

INFORMATION MEMORANDUM

GUJARAT GLASS LIMITED

Regd. Office: Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower
Parel, Mumbai 400 013

GUJARAT GLASS LIMITED

Incorporated initially as a Private Limited Company on 6th day of February 1998 under the name and style of "GUJARAT GLASS PRIVATE LIMITED" under the provisions of the Companies Act, 1956, in the State of Maharashtra. Subsequently, the word 'private' was deleted from the Company's name w.e.f. 13th February 1998 when the Company became a Deemed Public Company pursuant to the provisions of Section 43A of the Companies Act, 1956. The Company ceased to be a deemed public company by operation of law consequent to insertion of Section 43A(2A) in the Companies Act, 1956, w.e.f. 28th September, 2001 and the word 'Private' was added to its name. The Company was converted into a Public Limited Company on the 6th day of March 2007.

The Registered Office of the Company was at 100, Centre Point, Dr. Ambedkar Road, Parel, Mumbai 400012 which was shifted to and is presently situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013 with effect from 3rd November, 2004.

Regd. Office: Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013 **Tel.:** +91 22 3046 6666 **Fax:** +91 22 2490 2363

E-mail: complianceofficer@gujaratglass.co.in

Website: www.gujaratglass.com

INFORMATION MEMORANDUM FOR LISTING OF 1,79,83,000 EQUITY SHARES OF RS.10 EACH

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

GENERAL RISKS	ABSOLUTE RESPONSIBILITY OF GUJARAT GLASS LIMITED
"Investment in equity and equity-related securities involves a degree of risk and investors should not invest in the equity shares of Gujarat Glass Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of Gujarat Glass Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved. The securities have neither been recommended nor approved by The Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy of this document."	"Gujarat Glass Limited having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to Gujarat Glass Limited, which is material, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

LISTING

The Equity Shares of Gujarat Glass Limited will be listed on the Bombay Stock Exchange Limited (BSE), The National Stock Exchange of India Limited (NSE) and Ahmedabad Stock Exchange (ASE). Necessary applications have been submitted to the stock exchanges for listing of the Company's shares. The Company has received in-principle approval from BSE vide its letters dated 19th November, 2007 read with letter dated 3rd December 2007, ASE vide its letter dated 12th December, 2007 and NSE vide its letter dated 17th December, 2007 for the listing of our Equity Shares.

REGISTRARS & SHARE TRANSFER AGENTS

Amtrac Management Services Limited

Nasik Processing Unit

Plot No.101/102,
19th Street, MIDC,
Satpur, Nasik 422007
Tel.: +91 253 235 4032 / 236 3372
Fax: +91 253 235 1126
Email: amtrac_nsk@sancharnet.in

Mumbai Administrative Office

Peninsula Centre,
Dr. S. S. Rao Road,
Parel, Mumbai – 400012
Tel.: +91 22 2410 5685
Email: vidula@bom3.vsnl.net.in

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DEFINITIONS/ ABBREVIATIONS

Articles/ Articles of Association	Articles of Association of Gujarat Glass Limited
Auditors	The Statutory Auditors of Gujarat Glass Limited
ASE	Ahmedabad Stock Exchange
Banker(s) to the Company	The Bankers of Gujarat Glass Limited
Board of Directors/ Board/ Directors	The Board of Directors of Gujarat Glass Limited
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Companies Act	The Companies Act, 1956, as amended from time to time
CrPC	Criminal Procedure Code, 1973
EPS	Earnings per equity share
Equity Shares	Equity shares of the Company of Rs.10 each unless otherwise specified in the context thereof
Financial year/ fiscal/ FY	The twelve months ended March 31 of a particular year
HUF	Hindu Undivided Family
Information Memorandum	This document as filed with the Stock Exchanges.
IPC	Indian Penal Code, 1860
I.T. Act	The Income-tax Act, 1961, as amended from time to time.
Memorandum/ Memorandum of Association	The Memorandum of Association of Gujarat Glass Limited
NAV	Net Asset Value
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
RBI	Reserve Bank of India
ROC	Registrar of Companies, Maharashtra
Scheme	The Scheme of Arrangement and Amalgamation between Kojam Fininvest Limited and Gujarat Glass Limited sanctioned by the Bombay High Court on 10 th August 2007 and by the High Court of Gujarat at Ahmedabad on 27 th August 2007 and filed with ROC on 20 th September 2007.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time

SEBI DIP Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI, effective from January 27, 2000, as amended, including instructions and clarifications issued by SEBI, from time to time.
Stock Exchanges	BSE, NSE and ASE
'Kojam' or 'KFL' or 'Transferor Company'	KOJAM FININVEST LIMITED
'Gujarat Glass' or 'GGL' or 'Company' or 'Transferee Company'.	GUJARAT GLASS LIMITED

CERTAIN CONVENTIONS; USE OF MARKET DATA

Unless stated otherwise, the financial data in this Information Memorandum is derived from our unconsolidated financial statements prepared in accordance with Indian GAAP. Our last financial year commenced on 1st April, 2006 and ended on 31st March, 2007. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

For definitions, please see the section titled "Definitions, Abbreviations and Industry Related Terms".

All references to "India" contained in this Information Memorandum are to the Republic of India. All references to "Rupees" or "Rs." are to Indian Rupees, the legal currency of the Republic of India.

Unless stated otherwise, industry data used throughout this Information Memorandum has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness is not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified. The information included in this Information Memorandum about the various other companies is based on their respective Annual Reports and information made available by the respective companies

FORWARD-LOOKING STATEMENTS

We have included statements in this Information Memorandum, that contain words or phrases such as 'will', 'will result', 'believe', 'expect', 'estimate', 'intend', 'plan', 'seek to', 'future', 'goal', 'project', 'should' and similar expressions or variations of such expressions that are 'forward-looking statements'.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- General economic and business conditions in India and other countries;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in Indian or international interest rates;
- Changes in laws and regulations in India;
- Changes in laws and regulations in other countries with whom we have business/dealings;
- Changes in political conditions in India; and
- Changes in the foreign exchange control regulations in India.

For further discussion of factors that could cause our actual results to differ, see the section titled "Risk Factors". By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Information Memorandum, including the risks and uncertainties described below. If any of the following risks actually occur, our business, financial condition and results of operations could be adversely impacted, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

This Information Memorandum also contains forward-looking statements that involve risks and uncertainties. Issuer's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Information Memorandum.

Risks envisaged by the Management:

A. Risks Internal to the Company

1. We focus primarily on the Pharmaceutical and Cosmetic and Perfumery industry.
Our flaconage business is focused / primarily dependent on the Pharmaceutical and Cosmetic and Perfumery industry and therefore our business is dependent upon continued demand for our products in the above industries. Decreased demand in the above industries could have an adverse effect on our business and financial position.
2. The Company faces growing and new competition that may adversely affect future profitability.
The company operates in a competitive environment. The company faces competition in the domestic market as well as cheap imports from countries such as China.
3. The Company may be unable to cope with technological and regulatory developments in the Industry.
Our failure to adapt to newer technologies may adversely affect cost competitiveness, quality standards and thereby our profitability. Further, we may be unable to adjust to regulatory changes in the glass industry in relation to manufacturing and marketing of products in domestic and/or export markets. In such an event our business and profitability may be affected. But it will be our earnest endeavor to keep abreast of the technological changes and adapt our business to the changing technological and regulatory standards.
4. Company's failure to comply with environmental laws and regulations may adversely affect company's operations
Our present manufacturing processes do not generate effluents of such kind and of such quantity so as to cause environmental pollution or degradation. However we may discover currently unknown environmental problems or conditions. Our business is subject to stringent national and state level environmental laws and regulations, which govern the discharge, emission, storage, handling and disposal of a variety of

substances that may be used in or result from operations. Environmental laws and regulations in India have been increasing in stringency and it is possible that they will become significantly more stringent in future which may have an adverse impact on our operations.

5. In the event that the Company's competitors develop substitutes by developing other packaging solutions such as plastic and other forms of packaging for the Company's products, or there is a change in technology, the Company may face difficulties in marketing its products and thereby the Company's revenues and profitability may decline.

We constantly endeavor to keep ourselves abreast of the developments in the industry and shall be adapting to new developments, if any, from time to time. In case we are unable to adapt ourselves to the new developments taking place in the industry and our competitors take advantage of the same / develop substitutes, the business and the profitability of the company are likely to be adversely affected.

6. Manpower plays an important part in the glass manufacturing process. Any labor unrest movement could result in disruption of production, which could adversely affect the revenues and profitability of the Company.

Recently the workmen at Kosamba Plant in India have resorted to an illegal and unjustified strike causing reduction in full utilization of the plant capacity. While alternate arrangements have been made to ensure that production is restored at normal levels, we continue to work towards ways of resolving this issue.

7. Key technical and managerial personnel of the Company play an important role in its business performance.

Key technical and managerial personnel play an important role in its business performance. Our future performance depends upon the continued availability of services of these persons. The glass industry is very technology intensive. Loss of key technical and managerial personnel may temporarily affect our business and results of operations. However, we are confident that we will be able to retain the key technical and managerial personnel and make necessary recruitments.

8. Any change in Regulatory/ taxation laws in relation to the Company's domestic business or in relation to any of its export markets may significantly impact the business of the Company.

We will keep ourselves updated of the various developments in relation to the regulatory laws and gear ourselves to comply with such regulatory changes.

9. The Company operates in a globally competitive business environment and growing competition may put a pressure on pricing, which may reduce its revenues and margins and/or decrease its market share, either of which could have a materially adverse effect on its business, financial condition and results of operations.

The Company keeps itself abreast with the ever changing business environment and shall broad-base its products, and use an appropriate product mix, improve process

yields, source raw material at competitive prices and introduce new products / processes so as to remain competitive. The Company will also look for upgradation in technology and better positioning of its products to cater to markets, which are higher on the value chain.

10. The Company's operations are capital and energy intensive in nature.
The Company's operations being capital and energy intensive, delay in availability of capital or fuel or increase in its costs may affect its operations and profitability.
11. The operations of the subsidiaries of the Company in the US/UK are yet to turnaround, thereby impacting profitability.
The consolidated results of the Company include the results of its subsidiaries in the US/UK, which are yet to turnaround. The Company is taking steps to turnaround these companies. However, inspite of its best efforts, if it does not succeed, profitability will be affected.
12. There are outstanding litigations against the Company.
We are defendants in certain legal proceedings pending at different levels of adjudication before various courts and tribunals. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our current liabilities.
13. The operations of the Company are subject to availability and price of raw materials and demand for finished goods.
The main raw materials for manufacture of the Company's products are quartz and sand. The Company makes efforts to ensure availability of raw materials at competitive prices.

B. Risks External to the Company

1. After listing, the prices of our Company's equity shares may be volatile, or an active trading market for our Company's equity shares may not develop.
The equity shares of the Company's holding company, Kojam Fininvest Limited, were listed on the stock exchanges. Kojam has merged with our Company under a Scheme of Arrangement and Amalgamation and the equity shares of our Company have been allotted to the shareholders of Kojam in the ratio of 1:1. The Company's equity shares are being listed on the stock exchanges on which the shares of Kojam were listed. There has been no public market for our Company's equity shares till now and the prices of our Company's equity shares may fluctuate after this listing. There can be no assurance that an active trading market for the equity shares will develop or be sustained after this listing. Our Company's share price could be volatile.
2. Any slowdown in the rate of growth of consuming industries such as food and beverages, pharmaceuticals, cosmetics etc. or slowdown in the economy could affect company's growth prospects and there may be decline in profits.

Growth in the glass industry is linked to general economic growth and any deceleration in economic growth will also reflect in the growth of the glass container consuming industries. Consequently glass manufacturing units, catering to industrial consumers in the food and beverages, pharmaceuticals and cosmetics industries, will also be adversely affected. Like all the other players in the glass industry we will also be exposed to the risks of such adverse impacts in the growth of the industry.

3. Economic downturn may affect profitability

In case of an economic downturn caused by political instability, acts of violence, terrorist attack or any other reason whatsoever, we may not be in a position to realize optimum value for our products which may affect the profitability.

4. Natural calamities could have a negative impact on the Indian economy and may cause Company's business to suffer.

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determine their impact on the Indian economy. Further prolonged spells of below normal rainfall or other weather related adversities could have a negative impact on the Indian economy. These factors would affect industry in general and thereby also affect the Company.

5. The Company faces risk arising out of fluctuation in exchange rates.

As of March 31, 2007, approximately 47 % of our sales is derived from exports. Falling dollar has an adverse impact on the performance of the Company, as it is a net exporter in US \$.

INTRODUCTION

INDUSTRY OVERVIEW

The information in this section is derived from various government publications and other industry sources. Neither we nor any other person connected with the Issue have verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

THE INDIAN ECONOMY

In recent years, India has experienced rapid economic growth. India's GDP grew in excess of 8% .In last fiscal , the industrial, agricultural and service sectors in India grew by 9.0%, 2.3% and 9.8% respectively. An important factor in the growth of the services sector has been the strong growth of the IT and ITES sectors. These sectors benefited from the growing international trend toward off shoring and the resultant demand for skilled, low cost, English speaking workers. Indian competitiveness in this area has been aided by substantial investment in telecommunications infrastructure and the phased liberalization of the communications sector.

BUSINESS

Glass container manufacturing is a capital-intensive business. The capital investment is required towards purchase and setting up of batch house, machinery, furnaces, inspection equipments, *etc.* Automatic inspection machines are used for quality assurance for round containers. However, majority of the glass containers for cosmetic and perfumery are non-round and/or fancy shaped – thus making it practically impossible to carry out automatic inspection. Skilled workforce is required for manual inspection of these bottles resulting in significant labour costs. Given the higher costs for manpower in the developed countries, India is a competitive area for conducting the business.

Types of Glass

Based on the manufacturing process, Glass can be divided into two groups: oxide glass and non-oxide glass. Oxide glasses contain chemical compounds that have oxygen. The oxides render strength to glass by way of hardness and chemical resistance. They also help to add color to glass. Non-oxide glasses are made from compounds that contain no oxides, and often contain sulphides or metals. Oxide glasses are much more widely used commercially. The most common types of oxide glasses are.

- **Soda lime glass.** Soda lime glass contains 60.75 percent silicon dioxide, 12.18 per cent sodium oxide and 5.12 per cent of calcium oxide. It is used for making flat glass, containers, electric light bulbs and many other industrial and art objects. More than 90 per cent of all glass is soda lime glass.
- **Soda lead glass .** Commonly called crystal or lead glass, this type of glass is made by using lead oxide instead of calcium oxide, and potassium oxide instead of sodium oxide. This type of glass contains 54.65 per cent silicon dioxide, 18.38 per cent lead oxide and 13.15 per cent potash. Soda lead glass is easy to melt and the lead oxide

improves its optical properties. It has beautiful optical properties and is more expensive than soda lime glass. Soda lead glass has a high refractive index and relatively soft surface. It is used in fine tableware and art objects.

- **Borosilicate glass** - In addition to the quartz, sodium carbonate, and calcium carbonate traditionally used in glassmaking, boron is used in the manufacture of borosilicate glass. Typically, this glass contains about 70% silica, 10% boric oxide, 8% sodium oxide, 8% potassium oxide, and 1% calcium oxide (lime). This type of glass is heat and shock resistant and about three times as heat shock resistant as soda lime glass. It is used for chemical and electrical purposes and finds application in products such as ovenware beakers, test tubes, and other laboratory equipment.
- **Aluminosilicate glass** - It has aluminum oxide in its composition. It is similar to borosilicate glass but has greater chemical durability and can withstand higher operating temperatures.
- **Ninety six per cent silica glass**. This type of glass is a borosilicate glass, melted and formed by conventional means, then processed to remove almost all the non silicate elements from the piece. By reheating to 1200 degree Celsius, the resulting pores are consolidated. This glass is resistant to heat shock, up to 900 degrees.
- **Fused silica glass**. Fused silica glass is a highly heat shock resistant glass that consists entirely of silicon dioxide. It is used in laboratory glassware and optical fibers. It consists of a special borosilicate composition that has been made porous by chemical treatment

Use of glass in Pharmaceutical & Cosmetics Industry

Glass is used to manufacture moulded vials, injectibles and bottles for the pharmaceutical industry.

The glass containers manufactured for the cosmetic industry are used to fill nail polish, perfumes, foundations, attars, *etc.*

Please refer to the sections 'Risk Factors' and 'Business Overview' for more details.

GENERAL INFORMATION

Incorporated initially as a Private Limited Company on 6th day of February 1998 under the name and style of "GUJARAT GLASS PRIVATE LIMITED" under the provisions of the Companies Act, 1956, in the State of Maharashtra. Subsequently, the word 'private' was deleted from the Company's name w.e.f. 13th February 1998 when the Company became a Deemed Public Company pursuant to the provisions of Section 43A of the Companies Act, 1956. The Company ceased to be a deemed public company by operation of law consequent to insertion of Section 43A(2A) in the Companies Act, 1956, w.e.f. 28th September, 2001 and the word 'Private' was added to its name. The Company was converted into a Public Limited Company on the 6th day of March 2007.

Registration Number U28992MH1998PLC113433

Address of Registered Office of Company

Nicholas Piramal Tower,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai 400 013
Tel: 022 – 3046 6666
Fax: 022- 2490 2363

Address of Registrar of Companies

Registrar of Companies, Maharashtra
100, Everest Building, Marine Drive
Mumbai - 400 002, Maharashtra

Income Tax Permanent Account Number (PAN): AABCG0093R

International Securities Identifying Number (ISIN): INE748E01018

Board of Directors as on the date of filing of the draft Information Memorandum

Mr. Ajay G. Piramal
Dr. (Mrs.) Swati A. Piramal
Mr. Shitin Desai
Mr. Bharat Kewalramani
Ms. Vinita Bali
Mr. Gautam Doshi
Mr. N. Santhanam
Mr. Vijay Shah

For further details of the Board of Directors of the Company, please see the Section titled "Management".

Registrars & Share Transfer Agents

Amtrac Management Services Limited

Nasik Processing Unit:

Plot No.101/102,
19th Street, MIDC,
Satpur, Nasik 422007
Tel.: +91 253 235 4032 / 236 3372
Fax: +91 253 235 1126
Email: amtrac_nsk@sancharnet.in

Mumbai Administrative Office:

Peninsula Centre,
Dr. S. S. Rao Road,
Parel, Mumbai – 400012
Tel.: +91 22 2410 5685
Email: vidula@bom3.vsnl.net.in

Auditors

Haribhakti & Co.

Chartered Accountants
18 Haribhakti Colony
Race Course Circle.
Vadodara 390 007

Bankers to the Company

1. Allahabad Bank
IFB Branch
Bombay Samachar Marg,
Fort, Mumbai 400 001
- 2.ING Vysya Bank Ltd.
Poonam Chambers 'A'
Dr. A. B. Road, Worli,
Mumbai 400 018
3. Standard Chartered Bank,
90, M. G. Road, Fort,
Mumbai 400001
4. Export-Import Bank of India
Centre One, 21st Floor,
Cuffe Parade, Mumbai 400 005

5. HDFC Bank Limited
2nd Floor, Trade World,
Kamala Mills Compound,
Lower Parel, Mumbai 400 013

6. Citibank N.A.
Citi Centre, 7th Floor,
Bandra Kurla Complex,
Mumbai 400 051

7. Hongkong and Shanghai Banking Corporation Limited
M. G. Road, Fort,
Mumbai 400 001

8. ICICI Bank Limited
ICICI Bank Towers,
Bandra Kurla Complex,
Mumbai 400 051

9. UTI Bank Limited
Sir P.M. Road,
Fort, Mumbai 400 001

10. Corporation Bank
Bharat House,
Fort, Mumbai 400 001

Compliance Officer

Ms. Maria Monserrate,
Company Secretary
Secretarial Department,
Nicholas Piramal Towers, 3rd Floor,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai – 400 013
Tel: +91 22 3046 6666
Fax: +91 22 2490 2363

Investors can contact the Compliance Officer or the Registrar and Share Transfer Agents, M/s. Amtrac Management Services Limited for any share transfer and/or other related matters.

CAPITAL STRUCTURE

Consequent to the Scheme coming into effect and issue and allotment of shares pursuant to the Scheme, the Share Capital of the Company is as follows:

	Rs. in Lakhs
AUTHORISED SHARE CAPITAL	
2,73,00,000 Equity Shares of Rs. 10 each (aggregating to Rs. 27,30,00,000)	2730.00
3,77,00,000 Preference Shares of Rs. 10 each (aggregating to Rs. 37,70,00,000)	<u>3770.00</u>
	6500.00
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
Issued, Allotted and Paid up Share Capital:	
1,79,83,000 Equity Shares of Rs. 10 each	1798.30

- 1) The Authorized Share Capital of the Company at the time of incorporation was Rs. 1,00,00,000 (Rupees One Crore only) divided into 10,00,000 (Ten Lac) equity shares of Rs. 10 (Rupees Ten only) each.
- 2) The authorized share capital of the Company was increased on 13th July 1999 to Rs. 65,00,00,000 (Rupees Sixty Five Crore only) comprising of 2,50,00,000 equity shares of Rs. 10 each and 40,00,000 Preference Shares of Rs. 100 each. By a Special Resolution passed at the Extra Ordinary General Meeting of the Company held on 23rd March 2007, the unissued 40,00,000 Preference shares of Rs. 100 each have been subdivided into 4,00,00,000 Preference Shares of Rs. 10 each and out of which 23,00,000 unissued Preference Shares have been converted into 23,00,000 Equity shares of Rs. 10 each.
- 3) Prior to the allotment of shares as per the Scheme, the Issued, Subscribed, and Paid up Share Capital of the Company was Rs 17,30,00,000 divided into 1,73,00,000 equity shares of Rs.10 each. As per Clause 4.4 of the Scheme, 93,17,000 equity shares of Rs. 10 each held by Kojam have been cancelled. Further, in terms of the Scheme, the Company has allotted 1,00,00,000 equity shares of Rs. 10 each to the existing shareholders of Kojam. Consequent to the above, the Issued, Subscribed and Paid-up Share Capital is now Rs. 17,98,30,000 comprising of 1,79,83,000 Equity Shares of Rs. 10 each.

Notes to Capital Structure

1. Details of changes in authorized capital

Date as on	Type of shares	No. of shares	Face value in Rs.	Amount in Rs.	Cumulative Authorised Capital in Rs.
06.02.1998	Equity	10,00,000	10	1,00,00,000	1,00,00,000
09.03.1998	Equity	2,40,00,000	10	24,00,00,000	25,00,00,000
22.04.1999	Preference	20,00,000	100	20,00,00,000	45,00,00,000
13.07.1999	Preference	20,00,000	100	20,00,00,000	65,00,00,000
23.03.2007	Equity	2,73,00,000	10	27,30,00,000	65,00,00,000
	Preference	3,77,00,000	10	37,70,00,000	

2. Build up of equity share capital

Date of allotment	No. of equity shares allotted	Face value (Rs.)	Issue Price (Rs.)	Cumulative Paid-up capital (Rs.)	Consideration	Remarks
06.02.1998	210	10	10	2,100	Cash	Initial subscription to the Memorandum of Association
01.04.1998	240	10	10	4,500	Cash	Issue of Rights
02.04.1998	1,72,99,550	10	10	17,30,00,000	Cash	Allotment to Nicholas Piramal India Limited and other investors
11.10.2007	(93,17,000)	10		7,98,30,000		Shares cancelled under the Scheme.
11.10.2007	1,00,00,000	10	10	17,98,30,000	Cash	Allotted to shareholders of Kojam Fininvest Limited under the Scheme.

**SHAREHOLDING PATTERN OF THE COMPANY BEFORE AND AFTER
ALLOTMENT OF EQUITY SHARES PURSUANT TO THE SCHEME**

	CATEGORY OF SHAREHOLDERS	PRE-MERGER		POST MERGER	
		NO. OF EQUITY SHARES	%	NO. OF EQUITY SHARES	%
(A)	Shareholding of Promoter and Promoter Group				
1	Indian				
(a)	Individuals/ Hindu Undivided Family	0	0.00	417140	2.32
(b)	Central Government/ State Government(s)	0	0.00	0	0.00
(c)	Bodies Corporate	16220000*	93.76	11823752	65.75
(d)	Financial Institutions/ Banks	0	0.00	0	0.00
(e)	Any Others(Specify) - NPIL Senior Employees Option Scheme	0	0.00	335525	1.87
	Sub Total(A)(1)	16220000	93.76	12576417	69.94
2	Foreign				
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0.00	0	0.00
b	Bodies Corporate	0	0.00	0	0.00
c	Institutions	0	0.00	0	0.00
d	Any Others(Specify)	0	0.00	0	0.00
	Sub Total(A)(2)	0	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	16220000	93.76	12576417	69.94
(B)	Public shareholding				
1	Institutions				
(a)	Mutual Funds/ UTI	0	0.00	241	0.00
(b)	Financial Institutions / Banks	0	0.00	714	0.00
(c)	Central Government/ State Government(s)	0	0.00	0	0.00
(d)	Venture Capital Funds	0	0.00	0	0.00
(e)	Insurance Companies	0	0.00	68321	0.38
(f)	Foreign Institutional Investors	0	0.00	5024	0.03
(g)	Foreign Venture Capital Investors	0	0.00	0	0.00
(h)	Any Other (specify)	0	0.00	0	0.00
	Sub-Total (B)(1)	0	0.00	74300	0.41
B 2	Non-institutions				
(a)	Bodies Corporate	1080000	6.24	2617193	14.48

(b)	Individuals				
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	0	0.00	2090875	10.98
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	0	0.00	624215	4.19
(c)	Any Other (specify)	0	0.00		
	Sub-Total (B)(2)	1080000	6.24	5332283	29.65
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	1080000	6.24	5406583	30.06
	TOTAL (A)+(B)	17300000	100.00	17983000	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0.00	0	0.00
	GRAND TOTAL (A)+(B)+(C)	17300000*	100.00	17983000	100

*Pursuant to the Scheme, 93,17,000 equity shares out of these Shares have been cancelled.

List of the persons/entities comprising Promoter group

Sr. No.	Name of shareholder	No. of shares	%
1	Ajay G. Piramal	16362	0.09
2	Shri Ajay G.Piramal (HUF) by Karta Shri Ajay G.Piramal	13975	0.08
3	Anand A.Piramal	173057	0.96
4	Lalita G.Piramal	19125	0.11
5	Nandini A.Piramal	174420	0.97
6	Swati A Piramal	20201	0.11
7	NPIL Fininvest Ltd	449199	2.50
8	Nandini Piramal Investments Ltd.	2243	0.01
9	GGL Holdings Pvt Ltd	3263390	18.15
10	Piramal Enterprises Limited Trustee of the Piramal Enterprise Executives Trust	153052	0.85
11	Savoy Finance & Investments Pvt.Ltd	285837	1.59
12	Swastik Safe Deposit and Investments Ltd	767031	4.27
13	Nicholas Piramal India Ltd Senior Employees Option Scheme	335525	1.87
14	Glass Engineers Pvt.Limited	6903000	38.39
	TOTAL	12576417	69.94

Notes:

- 1) As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments of the Company into equity shares of the Company.
- 2) The Company, its directors, its promoters have not entered into any buy-back, standby or similar arrangements to purchase equity shares of the Company from any person.
- 3) There will be no further issue of capital by the Company whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of approval of the Scheme by the High Courts till listing of the Equity Shares.
- 4) There shall be only one denomination for the Equity Shares of the Company, subject to applicable regulations and Company shall comply with such disclosure and accounting norms specified by SEBI, from time to time.
- 5) The Company has approximately 53,859 members as on the date of filing this Information Memorandum.
- 6) After cancellation of 93,17,000 shares held by KFL, the entire pre merger share capital of GGL i.e. 79,83,000 will be locked in for the period of three years from the date of listing.

SCHEME OF ARRANGEMENT

Objects of the Scheme

The object of the Scheme is to merge the Transferor Company, which is a listed entity, into the Transferee Company, so as to enable the shareholders of the Transferor Company to participate directly in the business and profits of the Transferee Company. The merger will reflect the true value of the business, as presently the Transferor Company has no business of its own except investment in the shares of the Transferee Company.

The material provisions of the Scheme are as under:

1. The Appointed Date of the Scheme is April 1, 2007.
2. With effect from the Appointed Date and on the Scheme becoming effective, Transferor Company shall stand merged with Transferee Company, along with its all assets and liabilities pursuant to the provisions of Sections 391 and 394 and other relevant provisions of the Act.
3. On the Scheme becoming effective, the investment by Transferor Company in Transferee Company shall stand cancelled.
4. The Transferee Company shall issue and allot credited as fully paid-up to every shareholder of Transferor Company holding fully paid up Equity Shares in Transferor Company and whose names appear in the Register of Members of Transferor Company as on the Record Date 1 Equity Share of the face value of Rs. 10 each of Transferee Company, for every 1 Equity Share of Rs.10 each held in Transferor Company.
5. Subject to the other provisions of the Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements and other instruments to which the Transferor Company is a party shall be in full force and effect against or in favor of Transferee Company and may be enforced as fully and effectively as if instead of Transferor Company.
6. On the Scheme becoming operative, all staff, workmen and employees of Transferor Company in service on the Effective Date, shall be deemed to have become staff, workmen and employees of Transferee Company without any break or interruption in their service and on the same terms and conditions.
7. On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up.

