juthani | | | | | | 150 | | | | |
| Royalty Income | | | | | | | | | | |
| Growel Goema (I) Pvt Ltd. | | | 2,366 | 12 | | | | | | |
| Dividend Paid | | | | | | | | | | |
| Poona Bottling Company Pvt Ltd. | 3,286 | | | | | | | | | |
| Outstanding | | | | | | | | | | |
| Loans & Advances | | | | | | | | | | |
| Growel Sidasa Industries Pvt Ltd | | | 79 | 116 | | | | | | |
| Grauer & Weil (Thailand) Ltd. | | | 6,922 | 6,522 | | | | | | |
| Poona Bottling Company Pvt Ltd. | 7,050 | 10,325 | | | | | | | | |
| Digikore Designs Ltd | | | | | | | 39 | 39 | | |
| Growel Softech Ltd | | | | | | | 119 | 119 | | |
| Growel Corporate Management Ltd | | | | | | | | 16 | | |
| Creditors | | | | | | | | | | |
| Grauer & Weil (Thailand) Ltd. | | | 25 | 25 | | | | | | |
| Growel Projects Ltd | | | | | | | 17,623 | 14,171 | | |
| Poona Bottling Company Pvt Ltd. | 69 | | | | | | | | | |
| Growel Sidasa Industries Pvt Ltd | | | 197 | 86 | | | | | | |
| Debtors | | | | | | | | | | |
| Grauer & Weil (Shanghai) Ltd | 35,932 | 32,686 | | | | | | | | |
| Growel Goema (I) Pvt Ltd. | | | 39,574 | 14,679 | | | | | | |
| Growel Sidasa Industries Pvt Ltd | | | 14,765 | 4,618 | | | | | | |
| Grauer & Weil (Thailand) Ltd. | | | 24,609 | 15,981 | | | | | | |
| Unsecured Loan | | | | | | | | | | |
| Growel Goema (I) Pvt Ltd. | | | 2,000 | 2,000 | | | | | | |
| Ridhi Sidhi Ltd | | | | | | | 7,500 | 3,000 | | |
| Bubna More & Co Pvt Ltd | | | | | | | 4,000 | 3,150 | | |
| RadhaKishan Nandlal Pvt Ltd | | | | | | | 7,950 | 7,950 | | |
| Mr Neerajkumar More | | | | | 11,400 | 9,400 | | | | |
| Mr Umeshkumar More | | | | | 5,000 | | | | | |

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 31.03.2011

| | | 31.03.2011 | 31.03.2010 |
|--|------|--------------------|-------------------|
| Profit for the year | Rs. | 144,119,512 | 164,227,109 |
| Weighted average number of equity shares (Face Value Rs. 10 per share) | Nos. | 22,670,575 | 22,670,575 |
| Basic Earnings per share | Rs. | 6.36 | 7.24 |

21 Deferred Tax

The break up of Net Deferred Tax liability as on 31.3.2011 is as under

| | 2010-11 | | 2009-10 | |
|---|----------------------------|---------------------------------|----------------------------|---------------------------------|
| | Rs. In '000 | | Rs. In '000 | |
| | Deferred Tax Assets | Deferred Tax Liabilities | Deferred Tax Assets | Deferred Tax Liabilities |
| Depreciation | - | 140,824 | - | 103,445 |
| Provision for Leave Encashment And Gratuity | 21,197 | - | 18,850 | - |
| Other items giving rise to timing differences | - | - | 5797 | - |
| Total | 21,197 | 140,824 | 24,647 | 103,445 |
| Net deferred Tax Liability | | 119,627 | | 78,798 |
| Amount Debited to Profit & Loss Account | | 40,829 | | 30,440 |

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 | 23,428 (23,428) | 13,086 (11,395) |
| 2 | Basic Chemicals | Tons | 2,050 (2,050) | 564 (531) |
| 3 | Intermediary Chemicals | Tons | 1,200 (1,200) | 1,971 (2,090) |
| 4 | Electroplating Equipments | ** | ** | ** |
| 5 | Paints, Enamels And Varnishes | KL | 7,329 (7,329) | 3,225 |
| 6 | Oil Bound Distempers | MT | 1,380 (1,380) | (3,028) |

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

** The Company is manufacturing different types of Plants and equipments on made to order basis, quantitywise information is not feasible.

B) TRADED

| ITEMS: | <u>Units</u> | <u>Qty</u> | <u>Purchase Value</u> <u>Rs. In 000</u> |
|-----------------|--------------|------------|--|
| Basic Chemicals | Tons | | - |
| Other items | | | 30851 (28407) |

C) PARTICULARS OF STOCKS AND TURNOVER :

| | Opening Stock | | Closing Stock | | Turnover | |
|---|--------------------|-------------------------|--------------------|-------------------------|--------------------------|-------------------------|
| | Quantity Tons | Value Rs. In Million | Quantity Tons | Value Rs. In Million | Quantity Tons | Value Rs. In Million |
| Manufacturing | | | | | | |
| 1 Electroplating Chemicals | 390.17 (281.52) | 40.20 (25.21) | 550.87 (390.17) | 55.10 (40.20) | 12,909.91 (11,298.80) | 1,996.03 (1,634.82) |
| 2 Basic Chemicals | 6.08 (2.64) | 0.92 (0.40) | 8.86 (6.08) | 1.73 (0.92) | 561.21 (475.83) | 179.32 (133.26) |
| 3 Intermeditory Chemicals | 88.55 (93.19) | 9.88 (11.33) | 94.78 (88.55) | 9.15 (9.88) | 680.20 (710.56) | 108.50 (113.47) |
| 4 Electroplating Equipments @ | - | 6.87 | - | - (6.87) | - | 357.11 (142.53) |
| 5 Free Sample | | | | | 1.61 | 0.49 (0.45) |
| 6 Paints, Enames vanishes and oil Bound distempers | 298.00 (312.00) | 35.67 (36.93) | 298.00 (298.00) | 53.84 (35.67) | 3,322.00 (3,322.00) | 520.18 (496.31) |
| 7 Others | | 2.38 | 0.93 | 14.23 (2.38) | 17.11 | 51.96 (39.13) |
| | | | | | | 3,213.58 (2,559.97) |
| Trading Chemicals | - (0.10) | - (0.02) | - | - | - (0.10) | - (0.02) |
| Others | | 95.92 (73.89) | | 134.06 (95.92) | | 3,213.58 (2,559.99) |

@ 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 & BOUGHT OUT COMPONENTS CONSUMED

| | Units | 2010-2011 | | 2009-2010 | |
|--|-------|-----------|----------------|-----------|----------------|
| | | Quantity | Value | Quantity | Value |
| Inorganic Compounds | Tons | 8,056.22 | 609.91 | 6,970.66 | 413.83 |
| Organic Compounds | Tons | 3,509.13 | 548.18 | 3,127.29 | 358.00 |
| Metals | Tons | - | - | 70.26 | 76.73 |
| Mild Steel & Angles, Beams Channels, Sheets, Rods and Flats | Tons | 919.35 | 39.24 | 97.09 | 16.31 |
| Stainless Steel, Rods, Sheets & Flats | Tons | 8.12 | 40.04 | 5.20 | 14.98 |
| Electric Motors | Nos. | 306.00 | 1.08 | 219.00 | 0.61 |
| Rectifiers | Nos. | 3,001.96 | 11.65 | 1,480.75 | 4.82 |
| Pigments | Mt | 433.41 | 59.58 | 455.00 | 54.43 |
| Resins | Mt | 1,176.41 | 103.73 | 1,037.00 | 89.39 |
| Solvents | Mt | 1,486.40 | 80.58 | 1,432.00 | 71.36 |
| Others | Mt | - | 111.36 | - | 140.53 |
| Total | | | 1,605.35 | | 1,241.01 |
| | | % | Rs. in Million | % | Rs. in Million |
| Imported | | 28 | 451.59 | 34 | 428.09 |
| Indigenous | | 72 | 1,153.76 | 66 | 812.92 |
| | | 100 | 1,605.35 | 100 | 1,241.01 |

Note- Spares consumed are procured from indigenous sources.

| | Nos | 2010-11 Rs. In Million | 2009-10 Rs. In Million |
|--|-----|---------------------------|---------------------------|
| E) C.I.F. VALUE OF IMPORTS | | | |
| (a) Raw Materials | | 376.47 | 347.67 |
| (b) Components & Spare Parts | | 5.48 | 0.92 |
| (c) Capital Goods | | 15.30 | 0.81 |
| F) REMITTANCES IN FOREIGN CURRENCY | | | |
| Dividend (Net of Taxes) | | 0.06 | 0.31 |
| Number of Non-Resident Shareholders | | 1 | 2 |
| Number of Shares held by Non-Residents on which dividend was remitted | | 78750 | 772738 |
| Year for which dividend was remitted | | 2009-10 | 2008-09 |
| G) EXPENDITURE IN FOREIGN CURRENCY | | | |
| (On Payment basis) | | | |
| (a) Travelling | | 6.04 | 8.92 |
| (b) Seminar & exhibition | | 1.37 | 0.00 |
| (c) Membership & subscription | | 0.09 | 0.04 |
| (d) Professional Fees | | - | 0.90 |
| (e) Bank charges | | 1.11 | 0.85 |
| (f) Commission | | 1.21 | 0.91 |
| (h) Free Samples | | 0.02 | 0.01 |
| (i) Licence Fees | | 1.27 | 1.39 |
| H) EARNINGS IN FOREIGN CURRENCY | | | |
| F.O.B. Value of Exports (Excluding Deemed Exports) | | 336.46 | 297.73 |

23 Previous years figures have been regrouped and reclassified wherever required.

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

For M. M. NISSIM AND CO.

Chartered Accountants
(Firm Reg. No.: 107122W)

N.KASHINATH

Partner

Membership No.36490

Mumbai, 2nd September, 2011

For and on behalf of the board of the Directors

UMESHKUMAR MORE
NIRAJKUMAR MORE

ANIL GUPTA

NOEL JACOB

Mumbai, 2nd September, 2011

Chairman
Managing Director

Group CFO
Sr.VP (Corp) & Company Secretary

Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

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

 State Code

| | |
|---|---|
| 1 | 1 |
|---|---|

Balance Sheet Date

| | |
|---|---|
| 3 | 1 |
|---|---|

| | |
|---|---|
| 0 | 3 |
|---|---|

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

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)

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| <p>Total Liabilities</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>3</td><td>7</td><td>7</td><td>4</td><td>0</td><td>5</td><td>3</td></tr></table> <p>Sources of Funds</p> <p>Paid -up Capital</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>2</td><td>2</td><td>6</td><td>7</td><td>0</td><td>6</td></tr></table> <p>Secured Loan</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>1</td><td>4</td><td>0</td><td>9</td><td>6</td><td>8</td><td>6</td></tr></table> <p>Dferred Tax Liabilities</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>1</td><td>1</td><td>9</td><td>6</td><td>2</td><td>7</td></tr></table> <p>Application of Funds</p> <p>Net Fixed Assets</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>2</td><td>2</td><td>8</td><td>6</td><td>6</td><td>5</td><td>2</td></tr></table> <p>Net Current Assets</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>7</td><td>0</td><td>0</td><td>6</td><td>3</td><td>7</td></tr></table> <p>Accumulated Losses</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table> | 3 | 7 | 7 | 4 | 0 | 5 | 3 | 2 | 2 | 6 | 7 | 0 | 6 | 1 | 4 | 0 | 9 | 6 | 8 | 6 | 1 | 1 | 9 | 6 | 2 | 7 | 2 | 2 | 8 | 6 | 6 | 5 | 2 | 7 | 0 | 0 | 6 | 3 | 7 | N | I | L | <p>Total Assets</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>3</td><td>7</td><td>7</td><td>4</td><td>0</td><td>5</td><td>3</td></tr></table> <p>Reserve & Surplus</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>1</td><td>1</td><td>2</td><td>4</td><td>1</td><td>4</td><td>1</td></tr></table> <p>Unsecured Loans</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>1</td><td>2</td><td>3</td><td>5</td><td>2</td><td>8</td></tr></table> <p>Investments</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>1</td><td>6</td><td>3</td><td>9</td><td>9</td></tr></table> <p>Misc. Expenditure</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table> | 3 | 7 | 7 | 4 | 0 | 5 | 3 | 1 | 1 | 2 | 4 | 1 | 4 | 1 | 1 | 2 | 3 | 5 | 2 | 8 | 1 | 6 | 3 | 9 | 9 | N | I | L |
| 3 | 7 | 7 | 4 | 0 | 5 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | 2 | 6 | 7 | 0 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 4 | 0 | 9 | 6 | 8 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 1 | 9 | 6 | 2 | 7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | 2 | 8 | 6 | 6 | 5 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | 0 | 0 | 6 | 3 | 7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| N | I | L | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | 7 | 7 | 4 | 0 | 5 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 1 | 2 | 4 | 1 | 4 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 2 | 3 | 5 | 2 | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 6 | 3 | 9 | 9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| N | I | L | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| <p>Turnover</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>2</td><td>7</td><td>9</td><td>4</td><td>3</td><td>3</td><td>6</td></tr></table> <p>Profit /Loss before Tax</p> <p>+ -</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>✓</td><td>2</td><td>0</td><td>2</td><td>8</td><td>5</td><td>9</td></tr></table> <p>Earning Per Share in Rs.</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>6</td><td>.</td><td>3</td><td>6</td></tr></table> | 2 | 7 | 9 | 4 | 3 | 3 | 6 | ✓ | 2 | 0 | 2 | 8 | 5 | 9 | 6 | . | 3 | 6 | <p>Total Expenditure</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>2</td><td>6</td><td>3</td><td>2</td><td>6</td><td>9</td><td>2</td></tr></table> <p>Profit /Loss after Tax</p> <p>+ -</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>✓</td><td>1</td><td>4</td><td>4</td><td>1</td><td>2</td><td>0</td></tr></table> <p>Final Dividend Rate %</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>8</td></tr></table> | 2 | 6 | 3 | 2 | 6 | 9 | 2 | ✓ | 1 | 4 | 4 | 1 | 2 | 0 | 8 |
| 2 | 7 | 9 | 4 | 3 | 3 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ✓ | 2 | 0 | 2 | 8 | 5 | 9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | . | 3 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | 6 | 3 | 2 | 6 | 9 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ✓ | 1 | 4 | 4 | 1 | 2 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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 M. M. NISSIM AND CO.

Chartered Accountants

(Firm Reg. No.: 107122W)

N.KASHINATH

Partner

Membership No.36490

Mumbai, 2nd September, 2011

For and on behalf of the board of the Directors

UMESHKUMAR MORE Chairman

NIRAJKUMAR MORE Managing Director

ANIL GUPTA Group CFO

NOEL JACOB Sr.VP (Corp) & Company Secretary

Mumbai, 2nd September, 2011

STATEMENT ATTACHED TO THE BALANCE SHEET AS AT MARCH 31, 2011

Pursuant to section 212 of the Companies Act, 1956

| | Name of the Subsidiary Company | : | POONA BOTTLING COMPANY LIMITED | GRAUER & WEIL (SHANGHAI) LIMITED |
|---|--|---|--|----------------------------------|
| 1 | Financial year ending | : | 31-Mar-11 | 31-Dec-10 |
| 2 | Date from which it became subsidiary | : | 15-Nov-70 | 15-Nov-07 |
| 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%) | 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. 1,22,02,108 (PROFIT) | Rs. 39,45,481 (LOSS) |
| | b) For the previous financial years of the subsidiary since it became the holding Company's Subsidiary | : | Rs. 10,19,40,738 (LOSS) | Rs. 1,62,41,269 (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 |
| | B. The Net aggregate amount of the subsidiary's profits less losses for the previous financial year of the subsidiary, since it became the holding Company's subsidiary, so far as those profits are dealt within the Holding Company's account. | : | Rs.1,638,850 | NIL |

For M. M. NISSIM AND CO.

Chartered Accountants

(Firm Reg. No.: 107122W)

N.KASHINATH

Partner

Membership No.36490

Mumbai, 2nd September, 2011

For and on behalf of the board of the Directors

UMESHKUMAR MORE Chairman

NIRAJKUMAR MORE Managing Director

ANIL GUPTA

Group CFO

NOEL JACOB

Sr.VP (Corp) & Company Secretary

Mumbai, 2nd September, 2011



CONSOLIDATED



AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**TO THE BOARD OF DIRECTORS GRAUER & WEIL (INDIA) LIMITED**

1. We have audited the attached Consolidated Balance Sheet of the Grauer & Weil (India) Limited ('the Company'), and its subsidiaries (the Company and its subsidiaries constitute 'the Group') as at March 31, 2011 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on the date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis of our opinion.
3. The financial statements of subsidiaries which in the aggregate represent total assets as at March 31, 2011 of Rs. 3130.54 Lacs and total revenue for the year ended on that date of Rs.383.22 Lacs and of an associate which reflect the Group's share of Loss, upto December 31, 2010 of Rs.260.09 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.
5. Subject to our remarks in para 4(a) 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, 2011.
 - 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
(Firm Reg. No. 107122W)

N. KASHINATH
Partner
MEM. NO.: 36490

Mumbai

2nd September, 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

| | Schedule | Rupees | As At 31st March, 2011 Rupees | As At 31st March, 2010 Rupees |
|--|----------|---------------|-------------------------------------|-------------------------------------|
| SOURCES OF FUNDS | | | | |
| SHAREHOLDERS FUNDS | | | | |
| Share Capital | A | 185,730,750 | | 185,730,750 |
| Reserves and Surplus | B | 1,020,598,071 | | 923,884,837 |
| | | | 1,206,328,821 | 1,109,615,587 |
| MINORITY INTEREST | C | | 140,147,901 | 124,836,854 |
| LOAN FUNDS | | | | |
| Secured Loans | D | 1,409,686,362 | | 1,215,307,910 |
| Unsecured Loans | E | 123,528,091 | | 68,991,997 |
| | | | 1,533,214,453 | 1,284,299,907 |
| DEFERRED TAX | | | | |
| Deferred Tax Liabilities | | 140,823,972 | | 103,446,005 |
| Deferred Tax Assets | | (21,196,548) | | (24,647,984) |
| | | | 119,627,424 | 78,798,021 |
| | | | <u>2,999,318,599</u> | <u>2,597,550,369</u> |
| APPLICATION OF FUNDS | | | | |
| FIXED ASSETS | | | | |
| Gross Block | F | 2,801,356,954 | | 1,512,707,164 |
| Less: Depreciation | | 513,894,555 | | 436,198,920 |
| Net Block | | 2,287,462,399 | | 1,076,508,244 |
| Capital Work in Progress & Capital Advances | | 25,296,633 | | 962,134,398 |
| | | | 2,312,759,032 | 2,038,642,642 |
| INVESTMENTS | G | | 6,174,491 | 9,612,084 |
| CURRENT ASSETS, LOANS AND ADVANCES | | | | |
| Inventories | H | 497,565,498 | | 355,922,053 |
| Sundry Debtors | | 613,613,156 | | 448,707,997 |
| Cash and Bank Balances | | 94,372,131 | | 75,422,384 |
| Other Current Assets | | 4,436,093 | | 1,980,246 |
| Loans and Advances | | 307,622,741 | | 223,048,332 |
| | | 1,517,609,619 | | 1,105,081,012 |
| Less: CURRENT LIABILITIES AND PROVISIONS | I | | | |
| Current Liabilities | | 748,948,384 | | 476,020,674 |
| Provisions | | 88,276,159 | | 79,764,695 |
| | | 837,224,543 | | 555,785,369 |
| NET CURRENT ASSETS | | | 680,385,076 | 549,295,643 |
| | | | <u>2,999,318,599</u> | <u>2,597,550,369</u> |
| Basis of Consolidation, Significant Accounting Policies and Notes to Accounts | P | | | |

Schedules 'A' to 'I' and P referred to above form an integral part of the Balance Sheet

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

For M. M. NISSIM AND CO.
Chartered Accountants
(Firm Reg. No. 107122W)

N.KASHINATH
Partner
Membership No.36490

Mumbai, 2nd September, 2011

For and on behalf of the Board of Directors
UMESHKUMAR MORE Chairman
NIRAJKUMAR MORE Managing Director