Approvals with respect to the Scheme of Arrangement

The Hon'ble High Court of Judicature at Bombay vide its Order dated 10th August, 2007 and the Hon'ble High Court of Gujarat at Ahmedabad vide its Order dated 27th August, 2007 have approved the Scheme of Arrangement and Amalgamation of Kojam Fininvest Limited with Gujarat Glass Limited.

In accordance with the said Scheme, the Equity Shares of GGL issued pursuant to the Scheme, subject to applicable regulations shall be listed and admitted to trading on BSE, NSE and ASE.

The aforesaid Orders of the Hon'ble High Court of Gujarat at Ahmedabad and the Hon'ble High Court of Judicature at Bombay were filed by Kojam and GGL with the Registrar of Companies, Gujarat and Registrar of Companies, Maharashtra ("ROC") on 20th September 2007 and accordingly the Scheme has become effective from that date.

The Company has received the in-principle approval from BSE vide its letters dated 19th November 2007 read with letter dated 3rd December 2007, ASE vide its letter dated 12th December, 2007 and NSE vide its letter dated 17th December, 2007 for the listing of our Equity Shares. SEBI, vide its letter No. CFD/DIL/NB/VG/111139/2007 dated 17th December, 2007 has granted relaxation from applicability of Rule 19(2)(b) of the Securities Contract Regulation (Rules), 1957 for the purpose of listing of shares of GGL subject to the Transferee Company, viz. GGL complying with all the provisions of Clause 8.3.5 of the SEBI (DIP) Guidelines, 2000.

GGL has submitted this Information Memorandum to BSE, NSE and ASE for making the said Information Memorandum available to public through their websites. This Information Memorandum is also available on the website of GGL (www.gujaratglass.com).

GGL has published an advertisement in the newspapers containing details required as per Clause 8.3.5.4 of the SEBI (DIP) Guidelines. The advertisement draws a specific reference to the availability of this Information Memorandum on the website of GGL as well as BSE, NSE and ASE.

GGL also undertakes that all material information about itself shall be disclosed to Stock Exchanges on a continuous basis so as to make the same available to the public, in addition to the requirements, specified in Listing Agreement for disclosures about the subsidiaries, if any.

STATEMENT OF TAX BENEFITS

There are no special tax benefits available either to the Company or its shareholders.

The relevant provisions of Income Tax Act, 1961 apply to the Company for its business in the normal course and to the shareholders in respect of their income arising out of dividends, if and when declared by the Company, or out of capital gains on purchase and sale of shares being issued by the Company.

HISTORY

History of the Company

The business of GGL was earlier owned by the erstwhile Gujarat Glass Limited, a listed Public Limited Company, engaged in the business of manufacturing/dealing in glass containers for pharmaceutical industry. Thereafter, in 1984, the Piramal Group, through 'S S Miranda Limited', acquired control of the aforesaid undertaking through acquisition of equity shares for a consideration of Rs. 86 lacs. Further, in 1988, the Piramal Group acquired Nicholas Laboratories Limited ('Nicholas', now known as Nicholas Piramal India Limited). The erstwhile Gujarat Glass Limited was then merged with Nicholas in 1990 after which it continued as the Glass Division of Nicholas until 1998.

In 1998, with shareholders approval u/s 293(1)(a) of the Companies Act, 1956, the aforesaid Glass Division of NPIL was spun off into a separate company, named Gujarat Glass Private Limited, w.e.f. April 1, 1998. 93,00,000 shares were issued to NPIL constituting 53.76% of the total shareholding of GGL and the balance 46.24% was issued to Foreign Equity Investors, namely, Indocean Packaging Limited, The India Private Equity Fund Limited (Mauritius) and Citicorp Investment Bank (Singapore) Limited.

Subsequently, the word 'private' was deleted from the Company's name w.e.f. 13th February 1998 and the Company became a Deemed Public Company pursuant to the provisions of Section 43A of the Companies Act, 1956. The Company ceased to be a public company by operation of law consequent to insertion of Section 43A(2A) in the Companies Act, 1956, w.e.f. 28th September, 2001 and the word 'Private' was added to its name.

In 2003, pursuant to a Scheme of Arrangement under Section 391 and 394 of the Companies Act, 1956, NPIL's above shareholding in GGL was transferred to Kojam Fininvest Limited (KFL) and in consideration, KFL issued equity shares to NPIL's equity shareholders which have been listed on the Stock Exchanges.

In 2004, Citicorp Investment Bank (Singapore) Limited sold its entire shareholding and in January 2007, Indocean Packaging Limited and The India Private Equity Fund Limited, Mauritius also divested their stakes in the Company.

In March 2007, the Company was converted into a Public Limited Company and consequently the name of the Company was changed from Gujarat Glass Private Limited to Gujarat Glass Limited and a new set of Articles of Association was adopted for the Company.

The registered office of GGL is located at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013.

The other contact details of GGL are :

Phone: (022) 3046 6666;

Website: www.gujaratglass.com

Email: complianceofficer@gujaratglass.co.in

Main Objects of GGL

As set out in the Memorandum of Association of GGL, the main objects are as follows:

1. To carry on the business of manufacturers of and dealers in all types of packaging, bottle, vials, ampules, containers, foils, boxes, packagings, packages, wrappings, wrappers and receptacles of all kinds, nature and description made from glass, plastic, metal, alloys, polypropylene paper and boards, and other materials of all kinds whether synthetic or not.
2. To carry on the business of manufacturers and dealers in all kinds of glass glassware, tableware, tumblers and all other articles and things which can or may conveniently be manufactured from glass and/or china clay.

Changes in the Memorandum of Association

Since incorporation, the following changes have been made in the Memorandum of Association of GGL;

Date	Change
9 th March, 1998	Increase in Authorised Share Capital from Rs. 100 lacs to Rs. 2500 lacs.
22 nd April, 1999	Increase in Authorised Share Capital from Rs. 2500 lacs to Rs. 4500 lacs.
13 th July, 1999	Increase in Authorised Share Capital from Rs. 4500 lacs to Rs. 6500 lacs.
6 th February 2007	Conversion of company into a public limited company and consequent deletion of the word 'private' from the name.
23 rd March 2007	Sub-division and reclassification of unissued 40,00,000 preference shares of Rs. 100/- each to 4,00,00,000 preference shares of Rs. 10/- each.
	Conversion of 23,00,000 unissued preference shares of Rs. 10/- each into 23,00,000 equity shares of Rs. 10/- each

The major/key events, milestones, achievements of GGL are as follows;

Year	Key Events, Milestones, Achievements
1984	Erstwhile Gujarat Glass Limited is acquired by Piramal Group.
1988	Piramal Group acquires Nicholas Laboratories Ltd. (now known as NPIL).
1990	Erstwhile Gujarat Glass Limited merges with NPIL and functions as Glass Division of NPIL. Turnover of Glass Division is Rs. 2100 lacs.
1998	Glass Division is spun off by NPIL into a separate Company, which is the present GGL. This was done to facilitate investment by leading Venture Capital Funds. Sales of the Glass Division was Rs. 11200 lacs, making it the market leader in its category. Total equity capital of GGL was Rs. 2500 lacs of which 53.76% was held by NPIL and the balance 46.24% was allotted to the Venture Capital Funds.
1998-99	Stabilization of new 230 TPD at Jambusar.
1999-00	New 35 TPD facility is commissioned dedicated to exports of cosmetic bottles and pharmaceutical vials. 230 TPD plant at Jambusar is awarded ISO 14000 for the first time in Indian Glass Industry.
2000-01	Acquires 73.76 % in Ceylon Glass Company Limited, Sri Lanka. Exports grow by more than 100% to Rs.2566 lacs. CAPEXIL award for highest number of glass containers exported from India. 3rd time OPPI award for export performance.
2001-02	Exports register 51 % growth over previous year. 4th time OPPI award for export performance in six years since the award by OPPI was instituted.
2002-03	Construction of 65 TPD facility totally dedicated to cosmetic & perfumery segment begins. Wholly owned marketing subsidiary in USA named GG USA Inc. is incorporated to cater to US market.
2003	NPIL Investment of 53.76% in GGL is transferred to Kojam under the Scheme of Arrangement between NPIL and Kojam.
2004-05	GGL export turnover crosses Rs. 1 billion mark with a growth of 47.1% over previous year, mainly due to cosmetic & perfumery division.
2005-06	GGL acquires specific assets of the Cosmetic moulded glass products division of The Glass Group (Inc.) USA through its wholly owned subsidiary company viz. Gujarat Glass International Inc. (GGI) for a consideration of US\$ 20.15 million. Accordingly, effective October 24, 2005, property & equipments of the said business along with inventory as on that date were transferred to the GGI. The acquisition gives the company access to the manufacturing facilities as well as marketing rights for supply of Glass Containers products in the Northern American market. GGL also acquires certain assets of the International Bottle Company Limited, UK through its wholly owned subsidiary company viz. Piramal Glass UK Ltd. for a consideration of GBP 0.11 million. The acquisition gives the company access to the designing / decoration facilities of Glass Container products in the European market.
2006-07	GGL relines its 18 TPD and 40 TPD furnaces. The capacity of 18 TPD furnace is increased to 25 TPD. As a part of the US business turnaround plan, GGL commissions a 100TPD furnace in March 2007. This furnace mainly produces Cosmetic & Perfumery products. GGL commissions a 105 TPD furnace at Jambusar, Gujarat in December, 2007. This furnace produces bottles for pharma, cosmetics & perfumery and food applications.

BUSINESS OVERVIEW

GGL is a manufacturer of Flaconnage i.e. medium to small size glass containers for the pharmaceuticals and cosmetic industries. GGL manufactures a wide range of glass bottles and jars, in sizes ranging from 2 ml to 2.5 litres.

The pharmaceutical glass container division manufactures amber bottles, amber and flint vials for liquid oral formulations, injectibles, *etc.* Products manufactured conform to US, Indian and European pharmacopeia in Type I, Type II and Type III formulations. GGL is the leading supplier of glass containers to both multinational and Indian pharmaceutical companies like GlaxoSmithKline, Pfizer, Nicholas Piramal, Cipla, Abbott, Alembic, Ranbaxy *etc.*

The cosmetics and perfumery glass container division of GGL caters to international customers like Unilever, Revlon, L'Oreal, Avon, Expak, Erkul Kozmetic *etc.* These customers use the glass bottles and jars for products like nail polish, make-up foundations, perfumes, skin care creams *etc.*

Market Size

The market size is as follows

- Pharmaceutical containers: 14,00,000 M.T.s per annum (GGL 1,20,000 M.T.)
- Cosmetic & perfumery-3,50,000 M.T.s per annum (GGL 50,000 M.T.)

Growth Drivers

Pharma - Demand for pharmaceutical formulations in India is on the rise. While the growth for tablets and capsules would be higher, the demand for medication in the form of liquid dosages, especially for pediatric formulations, for injectibles, *etc.* would also increase. The generics market globally, which also has liquid formulations, is also growing. Some Indian pharmaceutical companies are also scaling up their efforts in major way to become the preferred manufacturer for large global pharmaceutical companies. All these factors will result in increased demand for pharmaceutical glass containers.

Cosmetic & perfumery- These are beauty products and increasing fashion-consciousness and awareness are the critical drivers for this industry. The growing young population, working women and their increasing disposable income will provide a major fillip to the industry. The entry/availability of major international brands and setting up of large retail stores across the country will also result in higher demand for these products.

Main players in the market

- Pharmaceutical – GGL, Vitrum Glass, Hindustan National Glass, Neutral Glass, AGI, Haldyn
- Cosmetic & perfumery-GGL and Astral Glass

Expected Growth rate

- Pharmaceutical – About 3% p.a.
- Cosmetic & Perfumery- About 25% p.a..

GGL is engaged in the business of manufacturing and marketing glass containers, also known as flaconnage. GGL has bifurcated its business into two separate strategic business units (“SBUs”) based on the customers/end-users it caters to.

Details of the two SBUs are given below;

SBU 1: Containers for Pharmaceuticals Business

SBU1 caters to the requirements of pharmaceutical industry in the product lines like moulded vials, injectables and bottles.

Domestic market size of this segment 1,25,000 tons and GGL enjoys 41% of market share. Revenue contribution of SBU1 for last three years is given below.

	Revenue in Rs. lacs	% of total revenue
2004-2005	17993	64.27
2005-2006	18986	61.26
2006-2007	23152	60.70

Major customers of containers for pharmaceutical industry are Glaxo Smithkline, Pfizer, E-Merck, Alembic, Aventis, Dabur (India), Ranbaxy, Cipla, Himalaya drugs, Dr.Reddy's Laboratories, Nicholas Piramal India Limited *etc.*

Details about main competitors of GGL in this segment are as follows:

Sr. No.	Market	Competitors
1.	South-East Asia	Iglass, Indonesia
2.	Middle East	Bormioli Rocco, Saint Gobain
3.	Latin America	Wheaton, do Brazil
4.	North America	Glass Group, Stozle, Austria
5.	India	HNG, Vitrum, AGI, Haldyn, Neutral

SBU 2: Containers for Cosmetics And Perfumery Business

The glass containers manufactured in SBU2 are used to fill nail polish, perfumes, foundations, attars, *etc.* The main raw materials used are semi snow quartz, soda ash, lime stone powder.

Since this segment has just emerged in India, no verifiable figure for domestic market size is available.

Revenue contribution of SBU2 for last three years is given below.

	Revenue in Rs. lacs	% of total revenue
2004-2005	10001	35.73
2005-2006	12004	38.74
2006-2007	14989	39.30

Major customers of containers for cosmetics and perfumery business are Dumak LLC, L'Oreal, Erkul Kozmetic, Compagnie De Diffussion, Niasi, Expak, Baralan International, S F Patel & Sons, Estico Ltd., Revolline Ltd.

Details about the competitors of GGL in this segment are as follows:

Sr. No.	Market	Competitors
1.	Turkey, Russia & CIS	Zignago, Italy Asia Pacific – S. Korea Uni President – Taiwan
2.	Latin America	Wheaton do Brazil
3.	Middle East	Astral, India
4.	Europe	Zignago, Italy Heinz, Germany Stozle, Austria
5.	USA	Wheaton, USA Lugi Bormioli, Italy Pochet, France
6.	India	SGD, USA Astral

PRODUCT LINES

GGL manufactures three types of moulded vials and bottles as follows

- Type I
- Type III Flint
- Type III Amber

Out of the above product lines ‘Type I’ and type ‘III Amber’ cater to only SBU1, whereas ‘Type III’ Flint caters to both SBU1 and SBU2.

Type I:

Type I moulded Vials and bottles are borosilicate glass containers used to fill life-saving drugs and injectibles. These are used only in the pharmaceuticals sector. The main raw materials used are Quartz –BRS, Borax and Feldspar. The major customers are IPCA Laboratories, Shreeji Bottles Works, Nicholas Piramal Ltd, Lab Pisa, Astra Zeneca, Fairdeal Corporation, Strides Arcolab Ltd., Cipla Ltd.

Capacity and Capacity Utilization

Particulars	March 31, 2005	<i>For the year ended</i>	
		March 31, 2006	March 31, 2007
Installed capacity (Tons)	4646	3479	4379
Actual Production/Capacity (Tons)	3504	2407	3776
Sales (Tons)	3314	3097	2653
Net Sales (Rs. in lacs)	2192	2244	2002

Revenue

Details of revenue earned by GGL from ‘Type I’ is as follows:

	<i>For the year ended March 31,</i>					
	2005		2006		2007	
	(In Rs. lacs)	(In Tons)	(In Rs. lacs)	(In Tons)	(In Rs. lacs)	(In Tons)
Sales: Domestic	2021	3060	2038	2798	1732	2310
Sales: Export	171	254	206	299	270	343
Total Sales	2192	3314	2244	3097	2002	2653

Type III Flint

Type III Flint bottles are used both in the pharmaceutical business and cosmetics and perfumery business. The main raw materials used are semi snow quartz, soda ash, lime stone powder, *etc.* Further, GGL has a dedicated facility for this segment and enjoys good economies of scale. For details on this facility, please refer to the para on 'Locations' on page 35 of this Information Memorandum. The major customers are Lab Pisa, Dabur India, Amrutanjan, Alembic Ltd., Farcam SRL, Biomed Corporation, Dinalab.

Capacity and Capacity Utilization

Particulars	March 31, 2005	For the year ended	
		March 31, 2006	March 31, 2007
Installed capacity (Tons)	10995	11553	11571
Actual Production/Capacity (Tons)	8796	9589	9835
Sales (Tons)	8677	10215	10358
Net Sales (Rs. in lacs)	2752	3618	3648

Revenue

GGL sells 'Type III Flints' domestically as well as in the export market. It sells directly to its customers as well as to distributors. The details of the domestic and export sales of GGL are as follows;

	2005		For the year ended March 31,			
	(In Rs. lacs)	(In Tons)	2006		2007	
	(In Rs. lacs)	(In Tons)	(In Rs. lacs)	(In Tons)	(In Rs. lacs)	(In Tons)
Sales: Domestic	2051	6863	3338	9546	2429	7559
Sales: Export	702	1814	280	669	1219	2799
Total Sales	2752	8677	3618	10215	3648	10358

Type III Amber

Type III amber bottles are used only in pharmaceuticals business. These are soda-based glass containers used for formulations like tonics, syrups *etc.* The main raw materials used are Quartz – SLG, Silica Sand, Soda Ash, Dolomite and Calcite. GGL has 2 dedicated furnaces for manufacturing these bottles, while most of the glass manufactures in South East Asia, Africa and Middle East do not have dedicated furnaces for amber bottles – which are predominantly used by the pharmaceutical industry. They usually manufacture flint (transparent) and amber bottles campaigns in the same furnace. Since the flint bottles (used for liquor, soft drink, foods, *etc.*) market is far bigger than the amber bottles market, all glass manufacturers give priority for flint bottles. Furthermore, the product mix of flint bottles is more towards large volume bottles (750ml, 500ml *etc.*) while the product mix of the amber bottles for pharmaceuticals is more towards small and medium size bottles (10ml, 30ml and 60ml). Thus, whenever the glass manufacturers do an amber bottle run in the same furnace, they heavily under-utilize the furnace melting capacity – thereby reducing the financial attractiveness of the amber product range. This also results in large delays, larger inventory holding for pharmaceutical companies.

As stated earlier, GGL has two dedicated furnaces for manufacturing amber bottles, one at each plant. The plant located at Jambusar near Baroda having a capacity of 230 Tons Per Day ("TPD"), is considered to be one of the largest plant manufacturing amber bottles for pharmaceutical industry in the world. This facility is state-of-the-art facility and is equipped with

clean room facilities to provide a large range of dust-free bottles to the pharmaceutical industry. These factors naturally make GGL a preferred vendor by the entire pharmaceutical industry. Major customer are Nicholas Piramal Ltd, Cipla Ltd., San Miguel Corp., Faideal Corp., Glaxosmithkline, Merck Limited, Pfizer Ltd, IPCA Laboratories.

Capacity And Capacity Utilization

Particulars	<i>For the year ended</i>		
	March 31, 2005	March 31, 2006	March 31, 2007
Installed capacity (Tons)	103384	104308	105212
Actual Production/Capacity (Tons)	87876	85146	88378
Sales (Tons)	79627	80387	90975
Net Sales (Rs. in lacs)	13049	13124	17502

Revenue

GGL sells these products domestically as well as in the export market. It sells directly to its customers as well as to distributors. The details of the domestic and export sales of GGL are as follows;

	<i>For the year ended March 31,</i>					
	2005		2006		2007	
	(In Rs. lacs)	(In Tons)	(In Rs. lacs)	(In Tons)	(In Rs. lacs)	(In Tons)
Sales: Domestic	10447	67123	9534	63460	11562	69956
Sales: Export	2602	12504	3590	16927	5940	21019
Total Sales	13049	79627	13124	80387	17502	90975

PRODUCTION PROCESS

Glass Manufacturing Process

The chemistry of glass has remained almost exactly the same since man first started making it. Commercial glass is about 70% by weight silica (SiO_2). This compound is obtained from sand and is ideal for making glass because it does not absorb visible light, making the finished product transparent. Melting pure silica requires temperatures up to 2000 °C, so most manufacturers save fuel costs by mixing raw sand with about 18% sodium carbonate (Na_2CO_3), also known as soda. The carbonate brings down the melting point, but the added sodium causes the finished glass to dissolve slowly in water. Adding about 10% limestone (CaCO_3) contributes calcium, which helps protect the glass from weathering. Heating these ingredients together yields a molten mix of calcium silicate (CaSiO_3) and sodium silicate (Na_2SiO_3) that, when cooled under controlled conditions, creates what is known as soda-lime-silica glass. Glass in all its myriad forms starts life in the raw material quarry or the chemical plant, where sand, limestone / dolomite and soda ash, the three basic raw materials are mined or manufactured and then delivered to the glass plant to be made into a batch and melted to produce molten glass. After the batch has been melted and molten glass produced, the next step is the forming process, followed by annealing, inspection, packing and shipping.

The detailed step by step manufacturing involves the five basic operations, namely :

1. Batch Preparation
2. Glass Melting and conditioning
3. Glass Container forming
4. Annealing of glass containers
5. Inspection, packing, storage and dispatch

The basic raw materials used for manufacture of glass container are silica sand, quartz, dolomite, calcite, soda ash, fine chemicals and cullet (broken pieces of recycled glass). The utilities used in the manufacture of the container are fuel (oil/natural gas), electricity (for various electrical consumers such as motors, lighting, etc.,) and compressed air for the forming operation of the glass containers.

The entire manufacturing process is essentially non-polluting and the biggest advantage of glass as a packaging material is that it can be recycled thus lending itself to be the most “environment friendly” packaging material available today.

1. BATCH PREPARATION

In batch preparation, the raw materials, viz. silica sand, quartz, soda ash, calcite, dolomite, fine chemicals etc are weighed and mixed together in pre-determined proportion to form a composite mixture. This mixture is then further mixed with a pre-determined amount of cullet (broken pieces of recycled glass). The resultant mixture is called a batch, which is then fed to the glass-melting furnace. The entire batch preparation is carried out in a “BATCH HOUSE”.

2. GLASS MELTING AND CONDITIONING

The raw material mixture, referred to as a “batch” is charged to the “GLASS MELTING FURNACE” wherein it is melted into a homogenous solution of molten glass at temperatures ranging from 1550⁰C to 1580⁰C. The molten glass is then drawn into a distributor where the temperature is maintained at approx. 1300⁰C from where the glass is fed to the glass-forming machine through a refractory channel termed as forehearth. The distributor consists of as many forehearth as number of glass forming machines. Each glass forming machine and equipments subsequent to it forms a separate production line. The glass is fed to the glass forming machine by means of a feeder mechanism located at the end of the forehearth. The forehearth is also heated to maintain glass at a constant temperature ranging from 1090⁰C o 1200⁰C.

In the forehearth, a pre-determined quantity of molten glass, depending upon the weight and size of the container identified to be produced, called a gob, is separated from the forehearth at regular intervals depending upon the production speed, and fed to the glass forming machine.

3. GLASS CONTAINER FORMING

In the glass forming machine, the gob is fed to a mould and blown to the final shape of the bottle and the bottle so formed is transferred to the annealing lehrs by means of conveyors and stackers.

The glass forming machine, consists of many individual sections (typically six, eight or ten) with each section having a separate mould and forming a glass container. These machines in glass production technology are known as “I.S. MACHINE” (I.S. stands for individual section). Once the machine parameters are set according to the size of container to be produced, the entire forming operation is automatic.

4. ANNEALING OF GLASS CONTAINER

During the forming operation, the formed glass container develops stresses and in order to relieve these stresses and thereby increasing the glass container strength, the formed bottles are thermally processed in an “ANNEALING LEHR”.

In the annealing lehr, the bottles are heated to a temperature of approximately 540⁰C to 580⁰C and slowly allowed to cool in a controlled manner in order to relieve the stresses.

5. INSPECTION AND PACKING

At the end of the annealing lehrs, the containers are inspected by the quality control department to detect cracks and other defects developed either from glass or at forming. The rejected bottles are formed into cullet and recycled back to the batch house. The accepted bottles are then packed into cartons and stored in a finished goods warehouse for onward dispatch to the customers Quality Assurance

department draws samples at random at various stages and certifies the quality and quantity of product.

This process is prevalent for manufacture of glass bottles throughout the world. The manufacturing process in Gujarat Glass is on the above lines.

EXPORT OBLIGATIONS

GGL has availed 39 EPCG Licenses to import machineries for setting up new plants and upgrading existing plants. Under these licenses GGL has an export obligation of USD 4,39,42,700.06 (Approximately Rs. 19,356 lacs converted at the rate applicable as on 31.03.2007), as of March 31, 2007 to be completed within 8 years and till this export obligation is redeemed, average annual exports is to be maintained at Rs. 9,183 lacs. GGL believes that it would be able to fulfill this obligation well before the expiry of the 8 years.

In line with its strategy, GGL has increased its export market during the last few years. The exports have increased by 41.77 % in the year ended March 31, 2007 from the year ended March 31, 2006, by 20.03% in the year ended March 31, 2006 from the year ended March 31, 2005 and 41.77% in the year ended March 31, 2005 from the year ended March 31, 2004. Further, GGL has been granted a Star Export House Status by the Ministry of Commerce and Industry on November 6, 2007 which is valid up to March 31, 2009.

AWARDS/RECOGNITIONS RECEIVED BY GGL

GGL has been recognized by CAPEXIL¹ as the highest exporter of glass containers from India for the year 2006, 2005 and 2004. Further, Organisation of Pharmaceuticals Producers India (“OPPI”) has given GGL the best vendor award for the fourth time in the last six years and second year in succession.

¹*CAPEXIL gives awards to recognize the highest exporter of glass containers and to promote more exports by the industry. Its earlier name was Chemical & Allied Products Export Promotion Council.*

LOCATIONS

GGL has two plants in Gujarat, one located at Kosamba and the other at Jambusar. The plant located at Kosamba is 40 km away from Surat, while that located at Jambusar is 40 km away from Vadodara.

Further details of the two plants are given below:

Kosamba

Kosamba Factory is situated 40 Km away from Surat, a commercial hub of Gujarat, well connected by road from National Highway - 8 and by train. This factory was taken over by Piramals in the year June 1984 with two furnaces with the capacity of 50 tons and 10 tons. The total land is around 33 acres including present residential complex land. This facility comprising of 6 furnaces i.e. 40 tpd, 25 tpd, 75 tpd catering to pharmaceutical industries and 35 tpd, 65 tpd and 100 tpd catering to cosmetic and perfumery industries. GGL is specialised in glass container packaging for the pharmaceutical and cosmetic and perfumery industries. All the 6 furnaces are attached by I.S. machines, annealing lehrs inspection machineries, packing machineries and warehouses, mechanical workshops etc. Also this factory has an administrative block, guest house and residential complex with recreation club facility.

Production Units

The details of the production units at Kosamba is as follows:

Unit No.	Description of the Unit
40 TPD	Having 3 lines of production i.e. I.S. (Individual Section machine) for Glass forming with 6 section quarter gob configuration and having 3 annealing lehrs with single liners and visible inspection and manual packing facilities, this furnace produces 40 tons of glass every day and caters to the pharmaceutical industry. This plant can produce 5 ml to 200 ml bottles.
25 TPD	This plant has one furnace with a capacity of 25 tons of glass per day and 3 production lines I.S. machines of 2 6-section triple gob and one machine of 8 section double gob with annealing lehrs, single liners and visible inspection of Bottles and packing facility. This plant can produce 2 ml to 200 ml bottles of Type I glass (Borosilicate Glass) catering to pharmaceutical industries.
75 TPD	This unit has a capacity of 75 tons of amber soda lime glass per day and caters to the pharmaceutical industry. This plant also has 3 production lines of 6 section 2 machines with double and triple gob and one machine with 10 sections double gob. This unit can produce 2 ml to 2.5 ltr bottles. There are 3 annealing lehrs and single liners and visual inspection and packing facilities etc. This plant also caters to pharmaceutical industry.
35 TPD	This plant was commissioned in October 1999 with state of the art facilities with a capacity of 35 tons of glass per day comprising of total 4 production lines with 6 section DG, TG, QG and one 8 section TG machine. This plant caters to the cosmetic and perfumery industry. This plant has 4 annealing lehrs, single liners and automatic inspection facilities and shrink packing facility.
65 TPD	A state of the art plant with a capacity of 65 tons per day having 5 production lines all of 8 section DG and TG machines. This plant caters to the cosmetic and perfumery industries and a sizeable portion of the production s exported.
100 TPD	This plant has a capacity of 100 tons per day having 5 production lines all of 8 section TG and DG machines. The plant caters to cosmetic and perfumery industries with sizeable export sales.