ANIL GUPTA Group CFO
NOEL JACOB Sr.VP (Corp) & Company Secretary

Mumbai, 2nd September, 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

| | Schedule | Rupees | 2010-2011 Rupees | 2009-2010 Rupees |
|---|----------|--------------|----------------------|----------------------|
| INCOME | | | | |
| Income from Operations | | | | |
| Gross sales | | | 3,222,024,183 | 2,565,715,694 |
| Less : Trade discount | | | 287,188,575 | 225,371,278 |
| Less : Excise Duty | | | 234,207,624 | 148,684,460 |
| | | | <u>2,700,627,984</u> | <u>2,191,659,956</u> |
| Business Conducting Fees/License Fees and related income (Tax deducted at source Rs.8,407,042/- (Previous Year Rs.12,971,620/-) | | | 102,148,644 | 56,227,784 |
| | | | <u>2,802,776,628</u> | <u>2,247,887,740</u> |
| Other Income | J | | 42,495,583 | 21,198,694 |
| | | | <u>2,845,272,211</u> | <u>2,269,086,434</u> |
| EXPENDITURE | | | | |
| Materials | K | | 1,599,274,069 | 1,256,573,558 |
| Salaries, Wages and other benefits | L | | 256,053,601 | 212,507,489 |
| Other Expenses | M | | 561,735,475 | 434,057,695 |
| Interest & Finance charges | N | | 157,416,876 | 99,132,750 |
| Depreciation | O | | 75,156,946 | 46,906,201 |
| | | | <u>2,649,636,967</u> | <u>2,049,177,693</u> |
| | | | 195,635,244 | 219,908,741 |
| Less: Prior Period adjustment | | | - | (3,516) |
| | | | <u>195,635,244</u> | <u>219,912,257</u> |
| PROFIT BEFORE TAX | | | | |
| PROVISION FOR TAXATION | | | | |
| Current Tax | | 40,470,000 | | 39,000,000 |
| Less: MAT Credit Entitlement | | (22,560,000) | | (4,300,000) |
| | | | 17,910,000 | 34,700,000 |
| Deferred Tax | | | 40,829,403 | 30,440,137 |
| PROFIT AFTER TAX | | | <u>136,895,841</u> | <u>154,772,120</u> |
| Transfer from Revaluation Reserve | | | 32,263 | 36,019 |
| NET PROFIT/(LOSS) BEFORE MINORITY INTEREST | | | <u>136,928,104</u> | <u>154,808,139</u> |
| Share of Minority Interest | | | (13,464,528) | (13,786,458) |
| NET PROFIT/(LOSS) AFTER MINORITY INTEREST | | | <u>123,463,576</u> | <u>141,021,681</u> |
| Add: Balance Brought Forward | | | 60,563,407 | (45,451,370) |
| | | | | |
| Less: Share of Capital Profit transfer to Minority Interest | | - | | 12,746,668 |
| Less: Share of Revenue Profit transfer to Minority Interest | | - | | (12,243,873) |
| Add: Dividend adjustment on consolidation | | 3,286,300 | | 1,639,000 |
| | | | <u>3,286,300</u> | |
| PROFIT AVAILABLE FOR APPROPRIATION | | | <u>187,313,283</u> | <u>97,712,106</u> |
| APPROPRIATIONS | | | | |
| Dividend | | | | |
| Final Dividend | | | 18,136,460 | 18,136,460 |
| Tax on Proposed Dividend | | | 2,942,187 | 3,012,239 |
| Transfer to General Reserve | | | 14,000,000 | 16,000,000 |
| | | | <u>35,078,647</u> | <u>37,148,699</u> |
| Balance Carried to Balance Sheet | | | <u>152,234,636</u> | <u>60,563,407</u> |
| Basic and Diluted Earnings per share | | | <u>6.65</u> | <u>7.59</u> |
| Basis of Consolidation, Significant Accounting Policies and Notes to Accounts | P | | | |

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

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

For M. M. NISSIM AND CO.
Chartered Accountants
(Firm Reg. No. 107122W)

N.KASHINATH
Partner
Membership No.36490

Mumbai, 2nd September, 2011

For and on behalf of the Board of Directors

UMESHKUMAR MORE
NIRAJKUMAR MORE

Chairman
Managing Director

ANIL GUPTA
NOEL JACOB

Group CFO
Sr.VP (Corp) & Company Secretary

Mumbai, 2nd September, 2011

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

| | Rupees | 2010-2011 Rupees | Rupees | 2009-2010 Rupees |
|--|---------------|----------------------|--------------|---------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| NET PROFIT BEFORE TAX | | 195,635,244 | | 206,793,939 |
| Adjustment for : | | | | |
| Depreciation | 75,156,946 | | 46,906,201 | |
| Bad Debts written off (Net of provisions written back) | 1,741,156 | | 3,649,177 | |
| Dividend | - | | (24,550) | |
| Provision for diminution in value of Investments | - | | (943,500) | |
| Unrealised Exchange Loss | 1,935,356 | | 5,020,940 | |
| Income / Profit (Loss) relating to Investment Activity | (225,237) | | 1,166,013 | |
| Wealth Tax | 194,744 | | 217,106 | |
| Interest - Net | 153,972,223 | | 96,038,975 | |
| Prior period expenses | - | | 3,516 | |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | | 232,775,188 | | 152,033,878 |
| Adjustment for : | | | | |
| Trade and other receivables | (217,048,340) | | (35,420,928) | |
| Inventories | (141,643,445) | | (94,260,235) | |
| Trade Payable | 259,253,840 | | 56,986,946 | |
| CASH GENERATED FROM OPERATIONS | | 328,972,487 | | 286,133,600 |
| Direct Taxes paid | | (32,265,082) | | (31,515,402) |
| NET CASH FROM OPERATING ACTIVITIES | | 296,707,405 | | 254,618,198 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Fixed Assets | | (357,111,191) | | (439,695,810) |
| Proceeds from Sale of Fixed Assets | | 2,897,349 | | 2,374,702 |
| Purchase of Investments | | - | | (9,000) |
| Proceeds from Sale of Investments | | 9,000 | | 1,055,500 |
| Interest received | | 3,389,843 | | 2,903,666 |
| Dividend received | | 3,286,300 | | 24,550 |
| Income from Investments | | 13,820 | | - |
| NET CASH FROM INVESTING ACTIVITIES | | (347,514,878) | | (433,346,392) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Net proceeds from working capital borrowings | | 173,424,228 | | 131,435,122 |
| Net proceeds from dealers deposits | | 40,799,880 | | 6,147,163 |
| Proceeds from Term Loans | | 110,000,000 | | 813,100,000 |
| Repayment of Term Loans | | (92,589,878) | | (622,794,293) |
| Hire Purchase Credits taken | | 2,327,885 | | 1,475,000 |
| Hire Purchase Credits repaid | | (2,003,295) | | (4,940,688) |
| Fixed Deposits accepted | | 4,300,000 | | 4,257,000 |
| Fixed Deposits repaid | | (2,040,000) | | (2,387,000) |
| Inter Corporate Deposits accepted | | 9,347,160 | | 850,000 |
| Inter Corporate Deposits repaid | | (54,594) | | (3,373,623) |
| Loan taken from Directors | | 6,999,168 | | 5,150,000 |
| Loan Repaid to Directors | | - | | (1,224,542) |
| Interest paid | | (157,930,643) | | (100,241,496) |
| Dividend / Corporate Dividend tax paid | | (20,945,668) | | (9,980,476) |

| | Rupees | 2010-2011 Rupees | Rupees | 2009-2010 Rupees |
|---|--------|---------------------|--------|---------------------|
| NET CASH FROM FINANCING ACTIVITIES | | 71,634,243 | | 217,472,167 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | | 20,826,770 | | 38,743,973 |
| CASH AND CASH EQUIVALENTS AS AT 31.03.10 | | 81,443,213 | | 42,699,240 |
| CASH AND CASH EQUIVALENTS AS AT 31.03.11 | | 102,269,983 | | 81,443,213 |
| <u>Components of cash and cash equivalents:</u> | | | | |
| Cash and bank balances | | 94,372,132 | | 75,422,384 |
| Unrealised foreign exchange gains/ loss - net | | 7,897,851 | | 6,020,829 |
| | | 102,269,983 | | 81,443,213 |

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

For M. M. NISSIM AND CO.
Chartered Accountants
(Firm Reg. No. 107122W)

N.KASHINATH
Partner
Membership No.36490

Mumbai, 2nd September, 2011

For and on behalf of the Board of Directors

UMESHKUMAR MORE
NIRAJKUMAR MORE

Chairman
Managing Director

ANIL GUPTA
NOEL JACOB

Group CFO
Sr.VP (Corp) & Company Secretary

Mumbai, 2nd September, 2011

SCHEDULES ANNEXED TO THE CONSOLIDATED BALANCE SHEET

| | | As At 31st March, 2011 Rupees | As At 31st March, 2010 Rupees |
|---|--------------------|-------------------------------------|-------------------------------------|
| SCHEDULE A: SHARE CAPITAL | | | |
| AUTHORISED | | | |
| 25,000,000 Equity Shares of Rs. 10 each | | <u>250,000,000</u> | <u>250,000,000</u> |
| ISSUED, SUBSCRIBED AND PAID-UP | | | |
| 18,573,075 (12,787,725) Equity Shares of Rs. 10 each fully paid-up | | <u>185,730,750</u> | <u>185,730,750</u> |
| | | <u>185,730,750</u> | <u>185,730,750</u> |
| SCHEDULE B: RESERVES AND SURPLUS | | | |
| CAPITAL RESERVE | | | |
| As per Last Balance Sheet | | 123,783,688 | 123,783,688 |
| CAPITAL RESERVE | | | |
| As per Last Balance Sheet | | 9,520,703 | 9,520,703 |
| REVALUATION RESERVE | | | |
| As per Last Balance Sheet | 4,079,332 | | 4,017,331 |
| Add : Transfer from Profit and Loss Account | <u>(16,383)</u> | | <u>62,001</u> |
| | | 4,062,949 | <u>4,079,332</u> |
| GENERAL RESERVE-I | | | |
| As per Last Balance Sheet | 516,091,890 | | 556,990,218 |
| Add/Less : Share of Accumulated Profit/(Loss) in respect of Investment in Associate | <u>(3,428,593)</u> | | |
| Companies (net) | - | | (4,951,545) |
| Add/Less: Share of Capital Profit/(Loss) transfer to Minority Interest | - | | (53,267,213) |
| Add/Less: Share of Revenue Profit/(Loss) transfer to Minority Interest | - | | 1,320,430 |
| Add : Transferred from Profit and Loss Account | <u>12,636,394</u> | | <u>16,000,000</u> |
| | | 525,299,691 | 516,091,890 |
| GENERAL RESERVE-II | | | |
| As per Last Balance Sheet | 213,343,746 | | 239,343,891 |
| Add : Excess Stamp Duty Provision Written Back | - | | 2,166,572 |
| Less: Share of Revenue Profit transfer to Minority Interest | - | | 23,022,133 |
| Less: Amount transfer to Profit & Loss account | <u>5,620,114</u> | | <u>5,144,584</u> |
| | | 207,723,632 | 213,343,746 |
| FOREIGN CURRENCY TRANSLATION RESERVE | | | |
| | | <u>(2,027,228)</u> | <u>(3,497,930)</u> |
| Balance of Profit & Loss Account | | | |
| | | <u>152,234,636</u> | <u>60,563,407</u> |
| | | <u>1,020,598,071</u> | <u>923,884,836</u> |