Plant Facilities:

1. Batch Plant: All the above 5 plants are supported by 2 Batch houses where raw materials such as quartz, sand, soda ash, cullet, field spar and dolomite and other small chemicals are stores in silos. After precise batching and mixture these raw components are touted by conveyor to the furnace.
2. Furnace: A charger continuously feeds the batch to the furnace. Melting of batch takes place in the furnace. The furnace has a temperature of almost 1500⁰C. The batch is melted by gas or oil firing system and waste gases are used to preheat the combustion airs. Such system is not only economical but ecological as well. At the end of the furnace, the glass stream is distributed to different forehearths for the respective production lines furnace comprising glass level controllers, gas combustion controls, temperature measuring equipment, furnace positive pressure measuring systems, etc.
3. I.S. machines or Glass Forming machine: Once glass is flown through distributor and forehearth, the glass stream is conditioned in the forehearth and its temperature gradients equalized to ensure uniform temperature homogeneity. Plungers in the feeder system shape the glass stream which is then cut into individual gobs by mechanical shear. The gob distribution system delivers to the blank of moulds. The parison or partially shaped container is formed on the blank side of glass container forming machine. It then inverted to the blow side where it is finished. All this processes happen on I.S. machines.
4. Compressors: The plant has a Centac compressor that produces the compressed air which helps the forming of the glass bottles. The plant also has an air compressor where processed air is produced and supplied to IS machines. Further, the plant has a total of 6 compressors with a capacity of 3334 cfm and 6 reciprocating compressors are 1040 cfm capacity.
5. Annealing Lehrs: The plant has a total of 18 annealing lehrs which are attached to each and every I.S. machine. After sweep out on to the conveyor belt, the hot glass containers then enter the lehr where they undergo controlled cooling to relieve inherent stresses.
6. Cold end and Inspection: Following the lehr the glass containers are channeled individually on the single liner conveyor system and are checked for dimensional accuracy of body and neck quality individually through various inspection stations. They are also subject to impact testing for optimized quality assurance.
7. Handling / Packing system: After the inspection stations the glass containers are carefully palliated and protected with shrink wrap before being sent to the godown.
8. Warehouses: Every plant has an attached warehouse where all the stock is stored in certified manner equipped with CNG/LPG fork lifts and Pallet trucks.

9. Mould Work Shop: The plant has a very large mould work shop having 3 cnc machines, lathe machine, milling and shaping machines and polishing machines where moulds are manufactured from cast iron bars and inspected.

10. Mould Design and Drawing: The plant has a state of the art mould design and drawing department where moulds are designed based on samples received with auto cad and unigraphic systems.

11. Physical Laboratories: The plant has 3 physical laboratories comprising ultramodern inspection facility for quality checking of the bottles, including colour measuring machines and capacity measuring for produced bottles.

12. Chemical Laboratories: The plant has a very well equipped, state of the art chemical laboratory where all the raw materials are checked thoroughly and sent for processing comprising of XRF, fine balances and testing equipments.

Jambusar

Jambusar Plant is located on a plot area of 67 acres at a distance of 40 km from Vadodara, Gujarat, India. This plant is among the leading manufacturers of glass packaging for pharmaceutical industries. This plant has a two floor structured set up with the available area spread over 25 acres of land which accommodates the entire manufacturing facilities including utilities, godowns, fuel storage etc.

The details of the infrastructure are as under:

1. Furnace: This plant has 2 furnaces, out of which the Amber furnace is one of the world's largest pharmaceutical amber bottles manufacturing furnace at a single location having a capacity to produce 240 TPD. It is constructed as per the design by M/s. Horn of Germany.

The operation of the furnace is optimized with the help of auto control systems like glass level controller, combustion monitoring cameras etc. It also has the dual fire burner system which allows to use natural gas as well as furnace oil.

The raw material fed to the furnace is processed and prepared with extreme accuracy by a fully automatic batch house designed by M/s. Zippe of Germany.

The second furnace is a 105 TPD Flint furnace, also from Horn, Germany.

2. Glass Container Formation: The glass made in the furnace is further conditioned in distributor and forehearth under very strict temperature controls to suit the bottle formation.

The Amber 240 TPD plant has fully automatic and PLC controlled 5 'Emhart make' and 1 Bottero make bottle forming machines of different capacity and configuration. These machines have a capacity to manufacture a total of 25 lac bottles per day.

The flint 105 TPD plant has 6 lines from Bottero, Italy. These lines are configured to produce cosmetic, pharma vials, food jars & perfumery bottles.

3. Annealing lehrs: The bottles manufactured in the forming machines are further passed through annealing Lehrs for stress relieving. There is one lehr for each formation line. The lehrs are equipped with PLCs for precise control of the temperature and re-circulating fans for effective stress relieving.

4. Inspection and Packing: From lehrs, the bottles are delivered in bulk. To facilitate its proper online quality inspection and checking, single liners have been installed which make the bottles to flow in a single line.

The plant also has automatic inspection machines like 'M Cal' and 'M Machine' on most of the lines and there are plans to upgrade all lines with similar machines. Online arrangement to throw the defective bottles straight for its reuse in the glass manufacturing furnace is provided.

The bottles are supplied as per the requirement of the customers duly packed in shrink film packets. For this automatic shrink wrapping machines have been installed on all the lines. In few cases where the customers need the product to be packed in boxes, the same is done manually.

Since, the products produced in the 240 TPD plant are used for health care and pharmaceutical sectors, facilities have been set up on three of the lines to inspect and pack it in a dust free environment by installing a pressurized room. A fourth line has a pressurized tunnel to keep it dust free and microbially safe.

For the 105 TPD plant the entire cold end is enclosed and controlled, dust free conditions are maintained.

5. Despatch: The bottles duly packed are stacked on pallets which are very carefully handled by using latest material handling equipments like stackers, and electrically driven forklifts. There is a finished product storage area measuring approximately 120,000 sq. feet spread over two storey and at two different locations. The plant also has the facility of the loading the containers using the forklifts directly having a specially created loading platforms.

Raw materials

The basic raw materials used for manufacture of glass container are silica sand, quartz, dolomite, calcite, soda ash, fine chemicals and cullet (broken pieces of recycled glass). These raw materials are sourced indigenously as well as imported.

Utilities

In order to support all above functions, the following equipments have been installed which perform very critical part. The details are as under:

1. Captive power plant 3.2 MW capacity.
2. Grid Supply 5000 KVA
3. D. G. set 1000 KVA X 2 Nos.
4. 12 Air Compressors
5. R. O. water plant
6. Cooling towers
7. Effluent Treatment plant 300 M³ per day
8. Fire Hydrant and Fire fighting system of 7 Kg. pressure spread across plant area
9. Mould Manufacturing facility
10. Borewells to meet the process water requirement.
11. UPS for critical duty equipments.
12. SAP

Both these plants have an ISO-9000 certification given by Bureau Veritas Quality International ('BVQI') for quality management system valid up to July 24, 2008 and ISO-18001 certificate by BVQI for Occupational Health Safety Assessment Series ('OHSAS'), valid up to May 8, 2009. The Jambusar plant also has an Environmental Standards ISO-14001 certification by BVQI valid up to May 5, 2009.

GGL is the first glass company and the 18th company in the corporate sector in India to be accredited under the new ISO 9000:2000 series.

Effluents and the treatment

The entire manufacturing process is essentially non-polluting and the biggest advantage of glass as a packaging material is that it can be recycled, thus lending itself to be the most "environment friendly" packaging material available today.

PRODUCTS AND END USERS

GGL and its subsidiaries manufacture a wide range of glass bottles and jars, in sizes ranging from 2 ml to 2500 ml. The business is organised into two strategic business units:

1. **Cosmetics and Perfumery Glass container division (C&P)** – This division supplies glass bottles to various multinational customers who use glass bottles and jars for perfumes, skin care products, cosmetics and nail polish.
2. **Food and Pharmaceutical Glass container division (F&P)** – This division supplies amber bottles, amber and flint vials for liquid oral formulations and injectible glass containers to the pharmaceutical industry.

HUMAN RESOURCES

GGL had 1551, 1582 and 1925 employees, (excluding wholetime Director), as on March 31, 2005, March 31, 2006 and March 31, 2007 respectively. The details of its human resource is as stated below:

Employee Category	Number of employees as on March 31, 2007
Whole Time Director	1
Managerial	541
Support Staff	140
Skilled Workers	1244
Total	1926

Gujarat Glass Limited believes that the employees have a very important role to play in the light of its new Vision and Business Strategy of global leadership in select segments in container glass industry.

The Company is working on developing the Quality Culture in the organization to develop world class quality products. To this end, the following initiatives are taken in the area of Human Resource Development :

- 1) Training & Development Programmes for enhancing the technical and behavioral skills of employees to deliver superior quality products.
- 2) Personal Effectiveness Programmes to enhance personal and managerial skills of Executives and Managers.
- 3) Continuous Communication Sessions with the employees to share the Business Plans and Achievements, Expectations from Customers, etc.

The Company has a Technical Training Centre at Kosamba where newly recruited employees are given training in various manufacturing processes related to Glass Technology, Forming Operations, Quality Control, etc.

The Company has introduced a robust Performance Management System to communicate the business agenda to employees and to set specific performance goals and evaluate and reward the performance of employees against set goals.

Since October, 2006, the Company has introduced Manufacturing Excellence initiative wherein cross functional teams of employees are formed to implement various Quality Improvement Projects. Employees are equipped with necessary quality improvement techniques and methods and they are encouraged to solve quality related problems through team work.

Gujarat Glass Limited sends its employees for various external training programmes and exhibitions to improve their industry perspective, functional skills and knowledge.

MANAGEMENT OF THE COMPANY

Board of Directors as on the date of the Information Memorandum

Sr. No.	Name of Director	Age Yrs.	Father's / Husband's Name	Residential Address	Occupation
1	Mr. Ajay G. Piramal	52	Late Mr. Gopikishan Piramal	95A, Benzer Terrace, Abdul Gaffar Khan Road, Worli Sea Face, Mumbai 400 018	Industrialist
2	Dr.(Mrs.) Swati A. Piramal	51	Mr. Ajay G. Piramal	95A, Benzer Terrace, Abdul Gaffar Khan Road, Worli Sea Face, Mumbai 400 018	Doctor
3	Mr. Shitin Desai	60	Late Mr. Dayalji Desai	102, Glenridge, 16 Ridge Road, Malabar Hill, Mumbai – 400006.	Investment Banker
4	Mr. Bharat Kewalramani	47	Mr. Bhagwandas F. Kewalramani	252, Maker Towers 'A' Cuffe Parade Mumbai 400 005	Investment Manager
5	Ms. Vinita Bali	52	Late Mr. Kundan Lal Bali	Flat No. 1104, 'Tulip' Prestige Exotica, Cunningham Crescent Road, Bangalore 560 001	Company Executive
6	Mr. Gautam Doshi	54	Mr. Bhailal Doshi	402, Hamilton Court, Tagore Road, Santacruz(West) Mumbai 400054.	Company Executive
7	Mr. N. Santhanam	59	Mr. Venkatraman Narayanaswamy	A-151, Twin Towers Prabhadevi Mumbai 400 025.	Company Executive
8	Mr. Vijay K. Shah	49	Mr. Kantilal Shah	Flat No.25, 22 nd Floor "Kanchanjunga" 72, Peddar Road Mumbai 400 026.	Service

Brief Biography of the Directors.

The Details regarding the Board of Directors of the Company are as under.

1) Name : **Ajay G. Piramal**

Position: Chairman

Age: 52 years

Qualification: B.Sc.(Hons.), Master In Management Studies -Jamnalal Bajaj Institute, Advanced Management Programme, Harvard Business School, USA

Date of appointment: 06/02/1998

PAN: AAEP7726Q

Mr. Ajay G. Piramal is the Chairman of the Company since 1998 and also heads the Piramal Enterprises Group having interests in pharmaceuticals, pharma research, glass containers for pharma, cosmetics and perfumery industry and financial services. His presence in the pharmaceutical industry has been widely recognised. He is a member of the World Economic Forum's Governors' Forum on Healthcare. He is also the Chairman of the Drugs and Pharmaceuticals Committee of the Confederation of Indian Industries and a member of its National Committee. He was earlier a member of the Prime Minister's Council for Trade and Industry, the Prime Minister's Task Force on Pharmaceuticals and Knowledge-based Industries amongst others. Recently, he was conferred the 'Entrepreneur of the Year' Award of the UK Trade & Investments India Business Awards by Prince Andrew, Duke of York.

He is also a Director in the following public limited companies / subsidiaries of public limited companies in India:

1. Nicholas Piramal India Limited
2. NPIL Research & Development Ltd.
3. Piramal Enterprises Ltd.
4. Allergan India Pvt.Ltd.
5. Nicholas Piramal Consumer Products Pvt.Ltd.
6. NPIL Fininvest Pvt.Ltd.
7. AlpeX International Limited

2) Name: **Dr. (Mrs.) Swati A. Piramal**

Position: Director

Age: 51 years

Qualification: M.B.B.S. (University of Bombay), Masters Degree from Harvard School of Public Health

Date of appointment: 12/03/1998

PAN: AAJPP8862G

Dr. Swati A. Piramal, is the Director - Strategic Alliances and Communications of Nicholas Piramal India Limited. She is a Member of the Confederation of Indian Industries(CII), Knowledge Industries Council, Chairperson of the Life Science & Biotech Committee & Economic Growth Committee and President of CII 2006 of the State of Maharashtra. She is the Vice President of ASSOCHAM. Dr. Piramal has been nominated as a Member on the Board of the Council of Scientific & Industrial Research. She is also an Expert Member of the Planning Commission, Government of India. She is also a Board member of the United States Pharmacopeia and of the Bankinter Foundation, Spain. Dr. Piramal has been conferred the "Chevalier de l'Ordre National du Merite" (Knight of the Order of Merit) by the French President. She is also on the Advisory Board of the Roy & Diana Vagelos Programme in Life Sciences and Management of the University of Pennsylvania.

She is a Director in the following public limited companies / subsidiaries of public limited companies in India:

1. Nicholas Piramal India Limited
2. NPIL Research and Development Limited
3. Piramal Enterprises Limited
4. ICICI Prudential Asset Management Co. Ltd.
5. Life Insurance Corporation of India
6. SBI Capital Markets Ltd.
7. NPIL Dr.Phadke Pathology Laboratory & Infertility Center Pvt.Ltd.
8. NPIL Fininvest Pvt.Ltd.
9. NPIL Laboratories & Diagnostics Pvt.Ltd.
10. Allergan India Pvt. Ltd.
11. AlpeX International Limited

3) Name: **Mr. Shitin Desai**

Position: Director

Age: 60 years

Qualification: B. Com.

Date of Appointment: 29/12/2005

PAN: ABLPD3068P0

He is the Founder Director of DSP Merrill Lynch Limited and is its Executive Vice Chairman. He has been associated with the Capital Markets for over 30 years. He was nominated on the Committee on Infrastructure by the Government of India and was a member on the Committee on Takeovers appointed by SEBI. He was also a Member of the RBI Capital Markets Committee, Advisory Group for Securities Market of RBI and Insider Trading Committee. He is presently a Member of the Steering Committee of the Federation of Indian Chambers of Commerce & Industry (FICCI).

He is a Director in the following companies in India:

1. DSP Merrill Lynch Ltd.
2. DSP Merrill Lynch Trust Services Ltd.
3. DSP Merrill Lynch Trustee Co. Pvt. Ltd.
4. Hemko Patents Developers Pvt. Ltd.
5. Kalpataru Power Transmissions Ltd.

4) Name: **Mr. Bharat Kewalramani**

Position: Director

Age: 47 years

Qualification: B.A.- Bombay University, Master in Business Administration, Cornell University.

Date of Appointment: 25/04/2007

PAN: AAUPK4715G

Mr. Bharat Kewalramani has a long experience of the packaging industry and has been on the Board of the Company since Indocean Packaging Limited's ('Indocean') investment in the Company in April 1998 till the divestment of stake by Indocean in

January 2007. In April 2007, he was appointed as an Independent Director on the Board of the Company.

He has a successful 20 year history of investing in and turning around companies, including as an operating manager.

He is currently the President of 3D Technopak, a packaging company bought from The Board of Industrial and Financial Rehabilitation and successfully turned it around to supply quality tubes to local/European markets. He was the founder of Indocean Venture Advisors and of Indocean Chase Capital Advisors- some of the first private equity funds launched in India. He also led JP Morgan's investment in Gerreshaimer Glass - a leader in pharmaceutical and cosmetic glass bottles.

He is also a Director in the following companies in India:

1. 3D Technopak Ltd.
2. Inox Boats and Machinery Pvt. Limited

5) Name: **Ms. Vinita Bali**

Position: Director

Age: 52 Yrs

Qualification: B.A. (Economics) from Delhi University, M.B.A. from Jamnalal Bajaj Institute of Management Studies, Mumbai

Date of Appointment: 26/07/2007

PAN: AFDPB1852R

Ms. Vinita Bali is currently the Managing Director of Britannia Industries Limited and has spent over 16 years overseas in a variety of marketing, sales and general management positions with eminent multinationals like The Coca-Cola Company and Cadbury Schweppes. Ms. Bali has rich and diverse experience in packaged foods and beverages industry.

She is also a Director in the following companies in India:

1. Titan Industries Ltd.
2. Mphasis Limited
3. Go Airlines (India) Pvt. Ltd.

6) Name: **Mr. Gautam Doshi**

Position: Director

Age: 54 Yrs

Qualification: Chartered Accountant

Date of Appointment: 10/10/2007

PAN: AELPD0540F

Mr. Gautam Doshi is a Chartered Accountant with more than 30 years of experience. He is currently Group Managing Director, Reliance Anil Dhirubhai Ambani Group and is also on the Board of a number of public limited companies. He started out as a practicing Chartered Accountant and partner of M/s. Bansi S. Mehta between 1978 and 1991. He joined RSM & Co. as a partner in 1997 and continued as a partner and also as a Director of Ambit Corporate Finance Pte Ltd. till 2005. He was elected for three consecutive terms to the Western India Regional Council of The Institute of Chartered Accountants of India and was its Chairman for the year 1982-83. He was elected for two consecutive terms to the Council of the Institute of Chartered Accountants of India between 1991 and 1997.

He is also a Director in the following public limited companies in India:

1. Garware Polyester Limited
2. Sterlite Industries (India) Limited
3. Sonata Investments Limited
4. Reliance Communication Infrastructure Limited
5. Reliance Asset Reconstruction Company Limited
6. Reliance Life Insurance Company Ltd.
7. Reliance Telecom Limited
8. Adlabs Films Limited

7) Name: **Mr. N. Santhanam**

Position: Director

Age: 59 Yrs

Qualification: Chartered Accountant

Date of Appointment: 10/10/2007

PAN: AABPN5311Q

Mr. N. Santhanam is a Chartered Accountant and a Rank holder. He is the Executive Director and Chief Financial Officer of Nicholas Piramal India Limited, which is the flagship Company of the Piramal Group.

Mr. N. Santhanam has 36 years of rich and varied experience in Corporate Accounts, Finance, Secretarial and Legal, apart from gaining deep insight into general business management.

He is also a Director in the following public limited companies / subsidiaries of public limited companies in India:

1. Nicholas Piramal India Limited
2. Piramal Enterprises Ltd.
3. NPIL Laboratories and Diagnostics Pvt. Ltd.
4. Nicholas Piramal Consumer Products Pvt. Ltd.
5. NPIL Dr. Phadke Laboratory & Infertility Centre Pvt. Ltd.
6. The Swastik Safe Deposit & Investments Ltd.
7. Savoy Finance & Investments Pvt. Ltd.
8. NPIL Research and Development Ltd.

8) Name: **Mr. Vijay Shah**

Position: Managing Director

Age: 49 yrs

Qualification: B.Com., C.A., Management Education Programme- IIM,Ahmedabad, Advanced Management Programme, Harvard Business School,USA

Date of Appointment: 01/05/2006

PAN No.: ABBPS4383C

Mr. Shah has been with the Piramal Group since 1988. He was the Chief Operating Officer and Whole-time Director of Nicholas Piramal India Limited since 1997 until April, 2006. He was appointed as Managing Director of the Company with effect from 1st May, 2006.

His other directorships in the following public limited companies / subsidiaries of public limited companies in India are:

1. Piramal Enterprises Ltd.
2. The Swastik Safe Deposit & Investments Limited.
3. Allergan India Pvt. Ltd.
4. Nicholas Piramal Consumer Products Pvt. Ltd.
5. NPIL Laboratories & Diagnostics Pvt. Ltd.

Corporate Governance

The provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to the Company immediately upon the listing of its Equity Shares on the Stock Exchanges.

Mr. Ajay G. Piramal is the non-executive Chairman of the Board. The Board of the Company comprises of 8 Directors including 4 Independent Directors. The Board has also constituted the Audit Committee and Shareholders/Investors' Grievance Committee as required under the Companies Act, 1956 and Clause 49 of the Listing Agreement as under:

Director	Category	Member of Audit Committee	Member of Shareholders/Investors' Grievance Committee
Mr. Ajay G. Piramal	Non Executive	No	No
Dr. (Mrs.) Swati A. Piramal	Non Executive	No	No
Mr. Shitin Desai	Independent	Yes, Chairman	No
Mr. Bharat Kewalramani	Independent	No	No
Ms. Vinita Bali	Independent	No	Yes, Chairperson
Mr. Gautam Doshi	Independent	Yes	No
Mr. N. Santhanam	Non Executive	Yes	No
Mr. Vijay Shah	Executive	No	Yes

Change in Board of Directors of the Company since incorporation

Sr. No.	Name of the Directors	Date of Appointment	Date of Cessation
1.	Mr. Ajay G. Piramal	06-02-1998	
2.	Mr. Vijay K. Shah – Managing Director w.e.f. 01-05-2006	06-02-1998	
3.	Mrs Urvi A. Piramal	12-03-1998	20-01-2006
4.	Dr.(Mrs.) Swati A. Piramal	12-03-1998	
5.	Mr. Bharat Kewalramani	02-04-1998	31-01-2007
6.	Mr. Ajay Relan	02-04-1998	29-04-2005
7.	Mr. Amitabh Srivastava	22-04-1999	30-08-2001
8.	Mr. Anil Ahuja – Alt.Dir. to Mr. Bharat Kewalramani	16-09-1998	24-03-2004
9.	Mr. Asit Chawla	01-04-2001	31-03-2004
10.	Mr. Abhay Agarwal	30-08-2001	24-03-2003
11.	Mr. Gaurav Mathur	24-03-2003	20-01-2006
12.	Mr. Cyrus Driver – Alternate Director to Mr. Gaurav Mathur	29-07-2005	20-01-2006 Ceased as Alternate Director to Mr. Gaurav Mathur

13.	Mr. Shitin Desai	29-12-2005	
14.	Mr. Sunil M. Kulkarni – Mg. Director	01-04-2004	29-12-2005
15.	Mr. Cyrus Driver – Director	20-01-2006	31-01-2007
16.	Mr. Umesh Asaikar – Manager	29-12-2005	01-05-2006
17.	Mr. Bharat Kewalramani	25-04-2007	
18.	Ms. Vinita Bali	26-07-2007	
19.	Mr. Gautam Doshi	10-10-2007	
20.	Mr. N. Santhanam	10-10-2007	

Date of expiration of current term of Office of Directors

Mr. Vijay Shah has been appointed as the Managing Director of the Company with effect from 1st May, 2006 for a period of three years by the Board of Directors of the Company.

In terms of the Articles of Association of the Company, Mr. Shah's office shall not be subject to retirement by rotation. All the other Directors' term of office is subject to retirement by rotation in terms of the provisions of the Companies Act, 1956.

Shareholding of Directors

The shareholding of the Directors is as follows:

Sr. No.	Name of the Director	Number of Equity Shares held
1	Mr. Ajay G. Piramal	16362
2	Dr. (Mrs.) Swati Piramal	20201
3	Mr. Shitin Desai	234
4	Mr. Bharat Kewalramani	--
5	Ms. Vinita Bali	--
6	Mr. Gautam Doshi	--
7	Mr. N. Santhanam	625
8	Mr. Vijay Shah	55766

Key Management Personnel

Name	Age (yrs)	Designation	Qualifications	Total Experience	Date of Joining	Details of Previous Employment
Mr. Ajay G. Piramal	52	Chairman	B.Sc., MMS, Advanced Management Program (Harvard)	25	06.02.1998	Not applicable as he is a Non Executive Director.
Dr. (Mrs.) Swati A. Piramal	51	Director	M.B.B.S., M.D. (Harvard)	24	12.03.1998	Not applicable as she is a Non Executive Director.
Mr. Vijay Shah	49	Managing Director	ACA, MBA	26	01.05.2006	Chief Operating Officer – Nicholas Piramal India Limited

PROMOTERS

Prior to the merger, Kojam Fininvest Limited ('Kojam') and Glass Engineers Private Limited were the promoters of the Company. Pursuant to the Scheme, Kojam has merged with the Company and has ceased to exist.

The current promoters of Kojam who directly hold shares of GGL, would also be categorized as promoters of the Company.

The Promoter of Kojam is Mr. Ajay G. Piramal.

Mr. Ajay G. Piramal, 52 years, (Passport no. 21586954, Voter ID number: MT/05/030/030155, PAN:AAEPP7726Q), a resident Indian national is our Promoter. He has done his B.Sc (Hons) from Bombay University, Masters in Management Studies from J.B. Institute of Management and the Advanced Management Programme from the Harvard Business School, USA.

Promoter Group

In addition to the Promoter named above, the following natural persons and companies are part of our Promoter group holding equity shares in the Company.

- Dr. (Mrs.) Swati A. Piramal
- Mr. Anand A. Piramal
- Mrs. Lalita G. Piramal
- Ms. Nandini A. Piramal

Promoter Group Companies

The companies which are part of our Promoter group, other than the Promoters are as follows:

1.	Glass Engineers Pvt. Limited
2.	NPIL Fininvest Pvt. Limited
3.	Nandini Piramal Investments Pvt Limited
4.	GGL Holdings Pvt. Limited.
5.	The Swastik Safe Deposits & Investments Limited
6.	Savoy Finance & Investments Pvt. Limited
7.	Piramal Enterprises Ltd - Trustees of Piramal Enterprises Executive Trust
8.	Nicholas Piramal India Ltd. - Senior Employees Option Scheme

Please refer to the section 'Financial and Other Information of Group Companies' for details of these companies.

CURRENCY OF PRESENTATION

In this Information Memorandum all references to "Rupees" or "Rs." are to Indian Rupees, the legal currency of the Republic of India.

DIVIDEND POLICY

Dividend is declared based on the quantum and availability of profits and is disbursed on recommendation of the Board of Directors, subject to shareholders' approval. The Company has paid dividends on its equity shares for the years ended 31st March 1998-99, 1999-00, 2000-01, 2003-2004 and 2004-2005.

FINANCIAL INFORMATION OF GUJARAT GLASS LIMITED

Auditors' Report

The Board of Directors,
Gujarat Glass Limited.
Nicholas Piramal Tower
Ganpatrao Kadam Marg
Lower Parel
Mumbai – 400013

Dear Sirs,

1. We have examined the financial information of Gujarat Glass Limited (as set out in Annexure I to VIII attached to this report) stamped and initialed by us for identification , which has been prepared in line with Paragraph B (1)- Part II of Schedule of the Companies Act, 1956 of India (the Act) of India and amendments thereof and the Securities and Exchange Board of India (Disclosure and Investors Protection) Guidelines 2000 issued by the Securities and Exchange Board of India (SEBI) on January 19, 2000 in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and the amendments thereto from time to time, to the extent applicable amendments thereof from time to time thereto to the extent applicable and in the accordance with our Memorandum of Information setting out the inter alia the scope of work relating to the for proposed Listing of the company.
2. We have examined the attached Statement of Assets and Liabilities of Gujarat Glass Limited ('the Company') as at 30th September, 2007, 31st March, 2007, 31st March, 2006, 31st March, 2005, 31st March, 2004 and 31st March, 2003.(Annexure II), the related Statement of Profit and Loss for the period ended 30th September, 2007 and year ended 31st March, 2007, 31st March, 2006, 31st March, 2005, 31st March, 2004 and 31st March, 2003(Annexure I) and cash flow statement for the financial year ended 31st March, 2007, 31st March, 2006, 31st March, 2005, 31st March, 2004 and 31st March, 2003(Annexure III) together with the Significant accounting Policy and Notes to the Financial Statement (Annexure IV), stamped and initialed by us for the purpose of identification. These Summary Statements are responsibility of the Company's management.

- 3.1 Based on our examination of the aforesaid Summary Statements, we confirm that:
- 3.1.1 there are no restatements which are required to be made in the Summary Statement with retrospective effect to reflect the significant accounting policies (Annexure III) as adopted by the Company.
 - 3.1.2 there are no material adjustments relating to financial years, which need to be adjusted in Summary Statement in the period to which it relates,
- 3.2 In accordance with the SEBI guidelines, also attached are the –
- i) Statement of Accounting Ratios (Annexure V)
 - ii) Capitalization Statement (Annexure VI)
 - iii) Tax Shelter Statement (Annexure VII)
 - iv) Statement of Dividend (Annexure VIII)
- 3.3 The summary statement do not take into account or make any adjustments for the events subsequent to limited review report and/or audit report on the financial statement for the financial period ended 30th September 2007, financial years ended 31st March 2007, 31st March 2006, 31st March 2005, 31st March 2004, 31st March 2003 respectively.
- 4 We have further issued a seperate report of even date on our examination of the Consolidated Statement of Assets and Liabilities of the Company as at 30th September 2007, 31st March 2007, 31st March 2006, 31st March 2005, 31st March 2004, 31st March 2003, and related Consolidated Statement of Profits and Losses for the period ended 30th September 2007, financial years ended 31st March 2007 , 31st March 2006, 31st March 2005, 31st March 2004 and 31st March 2003 together with significant accounting and notes forming part of accounts.
- 6 This report is solely for your information and inclusion in the Information Memorandum in connection with the Proposed Listing of the company and is not to be used, referred to for any other purpose without our prior written consent.