| | As At 31st March, 2011 Rupees | As At 31st March, 2010 Rupees |
|--|-------------------------------------|-------------------------------------|
| SCHEDULE C: MINORITY INTEREST | | |
| Minority interest in equity | | |
| 93030 (Previous Year 93030) equity shares of Poona Bottling Company Ltd. held by minority interest | 9,303,000 | 9,303,000 |
| 48639 (Previous Year 48639) equity shares of Growel Energy Ltd. held by minority interest | - | 486,390 |
| Less: Withdrawn on account of cessation Parents & Subsidiary relationship | - | (486,390) |
| Minority interest in non-equity; | | |
| Balance as on 01.04.2010 | 115,533,854 | 27,326,417 |
| Add/Less: Share of Capital Profit/(loss) transfer from : | | |
| General Reserve I | - | 53,267,213 |
| Profit & Loss Account | - | (12,746,668) |
| Add/Less: Share of Revenue Profit/(loss) transfer from : | | |
| General Reserve I | 1,363,606 | (1,320,430) |
| General Reserve II | 498,793 | 23,022,133 |
| Profit & Loss Account | - | 12,243,873 |
| Add/Less: Share of Revenue Profit/(loss) for the year | 13,464,528 | 13,786,458 |
| Less: Share of transfer from revaluation reserve | (15,880) | (45,142) |
| | <u>130,844,901</u> | <u>115,533,854</u> |
| | <u>140,147,901</u> | <u>124,836,854</u> |
| SCHEDULE D: SECURED LOANS | | |
| CREDIT FACILITIES FROM BANKS | | |
| Term Loans | 984,965,561 | 964,281,343 |
| (Repayable within one year Rs 124.00 million, Previous year Rs.82.90 million) | | |
| TERM LOANS FROM A FINANCIAL INSTITUTION | | |
| Working Capital Facilities | 421,039,413 | 247,615,175 |
| HIRE PURCHASE CREDITS | 3,681,388 | 3,411,392 |
| | <u>1,409,686,362</u> | <u>1,215,307,910</u> |
| 1 Term loans from Punjab National Bank and The Saraswat Co-op Bank are secured by pari-passu first charge by way of joint mortgage of deposit of title deeds of immovable properties of the Company at Kandivli. Term loan from The Saraswat Co-operative Bank Ltd is secured by legal mortgage of fixed assets including land & Building of its Paint Division at Mumbai. Term loan from Punjab National Bank for Sambha unit at Jammu is secured by first charge on the block of assets of Sambha unit | | |
| 2 Working capital facilities are secured by hypothecation of all stocks,moveable assets and book debts by way of first charge on Pari-Passu basis and are further collaterally secured by second Pari-Passu charge on the block assets of Shopping Mall at Kandivli , Mumbai.Working Capital facilities are from Punjab National Bank are further collaterally secured by first charge on the block assets of Samba. | | |
| 3 Hire purchase credits are secured by hypothecation of specific assets purchased there against. | | |
| SCHEDULE E: UNSECURED LOANS | | |
| Fixed Deposits: | 8,904,000 | 6,644,000 |
| (Repayable within one year Rs. 1.09 million, Previous year Rs.1.94 million) | | |
| Dealer Deposits | 76,774,929 | 35,975,049 |
| Inter Corporate Deposits | 21,450,000 | 16,972,948 |
| Loan from Directors | 16,399,162 | 9,400,000 |
| | <u>123,528,091</u> | <u>68,991,997</u> |

SCHEDULE F: FIXED ASSETS

| Sr. No | Description | GROSS BLOCK (AT COST / FAIR VALUE) | | | DEPRECIATION | | | NET BLOCK | | | |
|--------|---------------------------------------|------------------------------------|---------------------------|------------------------------------|------------------|-----------------|---------------------------------|--------------|-----------------|------------------|------------------|
| | | As at 01-04-2010 | Additions during the year | Sales/ adjustments during the year | As at 31-03-2011 | Upto 31-03-2010 | Deduction for Sale/ Adjustments | For the Year | Upto 31-03-2011 | As at 31-03-2011 | As at 31-03-2010 |
| 1. | Land | | | | | | | | | | |
| | a) Freehold | 119,596,099 | - | - | 119,596,099 | - | - | - | - | - | 119,596,099 |
| | b) Leasehold | 188,762,161 | - | - | 188,762,161 | 7,053,391 | - | 3,008,597 | 10,061,988 | 178,700,173 | 181,708,770 |
| 2. | Buildings | 508,497,058 | 843,165,984 | - | 1,351,663,042 | 82,181,042 | - | 30,506,813 | 112,687,855 | 1,238,975,187 | 426,316,016 |
| 3 | Plant and Machinery | 416,683,290 | 310,165,586 | - | 726,848,876 | 196,813,768 | - | 27,400,490 | 224,214,258 | 502,634,618 | 219,869,522 |
| 4. | Laboratory Equipment | 29,130,717 | 1,882,088 | 547,100 | 30,465,705 | 13,081,135 | 454,674 | 1,412,988 | 14,039,449 | 16,426,256 | 16,049,582 |
| 5. | R&D Equipment | 46,208,194 | 7,712,787 | - | 53,920,981 | 18,764,307 | - | 2,414,353 | 21,178,660 | 32,742,321 | 27,443,887 |
| 6. | Furniture Fittings and Fixtures | 40,493,114 | 94,071,847 | - | 134,564,961 | 24,407,894 | - | 4,904,446 | 29,312,340 | 105,252,621 | 16,085,220 |
| 7. | Office Equipments | 33,780,818 | 5,195,022 | 9,496 | 38,966,344 | 15,332,712 | 3,206 | 1,523,163 | 16,852,669 | 22,113,675 | 18,448,106 |
| 8 | Bottles & Cases | 67,051,885 | - | - | 67,051,885 | 56,950,452 | - | 1,405,109 | 58,355,561 | 8,696,324 | 10,101,433 |
| 9. | Vehicles | 55,724,817 | 29,731,016 | 4,706,118 | 80,749,715 | 19,993,884 | 2,118,902 | 6,279,194 | 24,154,176 | 56,595,539 | 35,730,933 |
| 10. | Intangible Assets (Computer Software) | 6,742,563 | 2,024,622 | - | 8,767,185 | 1,614,487 | - | 1,423,112 | 3,037,599 | 5,729,586 | 5,128,076 |
| | Total | 1,512,670,716 | 1,293,948,952 | 5,262,714 | 2,801,356,954 | 436,193,072 | 2,576,782 | 80,278,265 | 513,894,555 | 2,287,462,399 | 1,076,477,645 |
| | Previous Year | 1,292,205,034 | 227,937,941 | 7,435,812 | 1,512,707,164 | 387,822,704 | 3,820,097 | 52,196,313 | 436,198,920 | 1,076,508,244 | |

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, 2011 Rupees | As At 31st March, 2010 Rupees |
|---|-------------------------------------|-------------------------------------|
| SCHEDULE G: INVESTMENTS (NON TRADE, LONG TERM) | | |
| (at cost less permanent diminution in value) | | |
| (A) In Associates | | |
| (a) Fully paid equity shares (Unquoted) | | |
| (a) Carrying cost of investments in associates (see note below) | 494,000 | 3,922,593 |
| Subsidiaries | | |
| (B) Others | | |
| (a) Fully paid equity shares (Quoted) | 285,751 | 285,751 |
| (b) Fully paid equity shares (Unquoted) | 5,334,440 | 5,334,440 |
| (c) Units in Mutual Funds | - | - |
| (c) National savings Certificates | 60,300 | 69,300 |
| | 6,174,491 | 9,612,084 |

Note

The Investments in associates are accounted for in accordance with AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements"

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 | Carrying cost of Investments |
|------------------------------------|--------------------------|----------------------|-----------------------------|---|--|------------------------------|
| Growel Goema (I) Pvt Ltd | India | 249,980 (249,980) | 2,502,300 (2,502,300) | 330,788 (330,788) | -5,408,216 (-218,230) | - (2,614,858) |
| Growel Sidasa Industries Pvt. Ltd. | India | 444,900 (444,900) | 4,449,000 (4,449,000) | | -6,152,275 (-3,635,265) | - (813,735) |
| Grauer & Weil (Thailand) Ltd | Thailand | 9,800 (9,800) | 1,098,050 (1,098,050) | | -12,744,468 (-10,119,685) | - - |
| Growel Energy Ltd. * | India | 49,400 (49,400) | 494,000 (494,000) | | - (-) | 494,000 (494,000) |
| TOTAL | | | 8,543,350 | | | 494,000 |
| | | | - | | | - |
| | | | (8,543,350) | | | (3,922,593) |
| | | | - | | | - |

Figures in brackets are in respect of previous year.

*(On cessation of Parent & Subsidiary relationship, the Investment in Growel Energy has been considered as as Investment in Associate)

| | | As At 31st March, 2011 Rupees | As At 31st March, 2010 Rupees |
|---|--------------------|-------------------------------------|-------------------------------------|
| SCHEDULE H: CURRENT ASSETS, LOANS AND ADVANCES | | | |
| I. CURRENT ASSETS | | | |
| (i) Inventories (As taken, valued and certified by the management) | | | |
| Stores, Spares and Packing Materials | 14,820,263 | | 16,548,948 |
| Raw Materials | 242,675,476 | | 176,902,943 |
| Work-in-Progress | 36,348,723 | | 31,632,280 |
| Finished Goods | 141,117,557 | | 104,414,496 |
| Goods in Transit | 62,603,479 | | 26,423,386 |
| | | 497,565,498 | 355,922,053 |
| (ii) Sundry Debtors (Refer Note no.7) | | | |
| Exceeding six months | | | |
| - Secured | 20,429,980 | | 9,002,078 |
| - Unsecured-Considered good | 144,436,752 | | 123,281,740 |
| - Unsecured-Considered doubtful | - | | 17,452,612 |
| | 164,866,732 | | 149,736,430 |
| Other Debts | | | |
| - Secured | 24,980,827 | | 9,043,508 |
| - Unsecured-Considered good | 423,765,597 | | 307,380,671 |
| | 448,746,424 | | 316,424,179 |
| - Less:Provision for Doubtful Debts | - | | 17,452,612 |
| | | 613,613,156 | 448,707,997 |
| (iii) Cash and Bank balances | | | |
| Cash on hand | 2,651,191 | | 1,825,853 |
| With Scheduled Banks : | | | |
| In Current Accounts | 79,839,952 | | 60,096,349 |
| In Fixed Deposits | 4,283,680 | | 4,383,230 |
| In Margin accounts | 7,597,308 | | 9,116,952 |
| | | 94,372,131 | 75,422,384 |
| (iv) Other Current Assets | | | |
| Interest Receivable | 4,426,597 | | 1,976,150 |
| Interest Accrued but not due | 9,496 | | 4,096 |
| | | 4,436,093 | 1,980,246 |
| II. LOANS AND ADVANCES | | | |
| (Unsecured considered good) | | | |
| Inter Corporate Loans (Refer Note no. 8(a)) | 42,953,369 | | 41,635,998 |
| Balances with Excise Department | 49,452,251 | | 53,677,771 |
| Income Tax (less Provision) | 4,652,768 | | 14,055,684 |
| MAT Credit Entitlement | 37,760,000 | | 15,200,000 |
| Deposits | 24,405,220 | | 22,657,010 |
| Advance to Suppliers | 105,701,623 | | 40,920,893 |
| Loans to Staff | 2,810,471 | | 1,837,024 |
| Prepaid Expenses | 4,134,680 | | 4,213,028 |
| Advances recoverable in cash or in kind or for value to be received (Refer Note no.8(b)) | 35,752,359 | | 28,850,924 |
| | | 307,622,741 | 223,048,332 |
| | | 1,517,609,619 | 1,105,081,012 |

| | | As At 31st March, 2011 Rupees | As At 31st March, 2010 Rupees |
|--|--------------------|-------------------------------------|-------------------------------------|
| SCHEDULE I: CURRENT LIABILITIES & PROVISIONS | | | |
| (a) CURRENT LIABILITIES | | | |
| Acceptances | | 32,551,470 | - |
| Sundry Creditors | | | |
| - Due to Micro, Small & Medium Enterprises | | 1,542,371 | 1,658,730 |
| - Others | | 371,845,961 | 269,950,354 |
| Deposit towards deposits for bottles & cases | | 53,718,274 | 54,433,274 |
| Deposits towards use of premises | | - | - |
| Advance from customers | | 85,140,141 | 26,924,624 |
| Investor Education and Protection Fund shall be credited by* | | | |
| Unclaimed dividends | 1,623,548 | | 1,420,516 |
| Unclaimed Fixed Deposits | 15,000 | | 18,000 |
| | | 1,638,548 | 1,438,516 |
| Interest accrued but not due | 863,310 | | 742,475 |
| Other Liabilities | 201,648,309 | | 120,872,701 |
| | | 202,511,619 | 121,615,176 |
| | | 748,948,384 | 476,020,674 |
| (b) PROVISIONS | | | |
| Provision for Income Tax | - | | - |
| Proposed Dividend | 18,136,460 | | 18,136,460 |
| Tax on Proposed dividend | 2,942,187 | | 3,012,239 |
| Provision for Retirement Benefits | 67,197,512 | | 58,615,996 |
| | | 88,276,159 | 79,764,695 |
| | | 837,224,543 | 555,785,369 |