Mumbai
Date: 22nd November 2007

HITESH J. DESAI
PARTNER
For, HARIBHAKTI & CO,
CHARTERED ACCOUNTANTS
M.No. 037569

Annexure I
GUJARAT GLASS LIMITED

SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT

(Rs. In Lakhs)

Particulars	Sch.	For the six months ended on 30th Sept 07	For the year ended on 31st March 07	For the year ended on 31st March 06	For the year ended on 31st March 05	For the year ended on 31st March 04	For the year ended on 31st March 03
INCOME							
Net Sales (of products manufactured by the company)		20500.43	38140.74	30989.88	27994.27	24943.42	23393.49
Other Income	1	1168.04	2233.80	2887.74	999.01	985.38	1056.07
		21668.47	40374.54	33877.62	28993.28	25928.80	24449.56
EXPENDITURE							
Materials	2	4913.42	8071.48	6950.04	6503.61	5559.14	5996.11
Staff Cost	3	2656.77	3902.31	3257.35	3088.26	2565.08	2275.94
Other Expenses	4	10052.43	17747.53	13426.94	11237.49	9456.99	8281.61
(Increase)/Decrease in WIP/Finished Goods	5	(1305.17)	190.89	810.54	(1085.56)	108.51	(141.11)
		16317.46	29912.20	24444.89	19743.56	17689.72	16412.55
PROFIT BEFORE INTEREST, DEPRECIATION AND TAX		5351.01	10462.33	9432.73	9249.72	8239.08	8037.01
Interest	6	1999.45	2136.58	1474.43	1800.71	2436.98	3555.93
Depreciation		2318.47	3514.39	4459.20	3824.69	3702.53	3355.10
PROFIT BEFORE TAX AND EXTRA-ORDINARY OTEMS		1033.10	4811.36	3499.09	3624.32	2099.57	1125.98
Extraordinary Items	7	0.00	350.00	384.47	1298.60	440.24	0
PROFIT BEFORE TAX		1033.10	4461.36	3114.62	2325.72	1659.33	1125.98
Provision for Taxation – Current		117.05	540.00	314.55	182.37	127.56	88.67
- Deferred		241.53	346.38	(218.94)	404.45	487.46	490.16
- FBT		14.00	40.00	49.60	-	-	-
PROFIT FOR THE YEAR		660.52	3534.98	2969.40	1738.90	1044.31	547.15
Balance brought forward from earlier year		7104.68	3569.72	600.30	862.16	1251.37	140.51
Transfer from Debenture Redemption							

Reserve	-	-	-	271.00	189	790.00
NET PROFIT AVAILABLE FOR APPROPRIATION	7765.20	7104.70	3569.71	2872.06	2484.68	1477.66
Transfer to Capital Redemption Reserve	-	-	-	1450.00	1000	-
Dividend :						
On Preference Share	-	-	-	54.32	117.17	226.29
On Equity Share	-	-	-	519.00	346.00	-
Corporate Dividend Tax	-	-	-	73.46	59.35	-
Transfer to General Reserve	-	-	-	175.00	100	-
Balance carried to Balance Sheet	7765.20	7104.70	3569.71	600.29	862.16	1251.37
	7765.20	7104.70	3569.71	2872.06	2484.68	1477.66

Schedules to Annexure I

(Rs. In Lakhs)

Particulars	Sch	Sept. 2007	2007	2006	2005	2004	2003
OTHER INCOME							
Income from Windmill		41.03	83.56	69.49	79.05	67.97	95.00
Interest on Income tax Refund		-	-	-	-	9.60	12.62
Interest on Deposits		-	-	-	-	-	0.62
Technical Fees		169.81	340.37	336.16	274.35	295.84	540.39
Sales Tax Remission		-	275.60	31.80	-	-	-
Claims & Refunds		-	241.18	-	-	-	-
Excess Gas Charges Refund		-	479.63	-	-	-	-
Gain on Sale of Investment		-	-	1481.35	-	-	-
Exchange Loss / Gain		-	-	-	-	-	-
Scrap Sales		118.01	254.39	51.30	-	-	-
Miscellaneous Income		749.03	232.10	453.07	216.04	228.92	201.39
Dividend Income		-	39.77	225.06	429.57	383.05	206.06
Export Incentive		90.16	287.20	239.50	-	-	-
	1	1168.04	2233.80	2887.73	999.01	985.38	1056.07
MATERIALS							
Raw Materials							
Opening stock			306.57	255.60	329.80	179.06	203.25
Add: Purchases			5339.74	4897.28	4447.92	4219.60	4581.08
Less: Closing stock			309.51	306.60	255.61	329.80	179.06
Raw Materials Consumed		3012.20	5336.80	4846.28	4522.11	4068.86	4605.28
Packing Materials Consumed		1559.91	2734.68	2103.75	1981.50	1490.28	1390.83
Trading Purchase		341.31					
	2	4913.42	8071.48	6950.04	6503.61	5559.14	5996.11
STAFF COST							
Salaries, Wages and Bonus		2342.98	3411.52	2947.45	2827.31	2340.25	2044.97
Contribution to Provident & Other funds		78.16	314.99	147.80	127.33	112.38	96.29

	Staff Welfare		235.63	175.80	162.10	133.62	112.45	134.68
		3	2656.77	3902.31	3257.35	3088.26	2565.08	2275.94
	OTHER EXPENSES							
	Manufacturing Expenses							
	Power & Fuel		4186.88	6274.41	4954.80	3710.17	3247.79	3470.63
	Stores, Spares, Lubricants and Moulds consumed		1003.53	1539.12	1477.01	1564.15	1120.34	951.37
	Repairs to:							
	Building		15.06	15.85	22.84	26.33	16.41	12.23
	Plant & Machinery		103.31	202.78	136.02	124.65	88.90	59.35
	Others		35.87	69.23	61.04	6.45	2.48	2.33
	Rent, Rates & Taxes		134.48	277.33	280.65	19.00	17.33	37.01
	Total Manufacturing Expenses		5479.14	8378.73	6932.36	5450.75	4493.25	4532.92
	Administrative & Selling Expenses							
	Windfarm rent & maintenance		3.45	20.42	20.97	19.77	16.16	13.48
	Bank Charges		80.52	114.63	95.96	92.57	77.64	65.50
	Insurance		70.16	135.26	135.49	146.55	138.48	141.64
	Communication expenses		80.50	105.79	128.70	123.81	116.49	86.25
	Donation		2.23	6.76	11.37	4.63	5.19	0.88
	Travelling		84.09	140.62	133.17	99.55	112.89	95.38
	Foreign Travelling expenses - Directors		38.95	26.59	20.93	26.01	22.39	18.83
	Foreign Travelling expenses - Employees & Others		117.30	169.99	108.09	106.59	126.02	111.04
	Foreign Technical Fees		84.58	249.93	70.19	96.23	127.05	46.38
	Legal & Professional Fees		85.36	165.81	99.81	260.32	204.27	256.71
	Audit Fees		4.24	8.47	5.60	5.10	4.00	3.50
	Freight		2123.42	4238.69	2696.67	2177.17	1722.30	849.06
	Marketing SUEVEY Fees		104.12	169.04	214.30	477.36	371.88	125.05
	Exchange Fluctuation loss		46.90	-	-	13.64	55.50	11.30
	Commission on Sales		90.52	204.31	208.50	124.91	77.05	79.00
	Sitting fees		-	1.00	0.38	0.60	0.40	0.34
	Sales tax		-	-	-	-	-	775.43
	Bad debts written off		-	28.75	-	-	-	-
	Loss due to fire/Sale of Assets		-	4.66	6.84	33.44	9.77	25.09
	Decoration Expenses		559.31	1110.51	734.59	553.90	460.09	31.98
	Director Fees		-	-	-	-	-	-
	Resorting & Repacking Expenses		-	380.75	-	-	-	-
	Deferred revenue expenses		-	99.04	38.35	54.97	114.72	164.91
	Provision for Bad and Doubtful Debts		-	150.00	-	-	-	-
	Miscellaneous Expenses		991.30	1837.76	1764.71	1369.62	1201.45	846.93
	Total Administrative & Selling Expenses		4573.29	9368.80	6494.56	5786.74	4963.74	3748.68
	Total Other Expenses	4	10052.43	17747.53	13426.94	11237.49	9456.99	8281.60

INCREASE/(DECREASE) IN FINISHED GOODS AND WORK-IN-PROGRESS	5	(1305.17)	190.89	810.54	(1085.80)	108.51	(141.11)
INTEREST							
Interest on Fixed Loans and Debentures		1411.64	1564.0	1445.62	1854.61	1830.41	2940.54
Interest on Others		587.81	572.6	28.81	(53.90)	606.57	615.40
	6	1999.45	2136.6	1474.43	1800.71	2436.98	3555.93
EXTRAORDINARY ITEMS							
Non- moving/ Obsolete Finished Goods Written off		-	-	-	416.59	-	-
Provision for Doubtful (Loans & Advances)		-	350.00	60.00	231.80	-	-
Bad and Doubtful Debt		-	-	148.47	500.21	238.21	-
Provision for Non moving and Obsolete inventories		-	-	176.00	150.00	202.03	-
	7	-	350.00	384.47	1298.60	440.24	-

Annexure –II
GUJARAT GLASS LIMITED

STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Lakhs)

	Particulars	Sch. No.	As at					
			Up to 30th September 07	31st March 07	31st March 06	31st March 05	31st March 04	31st March 03
A	Fixed Assets							
	Gross Block (including Capital work-in-progress and excluding Goodwill)		91600.53	85190.55	67518.90	60774.30	59447.30	56385.92
	Less : Accumulated Depreciation		31394.69	29076.22	25572.00	21142.70	17349.84	13677.28
	Net Block		60205.84	56114.33	41946.90	39631.60	42097.46	42708.64
B	Investments		4258.17	4258.17	4258.17	2900.80	2900.80	2900.80
C	Current Assets , Loans and Advances							

	Inventories	3	7406.97	5035.44	5164.20	5828.60	5324.54	5076.93
	Sundry Debtors	3	12836.20	10694.13	6676.60	5022.50	2938.52	3026.75
	Cash and Bank balances	3	359.08	373.07	405.50	190.60	176.19	178.12
	Loans & advances	4	19802.19	10772.84	5413.70	3195.20	3207.55	3813.06
	Total		40404.44	26875.49	17660.00	14236.90	11646.80	12094.86
D	Liabilities and Provisions							
	Secured Loans	1	14449.16	24945.00	22582.80	25006.10	23655.72	20913.84
	Unsecured Loans	2	43168.15	25592.15	13942.40	6236.60	8523.81	12565.60
	Current Liabilities & Provisions	5	19513.91	9524.35	4133.70	5109.40	4149.84	4016.83
	Deferred Tax Liability		2111.67	2111.67	1765.30	1984.20	1579.78	1092.32
	Total		79242.89	62173.18	42424.20	38336.30	37909.15	38588.59
E	Net Worth (A+B+C-D)		25625.56	25074.80	21440.87	18433.00	18735.91	19115.71
F	Represented by :							
1	Paid-up share capital							
	- Equity share capital		1730.00	1730.00	1730.00	1730.00	1730.00	1730.00
	- Preference share Capital		-	-	-	-	1450.00	2450.00
2	Share Capital Suspense							
	Share Application Money		-	-	-	-	-	-
3	Reserves and Surplus		23895.56	23344.80	19809.87	16840.40	15748.27	15226.48
	Less:							
4	Miscellaneous Expenditure to the extent not written off or adjusted		-	-	99.00	137.40	192.36	290.77
G	Net Worth (1+2+3-4)		25625.56	25074.80	21440.87	18433.00	18735.91	19115.71

Schedules to Annexure II

(Rs. In Lakhs)

Particulars	Up to 30th September		2006	2005	2004	2003
	2007					
Secured Loans						
Cash Credit	(11321.77)	3689.52	1862.3	4543.80	3507.27	2840.92
Non Convertible Debentures	-	-	-	-	3000.00	6000.00
Term Loan						
Rupee Term loan from Financial Institutions	16938.08	7891.67	14354	18569.40	1525.55	12072.91
ECB Loan						
Foreign Currency Term Loan	8832.85	10420.56	6366.55	1892.90	1892.90	-
Buyers Credit	-	2943.26	-	-	-	-
1	14449.16	24945.00	22582.85	25066.20	23655.72	20913.83
Unsecured Loans						
Short Term Loans from Banks and Financial Institutions	40595.47	13019.47	11369.70	4014.50	6651.7	10908.8
Long Term Loan	-	10000.00	-	-	-	-
Sales Tax Deferment Loan	2572.68	2572.68	2572.70	2222.10	1872.11	1656.8
2	43168.15	25592.15	13942.40	6236.60	8523.81	12565.60
Current Assets						
INVENTORIES (As certified by the Management)						
Raw Material and Packing Material	872.74	404.68	669.40	583.60	647.16	347.71
Stores, Spares & Moulds	3184.18	2699.05	2369.40	2207.10	2158.70	445.48
Work-in- Progress	260.96	263.18	714.00	432.80	504.09	2383.74
Finished Goods	3089.10	1923.28	1666.20	2755.10	2216.62	1900.00
Allowances for non-moving and obsolete inventories	-	(254.75)	(254.80)	(150.00)	(202.03)	-
3	7406.98	5035.44	5164.20	5828.60	5324.54	5076.93

SUNDRY DEBTORS						
i .Over six months						
Unsecured -Considered good	1174.01	942.39	240.50	121	849.3	827.33
- Considered doubtful	-	427.75	253.00	231.8	2.61	20.22
	1174.01	1370.14	493.50	352.80	851.91	847.55
Less: Provision for Bad debts	-	427.75	253.00	231.80	2.61	20.22
	1174.01	942.39	240.50	121.00	849.30	827.33
ii. Others						
Unsecured - Considered good	11662.19	9751.74	6436.10	4901.50	2089.22	2199.42
	3	12836.20	10694.13	6676.60	5022.50	2938.52
CASH AND BANK BALANCES						
I. Cash and cheques on hand						
	21.89	9.41	4.90	3.90	3.99	7.45
ii. Balance with Scheduled Banks						
- Current Account	209.86	363.66	400.60	27.90	19.12	105.16
- Others	127.33	-	-	158.90	153.08	65.51
	3	359.08	373.07	405.50	190.60	176.19
	3	20400.26	16102.64	12246.30	11101.80	8439.25
LOANS AND ADVANCES						
(Unsecured and considered good)						
Advances recoverable in cash or in kind or for value to be received						
- From Suppliers	13629.31	5175.82	1071.70	580.90	714.3	1086.86
- From Others	2120.55	3148.56	3055.30	657.60	955.9	1395.87
Advance Income Tax & TDS (Net of provision)	2393.11	801.84	594.30	1344.20	1004.24	877.01
Claims recievable	-	0.76	-	0.40	0.64	1.70
Prepaid expenses	-	88.56	82.50	83.30	46.81	53.44
Balance with Excise Authorities	875.97	1067.29	609.90	308.30	279.89	202.91
Other Deposits	783.24	840.01	-	220.50	205.77	195.27
Provision for Doubtful (Loans & Advances)	-	(350.00)	-	-	-	-
	4	19802.19	10772.84	5413.70	3195.20	3207.55
		3813.06				

CURRENT LIABILITIES & PROVISION							
CURRENT LIABILITIES							
Sundry Creditors for Capital Goods, Materials and Expenses		7066.54	4525.74	1987.00	1725.30	1562.86	1744.05
Interest accrued but not due		-	258.36	159.80	108.70	306.04	374.31
Other liabilities		4753.64	548.55	535.60	518.90	324.91	501.61
	5	11820.18	5332.65	2682.40	2352.90	2193.81	2619.97
PROVISIONS							
Provision for Employees retirement benefits		246.68	293.96	374.40	358.10	276.71	253.69
Proposed Equity Dividend		-	-	-	519.00	346.00	-
Provision for dividend tax on proposed Equity Dividend		-	-	-	66.50	44.33	-
Provision for Other Liabilities		5316.53	3317.74	711.70	625.00	283.49	265.22
Provision for Tax		2130.52	580.00	364.20	1186.40	1004.00	876.45
Provision for Wealth Tax		-	-	1.00	1.50	1.50	1.50
	5	7693.73	4191.70	1451.30	2756.50	1956.03	1396.86
	5	19513.91	9524.35	4133.70	5109.40	4149.84	4016.83
Miscellaneous Expenditure	6	-	-	99.00	137.40	192.36	290.77

GUJARAT GLASS LIMITED
Annexure - III

CASH FLOW STATEMENT

PARTICULARS	Year Ended March 31, 2007	Year Ended March 31, 2006	Year Ended March 31, 2005	Year Ended March 31, 2004	Year Ended March 31, 2003
A. Cash Flow from Operating Activities					
Net Profit Before Tax	4,461.40	3,114.70	2,325.70	1,659.00	1,126.00
<u>Adjustments For:</u>					
Add / (Less) :					
(Profit) / Loss on Sale of Fixed Assets	4.70	6.80	33.40	10.00	25.00
Deferred Revenue Exp.	99.00	38.40	55.00	98.00	60.00
Depreciation	3,504.30	4,459.20	3,824.70	3,703.00	3,355.00
Interest Paid	2,136.60	1,474.40	1,800.70	2,437.00	3,556.00
Interest Received	-	-	(5.90)	(15.00)	-
Gain on Sale of Investments	-	(1,481.40)	-	-	-
Dividend Income	(39.80)	(225.10)	(429.60)	(383.00)	(206.00)
Technical Fees	(340.40)	(336.20)	(274.30)	(296.00)	(540.00)
Exceptional Items	350.00	384.50	1,298.60	440.00	-
Operating Profit Before Working Capital Changes	10,175.80	7,435.30	8,628.30	7,653.00	7,376.00
Adjustments for Changes in Working Capital					
(Increase) /Decrease In Inventories	128.70	664.30	(504.00)	(248.00)	(139.00)
(Increase) /Decrease In Sundry Debtors	(3,975.90)	(1,654.10)	(2,084.10)	88.00	2,289.00
(Increase) /Decrease In Loan & advances	(5,187.30)	(2,968.40)	264.40	813.00	19.00
Increase /(Decrease) In Trade Payables and other liabilities	1,971.60	278.60	356.40	(358.00)	76.00
Increase /(Decrease) In Other Provisions	2,740.40	104.00	423.00	169.00	61.00
CASH GENERATED FROM OPERATIONS	5,853.30	3,859.70	7,084.00	8,117.00	9,682.00
Direct Tax Paid	(171.90)	(438.00)	(309.70)	(111.00)	(10.00)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	5,681.40	3,421.70	6,774.30	8,006.00	9,672.00
Exceptional Items	(350.00)	(384.50)	(1,298.60)	(440.00)	-
NET CASH FROM OPERATING ACTIVITIES	5,331.40	3,037.20	5,475.70	7,566.00	9,672.00
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets /WIP	(17,736.80)	(6,805.80)	(1,427.50)	(3,135.00)	(3,199.00)
Sale of Fixed Assets	60.30	24.50	35.10	35.00	25.00
Investments in shares of Subsidiary Companies	-	(2,392.10)	-	-	-

Sale of Investments	-	2,516.10	-		
Interest Received	-	-	5.90	15.00	-
Dividend Received	39.80	225.10	429.60	383.00	58.00
Technical Fees Received	298.80	336.20	332.10	71.00	98.00
NET CASH FROM IN INVESTING ACTIVITIES	(17,337.90)	(6,096.00)	(624.80)	(2,631.00)	(3,018.00)
C. CASH FLOW FROM FINANCING ACTIVITIES					
(Repayment) / Proceeds From Borrowings	14,012.10	5,222.40	(876.70)	(1,299.90)	(3,709.00)
Preference Shares redeemed	-	-	(1,450.00)	(2,450.00)	(1,550.00)
Preference Shares Issued	-	-	-	1450.00	2,450.00
Preference Dividend Paid (Including Tax Thereon)	-	-	(61.30)	(132.20)	-
Equity Dividend (Including Tax)	-	(585.50)	(390.30)	-	(226.00)
Interest Paid	(2,038.00)	(1,423.30)	(1,998.10)	(2,505.30)	(3,552.00)
NET CASH USED IN FINANCING ACTIVITIES	11,974.10	3,213.60	(4776.40)	(4,937.40)	(6,587.00)
NET INCREASE IN CASH & CASH EQUIVALENTS(A+B+C)	(32.40)	154.80	74.50	(2.00)	67.00
CASH AND CASH EQUIVALENT (OPENING BALANCE)	405.50	250.70	176.20	178.00	111.00
CASH AND CASH EQUIVALENT (CLOSING BALANCE)	373.10	405.50	250.70	176.00	178.00

Notes :

- 1 The above cash flow has been prepared under the Indirect Method as set out in the Accounting Standard -3 on Cash flow statements issued by the Institute of Chartered Accountants of India.
- 2 The previous years figures have been regrouped wherever necessary, consequent to this, closing cash and cash equivalent as on 31-03-2005 has increased from Rs. 190.60 lacs million to Rs 250.70 lacs.

Annexure – IV
GUJARAT GLASS LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL
STATEMENTS

PART –A SIGNIFICANT ACCOUNTING POLICIES

1 ACCOUNTING ASSUMPTION

The financial statements are drawn up in accordance with the historical cost convention on accrual basis and comply with the accounting standards referred to in Sec 211 (3C) of the Companies Act, 1956.

2 FIXED ASSETS

All fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. In the case of fixed assets acquired for new projects / expansions, interest cost on borrowing and other related expenses up to the date of commercial production incurred towards acquiring fixed assets are capitalized.

3. IMPAIRMENT

- a. The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit & Loss account.
- b. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

4. DEPRECIATION

Depreciation on all fixed assets is provided on straight-line method at the rate specified in Schedule XIV of the Companies Act, 1956. Depreciation on additions / deletions is provided on pro-rata basis to the months of additions / deletions.

5 INVESTMENTS

Investments are classified as long-term investments and are stated at cost. Diminution in value, if any, which is of a temporary nature, is not provided.

6 VALUATION OF INVENTORIES

Raw materials, Stores & spares, Moulds and Packing Materials are valued at weighted average cost. Work in progress and finished goods are valued at lower of cost or net realizable value. Cost of working in progress and finished goods is determined by taking materials, labour cost and other appropriate allocable overheads. Excise Duty on goods manufactured by the company and are remaining in inventory is included as part of valuation of finished goods.

7 REVENUE RECOGNITION

Sales are recognized, on invoicing and actual dispatch to customers and are recorded inclusive of Excise Duty and Sales Tax. Technical Services and Other Fees, Interest incomes are accounted on accrual basis. Dividends and Insurance Claims are accounted on receipt basis.

8 EXCISE DUTY

The Excise Duty in respect of Closing Inventory of Finished Goods is included as part of the Inventory. The amount of CENVAT Credit, in respect of Material consumed for Sales is deducted from Cost of Material Consumed.

9 FOREIGN CURRENCY TRANSACTION

The transactions in foreign currency are accounted at exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currency outstanding at the year-end are translated at the year-end exchange rate and the unrealized exchange gain or loss is recognized in the profit and loss account.

10 RETIREMENT BENEFITS

The Company's contributions in respect of Provident Fund are charged against revenue every year. Present Liability for future payment of Gratuity and unavailed leave benefits to the employees at the end of the year is provided on the basis of actuarial valuation and are charged to revenue.

11 BORROWING COSTS

Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent where borrowing costs that are directly attributable to the acquisition, construction, or production of an asset till put for its intended use is capitalized as part of the cost of that asset.

12 A. CURRENT TAX

Provisions for Current Income tax liability is made on estimated Taxable Income under Income Tax Act, 1961 after considering permissible tax exemptions, deductions and disallowances. This liability is calculated at the applicable tax rate or Minimum Alternate Tax rate under section 115JB of The Income Tax Act, 1961 as the case may be.

B. DEFERRED TAX

Deferred Tax liability ascertained as on 31st March '02 resulting from timing differences between book profits and tax profits is accounted for under the liability method, at the tax rate specified under section 115JB of the Income Tax Act, 1961 to the extent that the timing differences are expected to crystallize. Deferred tax liability on timing difference arising subsequent to 31st March, 2002 is accounted at regular rate as enacted in the Income Tax Act, 1961.

C. Fringe Benefit Tax

The tax liability on account of Fringe Benefits has been provided as per the provisions of section 115WA of the Income Tax Act, 1961.

13 Provision and Contingent Liabilities

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

PART –B NOTES FORMING PART OF ACCOUNTS:

1. The Note forming part of accounts have been compiled from the audited accounts of the company for the F.Y. ended on 31st March 2007 to 31st March 2003. The accounts of the company for the six months ended 30th September 2007 are prepared on the basis of accounts prepared by the management and reviewed by the auditors of the company. In the opinion of the management there are no material changes during the period 1st April 2007 to 30th September 2007 which require additional clarification and/or disclosure.
2. During the Financial Year 2003-04, in view of the scheme of arrangement approved by Shareholders of erstwhile holding company Nicholas Piramal India Limited (NPIL) and respective High Courts of Gujarat and Mumbai effective from 1st July 2003, 9300000 equity shares of Rs.10 each of the Company held by NPIL stand transferred to Kojam Fininvest Limited (herein after referred as "Kojam") with effect from the said date. Accordingly with effect from 1st July, 2003, Kojam becomes the holding company of the Company, in place of NPIL.
3. The Board of Directors of the Company, subject to requisite approvals, has approved a Scheme of Arrangement and Amalgamation of Kojam Fininvest Limited, the holding company, ("KOJAM") with the Company w.e.f. 1st April 2007 as appointed date. On the Scheme being effective, 9317000 shares of the Company held by KOJAM shall stand cancelled and all assets and liabilities of KOJAM shall stand vested in and be transferred to the Company.

In consideration of the merger, the Company shall issue to the shareholders of Kojam one equity share of Rs. 10/- for every one equity share of Rs. 10/- held in Kojam (i.e. exchange ratio of 1: 1).

4. The Company has become a Public limited Company effective from 6th March 2007.

5. Contingent Liability in respect of:

(Rs. In lacs)

	As At March 31, 2007	As At March 31, 2006	As At March 31, 2005	As At March 31, 2004	As At March 31, 2003
a) Estimated amount of contracts remaining to be executed on Capital account	349.10	2067.70	1501.00	316.49	332.73
b) Disputed Liability					
- Central Excise Authorities	52.50	51.80	34.70	30.64	51.56
- Income Tax Authorities	-	-	-	6.46	6.46
- Sales Tax Authorities	721.10	347.60	-	-	-
c) Counter Guarantees issued to Banks & others	159.80	327.10	248.20	194.02	118.38
d) Counter Guarantee of US \$ 2 Million to Insurance Company for Insurance coverage to GG International Inc, USA, the wholly owned Subsidiary of the Company.	868.80	-	-	-	-
e) During the financial year 2006-07, the Company has provided Corporate Guarantees and has given pari passu charge on the entire fixed assets (movable & immoveable) both present & future (except assets having exclusive charge) of the Company situated at Jambusar & Kosamba, to EXIM Bank of India for Term Loan of US \$ 300.00 lacs (equivalent to INR 13032.00 lacs) & UTI Bank, Singapore for Credit facility of US \$ 100.00 lacs (by way of Term Loan of US \$ 80.00 lacs and a letter of Credit facility of US \$ 20.00 lacs aggregating to INR 4341.00 lacs) granted to the wholly owned subsidiary in the US viz. Gujarat Glass International, Inc.					

6. During the Financial Year i.e. F.Y.2005-06, the company had acquired the business of 'The Glass Group (Inc) USA' and International Bottle Company Limited, UK, through its wholly owned subsidiary viz. Gujarat Glass International Inc USA, (GGI) and Piramal Glass UK Limited respectively.

Accordingly the company got an access to the manufacturing set up as well as marketing right of supply of Glass Container Products in the Northern American Market and the management made strategic business plan to take full advantage of global opportunities in the field of Cosmetic and Perfumery container packaging activities. Looking to the emerging market, the management is hopeful to turnaround the present scenario and is of the opinion that the losses incurred by these subsidiaries viz. GGI amounting to Rs. 7350.40 lacs (equivalent to US \$ 162.40 lacs), & Piramal Glass UK Limited amounting to Rs 344.10 lacs (equivalent to GBP 5.00 lacs) during the financial year 2006-07 are temporary in nature and do not require any provision in the accounts of the Company.

7. The result for the financial year 2005-06 and 2006-07 is not comparable with the earlier years' figure on account of acquisition of the business of The Glass Group (Inc) USA and International Bottle Company Limited UK as specified in Note No. 4 above.
8. During the financial year 2006-07, the company has commissioned 25 Tonnes Per Day (TPD) & 100 TPD furnace effective from July 2006 and March 2007 respectively.
9. The aggregate amount of Investments, Loans and other outstanding balances with subsidiaries of the Company are as follows:

	(Rs. In lacs)				
	As At March 31, 2007	As At March 31, 2006	As At March 31, 2005	As At March 31, 2004	As At March 31, 2003
Investment in Equity Shares					
- Ceylon Glass Company Limited	1854.0	1854.0	2888.68	2888.68	2888.68
- GG USA Inc.,	12.10	12.10	12.12	12.12	12.12
- Gujarat Glass International Inc., USA	2276.1	2276.1			
- Piramal Glass UK	115.9	115.9			
Amount recoverable (Subsidiaries)					
- Ceylon Glass Company Limited					
- Debtors	147.5	285.6	-	2.65	0.97
- Technical Fees & Others	326.1	265.8	203.65	263.48	598.21
- GG USA Inc					
- Debtors	878.0	798.3	312.36	55.33	4.54
- Gujarat Glass International Inc., USA					
- Debtors	2083.8	-	-	-	-
- Other for Expenses	355.7	314.2	-	-	-
- Loan & Interest	1909.0	1633.3	-	-	-
- Piramal Glass U.K.					
- Debtors	10.2	-	-	-	-
- Other for Expenses	-	88.9	-	-	-
- Loan	459.0	208.5	-	-	-
Amount recoverable (Holding Companies)					
Nicholas Piramal India Limited					
- Debtors	-	-	-	153.21	76.43
- Other Expenses	-	-	-	90.04	81.50

- 10 The interest expense is net of foreign exchange gain on repayment of foreign currency loans.

(Rs. In Lakhs)

Particulars	2006-07	2005-06	2004-05	2003-04	2002-03
Interest Exp.	376.80	219.10	291.80	-	-

11. Debtors, Loans and advances include:
Amounts due from companies, where Directors of the company are interested as Director.

(Rs. In Lakhs)

Particulars	2006-07	2005-06	2004-05	2003-04	2002-03
Debtors, Loans, Advances	6413.50	3798.80	730.00	617.22	124.84

12. Managerial Remuneration:

Staff cost includes Managerial Remuneration paid/payable to Manger and Managing Director, details whereof is as under:

(Rs. In lacs)

	2006-07	2005-06	2004-05	2003-04	2002-03
Managerial Remuneration					
A To Manger and Mg. Director					
a. Salary	79.50	88.30	32.40	24.71	28.71
b. Contribution to PF & Pension Fund	9.50	7.50	8.75	2.16	2.16
c. Commission	4.00	-	-	-	-
c. Monetary Value of Perquisites under the Income Tax Act	4.40	2.00	3.86	0.08	0.16
	97.40	97.80	45.01	26.95	31.03
B Computation of Net Profit u/s 198/349 of the Companies Act, 1956					
Profit Before Tax and Exceptional Items	4811.40	3499.20	3624.32	2099.57	1125.98
Less : Bad-debt written off	24.70	-	-	-	-
Profit on Sale of Investment	-	1481.40	-	-	-
	4786.70	2017.80	3624.32	2099.57	1125.98
Add Loss on Sale of Assets	4.70	06.80	33.44	9.77	25.09
Prov. for Bad & doubtful Debts	150.00	-	-	-	-
Remuneration	93.40	97.80	45.01	26.95	31.03
Net Profit u/s 198 / 349 of the Companies Act, 1956	5034.80	2122.40	3702.77	2136.29	1182.10
Maximum permissible managerial remuneration restricted to 5% as per Section 349 of the Companies Act	251.70	106.10	185.14	106.81	59.11

13. The Company's operations relate only to container glass packaging in the domestic as well as export market and accordingly, primary segment reporting disclosures for business segments, as envisaged in Accounting Standard 17 on 'Segment Reporting' (AS 17) issued by the The Institute of Chartered Accounts of India, is not applicable.

The Company's operations relating to secondary segment reporting has been confined to sales in India and exports outside India.

Fixed assets used in the Company's business and liabilities contracted in respect of its sole manufacturing facilities are not identifiable in line with the following reportable segments as the fixed assets and liabilities contracted are used interchangeably between the segments. Accordingly, only figures for debtors have been given.

Secondary segment reporting:

Particulars	(Rs.in lacs)				
	Year ended 31-3-07	Year ended 31-3-06	Year ended 31-3-05	Year ended 31-3-04	Year ended 31-3-03
Revenue by Geographical Segment					
Gross Sales (Net of returns)					
- Domestic	19748.1	19123.1	19898.60	20448.34	21156.83
- Export	21316.0	15101.5	11303.10	7686.80	4933.00
Total	41064.1	34224.6	31201.70	28135.14	26089.83
Current Assets, Loans & Advances					
Sundry Debtors (Net of Provisions)					
- Domestic	3805.90	2790.50	1979.20	890.40	1871.25
- Export	6888.30	3886.10	3043.40	2048.12	1155.50
Total	10694.10	6676.60	5022.60	2938.52	3026.75

14. As required by Accounting Standard – AS 18 “Related Parties Disclosure” issued by The Institute of Chartered Accountants of India are as follows:

A. List of Related Parties with whom transactions have taken place during the year:

a. Holding Company

- Nicholas Piramal India Limited (effective till 30th June, 2003)
- Kojam Fininvest Limited (effective from 1st July, 2003)

b. Subsidiary Company

- Ceylon Glass Co. Ltd., Sri Lanka
- GG USA Inc., USA
- Piramal Glass U.K. Ltd.
- Gujarat Glass International Inc., USA
- GGI Flat River LLC.
- GGI Williamstown LLC.

c. Associated Companies

- Charak Pharmaceuticals (upto 7th October, 2002)
- Nicholas Piramal India Ltd. (effective from 1st July, 2003)
- Piramal Enterprises Ltd.
- NPIL Pharma Inc.

- The Morarjee Goculdas Spg. & Wvg. Co. Limited (Name changed to Morarjee Realities Limited. Now known as Peninsula Land Limited)
- Morarjee Brembana Limited (now known as Morarjee Textiles Limited)
- M.G.M. Psytech (upto FY 2003-04)
- Thundercloud Technologies (upto FY 2005-06)
- Boots Piramal Private Limited (now known as Nicholas Piramal Consumer Products Pvt. Ltd.)

d. Key Management Personnel

- Mr. Ajay Piramal Chairman
- Mr. Ajay Relan Director (upto 29th April, 2004)
- Mr. Bharat Kewalramani Director (resigned on 31st January, 2007. Appointed as Independent Director w.e.f 25th April, 2007).
- Mrs. Urvi Piramal Director (upto 20th January, 2006)
- Mr. Asit Chawla Director & COO (upto 31st March, 2004)
- Mr. Gaurav Mathur Director (upto 20th January, 2006)
- Mr. Vijay Shah Managing Director w.e.f. 1st May, 2006
- Dr. Swati Piramal Director
- Mr. Cyrus Dinshaw Driver Director (upto 31st January, 2007)
- Mr. S.M. Kulkarni Managing Director (upto 29th December, 2005)
- Mr. Ulhas Joshi President (Pharma Division) (upto 30th November, 2004)
- Mr. Gyan Mishra President (Finance & Commercial) (upto 26th May, 2004)

B. Summary of the transactions with related parties is as follows:

(Rs.in lacs)					
Particulars	Year ended 31-03-07	Year ended 31-03-06	Year ended 31-03-05	Year ended 31-03-04	Year ended 31-03-03
Holding Company					
Purchase of goods/services	-	-	-	0.60	-
Sale of goods	-	-	-	246.30	1374.30
Reimbursement of exp. recd.	4.50	3.80	3.30	30.08	10.73
Reimbursement of exp.paid	-	-	-	67.31	65.66
Outstanding payable	-	-	-	-	81.15
Outstanding receivables	-	-	-	-	76.43
Subsidiary					
Purchase of goods/services	101.90	19.50	-	-	-
Sale of goods	3923.20	1590.40	559.30	202.73	85.56
Reimbursement of exp. recd.	325.00	422.40	-	-	-
Reimbursement of exp.paid	423.20	10.50	-	-	-
Technical fees & other exp. recd	340.40	336.20	316.80	295.84	555.13
Dividend received	39.80	225.10	429.60	383.05	206.06
Marketing Survey Fees	169.00	214.30	359.70	371.88	125.05
Loan	526.20	1841.80	-	-	-
Outstanding payable	19.30	-	-	-	-

Outstanding receivables	6171.30	3556.20	516.00	321.46	603.75
Associated					
Purchase of goods/services	-	-	13.80	10.39	5.99
Sale of goods	2162.00	1586.00	1457.60	1423.87	208.15
Reimbursement of exp. recd.	6.80	-	11.70	-	-
Reimbursement of exp. paid	351.80	36.00	68.60	-	-
Corporate service charges	417.10	-	-	-	-
System service charges	-	5.90	21.00	14.09	31.96
Outstanding payable	-	4.80	-	0.15	0.15
Outstanding receivables	242.20	242.60	223.10	295.76	47.29
Key Management Personnel					
Loan	-	-	(4.20)	(6.78)	36.50
Remuneration	97.40	97.80	45.00	100.28	39.74
Outstanding receivables	-	-	31.50	41.70	48.48

Note : The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company and approved by the Board of Directors of the Company, which has been relied upon by the Auditors.

15. The company's leasing arrangement (Operating) is only in respect of vehicles. The aggregate lease rentals payable on these leasing arrangements are charged as lease rentals under "other expenses" in schedule – 16.

These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent on mutually agreeable terms. The minimum lease rentals outstanding in respect of these assets are as follows:

(Rs. In Lakhs)

Particulars	Year ended 31-03-07	Year ended 31-03-06	Year ended 31-03-05	Year ended 31-03-04	Year ended 31-03-03
Lease rentals payable within 1 year	43.40	41.50	27.30	21.53	6.89
Lease rentals payable between 1-5 years	72.20	95.60	81.30	68.65	18.38

16. As required by Accounting Standard 20 issued by the Institute of Chartered Accountants of India, the Earning Per Share (EPS) is calculated by dividing the profit attributable to the equity share holders by the average number of equity shares outstanding during the year and is ascertained as follows:

Profit available to equity shareholders

Particulars		2006-07	2005-06	2004-05	2003-04	2002-03
Profit available to equity shareholders (Before Exceptional Items)	Rs.in lacs	3815.60	3353.9	2976.20	1352.36	320.86
Extra Ordinary Items	Rs.in lacs	350.00	384.5	1298.60	440.24	-
Profit available to equity shareholders	Rs.in lacs	3535.00	2969.4	1677.60	912.12	320.86
Weighted average no. of equity share for Basic EPS	Nos.	17300000	17300000	17300000	17300000	17300000
Nominal value of equity shares	Rs.	10	10	10	10	10
Earning Per Share (Basic/Diluted)	Rs.	20.43	17.16	9.70	5.27	1.85
Earning Per Share Before Extra Ordinary Items (Net of Tax)	Rs.	22.06	19.28	15.31	7.62	1.85

17. During the Financial Year 2001-02 provision for deferred tax as required by Accounting Standard – 22 issued by the Institute of Chartered Accountants of India (ICAI) was determined and provided in accounts by considering the “enacted rate” of tax at the MAT rate u/s 115JB of the Income-tax Act, 1961, which was the applicable rate to the company for that year. Subsequently, in December 2002, ICAI issued an Accounting Standard Interpretation clarifying that the tax effect to be recognized under Accounting Standard – 22 should be measured using regular tax rate and not MAT rate. Subsequently the liability has been provided at regular tax rate as enacted in the Income Tax Act, 1961.

The deferred tax assets & liabilities comprise of tax effect of following timing differences:

(Rs. In Lacs)

	As at 31st March 07	As at 31st March 06	As at 31st March 05	As at 31st March 04	As at 31st March 03
Deferred Tax Liability					
Excess of net block over WDV as per the provisions of the Income Tax Act 1961	3770.80	2775.20	2949.00	2853.72	1585.38
Deferred Expenditure	-	(6.20)	6.30	-	-
Total	3770.80	2769.00	2955.30	2853.72	1585.38
Deferred Tax Assets					
Unabsorbed Depreciation	505.30	578.50	904.10	1053.18	970.47
Provision for gratuity & leave encashment	96.80	50.20	35.60	98.27	5.29
Provision for Doubtful Debts	144.00	-	-	-	-
Disallowance u/s 43B	25.30	29.50	31.40	25.51	7.46
Provision for non-moving inventory	85.70	83.20	-	-	-

MAT Credit u/s 115JB	802.00	262.30	-	-	-
Deferred Expenditure	-	-	-	96.98	-
Total	1659.10	1003.70	971.10	1273.94	983.22
Net Deferred Tax Liability	2111.70	1765.30	1984.20	1579.78	602.16

18. The Company has opted for the Group Gratuity cum Life Insurance Scheme of Prudential ICICI and has contributed till March 2007 Rs 222.30 lacs. The difference between the actuarial valuation and the funds with Prudential ICICI has been adequately provided for in the accounts.
19. There are no amounts due and outstanding to be credited to Investor Education and Protection fund.
20. Miscellaneous expenses include Auditors Remuneration in respect of:

(Rs. In lacs)

Particulars	2006-07	2005-06	2004-05	2003-04	2002-03
a. Tax Audit	1.70	1.70	1.50	1.50	1.25
b. Certification	0.30	0.80	0.10	0.19	0.56
c. Out of Pocket Exp.	1.70	1.70	1.10	0.45	0.43
	3.70	4.20	2.70	2.14	2.24

21. In view of all the set off of accumulated losses/unabsorbed depreciation available to the Company, there is no tax liability on the Company except under section 115JB of the Income Tax Act, 1961 which has been provided for whenever necessary.
22. Total amount due to Small Scale Industrial Undertakings is Rs. 5.60 lacs. The names of the Small Scale Industrial Undertakings to whom the company owes a sum exceeding Rs 1 Lakh and which is outstanding for more than 30* days are,

(Rs. in lacs)

Name of Creditor / Supplier	As at 31st	As at 31 st	As at 31 st	As at 31 st	As at 31 st
	March	March	March	March	March
	2007	2006	2005	2004	2003
Formost Minerals	-	02.30	7.00	6.10	8.61
G.S. Minerals	-	02.80	7.30	2.20	1.21
Hindustan Mineral Products	-	19.50	21.30	14.40	11.45
New India Minerals	-	09.70	3.80	4.90	2.67
Sheetal Engg. Works	-	15.10	12.90	8.00	4.01
Solar Enterprise	5.00	04.70	2.40	3.70	15.86
Sun Chem. India	-	04.00	3.10	3.90	2.11
Ansa Packing Products P Ltd	-	23.60	15.80	39.50	-
Ansa Print pack P Ltd.	-	10.20	15.00	6.30	-
J.B. Minerals Grinding Mills	-	-	5.20	2.40	1.57
Shreenath Traders	-	-	4.20	0.60	2.73

Vallabh Chips Industries	-	-	-	0.90	4.40
S.S. Minerals industries	-	-	-	1.60	3.21
Adinath Minichyem Industries	-	-	-	-	3.50
Kalptaru Minchem Industries	-	-	-	-	1.79
Ashish Engg. Co.	-	-	-	-	8.69
Amol Induction Alloys P. Ltd	-	-	-	-	8.47
Asha Minerals & Chemical Ind.	-	-	-	-	4.73
Dattashish Enterprise	-	-	-	-	1.68
Pala & Co.	-	-	-	-	3.77
Sharad Enterprise	-	-	-	-	2.06
TOTAL	5.00	91.90	103.10	94.50	64.31

* As per the terms of contract, the credit period is generally up to 60 days.

Note: The above information regarding small scale industrial undertakings have been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditors.

23. Consumption of Raw Materials:

Name of the Raw Material	2006-2007		2005-2006		2004-2005	
	Quantity (in tons)	Amt (Rs in Lacs.)	Quantity (in tons)	Amt (Rs in Lacs.)	Quantity (in tons)	Amt (Rs in Lacs.)
Quartz & Sand	44072.90	367.70	69164.24	627.90	64150.97	699.80
Soda Ash	21371.13	2231.50	20560.86	2093.10	18589.09	1873.90
Cullet (Broken Glass)	20233.09	690.50	21879.21	838.60	29770.03	1140.20
Others	69111.91	2047.10	33304.19	1286.60	-	1098.60
Total		5336.80		4846.20		4812.50

Name of the Raw Material	2003-2004		2002-2003	
	Quantity (in tons)	Amt (Rs in Million.)	Quantity (in tons)	Amt (Rs in Million.)
Quartz & Sand	56818.12	296.58	53773.00	603.34
Soda Ash	18963.71	1699.16	19441.61	1658.24
Cullet (Broken Glass)	31340.57	1028.58	48858.22	1489.55
Others		1044.54		854.15
Total		4068.86		4605.28

24. Details of Turnover, stocks etc., during the year (figures in brackets pertains to previous year) excluding excise duty & sales tax.

(Rs. In Lacs)

Product	Glass Containers					
	Opening Stock		Turnover		Closing Stock	
Year	Quantity	Value in Rs.	Quantity	Value in Rs.	Quantity	Value in Rs.
2006-07	2080.6	1666.2	29836.94	38010	2157.49	2031.7
2005-06	2899	275.51	23479.6	3098.99	2080.6	166.62
2004-05	2694.6	2474.51	22663.70	27994.27	2899.00	2899.31
2003-04	2749.83	2762.04	21993.40	24943.42	2694.60	2422.77
2002-03	2390.13	2402.70	19296.77	22617.23	2749.83	2762.04

Note : Stocks are net of breakages.

25. Details of installed capacities/Production:

Products	Glass Containers				
	2006-07	2005-06	2004-05	2003-04	2002-03
Installed Capacity (MT)	173150.00	161935.00	159870.00	159870.00	183595.00
Annual Production (In Lakhs Pcs.)	25764.13	23409.68	24091.52	22001.53	19624.50

Notes: (a) Installed capacity is as certified by the Director of the Company and accepted by the Auditors as this is a technical matter.
(b) Under the Liberalized Industrial Policy of the Government, vide notification No. S-O-477 (E) dated 25th July 1991; the Company's products are exempted from licensing provisions under the Industries (Development Regulation) Act, 1951.

26.

(Rs. In Lacs)

a. Value of imports on CIF Basis

	2006-07	2005-06	2004-05	2003-04	2002-03
1. Raw Materials	1000.10	620.60	394.30	501.68	432.59
2. Capital Goods & Spares	6025.60	4038.20	1082.30	1088.84	612.08

b. Break up of Imported & Indigenous Raw Materials Consumed:

	2006-07		2005-06		2004-05		2003-04		2002-03	
		%		%		%		%		%
1. Raw Materials	1077.50	20.19	589.40	12.16	426.50	8.86	501.68	12.33	412.24	8.60
2. Indigenous	4259.30	79.81	4256.80	87.84	4386.00	91.14	3567.18	87.67	4193.04	91.40
Total	5336.80	100.00	4846.30	100.00	4812.50	100.00	4068.86	100.00	4605.28	100.00

c. Expenditure in Foreign Currency (On mercantile basis)

	2006-07	2005-06	2004-05	2003-04	2002-03
- Subscription / Books & Periodicals	0.90	0.70	1.80	1.30	1.09

- Foreign Traveling	45.50	74.70	59.50	87.36	129.87
- Technical Fees & Consultancy Fees	252.40	304.70	303.70	182.82	178.89
- Exports Promotional Expenses	86.40	91.60	37.50	26.45	10.58
- Marketing Survey Fees for USA	169.00	214.30	460.50	371.88	125.05
- Decoration Expenses	70.90	23.90	28.20	-	-
- Export Claim	-	16.70	-	-	-
- Legal & Professional Exp.	-	18.30	-	-	-
- Resorting, Repacking & Warehousing Exp	40.50	-	-	-	-
- Other Exp	3.00	4.50	-	-	-
The amount Remitted in Foreign Currency					
On account of dividend	-	240.00	138.40	-	-
(Final dividend for 2004-05 remitted to 3 share holders on 800000 shares)	-	-	-	-	-
d. Earnings in Foreign Exchange					
Export of goods calculated on FOB basis	16379.10	11553.50	9625.70	6469.11	4333.89
Technical Fees	340.40	336.20	311.90	295.84	540.39
Dividend received from Ceylon Glass P. Ltd	39.80	225.10	429.60	383.05	206.06

27. Figures in this financial statement have been regrouped wherever necessary.

28. **Important notes from financial statements of previous periods.**

a) For the six month period ended 30th September 2007

1. The performance of Gujarat Glass Limited (Standalone) for the quarter ended September 30, 2007 was adversely impacted (loss of sale of Rs. 15 crores) due to strike at one of the Company's manufacturing locations at Kosamba, Gujarat, which was subsequently prohibited by the Government of Gujarat. Normalcy is now being restored.

b) For the year ended 31st March 2005

1. a) During the financial year, the Company has redeemed 14.50 lacs 7% Cumulative Redeemable Preference Shares of Rs.100/- each aggregating to Rs.14.50 crores by creating capital redemption reserve of an equivalent amount out of the current profit earned by the Company.

b) Pending approval of the Shareholders, the Company has paid preference dividend amounting to Rs.54.32 lacs (Corporate Dividend tax Rs. 6.96 lacs) to the Preference Shareholders of the Company.
2. Fire occurred on 28th October 2004 at the administrative office of the Company at Mumbai and destroyed Office equipments and most of the records of the Company including physical books of accounts, documentary evidences and other relevant records pertaining to previous financial years and the current period. As a result, the accounts of the Company have been compiled on the basis of soft copies of records and /or additional

documentary evidences recompiled from suppliers, customers, banks, financial institutions, etc.

c) For the year ended 31st March 2004

1. (a) During the financial year, the Company has issued 14.50 Lacs 7.00% Cumulative Redeemable Preference Shares of Rs. 100 each aggregating to Rs. 14.50 crores and has redeemed 24.50 lacs 8.5% Cumulative Redeemable Preference Shares of Rs.100/- each aggregating to Rs.24.50 crores. For newly issued preference share, the company as well as the preference shareholders shall have a right to seek redemption at any time after 31st March 2004, by giving not less than 30 day's prior notice. In the absence of the exercise of these options by either party, the said preference shares shall compulsorily be redeemed at the date following 36 months from the date of allotment.
- b) Pending approval of the Shareholders, the Company has paid preference dividend amounting to Rs.117.16 lacs (Corporate Dividend tax Rs. 15.01 lacs) to the Preference Shareholders of the Company.
2. In terms of transitional provisions of Accounting Standard 26 on Intangible Assets and relevant clarifications issued by Institute of Chartered Accountants of India, the carrying amount of Deferred Revenue Expenditure is amortized as per policy followed by the company. However expenditure incurred during the year on such items which does not meet the definition of Intangible Assets as per the said standard are charged off to profit and loss account from Financial Year 2003-04.

d) For the year ended 31st March 2003

1. During the financial year, the company has issued 2450000 8.5% Cumulative Redeemable Preference Shares of Rs. 100 each aggregating to Rs. 24.50 crores and has redeemed 1550000 "B" series 10.75 % Cumulative Redeemable Preference Shares of Rs. 100 each aggregating to Rs. 15.50 crores on the date of its maturity. The company as well as the preference shareholders shall have a right to seek redemption of these preference shares at par on expiry of 24 months from the date of allotment by giving 30 days notice. In the absence of the exercise of these options by either party, the said preference shares shall compulsorily be redeemed at the date following 36 months from the date of allotment.

Annexure V
GUJARAT GLASS LIMITED

KEY RATIOS

Particulars	FY 2007	FY 2006
Debt Equity Ratio	3.8	2.2
Return on Capital Employed	8.8	15.4
Return on Net Worth %	38.9	44.8
Asset Turnover Ratio	1.2	1.1

		<i>Rs. Million</i>
Return on Capital Employed	FY 2007	FY 2006
PBIDT	723.7	983.1
Average Net Fixed Assets	5,763.4	4,689.7
Average Net Current Assets	2,445.1	1,682.5
Capital Employed	8,208.5	6,372.1
ROCE (%)	8.8	15.4

Annexure VI
GUJARAT GLASS LIMITED

CAPITALISATION STATEMENT

Rs in lacs

As on 31st March 2007

Particulars	Pre Issue	Post Issue
A. Borrowings:		
Secured Loans	2,494.51	1,444.92
Unsecured Loans	2,559.22	4,316.81
Total	5,053.73	5,761.73
B. Shareholders Fund:		
Equity Share Capital	173.00	179.83
Reserves and Surplus	2,334.48	2,374.08
Total	2,507.48	2,553.91
Debt – Equity Ratio (A/B)	2.02	2.26

@ As the moneys against the shares to be issued have already been received, there is not change in pre and post issue Shareholders Funds.

Annexure VII
GUJARAT GLASS LIMITED

TAX SHELTER STATEMENT

(Rs. In Lakhs)

PARTICULARS		31 st March 2007	31 st March 2006	31 st March 2005	31 st March 2004	31 st March 2003
Profit Before Taxes, as restated		4,461.36	3,114.62	2,325.74	1,659.31	1,125.98
Notional Tax Rate		33.66%	33.66%	36.59%	35.90%	36.80%
Notional Tax Payable		1,501.69	1,048.38	851.06	595.69	414.36
Notional Tax Payable	A	1,501.69	1,048.38	851.06	595.69	414.36
Adjustments						
Timing Differences						
1) Difference in Book & Tax Depreciation		(2,980.42)	965.94	(666.97)	(2,072.57)	(1,133.22)
2) Loss/Gain on Sale of Assets		4.59	(14,745.12)	33.44	3.11	25.09
3) Provision for Gratuity u/s 40A(7)		-	-	-	9.25	27.55
4) Deferred Revenue Expenditure				54.97	91.06	59.57

		99.04	38.36			
5) Disallowance u/s 43B		196.99	215.10	125.89	104.94	79.05
6) Deduction u/s 43B of earlier years		(169.96)	(122.65)	(148.26)	(66.39)	(53.78)
7) Amortisation of Preliminary Exp. u/s 35D		-	-	-	(5.61)	(11.57)
8) Provision & Debit/Credit Balance W/Off		524.73	125.97	381.80	-	-
Total Timing Difference	B	(2,325.03)	(13,522.40)	(219.13)	(1,936.21)	(1,007.31)
Permanent Differences						
1) Disallowance u/s 40A(3)			0.04	-	0.04	0.04
2) Amt. received from Insurance Co		(57.31)	-	-	-	-
3) Employees Contribution to PF u/s 36 (1) (va)		-	2.37	-	-	-
4) Others		7.76	8.71	4.88	8.22	4.49
Total Permanent Difference	C	(49.55)	11.12	4.88	8.26	4.53
Net Adjustment (B+C)	D	(2,374.58)	(13,511.28)	(214.25)	(1,927.96)	(1,002.78)
Tax Saving thereon		1,240.12	894.70	736.66	482.66	325.69
Profit/(Loss) as per Income Tax Return		2,086.78	2,873.96	2,111.50	(266.63)	123.20
Less: Set/off of B/f unabsorbed depreciation		(2,086.77)	(2,873.96)	(2,111.50)	-	(123.20)
Taxable Income as per Tax Return under MAT		2,331.32	1,826.32	1,458.99	1,470.31	1,125.98
Tax as per Income Tax Return under 115JB		261.57	153.68	114.40	113.03	88.67
CF Long Term Capital Loss (u/s 74)		172.85	172.85	-	-	-
CF Business Loss		-	-	-	-	-
CF Unabsorbed Depreciation		5,538.73	7,625.50	10,511.21	12,622.71	12,356.08
Total CF loss as per return		5,538.73	7,625.50	10,511.21	12,622.71	12,356.08

Annexure VIII
GUJARAT GLASS LIMITED

STATEMENT OF RATE OF DIVIDEND

Particulars	FY 2007	FY 2006	FY 2005	FY 2004	FY 2003
Equity Share Dividend					
Rate of Dividend	Nil	Nil	30%	20%	Nil
Dividend Amount (Rs. in Lacs)	-	-	519 lacs	346 lacs	-
No of Equity Shares of Rs. 10 Each	-	-	17300000	17300000	-
Preference Share Dividend					
Rate of Dividend	-	-	7%	8.50%	8.50%
Dividend Amount (Rs. in Lacs) (*)	-	-	54.32 lacs	117.17 lacs	226.29 Lacs

(*) Dividend on Preference share have been given on pro-rata basis depending upon their date of issue and redemption.

GUJARAT GLASS LIMITED
AUDIT REPORT (CONSOLIDATED)

The Board of Directors,
Gujarat Glass Limited.
Nicholas Piramal Tower
Ganpatrao Kadam Marg
Lower Parel
Mumbai – 400013

Dear Sirs,

1. We have examined the attached Consolidated Statement of Assets and Liabilities of Gujarat Glass Limited ('the Company') and its subsidiaries as at 30th September 2007, 31st March 2007, 31st March 2006, 31st March 2005, 31st March 2004, 31st March 2003(Annexure I) and the related Consolidated Statement of Profit and Loss referred to as the 'Consolidated Summary Statements' for the period ended 30th September 2007, 31st March 2007, 31st March 2006, 31st March 2005, 31st March 2004, 31st March 2003.(Annexure II) together with the Significant accounting Policy and Notes to the Financial Statement (Annexure III) respectively, stamped and initialed by us for the purpose of identification. These Consolidated Summary Statements are responsibility of the Company's management.
- 2.1 The Consolidated Summary Statements, set out in Paragraph 1 above, have been prepared from the audited financial statements of the Company, audited by us, and the financial statements and other information of the subsidiaries have been audited up to 31st March 2007, (except Piramal Glass (UK) Ltd., whose accounts are audited up to 31st December 2005 & 31st December 2006 and adjustments have been made to give effect to the transactions for the period from 1st January 2007 to 31st March 2007 & 1st January 2006 to 31st March 2007 respectively on the basis of the accounts compiled by the management and reviewed by its auditor) by other auditors, whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included in respect of the Subsidiaries, is based solely on the report of the other auditors.
- 2.2 We did not audit the financial statement of the Subsidiaries viz., Ceylon Glass Company Limited - Srilanka, GG USA Inc - USA, Piramal Glass UK Limited - U.K., Gujarat Glass

International Inc. - USA, GGI Flat River Llc. - USA, and GGI Williamstown Llc. - USA whose financial statements reflect total assets of Rs. 27,673.18 lakhs, Rs.18,070.03 lakhs, Rs.15,981.29 lakhs, Rs.5,098.28 lakhs, Rs.3,199.93 lakhs, Rs.2,797.19 lakhs as on 30th September 2007, 31st March 2007, 31st March 2006, 31st March 2005, 31st March 2004, 31st March 2003 respectively and total revenues of Rs.15,906.02 lakhs, Rs.31,662.07 lakhs, Rs.17,855.97 lakhs, Rs.4,974.89 lakhs, Rs.5,894.77 lakhs, Rs.3,864.48 lakhs for the period ended on 30th September 2007, 31st March 2007, 31st March 2006, 31st March 2005, 31st March 2004, 31st March 2003 respectively.