* The figures reflect the position as at 31st March, 2011. 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 CONSOLIDATED PROFIT AND LOSS ACCOUNT

| | | For the year ended March 31, 2011 Rupees | For the year ended March 31, 2010 Rupees |
|---|----------------------|--|--|
| SCHEDULE J: OTHER INCOME | | | |
| Plating and Service charges (Gross)* | | 9,991,049 | 8,918,799 |
| License Fees | | 550,000 | 400,000 |
| Interest Received(Gross)* | | 3,360,131 | 3,093,775 |
| Profit on sale of assets (Net) | | 259,800 | 848,692 |
| Diminution in value of Investments written back | | - | 943,500 |
| Dividend on investments (other than Trade Investments) | | 13,820 | 24,550 |
| Miscellaneous Receipts(Gross)* | | 23,164,155 | 6,146,178 |
| Exchange Fluctuations | | 3,951,628 | - |
| Compensation received | | 1,205,000 | 823,200 |
| | | <u>42,495,583</u> | <u>21,198,694</u> |
| * Tax Deducted at source | | <u>546,571</u> | <u>3,394,085</u> |
| SCHEDULE K: MATERIAL RAW MATERIAL CONSUMED | | | |
| Opening Stock | 176,902,943 | | 100,668,536 |
| Add:Purchases | <u>1,671,124,059</u> | | <u>1,317,243,612</u> |
| | <u>1,848,027,002</u> | | <u>1,417,912,148</u> |
| Less: Closing Stock | <u>242,675,476</u> | | <u>176,902,943</u> |
| | | <u>1,605,351,526</u> | <u>1,241,009,205</u> |
| Purchase for Resale | | <u>30,850,099</u> | <u>31,975,179</u> |
| | | <u>1,636,201,625</u> | <u>1,272,984,384</u> |
| ADD :(INCREASE) / DECREASE IN STOCKS | | | |
| Opening Stock | | | |
| Work-in-Progress | 31,632,280 | | 37,372,880 |
| Finished Goods | <u>104,414,496</u> | | <u>78,810,265</u> |
| | <u>136,046,776</u> | | <u>116,183,145</u> |
| Closing Stock | | | |
| Work-in-Progress | 36,329,198 | | 31,632,280 |
| Finished Goods | <u>141,117,557</u> | | <u>104,414,496</u> |
| | <u>177,446,755</u> | | <u>136,046,776</u> |
| | <u>(41,399,979)</u> | <u>(41,399,979)</u> | <u>(19,863,631)</u> |
| Variation in Excise duty on Opening & Closing Stock of finished Goods | | <u>4,472,423</u> | <u>3,452,805</u> |
| | | <u>1,599,274,069</u> | <u>1,256,573,558</u> |
| SCHEDULE L: SALARIES, WAGES AND OTHER BENEFITS | | | |
| Salaries, Wages, Bonus etc. | | 218,148,316 | 176,997,249 |
| Contribution to Provident and Other Funds | | 12,554,316 | 11,562,432 |
| Welfare Expenses | | 25,350,969 | 23,947,808 |
| | | <u>256,053,601</u> | <u>212,507,489</u> |

| | | For the year ended March 31, 2011 Rupees | For the year ended March 31, 2010 Rupees |
|--|------------|--|--|
| SCHEDULE M: OTHER EXPENSES | | | |
| Stores, Spares and Loose Tools Consumed | | 37,326,007 | 13,377,557 |
| Packing Expenses | | 70,133,943 | 81,762,423 |
| Job Charges/Labour charges | | 52,445,194 | 29,662,511 |
| Power and Fuel | | 33,170,175 | 21,614,160 |
| Drawings, Designs and Layout Expenses | | 484,656 | 343,809 |
| Rent | | 9,110,352 | 8,174,883 |
| Rates and Taxes | | 12,267,417 | 13,081,781 |
| Repairs & Maintenance: | | | |
| Buildings | 20,417,630 | | 6,396,742 |
| Plant and Machinery | 9,276,446 | | 7,100,340 |
| Others | 7,589,222 | | 8,736,512 |
| | | 37,283,298 | 22,233,594 |
| Insurance | | 4,750,082 | 3,850,068 |
| Freight and Forwarding | | 58,391,161 | 42,544,481 |
| Printing and Stationery | | 7,282,374 | 5,978,072 |
| Postage and Telephones | | 12,232,944 | 11,842,420 |
| Vehicle Expenses | | 12,606,092 | 9,983,867 |
| Travelling Expenses | | 31,683,375 | 24,599,051 |
| Conveyance Expenses | | 6,819,450 | 7,669,408 |
| Legal and Professional Fees | | 22,299,632 | 16,913,409 |
| Excise | | - | 3,252,623 |
| Sales Tax | | 58,123,002 | 48,803,196 |
| Advertisement & Sales Promotion | | 18,986,467 | 6,189,008 |
| Auditors' Remuneration: | | - | 24,473 |
| Audit Fees | 243,203 | | 212,575 |
| Tax Audit /Taxation Matters | 175,000 | | 160,000 |
| Cost Audit Fees | 40,000 | | 40,000 |
| Other Matters | 47,500 | | 70,000 |
| Reimbursement of Expenses | 48,361 | | 40,674 |
| | | 554,064 | 523,249 |
| Directors' Sitting Fees | | 270,000 | 147,500 |
| Bad Debts written off | | 1,741,156 | 3,649,177 |
| Less: Provision for doubtful debts written back Rs. 17,452,613 | | | |
| Wealth Tax | | 194,744 | 217,106 |
| Loss on Sale/Discard of Assets (Net) | | 48,383 | 1,089,705 |
| Loss on Sale of Investment (Net) | | - | 925,000 |
| Donations | | 82,851 | 113,703 |
| Exchange Fluctuation loss | | - | 3,678,283 |
| Miscellaneous Expenses | | 73,443,101 | 51,813,178 |
| Non Operating Expenditure | | 5,555 | |
| | | 561,735,475 | 434,057,695 |
| SCHEDULE N: INTEREST & FINANCE CHARGES | | | |
| Interest | | | |
| - On Fixed Loans | | 79,914,315 | 35,582,708 |
| - Others | | 51,736,180 | 43,183,931 |
| Cash Discount | | 25,766,381 | 20,366,111 |
| | | 157,416,876 | 99,132,750 |
| SCHEDULE O: DEPRECIATION | | | |
| Depreciation for the year | | 80,278,267 | 52,196,312 |
| Less: Capitalised During the year | | - | 145,527 |
| Less: Withdrawn from General Reserve-II | | 5,121,321 | 5,144,584 |
| | | 75,156,946 | 46,906,201 |

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

I. 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, 2011 except Grauer & Weil (Shanghai) Limited having its year end December 31, 2010.
- 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 policies were 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, 2011 | % Shares held as at March 31, 2010 | Country of Incorporation |
|-----|-------------------------------------|---|---|-------------------------------------|
| i. | Poona Bottling Company Pvt. Limited | 50.78% | 50.78% | India |
| ii. | Grauer & Weil (Shanghai) Limited | 100.00% | 100.00% | China |

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

| | | % Shares held as at March 31, 2011 | % Shares held as at March 31, 2010 | Country of Incorporation |
|------|---------------------------------------|---|---|-------------------------------------|
| i. | Growel Goema (India) Pvt.Ltd. | 29.99% | 29.99% | India |
| ii. | Grauer & Weil (Thailand) Limited | 49.00% | 49.00% | Thailand |
| iii. | Growel Sidasa Industries Pvt. Limited | 49.43% | 49.43% | India |
| iv. | Growel Energy Company Limited | 47.94% | 47.94% | 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 of certain assets on merger under a Scheme approved by The Hon'ble Board for Industrial & Financial Reconstruction (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/License Fees are accounted at contracted rates, keeping in view the collectability of the resulting receivables is reasonably assured and is disclosed net of indirect taxes, if any.

Revenue from amenities provided is recognized at value of service and is disclosed net of indirect taxes, if any. Recoveries made against common area maintenance expenses are netted of against relevant expenses.

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.

Dividend income is recognized, when the right to receive is established.

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.

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 :

| <u>Category</u> | <u>Useful life</u> | <u>Rate of Depreciation</u> |
|------------------|--------------------|-----------------------------|
| Office Equipment | 5 Years | 18% |
| Vehicle | 5 Years | 18% |

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

vi. Bottles and cases are valued at the deposit rate prevailing as on 31st 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 benefit are accounted in the Period during which the services have been rendered.

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

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

The Company's Liability towards Gratuity 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 except for foreign currency non-monetary items pertaining to foreign subsidiary which are restated at exchange rates prevailing at the Balance sheet. 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. Deferred Tax assets pertaining to unabsorbed business loss & depreciation are recognized only to the extent of virtual certainty of its realisation.

n. Segment Reporting:

i. Identification of Segments:

The group has disclosed Business Segment as the Primary Segment. The operating business are organized and managed separately according to the nature of the products and services provided, with each segment representing strategic business unit that offers different products and serves different markets.

ii. Segment Revenue & Results:

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

iii. Segment Assets & Liabilities:

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

o. Leases:

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

p. Provisions & Contingent Liabilities:

The group 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 | 2010-2011 (Rs. in '000) | 2009-2010 (Rs. in '000) |
|--|----------------------------|----------------------------|
| Disputed matters in appeal / contested in respect of: | | |
| Income Tax | 94 | 5850 |
| Excise Duty | 4416 | 4416 |
| Sales Tax | 2929 | 4534 |
| Gratuity | 69 | 69 |
| Bank guarantee | 81367 | 44009 |
| Others | 100 | - |
| 4. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances). | 2462 | 24579 |
| 5. Tax deducted at sources on job contract sales | 1128 | 1309 |
| 6. Managing Remuneration | | |
| i. Salary and Allowances | 6946 | 5066 |
| ii. Contribution to Provident Fund and other funds | 152 | 328 |
| iii. Perquisites | 158 | 1677 |
| iv. Directors Sitting Fees | 270 | 148 |
| Total | *7526 | *7219 |

· Excluding Contribution / Provision for Gratuity and Leave Encashment.