- 3.1 These Consolidated Summary Statements have been extracted by the Company's management from the consolidated financial statement of the company for the respective years, which have been prepared in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.
- 3.2 As read in particular with paragraph 3.1 above, in our opinion, the Consolidated Summary Statements as attached to this report, have been prepared in line with Paragraph B (1) – Part II of Schedule II of the Companies Act, 1956 of India and amendments thereof and the Securities and Exchange Board of India (Disclosure and Investors Protection) Guidelines 2000 issued by the Securities and Exchange Board of India (SEBI) on January 19, 2000 in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and the amendments thereto from time to time, to the extent applicable to the extent applicable and in the accordance with our Memorandum of Information setting out the inter alia the scope of work relating to the for proposed Listing of the company.
4. This report is solely for your information and for inclusion in the Memorandum of Information in connection with the proposed Listing of the Company and is not to be used, referred to or distributed for any other purpose without our prior written Consent.

VADODARA
DATE: 22nd November 2007

HITESH J. DESAI
PARTNER
For HARIBHAKTI & CO.,
CHARTERED ACCOUNTANTS
M. No. 37569

Annexure I
GUJARAT GLASS LIMITED (CONSOLIDATED)

STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

	Particulars	Sch.	Up to 30th September 2007	31 st March 07	31 st March 06	31 st March 05	31 st March 04	31 st March 03
A	Fixed Assets							
	Gross Block (including Capital work-in-progress and excluding Goodwill)		113331.07	98427.85	78568.21	67512.55	65173.08	62299.23
	Less : Accumulated Depreciation		35834.70	33027.82	28700.65	23587.03	19464.04	15538.97
	Net Block		77496.37	65400.03	49867.56	43925.52	45709.04	46760.26
B	Investments		0.97	1.05	1.13	1.15	1.19	119.37
C	Current Assets, Loans and Advances							
	Inventories	3	15120.40	14286.18	13062.06	7272.20	6514.28	6068.22
	Sundry Debtors	3	17775.31	14057.87	11770.39	6492.64	4251.24	4087.61
	Cash and Bank balances	3	962.77	605.47	1186.13	250.02	242.26	325.32
	Loans & advances	4	20956.07	10967.42	3959.05	2982.06	3126.98	3140.72
	Total		54814.56	39916.94	29977.63	16996.92	14134.76	13621.87
D	Liabilities and Provisions							
	Secured Loans	1	34548.13	42082.40	34286.23	26344.54	24785.09	21697.11
	Unsecured Loans	2	51932.41	28358.58	13994.11	6429.54	8726.67	12721.81
	Current Liabilities & Provisions	5	25375.47	13770.91	7221.64	6104.05	5045.89	4856.65
	Deferred Tax Liability		2494.55	2525.60	2406.00	2718.38	2233.00	1568.95
	Total		114350.56	86737.49	57907.98	41596.51	40790.65	40844.52
E	Net Worth (A+B+C-D)		17961.33	18580.53	21938.34	19327.08	19054.34	19656.98

F	Represented by :							
1	Paid-up share capital							
	Equity share capital	1730.00	1730.00	1730.00	1730.00	3180.00	4180.00	
2	Minority Interest							
	Capital	1162.48	1162.48	1162.48	408.30	230.72	230.72	
	Reserves and Surplus	1728.03	896.58	843.75	237.52	418.29	378.11	
3	Reserves and Surplus	13340.82	14791.47	18301.15	17088.65	15417.69	15158.92	
	Less:							
4	Miscellaneous Expenditure to the extent not written off or adjusted	0.00	0.00	99.04	137.39	192.36	290.77	
G	Net Worth (1+2+3-4)	17961.33	18580.53	21938.34	19327.08	19054.34	19656.98	

Schedules to Annexure I

	Particulars	Up to 30th September 2007	2007	2006	2005	2004	2003
	Secured Loans						
	Cash Credit	(10379.17)	4040.42	2410.41	4577.46	3644.39	2886.20
	Unquoted Debentures	47.57	279.29	793.80	1304.73	992.25	738.00
	14.5% NCD Debenture	-	-	-	-	-	2500.00
	13.5% NCD Debenture	-	-	-	-	500.00	1000.00
	12% NCD Debenture	-	-	-	-	2500.00	2500.00
	Term Loan						
	Rupee Term loan from Financial Institutions	36046.88	24398.87	24715.52	18569.45	17148.45	12072.91
	ECB Loan						
	Foreign Currency Term Loan	8832.85	13363.82	6366.50	1892.90	-	
		1	34548.13	42082.40	34286.23	26344.54	24785.09
	Unsecured Loans						
	Short Term Loans from Banks and Financial Institutions	49338.15	15759.11	11386.53	4165.82	6651.70	10908.80
	12.5% Unsecured unquoted Debenture	-				90.72	97.24
	Long Term Loan	-	10000.00	-	-	-	-
	Sales Tax Deferment Loan	2572.68	2572.68	2572.68	2222.07	1872.12	1656.80
	Finance Lease	21.58	26.79	34.91	41.65	112.13	58.97
		2	51932.41	28358.58	13994.12	6429.54	8726.67

Current Assets						
Inventories						
(As certified by the Management)						
Raw Material and Packing Material	2063.50	1562.64	1583.74	800.13	776.91	517.79
Stores, Spares & Moulds	3843.17	3404.25	2878.60	2710.57	2668.40	2386.31
Work-in- Progress	274.96	274.26	725.49	437.51	504.09	456.54
Finished Goods	9052.30	9234.24	8118.27	3442.33	2706.02	2586.45
Goods in Transit	51.93	259.47	146.72	77.01	72.46	133.69
Allowances for non-moving and obsolete inventories	(165.46)	(448.68)	(390.76)	(195.35)	(213.60)	(12.56)
3	15120.40	14286.19	13062.06	7272.20	6514.28	6068.22
Sundry Debtors						
i .Over six months						
Unsecured						
-Considered good	3704.47	997.06	245.19	1335.46	794.79	1868.00
-Considered doubtful	-	505.40	303.33	259.27	10.76	25.19
	3704.47	1502.46	548.52	1594.73	805.55	1893.19
Less: Provision for Bad debts	(138.85)	(506.84)	(320.61)	(259.27)	(10.76)	(25.19)
	3565.62	995.62	227.91	1335.46	794.79	1868.00
ii. Others						
Unsecured Considered good	14209.69	13062.25	11542.48	5157.18	3456.45	2219.61
3	17775.31	14057.87	11770.39	6492.64	4251.24	4087.61
Cash and Bank Balances						
I. Cash and cheques on hand						
	21.89	16.70	10.00	8.88	3.99	7.45
ii. Balance with Scheduled Banks						
- Current Account	813.55	566.74	1176.13	82.22	69.90	252.36
- Others	127.33	22.03	-	158.92	168.37	65.51
3	962.77	605.47	1186.13	250.02	242.26	325.32

LOANS AND ADVANCES (Unsecured and considered good)						
Advances recoverable in cash / kind or for value to be received	16680.10	6873.01	1314.28	949.84	1597.59	2711.55
Advance Income Tax & TDS (Net of provision)	2393.33	801.86	594.33	1344.18	1004.25	0.57
Claims recievable	-	0.76	-	0.38	0.64	1.70
Prepaid expenses	147.15	565.28	297.08	83.30	-	-
Balance with Excise Authorities	875.97	1067.29	609.87	308.31	279.89	202.91
Other Advances	784.70	1558.62	1025.05	220.51	206.64	195.27
Loan to Company's Officer	74.82	100.46	118.45	75.54	37.97	28.72
	4	20956.07	10967.28	3959.06	2982.06	3126.98
Current Liabilities & Provisions						
Current Liabilities						
Sundry Creditors for Capital Goods, Materials and Expenses	8646.66	6463.70	2349.38	2177.89	1676.80	2224.57
Interest accrued but not due	(27.74)	258.36	504.43	108.66	306.04	374.31
Other liabilities	6465.59	650.76	1608.63	566.16	621.57	941.01
Equity Dividend Payable	42.72	36.17	150.98	-	-	-
	5	15127.23	7408.99	4613.42	2852.71	3539.89
Provisions						
Provision for Employees retirement benefits	658.12	1512.63	918.32	601.09	543.17	614.83
Proposed Equity Dividend	-	-	33.21	540.70	380.70	435.21
Provision for dividend tax on proposed Equity Dividend	-	-	-	66.50	44.33	-
Provision for Other Liabilities	7226.28	4075.68	1160.40	624.98	1471.78	265.22
Provision for Tax	2363.84	755.20	452.02	1416.57	-	-
Provision for Wealth Tax	-	18.41	44.26	1.50	1.50	1.50
	5	10248.24	6361.92	2608.21	3251.34	2441.48
	5	25375.47	13770.91	7221.63	6104.05	5045.89
MiscellaneousExpenditure	6	0.00	0.00	99.04	137.39	192.36
						290.77

GUJARAT GLASS LIMITED
Annexure II

SUMMARY STATEMENT OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	Sch. No	Period ended September 30,2007	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003
INCOME							
Turnover (Gross)		38015.43	72,998.80	52,614.96	36,788.02	33,972.61	30,648.89
Less : Excise Duty		1461.56	2,276.01	2,531.82	2,507.72	2,484.43	2,696.34
Less: Sales Tax		17.96	647.31	702.98	699.75	-	-
Turnover (Net)		36535.91	70,075.48	49,380.16	33,580.55	31,488.18	27,952.55
Other Income	1	1032.24	1,961.13	2,353.43	387.52	335.39	350.17
		37568.14	72,036.61	51,733.59	33,968.07	31,823.57	28,302.72
EXPENDITURE							
Materials	2	8071.54	14,869.23	10,462.67	7,545.40	7,008.17	6,794.94
Staff Cost	3	10377.48	20,629.61	10,685.57	3,908.28	3,539.97	3,142.87
Other Expenses	4	16296.19	30,752.70	20,896.64	12,857.67	11,907.16	9,660.52
(Increase)/Decrease in WIP/FG	5	(2365.17)	(1451.83)	(144.18)	(1,184.73)	(181.98)	245.32
		32380.04	64799.71	41,900.71	23,126.62	22,273.32	19,843.65
PROFIT BEFORE INTEREST, DEPRECIATION AND TAX		5188.10	7236.90	9,832.89	10,841.55	9,550.25	8,459.06
Interest	6	2924.33	3,475.49	1,965.77	1,928.67	2,567.86	3,595.38
Depreciation		3038.95	5,150.79	5,185.72	4,225.60	4,122.63	3,549.78
PROFIT BEFORE TAX AND EXTRA-ORDINARY ITEMS		(775.17)	(1,389.38)	2,681.40	4,687.28	2,859.76	1,313.90
Extraordinary Items	7	-	1097.70	425.32	1,298.60	832.63	-
PROFIT BEFORE TAX		(775.17)	(2,487.01)	2,256.08	3,388.68	2,027.13	1,313.90
Provision for Taxation - Current		255.82					

		1,054.15	803.69	561.71	133.32	84.91
- Deferred	241.54	174.51	(304.50)	509.87	711.24	727.71
- FBT	14.00	40.00	49.50	-	-	-
PROFIT FOR THE YEAR BEFORE PRIOR PERIOD ITEMS	(1286.54)	(3,755.47)	1,707.39	2,317.10	1,182.57	501.28
Prior Period Expenses (Income)	-	(19.87)	-	-	-	-
PROFIT FOR THE YEAR AFTER PRIOR PERIOD ITEMS	(1286.54)	(3,735.90)	1,707.39	2,317.10	1,182.57	501.28
Profit after Interim Dividend - Subsidiary company	(1286.54)	(3,735.90)	1,707.39	2,317.10	-	-
MINORITY INTEREST	152.53	153.80	241.13	164.20	86.33	9.66
PROFIT AFTER MINORITY INTEREST	(1439.07)	(3,889.70)	1,332.20	2,152.90	1,096.24	491.62
BALANCE B/F FROM EARLIER YEAR	(1599.32)	2,290.42	998.90	846.80	982.72	140.50
Less: - Proposed Dividend (Minority Share)	-	-	40.68	-	-	-
Transfer from Debenture Redemption Reserve	-	-	-	271.00	189.00	790.00
Transfer from General Reserve	-	-	-	-	-	-
NET PROFIT AVAILABLE FOR APPROPRIATION	(3038.39)	(1,599.28)	2,290.42	3,270.70	2,267.96	1,422.12
Transfer to Capital Redemption Reserve	-	-	-	1,450.00	1,000.00	-
Dividend:						
on Preference shares	-	-	-	54.32	117.16	226.29
on Equity shares	-	-	-	519.00	346.00	-
on Equity shares – Interim (Subsidiary Company)	-	-	-	-	40.60	33.74
- Final (Subsidiary Company)	-	-	-	-	36.32	179.39
Corporate Dividend Tax thereon	-	-	-	73.50	59.33	-
Transfer to General Reserve	-	-	-	175.00	100.00	-
Balance carried to Balance Sheet	(3038.39)	(1,599.28)	2,290.42	998.80	568.55	982.70
	(3038.39)	(1,599.28)	2,290.42	3,270.62	2,267.96	1,422.12
Earning Per Share (Basic/Diluted) Rs.		(22.48)	7.70	12.09	5.57	1.53
Earning Per Share Before Extra Ordinary Items (Net of Tax) Rs.		(16.11)	10.15	19.59	9.51	1.53

Schedules to Annexure II

(Rs. in Lakhs)

Particulars	Sch No.	Up to 30th September 2007	2007	2006	2005	2004	2003
OTHER INCOME							
Income from Windmill		41.03	83.60	69.49	79.05	67.97	95.00
Claims & Refund		-	241.20	31.80	-	-	-
Scrap Sales		-	254.40	51.30	-	-	-
Export Incentives		-	287.20	239.50	-	-	-
Interest on Deposits		2.70	-	-	8.14	5.05	0.62
Interest on Income Tax Refund		-	-	-	-	9.60	12.62
Miscellaneous Income		988.23	1094.93	479.90	300.20	249.46	226.99
Exchange Fluctuation Gain		-	-	-	-	-	-
Income from Other Investments		0.28	-	-	0.24	3.31	14.94
Profit on Sale of Assets		-	-	-	-	-	-
Profit on Sale of Investments		-	-	1,481.36	-	-	-
	1	1032.24	1961.33	2,353.35	387.62	335.39	350.17
MATERIALS							
Raw Materials							
Opening stock		-	1,226.00	1,041.17	461.29	343.20	263.04
Add: Purchases		6115.32	11,120.06	8,332.16	5,438.48	5,516.42	5408.55
Less: Closing stock		-	1,467.23	1,226.00	472.19	467.44	353.38
Raw Materials Consumed		6115.32	10,878.83	8,147.33	5,427.58	5,392.18	5,318.21
Packing Materials Consumed		1614.91	2,941.91	2,315.34	2,117.82	1,615.99	1476.73
Purchase of finished bottles		341.31	1,048.49	-	-	-	-
	2	8071.54	14,869.23	10,462.67	7,545.40	7,008.17	6,794.94
STAFF COST							
Salaries, Wages and Bonus		10015.89	20,033.50	10,255.13	3,536.44	3,196.89	2751.83
Contribution to Provident and Other funds		97.38	363.62	200.18	170.27	164.69	211.56
Staff Welfare		264.22	232.49	230.26	201.57	178.39	179.48

	3	10377.48	20,629.61	10,685.57	3,908.28	3,539.97	3,142.87
OTHER EXPENSES							
Power & Fuel		6865.97	11,554.18	8,511.34	4,875.90	4,522.24	4377.96
Stores, Spares, Lubricants and Moulds consumed		1057.71	4,763.26	3,141.31	1,635.48	1,175.57	994.31
Sales Tax		-	-	-	-	707.29	775.43
Repairs to:							
Building		15.80	74.57	30.57	65.44	29.14	15.69
Plant & Machinery		228.46	585.49	441.63	390.03	273.37	212.78
Others		60.88	174.23	127.91	64.34	49.66	71.09
Rent, Rates & Taxes		145.28	1,178.47	450.25	76.30	82.47	66.26
Windfarm rent & maintenance		18.25	20.42	20.97	19.77	16.16	13.48
Bank Charges		83.16	189.03	122.81	105.49	90.50	65.50
Insurance		85.12	433.02	374.49	171.53	163.89	167.28
Communication		80.77	280.74	227.32	146.80	141.91	109.89
Donation		8.57	7.87	11.47	7.75	5.22	0.97
Travelling		91.13	632.80	402.04	135.77	168.50	253.61
Foreign Travelling – Directors		54.53	61.67	20.94	26.01	22.39	-
Foreign Travelling - Employees & Others		117.30	169.99	108.16	106.59	126.02	-
Foreign Technical Fees		160.79	249.93	70.20	96.23	127.05	46.38
Legal & Professional Fees		129.04	390.19	254.25	273.73	271.29	256.71
Audit Fees		4.24	46.44	18.94	6.56	-	-
Freight Outward		2685.65	5,538.79	3,201.29	2,177.17	1,730.96	849.06
Marketing Suevey		108.58	-	-	108.93	-	-
Commission on Sales		90.52	204.31	208.51	124.91	77.05	79.00
Sitting fees		22.62	62.56	4.91	4.22	2.69	2.17
Loss on Sale of Assets		31.17	4.70	3.36	33.44	8.82	25.09
Decoration		559.31	1,110.51	734.59	553.90	460.09	31.98
Deferred revenue		-	99.04	38.36	54.97	114.72	164.91
Bad debts Written off		-	28.80	-	-	-	-

Provision for bad & doubtful debts		-	149.92	-	-	-	-
Exchange Fluctuation Loss		47.05	14.65	3.25	24.35	55.50	11.32
Miscellaneous		3544.26	2,727.12	2,367.77	1,572.06	1,484.66	1069.65
	4	16296.19	30,752.70	20,896.64	12,857.67	11,907.16	9,660.52
INCREASE/(DECREASE) IN FINISHED GOODS AND WORK-IN- PROGRESS	5	(2365.17)	(1451.83)	(144.18)	(1,184.73)	(181.98)	245.32
INTEREST							
Interest on Fixed Loans and Debentures		2336.52	3,450.48	1,670.16	1,860.02	1,944.74	2,974.50
Interest on Others		587.81	25.01	295.61	68.65	623.12	620.88
	6	2924.33	3,475.49	1,965.77	1,928.67	2,567.86	3,595.38
EXTRAORDINARY ITEMS							
Bad Debts written off		-	83.20	249.32	500.21	238.22	-
Provision for Bad and Doubtful Debts Non-moving / Obsolete Finished Goods written off		-	-	-	231.80	-	-
Provision for Non-moving / Obsolete inventories		-	905.20	176.00	150.00	202.03	-
Loss on Sale of Assets		-	109.30	-	-	-	-
VRS payment		-	-	-	-	392.39	-
	7	-	1097.70	425.32	1,298.60	832.63	-

Annexure - III

GUJARAT GLASS LIMITED (CONSOLIDATED)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

PART-A SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The financial statements are prepared under the historical cost convention and comply with the applicable Accounting Standards in the country of incorporation except for:

- i. the revaluation of certain property, plant & machinery of Ceylon Glass Company Limited, and
- ii. assets and liabilities acquired by Gujarat Glass International Inc, USA, accounted at its estimated fair value.

Principles of Consolidation:

1. The Consolidated Financial Statements comprises the financial statements of Gujarat Glass Ltd. (the Company) and its Subsidiaries (collectively known as the 'Group'). The consolidated financial statements have been prepared on the following basis in line with Accounting Standard - 21 Consolidated Financial Statements issued by ICAI.
 - a. The financial statement have been combined on a line by line basis by adding together book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and transactions and unrealized profit/losses resulting from intra group transactions related to transfer of assets/liabilities.
 - b. The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
 - c. Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the Company.
 - d. Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
2. While preparing Consolidated Financial Statements, the foreign exchange adjustments have been carried out on following basis, as per Accounting Standard 11 – Accounting for effects of changes in Foreign Exchange Rates.
 - a. the summarized revenue and expense transaction at the year end reflected in profit and loss account of the foreign subsidiaries which are stated in the currency of their domicile are translated into Indian Rupees at an average of Average Monthly Exchange Rate.
 - b. all monetary and non-monetary items reflected in the balance sheet of the foreign subsidiaries which are stated in the currency of their domicile, are translated into Indian Rupees at the year-end closing exchange rate except for fixed assets and share capital in case of integral foreign subsidiaries, which are converted at the exchange rate prevailing on acquisition / transaction date.

- c. the resultant translation exchange gain/loss in case of Non-integral foreign operations are disclosed as Foreign Exchange Translation Reserve in Reserves & Surplus schedule to the accounts. In case of integral foreign operations as the translation exchange gain / loss is recognized in the Consolidated Profit & loss account.

Other Significant Accounting Policies

1. These are set out under “Significant Accounting Policies” as given in the unconsolidated financial statements of Gujarat Glass Limited and its subsidiaries in the published annual accounts of the Company of respective years.

PART –B NOTES FORMING PART OF ACCOUNTS:

1. The subsidiary companies considered in the consolidated financial statements are:

Name of Company	Country of Incorporation	% of Voting Power held as at				
		31 st March' 2007	31 st March' 2006	31 st March' 2005	31 st March' 2004	31 st March' 2003
Ceylon Glass Company Limited	Sri Lanka	53.76 %	53.76%	53.76%	83.76%	83.76%
GG USA Inc.	USA	100.00%	100.00%	100.00%	100.00%	-
Gujarat Glass International Inc. (GGI)	USA	100.00%	100.00%	-	-	-
GGI Flat river Llc. (Wholly owned Subsidiary of GGI)	USA	100.00%	100.00%	-	-	-
GGI Williamstown Llc. (Wholly owned Subsidiary of GGI)	USA	100.00%	100.00%	-	-	-
Piramal Glass (UK) Ltd.(PGL)	UK	100.00%	100.00%	-	-	-

2. In order to achieve strategic cost benefit, the decoration plant in UK has been shifted to India in the Month of March 2007, and as a consequence Piramal Glass UK has incurred a loss on sale of assets of GBP 01.0 Lacs (equivalent to INR 87.80 lacs).

3. Contingent Liability in respect of:

	(Rs. In Lacs)				
	As at 31 st March 2007	As at 31 st March 2006	As at 31 st March 2005	As at 31 st March 2004	As at 31 st March 2003
a Estimated amount of contracts remaining to be executed on capital account	349.10	2067.70	1549.30	316.49	332.73
b Disputed Liability					
- Central Excise authorities	52.50	51.80	34.70	30.64	51.56
- Sales Tax Authorities	721.10	347.60	Nil	6.46	6.46
c Counter Guarantees issued to	159.80	327.10	248.20	194.02	2999.88

	Banks & Others					
d	Counter Guarantee of US \$ 2 Million to Insurance Company for Insurance coverage to GG International Inc, USA, the wholly owned Subsidiary of the Company.	868.80	Nil	Nil	Nil	Nil

4. Debtors, Loans and advances includes:

Particulars	2006-07	2005-06	2004-05	2003-04	2002-03
Debtors, Loans, Advances	6413.50	3798.80	730.00	617.22	123.72

5. The operations of the Company and its Subsidiaries viz CGCL, GGI and PGL (UK) Ltd, relates only to business of manufacturing of containers glass packaging and the other subsidiary viz., GG USA Inc. is formed for marketing of container glass packaging. Accordingly primary segment reporting disclosures for business segments, as envisaged in Accounting Standard 17 on 'Segment Reporting' (AS 17) issued by the The Institute of Chartered Accounts of India, is not applicable.

The operations relating to secondary segment reporting has been confined to sales in Domestic Market & Export Market.

Fixed assets used in the company's business and liabilities contracted in respect of its sole manufacturing facilities are not identifiable in line with the following reportable segments as the fixed assets and liabilities contracted are used interchangeably between the segments. Accordingly, except for sundry debtors, no disclosures relating to other segment assets and liabilities have been made.

Secondary segment reporting:

Particulars	(Rs. in Lacs)				
	Year ended 31-03-07	Year ended 31-03-06	Year ended 31-03-05	Year ended 31-03-04	Year ended 31-03-03
(A) Revenue by Geographical Segment					
Gross Sales (Net of returns)					
Domestic	51348.50	37404.80	25476.00	26274.77	25782.19
Export	21650.30	15210.20	11323.00	7697.54	4866.75
Total	72998.80	52615.00	36799.00	33972.31	30648.89
(B) Current Asset, Loans & Advances					
Sundry Debtors (Net of provisions)					
Domestic	3805.90	2790.50	3449.30	2203.01	2932.10
Export	6888.30	3886.10	3043.40	2048.23	1155.50
Total	10694.20	6676.60	6492.70	4251.24	4087.60

6. As required by Accounting Standard – AS 18 “Related Parties Disclosure” issued by The Institute of Chartered Accountants of India the same are as follows:

A. List of Related Parties with whom transactions have taken place during the year:

a. Holding Company

- Nicholas Piramal India Limited (effective till 30th June, 2003)
- Kojam Fininvest Limited (effective from 1st July, 2003)

b. Subsidiary Company

- Ceylon Glass Co. Ltd., Sri Lanka
- GG USA Inc., USA
- Piramal Glass U.K. Ltd.
- Gujarat Glass International Inc., USA
- GGI Flat River LLC.
- GGI Williamstown LLC.

c. Associated Companies

- Charak Pharmaceuticals (upto 7th October, 2002)
- Nicholas Piramal India Ltd. (effective from 1st July, 2003)
- Piramal Enterprises Ltd.
- NPIL Pharma Inc.
- The Morarjee Goculdas Spg. & Wvg. Co. Limited (name changed to Morarjee Realities Limited. Now known as Peninsula Land Limited)
- Morarjee Brembana Limited (Now known as Morarjee Textiles Limited)
- M.G.M. Psytech (upto FY 2003-04)
- Thundercloud Technologies (upto FY 2005-06)
- Boots Piramal Private Limited (now known as Nicholas Piramal Consumer Products Pvt. Ltd.)

d. Key Management Personnel

- Mr. Ajay Piramal Chairman
- Mr. Ajay Relan Director (upto 29th April, 2004)
- Mr. Bharat Kewalramani Director (resigned on 31st January, 2007. Appointed as Independent Director w.e.f 25th April, 2007)
- Mrs. Urvi Piramal Director (upto 20th January, 2006)
- Mr. Asit Chawla Director & COO (upto 31st March, 2004)
- Mr. Gaurav Mathur Director (upto 20th January, 2006)
- Mr. Vijay Shah Managing Director w.e.f. 1st May, 2006
- Dr. Swati Piramal Director
- Mr. Cyrus Dinshaw Driver Director (upto 31st January, 2007)
- Mr. S.M. Kulkarni Managing Director (upto 29th December, 2005)
- Mr. Ulhas Joshi President (Pharma Division) (upto 30th November, 2004)
- Mr. Gyan Mishra President (Finance & Commercial) (upto 26th May, 2004)
- Mr. Greg Simon Director (upto 12th October, 2004)

B. Summary of the transactions with related parties is as follows:

Particulars	Rs in Lacs				
	Year ended 31-03-07	Year ended 31-03-06	Year ended 31-03-05	Year ended 31-03-04	Year ended 31-03-03
Holding Company					
Sale of goods	-	-	-	246.30	1374.30
Purchase of Goods & Services	-	-	-	0.60	-
Reimbursement of exp.	4.50	3.80	3.30	30.08	10.73

Recd.					
Reimbursement of exp.					
Paid	-	-	-	67.31	65.66
Outstanding payable	-	-	-	-	81.15
Outstanding receivable	-	-	-	-	76.43
Associates					
Sale of goods	2162.00	1586.00	1457.60	1423.87	208.15
Purchase of Goods & Services	-	-	13.80	10.39	5.99
Reimbursement of exp.					
Recd.	6.80	-	11.70	-	-
Reimbursement of exp.					
Paid	351.80	314.80	68.60	-	-
Corporate Service Charges	417.10	-	-	-	-
System Service charges	-	5.90	21.00	14.09	31.96
Outstanding payable	-	4.80	-	0.15	0.15
Outstanding receivable	242.20	242.60	223.10	295.76	47.29
Key Management Personnel					
Remuneration	97.40	97.80	143.10	249.33	88.25
Loan	-	-	(4.20)	(6.78)	36.60
Consultancy Fees	-	-	-	-	61.38
Outstanding payable	-	-	-	-	-
Outstanding receivable	-	-	31.50	41.70	48.48

Note: The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company and approved by the Board of Directors of the Company.

- 7.a. In respect of operating leasing arrangement for office premises and motor vehicles, the aggregate lease rentals payable on these leasing arrangements are charged as rent under “other expenses” in schedule – 16.

These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent on mutually agreeable terms. The minimum lease rentals outstanding in respect of these assets are as follows:

Particulars	(Rs. In Lacs)				
	Year ended 31-03-07	Year ended 31-03-06	Year ended 31-03-05	Year ended 31-03-04	Year ended 31-03-03
Total minimum lease payments	149.50	237.20	242.60	153.30	301.65
Lease rentals payable within 1 year	77.30	89.50	74.60	38.16	70.71
Lease rentals payable between 1-5 years	72.20	147.60	168.00	115.14	230.94

- b. In respect of plant and machinery and land taken on finance lease, the same have been accounted at fair market value and proper depreciation for the year under review has been provided. The minimum lease rentals outstanding in respect of these assets are as follows:

(Rs. In Lacs)

Particulars	Year ended 31-03-07	Year ended 31-03-06	Year ended 31-03-05	Year ended 31-03-04	Year ended 31-03-03
Total minimum lease payments	28.80	35.20	41.70	51.30	58.97
Lease rentals payable within 1 year	7.20	6.70	6.50	6.18	5.81
Lease rentals payable between 1-5 years	21.60	28.50	30.10	30.50	29.21
Lease rentals payable after 5 years	-	-	5.10	14.62	23.95

8. As required by Accounting Standard 20 issued by the Institute of Chartered Accountants of India, the reporting in respect of Earning Per Share (EPS) is as follows:

Particulars		2006-07	2005-06	2004-05	2003-04	2002-03
Profit available to equity shareholders (before exceptional items)	Rs in Lacs	(2901.40)	1757.50	3390.10	1796.70	266.34
Exceptional Items	Rs in Lacs	988.40	425.30	1298.60	832.63	-
Profit available to equity shareholders (after exceptional items)	Rs in Lacs	(3889.80)	1332.20	2091.50	964.07	266.34
Weighted average no. of equity share for basic EPS	Nos	17300000	1730000	1730000	1730000	1730000
Nominal value of equity shares	Rs.	10	10	10	10	10
Earning Per Share (Basic/Diluted)	Rs.	(22.48)	7.70	12.09	5.57	1.53
Earning Per Share Before Exceptional Items (Net of Tax)	Rs.	(16.74)	10.15	19.59	9.51	1.53

9. The deferred tax assets & liabilities comprise of tax effect of following timing differences:

(Rs in Lacs.)

Particulars	Year ended 31-03-07	Year ended 31-03-06	Year ended 31-03-05	Year ended 31-03-04	Year ended 31-03-03
Deferred Tax Liability (DTL)					
Depreciation	(3679.40)	(2831.20)	(2785.40)	(2648.21)	(1921.76)
Total DTL	(3679.40)	(2831.20)	(2785.40)	(2648.21)	(1921.76)
Deferred Tax Assets (DTA)					
Provision for Gratuity & Leave Encashment	96.70	50.20	35.60	178.21	207.96
Disallowance U/s 43B	25.20	29.50	31.40	140.02	87.38
Deferred expenditure	-	-	-	96.98	57.45
Provision for Doubtful Debts	144.00	-	-	-	-
Provision for non-moving inventory	85.70	83.20	-	-	-
MAT Credit u/s 115JB	802.10	262.30	-	-	-
Total DTA	1153.80	425.20	67.00	415.21	352.79
Net DTA / (DTL)	(2525.60)	(2406.00)	(2718.40)	(2233.00)	(1568.97)

10. The Ceylon Glass Company Limited, the subsidiary had issued bonus shares in the ratio of one ordinary share for every ordinary share held, by capitalizing Rs.623.12 lacs of share premium and Rs.591.45 lacs of Revaluation reserve during financial year 2004-05.

11. Depreciation on fixed assets

Gujarat Glass Limited

Depreciation is provided on straight-line method at the rate specified in schedule XIV of the Companies Act, 1956. Depreciation on additions and deletions during the year are depreciated on pro-rata basis to the month of additions/deletions.

Ceylon Glass Company Limited

Depreciation is calculated by using straight line method /diminishing balance method on the cost or valuation of all property, plant and equipment other than freehold land in order to write off such amounts over the estimated useful lives. Depreciation is not provided in both the year of purchase and in the year of disposal of asset.

GG US Inc.

Depreciation is provided over the estimated useful life of the assets using straight-line method.

Gujarat Glass Internaional Inc.

Depreciation is provided over the estimated useful life of the assets using the straight-line method.

Piramal Glass (UK) Limited

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows.

12. Figures for the financial years covered in this statement have been regrouped & rearranged wherever necessary.

13. Important notes of various years

i. For year ended 31-03-2006

1. Pursuant to an agreement dated October 6, 2005. the company has acquired specific assets of the Cosmatic molded glass products division of The Glass Group (Inc.) USA through its wholly owned subsidiary Company viz. Gujarat Glass International Inc. (GGI) for a consideration of US \$ 201.5 lakhs. Accordingly effective October 24, 2005 properties, equipments of the said business along with inventory as on that date were transferred to the GGI. The acquisition gives the Company access to the manufacturing facilities as well as marketing rights of supply of the Glass Container products in the Northern American market.

The following is the summary of the estimated fair values of the assets acquired and liability assumed as of the date of the acquisition:

(Rs. In Lakhs)

Assets acquired	INR
Inventories	5190.24
Prepaid Expenses	328.95
Property and equipment	888.51
Land & Buliding	2673.64
Vehicles	41.80
Total assets acquired	9123.14
Liabilites Assumed	
Accrued vacation pay	222.35
Accrued health benefit	459.82
Other	9.90
Total Liabilites assumed	692.07
Total Consideration assets required	8431.07

2. Subsequent to the acquisition of the subsidiaries as given in the above note, the management has made strategic business plan to take full advantage of the global opportunities in the field of cosmetic and perfumery glass container packaging activity and is hopeful to turnaround the present scenario. Looking to the emerging market, the management is of the opinion that the losses incurred by Gujarat Glass International Inc. and Piramal Glass UK Ltd during the period under review are temporary in nature and situation is likely to turn around in due course.

ii. For year ended 31-03-2005

1. Pursuant to an approved Scheme of Arrangement, Nicholas Piramal India Limited (NPIL) has transferred its 9300000 equity shares of Rs.10 each of the Company to Kojam Fininvest Limited (Kojam) effective from July 1, 2003 and accordingly Kojam has become the holding Company in place of NPIL.
2. The excess of the Company's portion of equity and reserve of its Subsidiaries over the cost of its investments as at the time of acquisition of investment is treated as the Capital Reserve in Consolidated Financial Statement, as per Accounting Standard 21 – Consolidated Financial Statement, issued by ICAI.

iii. For year ended 31-03-2004

1. Preference Share

- (a) During the financial year, the Company has issued 14.50 Lacs 7.00% Cumulative Redeemable Preference Shares of Rs. 100 each aggregating to Rs. 14.50 crores and has redeemed 24.50 lacs 8.5% Cumulative Redeemable Preference Shares of Rs.100/- each aggregating to Rs.24.50 crores. For newly issued preference share, the company as well as the preference shareholders shall have a right to seek redemption at any time after 31st March 2004, by giving not less than 30 day's prior notice. In the absence of the exercise of these options by either party, the said preference shares shall compulsorily be redeemed at the date following 36 months from the date of allotment.
- (b) Pending approval of the Shareholders, the Company has paid preference dividend amounting to Rs.117.16 lacs (Corporate Dividend tax Rs. 15.01 lacs) to the Preference Shareholders of the Company.

iv. For year ended 31-03-2003

1. During the financial year, the company has issued 2450000 8.5% Cumulative Redeemable Preference Shares of Rs. 100 each aggregating to Rs. 24.50 crores and has redeemed 1550000 "B" series 10.75 % Cumulative Redeemable Preference Shares of Rs. 100 each aggregating to Rs. 15.50 crores on the date of its maturity. The company as well as the preference shareholders shall have a right to seek redemption of these preference shares at par on expiry of 24 months from the date of allotment by giving 30 days notice. In the absence of the exercise of these options by either party, the said preference shares shall compulsorily be redeemed at the date following 36 months from the date of allotment.
2. During the year borrowing cost amounting to Rs. 11.58 lakhs (SLR 22.97 lakhs incurred at CGCL in respect of the Furnace has been capitalised.

SUBSIDIARIES

GGL has six subsidiaries, namely, Ceylon Glass Company Limited, GG USA Inc., Gujarat Glass International Inc., Piral Glass UK Limited, GGI Flat River, LLC and GGI Williamstown, LLC. A brief of the six subsidiaries is as follows:

Ceylon Glass Company Limited (“Ceylon Glass”)

Ceylon Glass was incorporated on May 17, 1955, as a company with limited liability under the Companies Ordinance 51 of 1938 of Sri Lanka with the Registrar of Companies of Sri Lanka. GGL acquired 73.76% of the Equity share capital of Ceylon Glass between different dates in August 1999 and September 1999. Thereafter, as on July 19, 2001, GGL acquired an additional 10% of the Equity share capital of Ceylon Glass. In April 2005, GGL disinvested 30% of their holding in Ceylon Glass, bringing its stake down from 83.76% to 53.76%. Ceylon Glass has recently raised funds of SLR 752.15 Mio by a Rights Issue of shares. Ceylon Glass’s registered office is located at 148, Maligawa Road, Ratmalana, Sri Lanka. Ceylon Glass is engaged in the manufacture of glass containers for the pharmaceutical, food and liquor industry. Ceylon Glass is a leading manufacturer of glass containers in Sri Lanka. Ceylon glass also imports Glass containers from GGL and sells them to its customers. Thus, Ceylon Glass is involved in trading activity to some extent. Equity Shares of Ceylon Glass are listed on the Colombo stock exchange and traded.

Shareholding pattern

56.45 % of paid up equity capital of Ceylon Glass is held by GGL and the balance 43.55 % is held by the public.

Board of Directors

The Board of Directors of Ceylon Glass consists of Mr. Vijay Shah (Chairman), Dr. C.T.S.B. Perera, Mr. M.R. Prelis, Mr. N. Santhanam and Mr. Sanjay Tiwari.

Financial Performance

The key financial highlights of Ceylon Glass for the financial years ended March 31, 2005, March 31, 2006 and March 31, 2007 were as follows in Sri Lankan rupees (LKR);

(in LKR. Mns, except per share data)

For the year ended March 31,	2005	2006	2007
Total revenues	1277.12	1555.78	1857.18
Profit after tax	232.01	170.13	104.01
Equity share capital	554.22	554.22	554.22
Reserves	352.98	450.08	558.99
Earnings per share (LKR)	0.42	0.31	0.19
Book Value per share (LKR)	16.92	1.85	2.01

(Source: Audited Annual Report)

- Earnings per share is calculated by dividing the net profit for the year attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events that have changed the number of ordinary shares outstanding, without a corresponding change in the resources such as a bonus issue.

Highest & Lowest market price during the preceding six months

Month	Colombo Stock Exchange	
	High (LKR)	Low (LKR)
June-2007	2.60	2.20
July-2007	2.50	2.30
Aug.-2007	2.50	2.30
Sept.-2007	2.90	2.40
Oct.-2007	2.60	2.10
Nov.- 2007	2.40	1.90

GG USA Inc. (“GG USA”)

GG USA was incorporated on October 7, 2002, in Delaware, USA, as a perpetual corporation under the General Business Corporation Laws of the State of Delaware, USA and authorized to conduct business in the States of New York and New Jersey. GG USA is a wholly owned subsidiary of GGL. GG USA’s registered office is located at 152 West, 57th Street, 26th Floor, New York, NY 10019. GG USA is primarily engaged in the marketing of glass containers for GGL in the US, Mexico and Canada. In addition to this, GG USA is also coordinating efficiently various activities like bidding for international tenders, participation in international exhibitions, market innovation, *etc.* for GGL

Shareholding pattern

The entire paid up equity capital of GG USA is held by GGL.

Board of Directors

The Board of Directors of GG USA consists of Mr. Niraj Tipre, Mr. Bharat Kewalramani, Mr. Vijay Shah and Mr. Partha Sarathi De

Financial Performance

The key financial highlights of GG USA for the financial years ended March 31, 2005, March 31, 2006 and March 31, 2007 were as follows in US Dollars (US\$);

(in US\$ Lacs)

For the year ended March 31	2005	2006	2007
Total revenues	7.98	4.73	4.18
Profit after tax	(0.07)	0.21	0.25
Equity share capital	0.25	0.25	0.25
Reserves	0.30	0.52	0.75

(Source: Audited Annual Report)

Gujarat Glass International Inc. (“GGI”)

GGI was incorporated on October 17, 2005, in Delaware, USA, as a perpetual corporation under the General Business Corporation Laws of the State of Delaware, USA and authorized to conduct business in the States of New York and New Jersey. GGI is a wholly owned subsidiary of GGL.

GGI’s registered office is located at 1000, West Street, 17th Floor, The Brandywine Building, Wilmington County of New Castle, Delaware. GGI is engaged in the manufacture and sale of glass containers. Equity Shares of GGI are not listed on any stock exchange.

Shareholding pattern

100% of paid up capital of GGI is held by GGL.

Board of Directors

The Board of Directors of GGI consists of Mr. Vijay Shah, Prof. Nitin Nohria, Mr. Partha Sarathi De and Mr. Niraj Tiple who is also the Chief Executive Officer.

Financial Performance

The key financial highlights of GGI for the financial period/year ended December 31, 2005 and December 31, 2006 were as follows in US Dollars (US \$)

(in US \$ Lacs)

For the period/year ended December 31,	2005	2006
Total revenues	98.09	596.21
Profit after tax	- 12.68	- 141.64
Equity share capital	50.00	50.00
Reserves	- 12.68	- 154.31

GGI Flat River, LLC (“GGI Flat River”)

GGI Flat River LLC was incorporated on October 18, 2005, as a company with limited liability under the Delaware Limited Liability Company Act, USA. GGI Flat River is a wholly owned subsidiary of Gujarat Glass International Inc.. GGI Flat River’s registered office is located at 1000, West Street, 17th Floor, The Brandywine Building, Wilmington County of New Castle, Delaware. The Company has acquired land and building at Flat River from The Glass Group Inc. USA and earns its income in the form of lease rent from its holding company. Equity Shares of GGI Flat River are not listed on any stock exchange.

Shareholding pattern

100% of paid up equity capital of GGI Flat River is held by Gujarat Glass International Inc..

Board of Directors

The Board of Directors of GGI Flat River consists of Mr. Vijay Shah, Prof. Nitin Nohria, Mr. Partha Sarathi De and Mr. Niraj Tiple.

Financial Performance

The key financial highlights of GGI Flat River for the period/financial year ended December 31, 2005 and December 31, 2006 were as follows in US Dollars (US \$);

(in US \$)

For the period/year ended December 31,	2005	2006
Total revenues	52986	257959
Profit after tax	25430	85123
Equity share capital	3459716	3459716
Reserves	25430	110262

GGI Williamstown, LLC (“GGI Williamstown”)

GGI Williamstown, LLC was incorporated on October 18, 2005, as a company with limited liability under the Delaware Limited Liability Company Act, USA. GGI Williamstown is a wholly owned subsidiary of Gujarat Glass International Inc.. GGI Williamstown’s registered office is located at 1000, West Street, 17th Floor, The Brandywine Building, Wilmington County of New Castle, Delaware. The Company has acquired land and building at Williamstown from The Glass Group Inc. USA and earns its income in the form of lease rent from its holding company. Equity Shares of GGI Williamstown are not listed on any stock exchange.

Shareholding pattern

100% of paid up equity capital of GGI Williamstown is held by Gujarat Glass International Inc..

Board of Directors

The Board of Directors of GGI Williamstown consists of Mr. Vijay Shah, Prof. Nitin Nohria, Mr. Partha Sarathi De and Mr. Niraj Tipre.

Financial Performance

The key financial highlights of GGI Williamstown for the period/financial year ended December 31, 2005 and December 31, 2006 were as follows in US Dollars (US \$);

(in US \$)

For the period/year ended December 31,	2005	2006
Total revenues	34909	184664
Profit after tax	12713	62059
Equity share capital	2279379	2279379
Reserves	12713	74413

Piramal Glass UK Limited (“Piramal Glass”)

Piramal Glass was incorporated on July 22, 2005, as a company with limited liability under The Companies Act of U.K. Piramal Glass is a wholly owned subsidiary of GGL. Piramal Glass’s registered office is located at 1st Floor, Alpine House Unit 2, Honeypot Lane, London NW9 9RX.

Piramal Glass is engaged in the decoration and sale of glass bottles. Equity Shares of Piramal Glass are not listed on any stock exchange.

Shareholding pattern

100% of paid up equity capital of Piramal Glass is held by GGL.

Board of Directors

The Board of Directors of Piramal Glass consists of Mr. Vijay Shah and Mr. Partha Sarathi De.

Financial Performance

The key financial highlights of Piramal Glass for the period/financial year ended December 31, 2005 and December 31, 2006 were as follows in Pound Sterling (£);

	<i>(in £)</i>	
For the period/year ended March 31,	2005	2006
Total revenues	6449	477295
Profit after tax	- 65476	- 239799
Equity share capital	150000	150000
Reserves	- 65476	- 305275

FINANCIAL AND OTHER INFORMATION OF GROUP COMPANIES

In terms of SEBI (Disclosure and Investor Protection) Guidelines, 2000, the details of Group Companies are given below:

Promoter Group Companies

1. Glass Engineers Private Limited

Glass Engineers Limited was incorporated on 23rd February, 1994 Its present business activity is investments.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of date is as follows:

	Number of Shares (Face Value: Rs.100/-)	% of Shareholding
Promoters' holding	1,000	100.00
Non-Promoter holding	-	-

Board of Directors

The Board of Directors of the company comprises of :

1. Mr. Ajay G. Piramal
2. Dr.(Mrs.) Swati A. Piramal
3. Mrs. Lalita G. Piramal
4. Mr. Kamal M. Tibrewala

Financial Performance

	(In Rs.)		
	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	100,000	100,000	100,000
Reserves (excluding revaluation reserves)	53,444,746	48,434,256	48,427,566
Income	37,102,247	--	--
Profit before depreciation	24,911,550	(4,490)	(6,690)
Depreciation	--	--	--
Profit/(Loss) after depreciation	24,911,550	(4,490)	(6,690)
Profit/ (Loss) Transferred to Balance Sheet	24,911,550	(4,490)	(6,690)

EPS	2491.16	(0.45)	(0.67)
NAV	5354.47	4853.43	4852.76

2. NPIL Fininvest Private Ltd

NPIL Fininvest was incorporated on 8th June, 1994 with the object, inter alia, to invest in shares and other securities.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	221552*	100.00
Non-Promoters' holding	-	-

* wholly-owned subsidiary of Nicholas Piramal India Limited

Board of Directors

The Board of Directors of the company comprises of:

1. Mr. Ajay G. Piramal
2. Dr. (Mrs.) Swati A. Piramal
3. Mr.V.C.Vadodaria

Financial Performance

(In Rs.)

	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	100,000	100,000	100,000
Reserves (excluding revaluation reserves)	2,911,045	2,514,351	2,810,467
Income	160,303	136,868	302,128
Profit before depreciation	156,807	(380,897)	296,116
Depreciation	--	--	--
Profit/(Loss) after depreciation	156,807	(380,897)	296,116
Profit/ (Loss) Transferred to Balance Sheet	148,607	(380,897)	236,816
EPS	14.86	(38.09)	23.68
NAV	301.11	261.44	291.05

3. Nandini Piramal Investments Private Limited

Nandini Piramal was incorporated on 15th October, 1985 with the object, inter alia, to invest in shares and other securities.

Its registered office is Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern

The shareholding pattern of the company as of date is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	10,000*	100.00
Non-Promoters' holding	-	-

* wholly-owned subsidiary of The Swastik Safe Deposit & Investments Limited

Board of Directors

The Board of Directors of the company comprises of :

1. Mr. Vijay Shah
2. Mr. Chandrakant Khetan
3. Mr. Khushru Jijina

Financial Performance

(In Rs.)

	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	100,000	100,000	100,000
Reserves (excluding revaluation reserves)	2,911,045	2,514,351	2,810,467
Income	160,303	136,868	302,128
Profit before depreciation	156,807	(380,897)	296,116
Depreciation	--	--	--
Profit/(Loss) after depreciation	156,807	(380,897)	296,116
Profit/ (Loss) Transferred to Balance Sheet	148,607	(380,897)	236,816
EPS	14.86	(38.09)	23.68
NAV	301.11	261.44	291.05

4. GGL Holdings Private Ltd.

GGL Holdings Pvt. Ltd. was incorporated on 3rd August, 1998 with the object, *inter alia*, of finance and investment in securities.

Its registered office is Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	50,000	100.00
Non-Promoters' holding	-	-

Board of Directors

The Board of Directors of the company comprises of

1. Mr. Ajay G. Piramal
2. Dr. (Mrs.) Swati A. Piramal
3. Mr. Anand Piramal
4. Ms. Nandini Piramal

Financial Performance

(In Rs.)

	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	500,000	500,000	500,000
Reserves (excluding revaluation reserves)	2,241,000	2,241,000	2,241,000
Income	(3,148)	3,263,330	6,528,322
Profit before depreciation	(3,148)	3,017,946	6,481,830
Depreciation	--	--	--
Profit/(Loss) after depreciation	(3,148)	3,017,946	6,481,830
Profit/ (Loss) Transferred to Balance Sheet	(3,148)	3,017,946	6,481,830
EPS	--	--	--
NAV	54.82	54.82	54.82

5. The Swastik Safe Deposit & Investments Ltd.

Swastik Safe Deposit & Investments Ltd. was incorporated on 6th August, 1940 with the object, inter alia, to invest in shares and other securities.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are listed on:

1. Bombay Stock Exchange Limited
2. Delhi Stock Exchange

Shareholding Pattern

The shareholding pattern of Swastik as of date is as follows:

	Number of Shares	% of Shareholding
Promoters	1,78,535	74.39
Public	61,465	25.61
Total	2,40,000	100.00

Board of Directors

The Board of Directors of Swastik comprises of :

1. Mr. Chandrakant Khetan
2. Vice Admiral S. Jain
3. Mr. C.M. Hattangadi
4. Mr. N.Santhanam
5. Mr.V.C.Vadodaria

Financial Performance

(In Rs.)

	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	2,400,000	2,400,000	2,400,000
Reserves (excluding revaluation reserves)	9,5036,531	80,070,259	103,836,246
Income	32,574,447	31,726,028	46,124,724
Profit before depreciation	14,239,289	14,490,254	22,901,489
Depreciation	--	--	--
Profit/(Loss) after depreciation	14,239,289	14,490,254	22,901,489
Profit/ (Loss) Transferred to Balance Sheet	14,218,689	(18,533,271)	17,836,641
EPS	59.25	49.54	82.35
NAV	405.99	343.63	442.65

6. Savoy Finance & Investments Pvt Ltd.

Savoy was incorporated on 26th May, 1976 with the object, inter alia, to invest in shares and other securities.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares (Face Value: Rs.10/-)	% of Shareholding
Promoters' holding	10,000*	100.00
Non-Promoters' holding		-

* wholly-owned subsidiary of The Swastik Safe Deposit & Investments Limited

Board of Directors

The Board of Directors of Savoy comprises of :

1. Mr.Chandrakant Khetan
2. Mr.Arvind Agarwal
3. Mr. N. Santhanam
4. Mr. V.C.Vadodaria

Financial Performance

(In Rs.)

	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	100,000	100,000	100,000
Reserves (excluding revaluation reserves)	31,005,971	34,318,120	52,961,164
Income	18,784,143	19,118,182	39,405,072
Profit before depreciation	9,249,358	14,864,560	21,309,027
Depreciation	--	--	--
Profit/(Loss) after depreciation	9,249,358	14,864,560	21,309,027
Profit/ (Loss) Transferred to Balance Sheet	9,239,358	33,12,150	18,643,045
EPS	923.94	331.22	1864.30
NAV	3110.60	3441.81	5306.12

7. Piramal Enterprises Ltd - Trustees of Piramal Enterprises Executive Trust ('PEL Trust')

PEL Trust is a Trust settled on 15th October, 1993 with the object, inter alia, of providing for welfare and benefits of the employees of the group companies of Piramal Enterprises Limited.

Its registered office is situated at Nicholas Piramal Tower, Ganapatrao Kadam Marg, Lower Parel, Mumbai 400 013.

Name of Trustees:

Piramal Enterprises Limited

Financial Performance

(In Rs.)

	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	--	--	--
Reserves (excluding revaluation reserves)	--	--	--
Income	10,297,399	11,946,130	22,467,477
Profit before depreciation	10,297,399	11,946,130	22,467,477
Depreciation	--	--	--
Profit/(Loss) after depreciation	10,297,399	11,946,130	22,467,477
Profit/ (Loss) Transferred to Balance Sheet	10,297,399	11,946,130	22,467,477
EPS	--	--	--
NAV	--	--	--

8. Nicholas Piramal India Ltd. Senior Employees Option Scheme ('Nicholas SEOS')

Nicholas SEOS is a Trust settled on 16th August, 1995 with the object, inter alia, of providing for the benefits of its employees and to operate schemes for providing incentives/motivation to senior employees by way of or similar to stock option Schemes.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013.

Board of Trustees:

The Board of Trustees comprises of :

1. Mr. Ajay G. Piramal
2. Mr. R.A.Shah
3. Mr. Gautam Doshi

Financial Performance

The audited financial results for the year ended March 31, 2007 of the Trust are set forth below:

(In Rs.)

	March 31, 2007
Equity Capital /Corpus	10,000
Reserves (excluding revaluation reserves)	13,03,08,165
Income	6,62,36,437
Profit before depreciation	4,45,89,464
Depreciation	--
Profit/(Loss) after depreciation	4,45,89,464
Profit/ (Loss) Transferred to Balance Sheet	4,45,89,464

Companies promoted by the Promoters / Companies under same management

9. Nicholas Piramal India Limited (“NPIL”)

Date of Incorporation: April 26, 1947

Principal Business: Manufacturing/marketing of Pharmaceuticals and healthcare products

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	10,43,96,595	49.94
Non-Promoter holding	10,46,16,549	50.06

Board of Directors:

The Board of Directors as on date consists of:

1. Mr. Ajay G. Piramal
2. Mr. Keki Dadiseth
3. Mr. Y. H. Malegam
4. Dr. (Mrs.) Swati A. Piramal
5. Mr. S. Ramadorai
6. Mr. R.A. Shah
7. Mr. Deepak Satwalekar
8. Mr. N. Vaghul
9. Mr. N. Santhanam

Financial Performance:

(In Rs. millions)

	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	380	418	418
Reserves (excluding revaluation reserves)	4,543.00	8,742.90	9,762.20
Income	12,760.70	14,494.40	16,398.80
Profit before depreciation	1,740.90	2,452.40	2,929.40
Depreciation	474.20	577.20	705.00
Profit/(Loss) after depreciation	1,266.70	1,875.20	2,224.40
Profit/ (Loss) Transferred	2,161.70	3,039.30	3,208.60

to Balance Sheet			
EPS (in Rs.)	8.5	8.2	8.9
NAV (in Rs.)	28.7	46.4	50.5

Details of the last public / rights issue made:

In 2005, NPIL came out with a Rights Issue of 19,001,601 Equity Shares at a price of Rs.175/- per share, in the ratio of 1 equity share for every 10 equity shares held on the record date, which was 1st July, 2005. The issue opened on 1st August 2005 and closed on 30th August 2005. The Issue was oversubscribed 1.20 times. Out of the total size of the Issue, 1,89,97,128 equity shares were allotted on 25th September, 2005 and 4,473 shares were kept in abeyance pending determination of title, etc. to these shares. The shares were listed for trading on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) with effect from 3rd October, 2005 and on the Ahmedabad Stock Exchange (ASE) with effect from 19th October, 2005.

The proceeds of the issue were applied towards the objects of the issue, which was to fund capital expenditure, acquisitions and strategic investments.

Information about Share Price:

The securities of NPIL are listed on BSE and NSE. The shares of NPIL were voluntarily delisted from Ahmedabad Stock Exchange pursuant to shareholders' approval accorded at the general meeting held on June 28, 2006.

The monthly high and low of the market price of the shares on BSE and NSE for the last six months are as follows:

Month	Bombay Stock Exchange		National Stock Exchange	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
June-2007	314.00	254.00	313.70	254.00
July-2007	320.90	253.00	320.10	250.70
Aug-2007	274.00	231.25	299.00	230.05
Sep-2007	299.90	263.00	304.00	262.10
Oct-2007	320.80	255.00	322.35	257.10
Nov-2007	342.00	282.00	345.00	280.15

Mechanism for redressal of investor grievance:

NPIL has constituted Share Transfer Committee and Investors' Grievance Committee which meet as and when required, to deal with matters relating to transfer/ transmission of shares and monitors redressal of complaints/grievances from shareholders relating to transfers, non receipt of balance sheet, non receipt of dividend declared, etc. respectively. Typically the investor grievances are dealt within 7 days of lodgement of the complaint by the investor. As of September 30, 2007, there was 1 investor complaints pending.