7. Sundry Debtors includes:

| | 2010-2011 (Rs. in '000) | 2009-2010 (Rs. in '000) |
|--|----------------------------|----------------------------|
| Debts due from Companies under same Management | | |
| i) Grauer & Weil (Thailand) Limited | 24609 | 15980 |
| ii) Growel Sidasa Industries Pvt. Limited | 14765 | 4618 |
| iii) Growel Goema India Pvt. Limited | 39574 | 14679 |
| iv) Grauer & Weil (Shanghai) Limited | 35932 | 32686 |

8. Loans and Advances includes:

| | 2010-2011 (Rs. in '000) | 2009-2010 (Rs. in '000) |
|--|----------------------------|----------------------------|
| a) Loan to Associates /Companies Under the same Management | | |
| i) Grauer & Weil (Thailand) Limited | | |
| - On account of Loan (Including interest of Rs. 4 lacs) | 6922 | 6522 |
| b) Amount due from Associates /Companies under the same Management- On account of expenses | | |
| i) Growel Sidasa Industries Pvt. Ltd. | 79 | 116 |
| ii) Growel Softech Limited | 119 | 119 |
| iii) Growel Corporate Management Ltd. | - | 16 |
| iv) Digikore Design Ltd. | 39 | 39 |

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:

| Particular | 2010-2011 | 2009-2010 (Rs. In '000) |
|--|-----------|----------------------------|
| - Not later than one year | 8151 | 6326 |
| - Later than one year, but not latter than five year | 14035 | 8108 |
| - More than five year | 1022 | 1800 |

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.

| | 2010-2011 | 2009-2010 |
|-----------------------------------|-----------|-----------|
| i) Salaries, Wages & Benefits | 16643 | 12847 |
| ii) Chemicals consumed | 4214 | 4694 |
| iii) Traveling & Conveyance | 1130 | 1187 |
| iv) Repairs & Maintenance | 939 | 159 |
| v) Other expenses | 495 | 1179 |
| Total | 23421 | 20066 |
| Less : Testing & analysis charges | (155) | (603) |
| Total | 23266 | 19463 |

(Rs. In '000)

Depreciation includes Rs.2036 thousand (PY.Rs 2094 thousand) in respect of Fixed Assets used for Research & Development.

Capital Expenditure on Research & Development during the year as certified by Management is Rs.7148 thousand (PY. Rs.80928 thousand)

This information also complies with the terms of approval of In-house Research & Development facility at R&D centre, Kandivli, Mumbai granted by Government of India, Ministry of Science & Technology. Department of Scientific & Industrial Research for the period 1st April, 2009 to 31st March, 2012 vide their letter No. T.U.IV-15 (305)/2007 dated 16th June, 2009.

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

| | 2010-2011 | 2009-2010 |
|---------------------|-----------|-----------|
| Revenue Expenditure | 4203 | 2359 |
| Capital Expenditure | 564 | 2817 |

(Rs. In '000)

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.

(i) Defined contribution plans:

| | 2010-2011 | 2009-2010 |
|---|-----------|-----------|
| Employer's Contribution to Provident Fund* | 5830 | 5261 |
| Employer's Contribution to Superannuation Fund* | 2026 | 1862 |

(Rs. In '000)

*included in "contribution to Provident & Other funds" (Refer schedule L)

(ii) (a) Defined benefit plans:

| | Gratuity * *2010-2011 Partly Funded | Gratuity * 2010-2011 Unfunded | Gratuity * 2009-2010 Partly Funded | Gratuity * 2009-2010 Unfunded |
|--------------------------------|---|-------------------------------------|--|-------------------------------------|
| Current Service Cost | 881 | 2945 | 853 | 2934 |
| Interest Cost | 788 | 3160 | 681 | 2548 |
| Expected return on Plan assets | (169) | - | (132) | - |
| Actuarial (Gain)/Loss | (1514) | 5139 | (358) | 3371 |
| Net Cost | (14) | 11244 | 1044 | 8853 |

(Rs. In '000)

b) Reconciliation of benefit obligations and plan assets for the year

| | Gratuity * 2010-2011 Partly Funded | Gratuity * 2010-2011 Unfunded | Gratuity * 2009-2010 Partly Funded | Gratuity * 2009-2010 Unfunded |
|--|--|-------------------------------------|--|-------------------------------------|
| Present value of defined benefit obligation. | 9771 | 48993 | 10099 | 39500 |
| Fair value of plan assets | 2281 | - | 2112 | - |
| Net asset/ (liability) as at 31 st March, 2011 Recognised in the Balance Sheet | (7490) | 48993 | (7987) | (39500) |
| Experience adjustments on plan liabilities | | Not available * | | |
| Experience adjustments on plan assets | | Not available * | | |

(Rs. In '000)

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.

c) Change in defined benefit obligation

| | (Rs. In '000) | | | |
|--|---------------|--------------|---------------|--------------|
| | Gratuity * | Gratuity * | Gratuity * | Gratuity * |
| | 2010-2011 | 2010-2011 | 2009-2010 | 2009-2010 |
| | Partly Funded | Unfunded | Partly Funded | Unfunded |
| Present value of obligation as at 1 st April, 2010 | 10099 | 39500 | 9276 | 36397 |
| Current Service Cost | 881 | 2945 | 853 | 2934 |
| Interest Cost | 788 | 3160 | 681 | 2548 |
| Actuarial (Gain) / Loss | (1514) | 5139 | (336) | 3371 |
| Benefits paid | (483) | (1751) | (375) | (5750) |
| Present value of obligation as at 31 st March, 2011 | <u>9771</u> | <u>48993</u> | <u>10099</u> | <u>39500</u> |

d) Change in Plan Assets

| | (Rs. In '000) | |
|---|---------------|-------------|
| | Gratuity | Gratuity |
| | *2010-2011 | *2009-2010 |
| | Partly Funded | Unfunded |
| Opening fair value of plan assets on 1 st April,2010 | 2112 | 1157 |
| Expected return on plan Assets | 169 | 132 |
| Contribution by Employer | 483 | 1176 |
| Benefits Paid | (483) | (375) |
| Actuarial Gains/(loss) *(Rs.22) | * | 22 |
| Closing fair value of plan assets as on 31 st March,2011 | <u>2281</u> | <u>2112</u> |

e) Reconciliation of expected return and actual return on plan assets.

| | (Rs. In '000) | |
|-----------------------------------|---------------|------------|
| | Gratuity | Gratuity |
| | *2010-2011 | *2010-2011 |
| | Partly Funded | Unfunded |
| Expected return on plan assets | 169 | 132 |
| Actuarial Gains/(loss) * (Rs. 22) | * | 22 |
| Actual return on plan assets | <u>169</u> | <u>154</u> |

f) Reconciliation of opening and closing net liability /(asset) recognized in the Balance Sheet

| | (Rs. In '000) | | | |
|---|---------------|--------------|---------------|--------------|
| | Gratuity * | Gratuity * | Gratuity * | Gratuity * |
| | 2010-2011 | 2010-2011 | 2009-2010 | 2009-2010 |
| | Partly Funded | Unfunded | Partly Funded | Unfunded |
| Opening net liability as on 1 st April, 2010 | 7987 | 39500 97 | 8119 | 36397 97 |
| Expenses as recognized in Profit & Loss account | (14) | 11244 | 1044 | 8853 |
| Contribution by the employer | (483) | (1751) | (1176) | (5750) |
| Net Liability/ (Assets) | <u>7490</u> | <u>48993</u> | <u>7987</u> | <u>39500</u> |

g) Investments under plan assets as on 31st March, 2011:

LIC Group Gratuity (Cash Accumulation) Policy - 100%

h) The principal actuarial assumptions

| | Gratuity * 2010-2011 Partly funded | Gratuity * 2010-2011 Unfunded | Gratuity * 2009-2010 Partly funded | Gratuity * 2009-2010 Unfunded |
|--|--|-------------------------------------|--|-------------------------------------|
| Discount rate | 8.3% p.a | 8.25% p.a | 7.5% p.a | 8% p.a |
| Salary escalation rate | 4% p.a | 5% p.a | 4% p.a | 5% p.a |
| Expected rate of return on plan assets | 8% p.a | - | 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 L)

13. The company does not have any outstanding position in respect of forward exchange contracts as at 31st March, 2011.

Un-hedged foreign currency exposure is as under:

| Particular | JPY | USD | EURO | GBP | HKD | SGD | Total (INR) (Rs. In '000) |
|------------|--------|-----------|---------|---------|--------|------|------------------------------|
| Receivable | - | 2285457 | 97576 | - | - | - | 109464 |
| | (-) | (2729250) | (98213) | (8934) | (5500) | (-) | (134066) |
| Payable | 397828 | 423216 | 25484 | 17660 | 12500 | 6975 | 19715 |
| | (-) | (102105) | (25400) | (17910) | (5500) | (-) | (7462) |

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

The information given below and that given in Schedule I "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.

| Sr. No | Particular | 2010-2011 | 2009-2010 |
|--------|--|-----------|-----------|
| (i) | Principal amount due to suppliers under MSMED | 1542 | 1659 |
| (ii) | Interest accrued and due to suppliers under MSMED on above amount, unpaid | 6 | 6 |
| (iii) | Payments made to suppliers (other than interest) beyond the appointed date during the year | 6650 | 6366 |
| (iv) | Interest paid to suppliers under the MSMED | - | - |
| (v) | Interest due and payable towards suppliers under MSMED Act towards payments already made | 30 | 32 |
| (vi) | Amount of cumulative interest accrued and unpaid as at the year end | 36 | 38 |

15. Details of Contracts in Progress as on 31st March 2011

| Sr. No | Particular | 2010-2011 | 2009-2010 |
|--------|--|-----------|-----------|
| A | Contract Receipt for work done | 86072 | 62002 |
| B | Contract Costs for work done | 51357 | 27616 |
| C | Amount of advances received | - | - |
| D | Amount of retention | 4452 | 5095 |
| E | Amount due from Customers for Contract Billing | 19841 | 15112 |
| F | Amount due from Sub Contractors for Contract Billing | 14792 | 9912 |
| G | Contingencies for Contract | - | - |

16. The bottling operations of a subsidiary Company, viz., Poona Bottling Co. Pvt. Ltd. have been suspended with effect from 2/8/2001 with a view to prevent further losses. The accounts of the Company for the year ended 31st March, 2011 have been prepared on "Going Concern" basis, as the Company is continuing to carry on its other activities.

17. EARNINGS PER SHARE

Calculation of Earnings per share for the year ended 31.03.2011

| | | 31.03.2011 | 31.03.2010 |
|--|------|-------------|-------------|
| Profit for the year | Rs. | 123,463,575 | 141,021,681 |
| Weighted average number of equity shares (Face Value Rs. 10 per share) | Nos. | 18,573,075 | 18,573,075 |
| Basic Earnings per share | Rs. | 6.65 | 7.59 |

18 Segment reporting

The following tables present revenue and profit/(loss) information regarding business/ geographical segments for the year ended 31st March, 2011 and certain assets and liabilities information regarding business and geographical segments as at 31st March, 2011

(a) Primary Segment Reporting by business segments

| | Rs. In '000 | | | | | |
|--|------------------|----------------|------------------|----------------|-----------------|------------------|
| | Chemical | Engineering | Shoppertainment | Paints | Others | Total |
| Segment revenue | | | | | | |
| Income from operations | 1,902,258 | 324,596 | 102,148 | 477,496 | 1,205 | 2,807,703 |
| | (1,599,700) | (132,728) | (56,228) | (463,791) | (1,485) | (2,253,932) |
| Less : Inter segment Revenue | | | | 3,722 | | 3,722 |
| | | | | (4,559) | | (4,559) |
| Add : Other Income | 20,983 | 17,864 | 101 | 761 | (58) | 39,651 |
| | (7,129) | (8,825) | (20) | (1,459) | (199) | (17,632) |
| Add : Unallocable | | | | | | 1,641 |
| | | | | | | (2,081) |
| Total | 1,923,241 | 342,460 | 102,249 | 474,535 | 1,147 | 2,845,273 |
| | (1,606,829) | (141,553) | (56,248) | (460,690) | (1,684) | (2,269,086) |
| Segment Results | 277,911 | 9,911 | 83,008 | 17,917 | (4,808) | 383,939 |
| | (366,168) | (-14235) | (29,218) | (34,652) | (-5807) | (402,818) |
| Less : Interest | | | | | | 157,416 |
| | | | | | | (99,132) |
| Less : Other Unallocable Expenditure net of unallocable Income | | | | | | 30,888 |
| | | | | | | (83,774) |
| Profit Before Tax | | | | | | 195,635 |
| | | | | | | (219,912) |
| Less : Provision for Current and Deferred tax | | | | | | 58,739 |
| | | | | | | (65,140) |
| Profit After Tax | | | | | | 136,896 |
| | | | | | | (154,772) |
| Segment Assets | 1,258,168 | 214,434 | 1,460,446 | 546,691 | 50,383 | 3,530,122 |
| | (950,811) | (149,598) | (1,187,049) | (588,612) | (107,634) | (2,983,704) |
| Unallocated corporate Assets | | | | | | 306,421 |
| | | | | | | (169,632) |
| Total Assets | | | | | | 3,836,543 |
| | | | | | | (3,153,336) |
| Segment Liabilities | 298,902 | 137,223 | 127,872 | 114,449 | (33,589) | 644,857 |
| | (194,154) | (67,097) | (75,890) | (107,653) | (67,536) | (512,330) |
| Unallocated corporate Liabilities | | | | | | 3,191,686 |
| | | | | | | (2,641,006) |
| Total Liabilities | | | | | | 3,836,543 |
| | | | | | | (3,153,336) |
| Capital Expenditure | 63,896 | 2,854 | 279,906 | 2,628 | | |
| | (114,619) | (1,393) | (320,959) | (2,558) | (175) | |
| Depreciation | 32,065 | 1,980 | 30,968 | 1,581 | 2,452 | |
| | (24,175) | (1,635) | (10,326) | (1,797) | (2,839) | |

(b) Secondary segment reporting by Geographical segment

| | Domestic | Foreign | Total |
|--------------|------------------|----------------|------------------|
| Revenue | 2,479,862 | 365,411 | 2,845,273 |
| | (1,941,337) | (327,750) | (2,269,086) |
| Total Assets | 3,610,357 | 226,186 | 3,836,543 |
| | (3,001,691) | (151,645) | (3,153,336) |

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 Ltd
 Grauer & Weil (Thailand) Limited

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

Mr. Umeshkumar N. More
 Mr. Rameshkumar R More
 Mr. Nirajkumar U More
 Mr. Rohitkumar R More
 Mr. Gorav R More
 Mr. Rohan Shah
 Mr. M M Chaturvedi
 Mr. Harnish Juthani (upto 15th March, 2011)
 Mr. K C Srivastava
 Mr. Suresh Pareek
 Mr. Yogesh Samat
 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
 Waluj Beverages Pvt. Ltd

Relatives of Key Management Personnel

| | |
|--------------------------|-------------------------------|
| Mrs. Premlata U More | Wife of Mr. Umeshkumar More |
| Mrs. Pallavi N More | Wife of Mr. Nirajkumar More |
| Mrs. Draupadidevi N More | Mother of Mr. Umeshkumar More |
| Mr. Abhishek R More | Son of Mr. Rameshkumar More |
| Mrs. Umadevi R More | Mother of Mr. Rohitkumar More |
| Mrs. Jhumka R. More | Wife of Mr. Rohitkumar More |
| Mrs. Stuti G. More | Wife of Mr. Gorav More |

RELATED PARTY TRANSACTIONS

Rs. In '000

| | Associates | | KMP | | Enterprise of KMP | | Relatives of KMP | |
|-----------------------------------|------------|---------|---------|---------|-------------------|---------|------------------|---------|
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| Director's fees | | | | | | | | |
| Mr Ramesh More | | | 60 | 25 | | | | |
| Mr K.Srivashtava | | | 60 | 50 | | | | |
| Mr Suresh Pareek | | | 70 | 45 | | | | |
| Mr M.M. Chaturvedi | | | 30 | 5 | | | | |
| Mr Umeshkumar More | | | | 1 | | | | |
| Mr Yogesh Samat | | | 40 | | | | | |
| Mr Hosi Karanjia | | | 10 | 22 | | | | |
| Interest Received | | | | | | | | |
| Grauer & Weil (Thailand) Ltd. | 400 | 400 | | | | | | |
| Loan Accepted | | | | | | | | |
| Ridhi Sidhi Ltd | | | | | 4,500 | 600 | | |
| Bubna More & Co Pvt Ltd | | | | | 850 | | | |
| Mr Neerajkumar More | | | 2,000 | 5,150 | | | | |
| Mr Umeshkumar More | | | 5,000 | | | | | |
| RadhaKishan Nandlal Pvt Ltd | | | | | | 250 | | |
| Repayment of Loan Accepted | | | | | | | | |
| Mr Neerajkumar More | | | | 1,250 | | | | |
| Ridhi Sidhi Ltd | | | | | | 250 | | |
| Interest Paid | | | | | | | | |
| Growel Goema (I) Pvt Ltd. | 230 | 230 | | | | | | |
| Ridhi Sidhi Ltd | | | | | 663 | 325 | | |
| Bubna More & Co Pvt Ltd | | | | | 435 | 362 | | |
| RadhaKishan Nandlal Pvt Ltd | | | | | 914 | 904 | | |
| Mr Neerajkumar More | | | 1,189 | 866 | | | | |
| Mr Umeshkumar More | | | 269 | | | | | |
| Purshases | | | | | | | | |
| Growel Sidasa Industries Pvt Ltd | 399 | 2 | | | | | | |
| Grauer & Weil (Thailand) Ltd. | | 66 | | | | | | |
| Project Expnses | | | | | | | | |
| Growel Projects Ltd | | | | | 59,584 | 128,800 | | |
| Rent paid | | | | | | | | |
| Ridhi Sidhi Ltd | | | | | 215 | 180 | | |
| Mr Neerajkumar More | | | 1,056 | 768 | | | | |
| Mr Umeshkumar More | | | 90 | 90 | | | | |
| Mrs Pallavi More | | | | | | | 516 | 426 |
| Mrs Premlata More | | | | | | | 540 | 348 |
| Rent received. | | | | | | | | |
| Ridhi Sidhi Ltd | | | | | 103 | 102 | | |
| Mrs Draupadidevi More | | | | | | | | 1 |
| Others | | | | | 965 | 859 | | |
| Sales | | | | | | | | |
| Growel Goema (I) Pvt Ltd. | 113,645 | 616 | | | | | | |
| Growel Sidasa Industries Pvt Ltd | 32,629 | 13,728 | | | | | | |
| Grauer & Weil (Thailand) Ltd. | 33,726 | 21,364 | | | | | | |
| Reimburance of Expenses | | | | | | | | |
| Growel Goema (I) Pvt Ltd. | 1,305 | 561 | | | | | | |
| Growel Sidasa Industries Pvt Ltd | 213 | 191 | | | | | | |
| Grauer & Weil (Thailand) Ltd. | | 5 | | | | | | |

Rs. In '000

| | Associates | | KMP | | Enterprise of KMP | | Relatives of KMP | |
|----------------------------------|------------|---------|---------|---------|-------------------|---------|------------------|---------|
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| Services Paid | | | | | | | | |
| Growel Projects Ltd | | | | | | 3,723 | | |
| Sap Expenses - Services | | | | | | | | |
| Growel Softech Ltd | | | | | 180 | | | |
| Manegetrial Remuneration | | | | | | | | |
| Mr Neerajkumar More | | | 2,260 | 2,105 | | | | |
| Mr Umeshkumar More | | | 1,373 | 2,940 | | | | |
| Mr Rohit More | | | 688 | 391 | | | | |
| Mr Harnish Juthani | | | 2,935 | 1,636 | | | | |
| Salaries | | | | | | | | |
| Mrs Pallavi More | | | | | | | 3,311 | 535 |
| Mr Abhishek More | | | | | | | 296 | 332 |
| Sale of Investments | | | | | | | | |
| Waluj Bevrages Pvt Ltd | | | | | | 56 | | |
| Professional fees | | | | | | | | |
| Growel Corporate Management Ltd | | | | | 526 | 915 | | |
| Mr Harnish Juthani | | | | 150 | | | | |
| Royalty Income | | | | | | | | |
| Growel Goema (I) Pvt Ltd. | 2,366 | 12 | | | | | | |
| Outstanding | | | | | | | | |
| Loans & Advances | | | | | | | | |
| Growel Sidasa Industries Pvt Ltd | 79 | 116 | | | | | | |
| Grauer & Weil (Thailand) Ltd. | 6,922 | 6,522 | | | | | | |
| Digikore Designs Ltd | | | | | 39 | 39 | | |
| Growel Softech Ltd | | | | | 1,099 | 119 | | |
| Growel Corporate Management Ltd | | | | | | 16 | | |
| Others | | | | | 79 | | | |
| Creditors | | | | | | | | |
| Grauer & Weil (Thailand) Ltd. | 25 | 25 | | | | | | |
| Growel Projects Ltd | | | | | 17,623 | 14,171 | | |
| Growel Sidasa Industries Pvt Ltd | 197 | 86 | | | | | | |
| Debtors | | | | | | | | |
| Growel Goema (I) Pvt Ltd. | 39,574 | 14,679 | | | | | | |
| Growel Sidasa Industries Pvt Ltd | 14,765 | 4,618 | | | | | | |
| Grauer & Weil (Thailand) Ltd. | 24,609 | 15,981 | | | | | | |
| Others | | | | | 28,702 | | | |
| Unsecured Loan | | | | | | | | |
| Growel Goema (I) Pvt Ltd. | 2,000 | 2,000 | | | | | | |
| Ridhi Sidhi Ltd | | | | | 14,083 | 3,000 | | |
| Bubna More & Co Pvt Ltd | | | | | 5,035 | 3,150 | | |
| RadhaKishan Nandlal Pvt Ltd | | | | | 9,913 | 7,950 | | |
| Mr Neerajkumar More | | | 11,400 | 9,400 | | | | |
| Mr Umeshkumar More | | | 5,000 | | | | | |
| Digikore Designs Ltd | | | | | 2,332 | | | |
| Digikore Studios Ltd | | | | | 836 | | | |
| Growel Projects Ltd | | | | | 7,239 | | | |
| Growel Softech Ltd | | | | | 16,185 | | | |
| Waluj Bevrages Pvt Ltd | | | | | 380 | | | |
| Others | | | | | 420 | | | |

20 Deferred Tax

The break up of Net Deferred Tax liability as on 31.3.2011 is as under

Rs. In '000

| | As of March 31, 2011 | | As of March 31, 2010 | |
|---|----------------------|--------------------------|----------------------|--------------------------|
| | Deferred Tax Assets | Deferred Tax Liabilities | Deferred Tax Assets | Deferred Tax Liabilities |
| Depreciation | - | 140,824 | - | 103,445 |
| Provision for Leave Encashment And Gratuity | 21,197 | - | 18,850 | - |
| Other items giving rise to timing differences | - | - | 5,797 | - |
| Total | 21,197 | 140,824 | 24,647 | 103,445 |
| Net deferred Tax Liability | - | 119,627 | - | 78,798 |
| Amount Debited to Profit & Loss Account | - | 40,829 | - | 30,440 |

21 Previous years figures have been regrouped and reclassified wherever required.

Signatures to Schedules "A" to "P" which form an integral part of the Financial Statements.

For M. M. NISSIM AND CO.
Chartered Accountants
(Firm Reg. No. 107122W)

N.KASHINATH
Partner
Membership No.36490

Mumbai, 2nd September, 2011

For and on behalf of the Board of Directors
UMESHKUMAR MORE Chairman
NIRAJKUMAR MORE Managing Director

ANIL GUPTA Group CFO
NOEL JACOB Sr.VP (Corp) & Company Secretary

Mumbai, 2nd September, 2011



Grauer & Weil (India) Ltd.

Registered Office : 'Growel House', Akurli Road, Kandivli (E) Mumbai - 400 101.

Green Initiative in Corporate Governance

Dear Shareholder,

In case you have not registered your e-mail address for receiving communication from the Company in electronic mode, you may submit the Registration Form given below to the registrar Link Intime India Pvt. Ltd. Shareholders holding shares in demat mode are requested to register their e-mail address with the Depository Participant only.

E-COMMUNICATION REGISTRATION FORM

(In terms of circular no.17/2011 dated 21.04.2011 and circular no. 18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs)

Folio No./DP ID & Client ID : _____

Name of 1st Registered Holder : _____

Name of Joint Holder(s) : _____

Registered Address : _____

E-mail ID (to be registered) : _____

I/We shareholder(s) of Grauer & Weil (India) Ltd. agree to receive communication from the Company in electronic mode. Please register my/our above e-mail id in your records for sending communication through e-mail.

Date : _____

Signature : _____

Note : Shareholder(s) are requested to keep the Company/Depository Participant informed as and when there is any change in the e-mail address.

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 53rd Annual General Meeting of the Company to be held on Friday, September 30th, 2011 at 3.00 p. m. at 2nd Floor, Growel's IOI Mall, Growel House, Akurli Road, Kandivli (East), Mumbai 400101.

| |
|--|
| SIGNATURE OF THE SHAREHOLDERS OR PROXY |
|--|

PROXY

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

L. F. No. / DPID No.

I / We _____

of _____ being a member / members of GRAUER & WEIL (INDIA) LIMITED hereby

appoint _____ of _____

as my/our proxy to vote for me/us and on my/our behalf at the 53rd Annual General Meeting of the Company to be held on Friday September 30, 2011 at 3.00 p.m. at 2nd Floor, Growel's IOI Mall, Growel House, Akurli Road, Kandivli (East), Mumbai 400101.

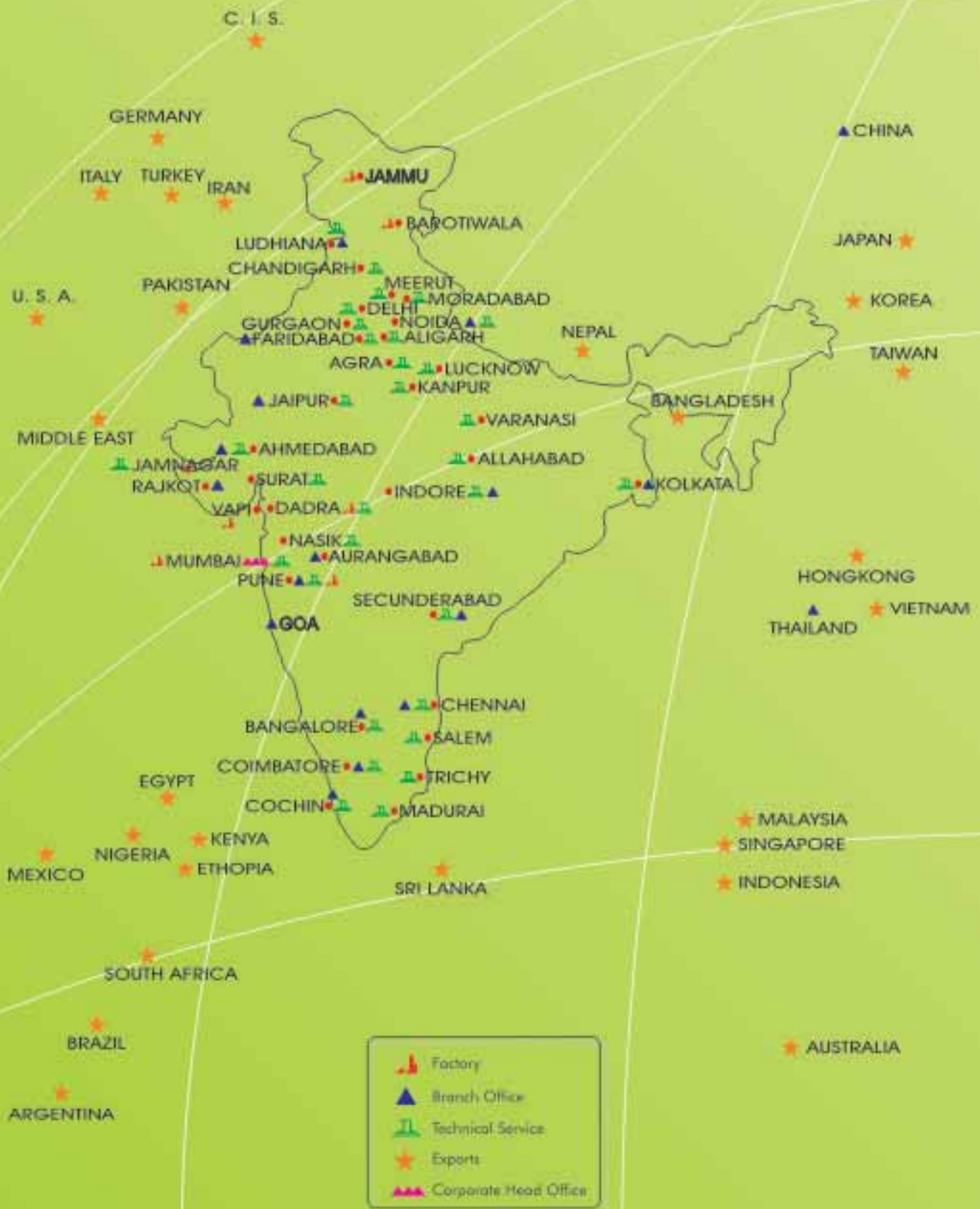
As witness my/our hand(s) this _____ day of, 2011.

| |
|-----------------------------|
| 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.

GROWEL NETWORK



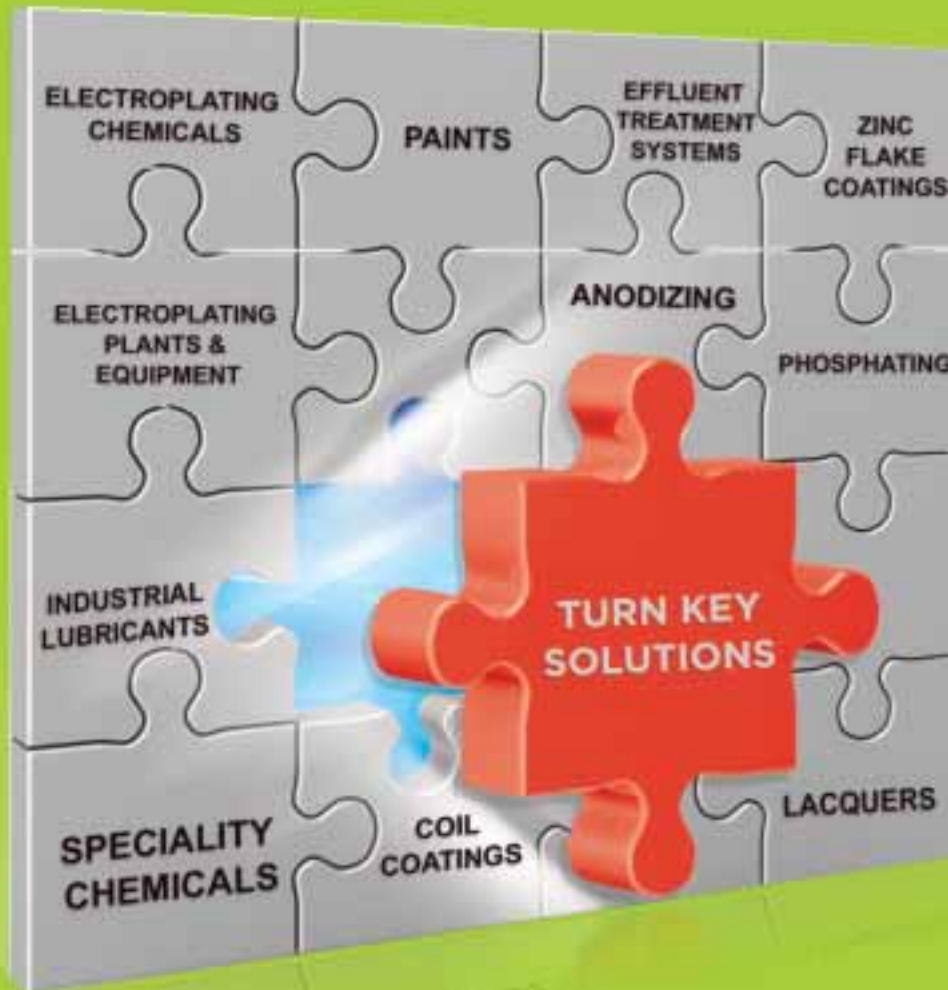
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