10. NPIL Research and Development Limited

NPIL Research and Development Limited was incorporated on 27th June, 2001 with the object inter alia to engage in research and development activities.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange. However, pursuant to the Scheme of Arrangement between Nicholas Piramal India Limited (NPIL) and NPIL Research and Development Limited (NRDL), the New Chemical Entities Unit of NPIL would be demerged to NRDL, in consideration for which NRDL will issue its equity shares to the shareholders of NPIL in the ratio of 1:10. Post de-merger, the shares of NRDL would be listed on BSE and NSE subject to necessary regulatory approvals.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	45,50,000*	100
Non-Promoter holding	-	-

* presently, wholly-owned subsidiary of Nicholas Piramal India Limited

Board of Directors

The Board of Directors of the company comprises of:

1. Mr. Ajay G. Piramal
2. Dr. (Mrs.) Swati A. Piramal
3. Dr. Somesh Sharma
4. Mr. N. Santhanam

Financial Performance

(In Rs.)

	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	1,00,000	1,00,000	1,00,000
Reserves (excluding revaluation reserves)	-	-	-
Income	-	-	-
Profit before depreciation	-	-	-
Depreciation	-	-	-
Profit/(Loss) after depreciation	(42,733)	(6,964)	(3,937)

Profit/ (Loss) Transferred to Balance Sheet	(1,07,713)	(1,14,677)	(1,18,614)
EPS	-	-	-
NAV	(1.08)	(1.15)	(1.19)

11. NPIL Laboratories and Diagnostics Private Limited

NPIL Laboratories and Diagnostics Private Limited was incorporated on 20th May, 1999 with the object inter alia to undertake diagnostic services.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	29,29,200*	96.73
Non-Promoter holding	99,000	3.27

* subsidiary of Nicholas Piramal India Limited

Board of Directors

The Board of Directors of the company comprises of:

1. Dr.(Mrs.) Swati A. Piramal
2. Mr. Vijay Shah
3. Mr. N. Santhanam
4. Dr. Avinash Phadke
5. Dr. Bhavin Jankharia

Financial Performance

The audited financial results for the year ended March 31, 2007 of the Company are set forth below:

(In Rs. lakhs)

	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	250.00	250.00	302.82
Reserves (excluding revaluation reserves)	515.20	216.73	3,653.14
Income	2111.16	2,833.28	4,474.72
Profit before depreciation	570.97	411.87	195.72
Depreciation	184.06	241.80	406.90
Profit/(Loss) after	386.91	170.07	(211.18)

depreciation			
Profit/ (Loss) Transferred to Balance Sheet	446.18	141.71	(211.86)
EPS (in Rs.)	7.96	2.24	-
NAV (in Rs.)	30.61	18.67	130.65

12. NPIL Dr. Phadke Pathology Laboratory and Infertility Centre Private Limited

NPIL Dr. Phadke Pathology Laboratory and Infertility Centre Private Limited was incorporated on 11th July, 2000 with the object inter alia to undertake diagnostic services.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	3,00,000*	100
Non-Promoter holding	-	-

* wholly-owned subsidiary of Nicholas Piramal India Limited

Board of Directors

The Board of Directors of the company comprises of:

1. Dr. (Mrs.) Swati A. Piramal
2. Mr. N. Santhanam
3. Mr. V. C. Vadodaria

Financial Performance

The audited financial results for the year ended March 31, 2007 of the Company are set forth below:

	(In Rs. Lakhs)		
	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	30.00	30.00	30.00
Reserves (excluding revaluation reserves)	634.79	657.09	740.73
Income	1,155.03	1,584.80	2,041.49
Profit before depreciation	249.09	283.74	284.33
Depreciation	97.06	105.59	113.91
Profit/(Loss) after	152.04	178.15	170.42

depreciation			
Profit/ (Loss) Transferred to Balance Sheet	52.46	64.76	148.40
EPS (in Rs.)	23.39	30.24	27.88
NAV (in Rs.)	221.60	229.03	256.91

13. NPIL Healthcare Private Limited

NPIL Healthcare Private Limited was incorporated on 23rd December, 2005 with the object inter alia to engage in pharmaceutical business.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	1,00,000*	100
Non-Promoter holding	-	-

* wholly-owned subsidiary of Nicholas Piramal India Limited

Board of Directors

The Board of Directors of the company comprises of:

1. Mr. V. C. Vadodaria
2. Mr. Neeraj Garg

Financial Performance

(In Rs.)

	March 31, 2007
Equity Capital	1,00,000
Reserves (excluding revaluation reserves)	-
Income	16,03,61,883
Profit before depreciation	(9,91,05,821)
Depreciation	63,103
Profit/(Loss) after depreciation	(9,91,68,924)
Profit/ (Loss) Transferred to Balance Sheet	(9,96,84,997)

EPS	-
NAV	(9,958.5)

14. Nicholas Piramal Consumer Products Private Limited

Nicholas Piramal Consumer Products Private Limited (formerly known as 'Boots Piramal Private Limited') was incorporated on 11th June, 1998 with the object inter alia to engage in pharmaceutical business.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	1,35,00,000*	100
Non-Promoter holding	-	-

* wholly-owned subsidiary of Nicholas Piramal India Limited

Board of Directors

The Board of Directors of the company comprises of:

1. Mr. Ajay G. Piramal
2. Mr. Vijay Shah
3. Mr. N. Santhanam

Financial Performance

	(In Rs.'000's)		
	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	50,000	50,000	50,000
Reserves (excluding revaluation reserves)	47,608	-	-
Income	657,231	510,429	547,093
Profit before depreciation	15,082	(176,399)	31,952
Depreciation	2,677	2,231	902
Profit/(Loss) after depreciation	12,405	(178,630)	31,050
Profit/ (Loss) Transferred to Balance Sheet	9,917	(160,623)	(133,959)
EPS	1.85	-	5.33
NAV	19.52	(22.12)	(16.79)

15. Piramal Enterprises Limited

Piramal Enterprises Limited was incorporated on 25th February, 1999 with the object inter alia to provide business management and consultancy services.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	1,00,000	100.00
Non-Promoters' holding	-	-

Board of Directors

The Board of Directors of the company comprises of:

1. Mr. Ajay G. Piramal
2. Dr. (Mrs.) Swati A. Piramal
3. Mr. Vijay Shah
4. Mr. N. Santhanam

Financial Performance

(In Rs.)

	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	1,000,000	1,000,000	1,000,000
Reserves (excluding revaluation reserves)	180,000,000	187,223,084	197,099,089
Income	120,865,064	113,190,008	188,567,332
Profit before depreciation	28,666,296	17,502,610	61,284,983
Depreciation	5,207,955	5,857,620	7,100,273
Profit/(Loss) after depreciation	23,458,341	11,644,990	54,184,710
Profit/ (Loss) Transferred to Balance Sheet	31,550,665	(40,564,946)	9,876,005
EPS	315.51	37.08	116.31
NAV	1810	1882.23	1980.99

16. Alpex International Limited

Alpex International Limited was incorporated on 15th November, 1999 with the object inter alia of business service center and realty business.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares (Face Value: Rs.10/-)	% of Shareholding
Promoters' holding	11,10,000	100.00
Non-Promoters' holding	-	-

Board of Directors

The Board of Directors of the company comprises of:

1. Mr. Ajay G. Piramal
2. Dr. (Mrs.) Swati A. Piramal
3. Mr. Anand Piramal
4. Ms. Nandini Piramal
5. Mr. Sudhir Merchant

Financial Performance

	(In Rs.)		
	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	10,000,000	10,000,000	10,000,000
Reserves (excluding revaluation reserves)	--	--	--
Income	485,091,684	492,321,852	690,676,823
Profit before depreciation	49,041,079	85,063,232	205,007,790
Depreciation	45,169,292	134,171,889	147,736,793
Profit/(Loss) after depreciation	3,871,787	(49,108,657)	57,270,997
Profit/ (Loss) Transferred to Balance Sheet	(101,256,690)	(150,365,347)	(93,596,455)
EPS	3.87	-	57.27
NAV	(91.25)	(140.36)	(83.60)

17. NPIL Holdings Private Limited

NPIL Holdings Private Limited was incorporated on 16th July, 1998 with the object inter alia to carry on investment activities.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	50,000	100
Non-Promoter holding	-	-

Board of Directors

The Board of Directors of the company comprises of:

1. Mr. Ajay G. Piramal
2. Dr.(Mrs.) Swati A. Piramal
3. Ms. Nandini A. Piramal
4. Mr. Anand A. Piramal

Financial Performance

	(In Rs.)		
	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	500,000	500,000	500,000
Reserves (excluding revaluation reserves)	2,241,000	2,582,560,508	2,822,616,136
Income	--	163,891,563	360,726,308
Profit before depreciation	--	(52,075,243)	240,599,792
Depreciation	--	--	--
Profit/(Loss) after depreciation	(3,288)	(52,075,243)	240,599,792
Profit/ (Loss) Transferred to Balance Sheet	(3,288)	(52,018,010)	240,055,812
EPS	-	-	4,801
NAV	54.82	51661.21	56462.32

18. Alpex Holdings Pvt. Ltd.

Alpex Holdings Pvt. Limited was incorporated on 17th December, 1998 with the object inter alia to carry on investment activities.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	10,00,000	100
Non-Promoters' holding	-	-

Board of Directors

The Board of Directors of the company comprises of:

1. Mr. Ajay G. Piramal
2. Dr. (Mrs.) Swati A. Piramal
3. Mr. Anand Piramal
4. Ms. Nandini Piramal

Financial Performance

	(In Rs.)		
	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	100,000	100,000	100,000
Reserves (excluding revaluation reserves)	--	--	--
Income	3,750,000	7,503,159	15,000,000
Profit before depreciation	(4,926,926)	7,243,545	(79,679,964)
Depreciation	--	--	--
Profit/(Loss) after depreciation	(4,926,926)	7,243,545	(79,679,964)
Profit/ (Loss) Transferred to Balance Sheet	(342,517,615)	(335,274,070)	(414,954,034)
EPS	--	--	--
NAV	(34,241.76)	(33,517)	(41,485.40)

19. Piramal Management Services Private Limited

Piramal Management Services Private Limited was incorporated on 23rd August, 1991 with the object inter alia to offer management services.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	10,000	100
Non-Promoter holding	-	-

Board of Directors

The Board of Directors of the company comprises of:

1. Mr. Ajay G. Piramal
2. Dr.(Mrs.) Swati A. Piramal
3. Ms. Nandini A. Piramal
4. Mr. Anand A. Piramal

Financial Performance

	(In Rs.)		
	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	100,000	100,000	100,000
Reserves (excluding revaluation reserves)	--	--	--
Income	--	--	--
Profit before depreciation	(4,299)	(2,879)	(5,559)
Depreciation	--	--	--
Profit/(Loss) after depreciation	(4,299)	(2,879)	(5,559)
Profit/ (Loss) Transferred to Balance Sheet	(4,299)	(2,879)	(5,559)
EPS	-	-	-
NAV	9.57	9.71	2.09

20. PEL Management Services Private Limited

PEL Management Services Private Limited was incorporated on 28th December, 1995 with the object inter alia to offer management services.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	10,000	100
Non-Promoter holding	-	-

Board of Directors

The Board of Directors of the company comprises of:

1. Mr. Ajay G. Piramal
2. Dr.(Mrs.) Swati A. Piramal
3. Ms. Nandini A. Piramal
4. Mr. Anand A. Piramal

Financial Performance

	(In Rs.)		
	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	100,000	100,000	100,000
Reserves (excluding revaluation reserves)	--	--	--
Income	--	--	--
Profit before depreciation	(3,638)	(6,792)	(2,730)
Depreciation	--	--	--
Profit/(Loss) after depreciation	(3,638)	(6,792)	(2,730)
Profit/ (Loss) Transferred to Balance Sheet	(34,647)	(41,439)	(44,169)
EPS	-	-	-
NAV	6.53	5.85	5.58

21. Gopikisan Piramal Private Limited

Gopikisan Piramal Private Limited was incorporated on 18th July, 1970 with the object inter alia to carry on investment activities.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	5,000	100
Non-Promoter holding	-	-

Board of Directors

The Board of Directors of the company comprises of:

1. Mr. Ajay G. Piramal
2. Dr.(Mrs.) Swati A. Piramal
3. Ms. Nandini A. Piramal
4. Mr. Anand A. Piramal

Financial Performance

(In Rs.)

	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	500,000	5,00,000	5,00,000
Reserves (excluding revaluation reserves)	512,480	5,03,986	4,96,003
Income	--	--	--
Profit before depreciation	(4,916)	(8,494)	(7,983)
Depreciation	--	--	--
Profit/(Loss) after depreciation	(4,916)	(8,494)	(7,983)
Profit/ (Loss) Transferred to Balance Sheet	(4,916)	(8,494)	(7,983)
EPS	-	-	-
NAV	202.50	200.80	199.20

22. Vulcan Investments Private Limited

Vulcan Investments Private Limited was incorporated on 22nd September, 1989 with the object inter alia to carry on investment activities.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	2,10,000	100
Non-Promoter holding	-	-

Board of Directors

The Board of Directors of the company comprises of:

1. Mr. Ajay G. Piramal
2. Dr.(Mrs.) Swati A. Piramal
3. Mrs. Lalita G. Piramal
4. Mr. M.J. Tibrewala
5. Mr. Arvind Agarwal

Financial Performance

	(In Rs.)		
	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	2,600,000	2,100,000	2,100,000
Reserves (excluding revaluation reserves)	17,318,278	14,517,790	14,504,557
Income	37,795,001	--	--
Profit before depreciation	(15,044,363)	(4,490)	(13,233)
Depreciation	--	--	--
Profit/(Loss) after depreciation	(15,044,363)	(4,490)	(13,233)
Profit/ (Loss) Transferred to Balance Sheet	(15,044,363)	(4,490)	(13,233)
EPS	-	-	-
NAV	94.85	79.13	79.07

23. Piramal Texturising Private Limited

Piramal Texturising Private Limited was incorporated on 18th November, 1985 Its present business activity is investments.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	10,000	100
Non-Promoter holding	-	-

Board of Directors

The Board of Directors of the company comprises of:

1. Mr. Ajay G. Piramal
2. Dr.(Mrs.) Swati A. Piramal
3. Mrs. Lalita G. Piramal
4. Mr. Niranjana R. Shah
5. Mr. Arvind Agarwal

Financial Performance

(In Rs.)

	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	1,00,000	1,00,000	1,00,000
Reserves (excluding revaluation reserves)	31,706,944	29,558,854	29,552,859
Income	28,829,752	--	--
Profit before depreciation	3,506,839	(4,490)	(5,995)
Depreciation	--	--	--
Profit/(Loss) after depreciation	3,506,839	(4,490)	(5,995)
Profit/ (Loss) Transferred to Balance Sheet	3,506,839	(4,490)	(5,995)
EPS	350.68	-	-
NAV	3180.69	2965.89	2965.29

24. Legend Pharma Private Limited

Legend Pharma Private Limited was incorporated on 27th March, 1989 with the object inter alia to carry on investment activities.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	10,000	100
Non-Promoter holding	-	-

Board of Directors

The Board of Directors of the company comprises of:

1. Mr. Ajay G. Piramal
2. Dr.(Mrs.) Swati A. Piramal
3. Mrs. Lalita G. Piramal
4. Mr. Nirav Shah
5. Mr. Vijay Shah

Financial Performance

(In Rs.)

	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	100,000	100,000	100,000
Reserves (excluding revaluation reserves)	54,228,367	48,940,283	48,934,167
Income	37,821,329	--	--
Profit before depreciation	25,633,953	(4,490)	(6,116)
Depreciation	--	--	--
Profit/(Loss) after depreciation	25,633,953	(4,490)	(6,116)
Profit/ (Loss) Transferred to Balance Sheet	25,633,953	(4,490)	(6,116)
EPS	2,563	-	-
NAV	5432.84	4904.03	4903.42

25. Adelwise Investments Private Limited

Adelwise Investments Private Limited was incorporated on 17th March, 1994 with the object inter alia to carry on investment activities.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	10,000	100
Non-Promoter holding	-	-

Board of Directors

The Board of Directors of the company comprises of:

1. Mr. Ajay G. Piramal
2. Dr.(Mrs.) Swati A. Piramal
3. Ms. Nandini A. Piramal
4. Mr. Anand A. Piramal

Financial Performance

	(In Rs.)		
	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	100,000	1,00,000	1,00,000
Reserves (excluding revaluation reserves)	3,344,977	3,367,808	3,001,059
Income	98000	98,384	50,000
Profit before depreciation	95612	95,633	(362,143)
Depreciation	--	--	--
Profit/(Loss) after depreciation	95612	95,633	(362,143)
Profit/ (Loss) Transferred to Balance Sheet	95612	217,854	(148,895)
EPS	6.06	6.31	-
NAV	344.50	346.78	310.11

26. Akshar Fincom Private Limited

Akshar Fincom Private Limited was incorporated on 5th August, 1998 with the object inter alia to carry on investment activities.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	50,000	100
Non-Promoter holding	-	-

Board of Directors

The Board of Directors of the company comprises of:

1. Mr. Ajay G. Piramal
2. Dr.(Mrs.) Swati A. Piramal
3. Ms. Nandini A. Piramal
4. Mr. Anand A. Piramal

Financial Performance

(In Rs.)

	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	500,000	5,00,000	5,00,000
Reserves (excluding revaluation reserves)	2,241,000	2,241,000	2,241,000
Income	--	--	--
Profit before depreciation	(3,248)	(239,491)	(408,231)
Depreciation	--	--	--
Profit/(Loss) after depreciation	(3,248)	(239,491)	(408,231)
Profit/ (Loss) Transferred to Balance Sheet	(3,248)	(239,491)	(408,231)
EPS	--	--	--
NAV	54.82	54.82	54.82

27. Cavaal Fininvest Private Limited

Cavaal Fininvest Pvt. Limited was incorporated on 21st January, 1999 with the object inter alia to carry on investment activities.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	10,000	100.00
Non-Promoters' holding	-	-

Board of Directors

The Board of Directors of the company comprises of:

1. Mr. Ajay G. Piramal
2. Dr. (Mrs.) Swati A. Piramal
3. Mr. Anand Piramal
4. Ms. Nandini Piramal

Financial Performance

	(In Rs.)		
	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	100,000	1,00,000	1,00,000
Reserves (excluding revaluation reserves)	--	--	--
Income	4295	--	--
Profit before depreciation	(1,779,872)	(1,569,346)	(2,844,096)
Depreciation	--	--	--
Profit/(Loss) after depreciation	(1,779,872)	(1,569,346)	(2,844,096)
Profit/ (Loss) Transferred to Balance Sheet	(30,052,255)	(31,621,601)	(34,465,697)
EPS	--	--	--
NAV	(2,995.22)	(3,152.16)	(3,436.56)

28. BMK Laboratories Private Limited

BMK Laboratories Private Limited was incorporated on 20th April, 1978 with the object inter alia to undertake diagnostic reagent services.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	30,000	100
Non-Promoter holding	-	-

Board of Directors

The Board of Directors of the company comprises of:

1. Mr. Vijay Shah
2. Mr. George Varghese
3. Mr. Khushru Jijina
4. Mr. N. Santhanam

Financial Performance

The audited financial results for the year ended March 31, 2007 of the Company are set forth below:

	(In Rs.)		
	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	3,00,000	3,00,000	3,00,000
Reserves (excluding revaluation reserves)	-	-	-
Income	2,12,01,409	51,44,056	7,05,976
Profit before depreciation	(1,31,71,398)	(3,30,32,405)	(40,94,253)
Depreciation	32,019	31,421	15,711
Profit/(Loss) after depreciation	(1,32,03,417)	(3,30,63,826)	(41,09,964)
Profit/ (Loss) Transferred to Balance Sheet	(1,32,03,417)	(3,32,86,085)	(42,75,504)
EPS	-	-	-
NAV	(568.88)	(1254.06)	(1395.58)

29. Piramal International Private Limited

Piramal International Private Limited was incorporated on 15th November, 1999 with the object inter alia to undertake trading activities.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	10,000	100
Non-Promoter holding	-	-

Board of Directors

The Board of Directors of the company comprises of:

1. Mr. Khushru Jijina
2. Mr. Sunil Adukia

Financial Performance

(in Rs.)

	March 31, 2005	March 31, 2006	March 31, 2007
Equity Capital	100,000	100,000	100,000
Reserves (excluding revaluation reserves)	--	137,371	568,878
Income	--	873,813	1,532,457,052
Profit before depreciation	(4,969)	365,005	790,007
Depreciation	--	--	--
Profit/(Loss) after depreciation	(4,969)	365,005	790,007
Profit/ (Loss) Transferred to Balance Sheet	(4,969)	242,144	431,507
EPS	-	36.50	79.00
NAV	10	23.74	66.89

30. Piramal Capital Private Limited

Piramal Capital Private Limited was incorporated on 29th March, 2007 with the object inter alia to offer financial services.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	10,000	100
Non-Promoter holding	-	-

Board of Directors

The Board of Directors of the company comprises of:

1. Mr. Ajay G. Piramal
2. Dr. (Mrs.) Swati A. Piramal
3. Mr. N. Santhanam

Financial Performance

This being the first year of operation, the financial details are not available for the company.

31. Indiareit Fund Advisors Private Limited

Indiareit Fund Advisors Private Limited was incorporated on 14th July, 2005 with the object to provided investment advisory services in the real estate sector.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	25000	50
Non-Promoter holding	25000	50

Board of Directors

The Board of Directors of the company consists of:

1. Mr. Ajay G. Piramal
2. Mr. Satya Paul Ahuja
3. Mr. Niraj Bhukhanwala
4. Mr. Vallabh Bhanshali
5. Mr. A. K. Purwar
6. Mr. Ramesh Jogani

Financial Performance

(In Rs.)

	March 31, 2006	March 31, 2007
Equity Capital	500000	500000
Reserves (excluding revaluation reserves)	0	0
Income	7975	103203269
Profit before depreciation	(12116046)	12503382
Depreciation	397191	1113757
Profit/(Loss) after depreciation	(12513237)	11389625
Profit/ (Loss) Transferred to Balance Sheet	(12660080)	9917962
EPS	-	198.36
NAV	(243.2)	(44.84)

32. Indiaventure Advisors Private Limited

Indiaventure Advisors Private Limited was incorporated on 10th September, 2007 with the object inter alia to undertake investment and financial services.

Its registered office is situated at Nicholas Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013. The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern:

The shareholding pattern of the company as of the date of filing of this Application is as follows:

	Number of Shares	% of Shareholding
Promoters' holding	10,000	100
Non-Promoter holding	-	-

Board of Directors

The Board of Directors of the company comprises of:

1. Dr.(Mrs.) Swati A. Piramal
2. Mr. Arun Kumar Purwar
3. Mr. N. Santhanam
4. Dr. Bhavin Jankharia
5. Dr. Avinash Phadke

Financial Performance

This Company has been incorporated during the financial year 2007-08. Hence the financial details are not available.

MANAGEMENT DISCUSSION & ANALYSIS

Gujarat Glass Limited (GGL) is a manufacturer of Flaconnage, i.e. small to medium-size glass containers for the cosmetics, perfumery, and pharmaceutical industries. GGL's subsidiaries in Sri Lanka and USA also cater to food & beverage industry apart from the above-mentioned industries.

GGL and its subsidiaries (GGL Group) manufacture a wide range of glass bottles and jars, in sizes ranging from 2 ml to 2,500 ml. The business is organized into two strategic business units:

1. Cosmetics and Perfumery glass container division (C&P):

GGL Group's C&P division supplies to various multinational customers, who use glass bottles and jars for perfumes, skin care products, cosmetics and nail polish.

2. Food and Pharmaceutical glass container division (F&P):

This division supplies amber bottles, amber & flint vials for liquid oral formulations and injectable glass containers to the pharmaceutical industry. Products manufactured conform to USA, European and Indian Pharmacopoeia in Type I & Type III formulations. GGL Group is a leading supplier of glass containers to both multinational and Indian pharmaceutical companies.

❖ **Market overview:**

The main glass industry segments are:

1. Glass Hollow-wares:

Glass Hollow-wares are used for packaging of beverages, medicines, chemicals, food and cosmetics. They are made from special glass formulas to make sure there will be no contamination or deterioration of blood plasma, serums, and chemicals stored in them.

2. Glass wares:

Glass wares consist of Kitchenware i.e. Bowls, Cups, Saucers, Glass Tumblers, Mugs, Jugs, Plates, Wine Glass, Jars, Gift Articles i.e. Ashtrays, Dinner Set, Dishes, Lemon Sets, Pudding sets and Handicrafts i.e. Candles, Cut and Crinkle, Glass Tumblers, Flower Pots, Paper weights.

3. Float Glass:

Float glass is used chiefly in windows. It is also used in mirrors, room dividers and furniture. All float glass is made in the form of flat sheets. But some of it, such as that used in automobile windshields, is re-heated and curved over moulds

Hollow-ware glass segment is further classified into:

1. Cosmetics and Perfumery segment (C&P):

Global C&P market size is estimated to be US\$1 billion, with a growth rate of 7% per year. The market is classified into six segments by descending order of end-product price:

1. Select
2. Mid-mass
3. MNC mass
4. Low mass
5. Cosmetics
6. Nail polish

Select and Mid-mass are estimated to form 50% of the C&P market, while MNC and Low mass probably form 35% of the C&P market. The remaining 15% is accounted by Cosmetics and Nail Polish segments.

Customer concentration at the market top-end is high. For example, in the Select segment, top-20 customers are estimated to generate 80% of the segmental demand.

Co-development, continuous design innovation, technical competency, flawless quality in service & product, and time to market are critical success factors for this business. Companies that excel in these factors command a premium.

2. **Pharmaceutical glass segment (Pharma):**

Pharmaceutical industry uses three main packaging materials:

1. Aluminum (Blister packaging)
2. Plastics
3. Glass

Glass packaging for the pharmaceutical industry is classified into:

1. Moulded glass packaging, consisting of:
 - a. Type I
 - b. Type II
 - c. Type III
2. Tubular glass packaging

Global moulded glass packaging market is stagnant, with an estimated size of US\$ 800 million.

Regulatory compliance, customer approvals, quality and reliability are critical success factors for this business.

❖ **Performance summary:**

The consolidated financial highlights of Gujarat Glass Limited are as follows:

• **Financial highlights:**

Particulars	Rs. million	
	FY2007	FY2006
Sales and Profit:		
Net Sales	7,007.5	4,938.0
EBDITA	723.7	983.3

PBT (after exceptional items)	(248.7)	225.6
PAT (after prior period items)	(373.6)	170.7
Margins:		
EBDITA%	10.3%	19.9%
PBT% (after exceptional items)	(3.5%)	4.6%
PAT% (after prior period items)	(5.3%)	3.5%
Growth:		
Net Sales	41.9%	-
Global Sales	61.0%	-
Operating Profit	(26.4)%	-
Net Profit	(318.9)%	-

Notes:

1. *Global Sales are Total Consolidated Sales outside India.

- **Results review summary:**

Total Sales for the year ended 31 March 2007 grew 41.9% to Rs. 7,007.5 million compared to FY2006 Net Sales of Rs. 4,938.0 million. Total Sales growth from organic & continuing businesses (i.e. excluding Sales from the Glass Group assets acquisition) grew by 22.9% to Rs. 4,599.1 million, compared with FY2006 total Sales of Rs. 3,742.8 million.

For the financial year, Profit Before Interest, Depreciation, Tax and Amortizations (EBIDTA) was Rs. 723.7 million, a decrease of 26.4% over FY2006 EBIDTA of Rs. 983.3 million.

Operating Margin decreased to 10.3% in FY2007, compared with 19.9% for FY2006. The decrease in operating profits and margins was mainly due to operating losses incurred in the US operations, which were Rs. 448.4 million for FY2007, as compared to Rs. 122.6 million in FY2006.

Net Interest increased by 76.8% to Rs. 347.5 million, compared with Rs. 196.6 million in FY2006. Total consolidated debt as on 31 March 2007 was Rs. 7,044.1 million, compared with Rs. 4,828.0 million for FY2006. Debt/Equity ratio was 3.8 in FY2007, compared to 2.2 in FY2006. The Debt level and interest costs for FY2007 were higher as we used internal funds and debt to finance capital expenditure of Rs. 2,140.6 million and the US operating deficit of Rs. 448.4 million during the year.

Depreciation for the year was Rs. 515.1 million compared to Rs. 518.6 million in FY2006. Income Tax (current plus deferred) and Fringe Benefit Tax for FY2007 were Rs. 126.9 million, compared with Rs. 54.9 million in FY2006. Exceptional items of expenditure were Rs. 109.8 million for the financial year. These related to provision / write off for doubtful debts and non-moving inventories.

As a result, there was a Net Loss after exceptional items of Rs. 373.6 million in FY2007, compared to a Net Profit of Rs. 170.7 million in FY 2006. Earnings per share for FY2007 were Rs. (22.4) per share vs. Rs. 7.7 per share in FY2006.

- **Net Sales analysis:**

		Rs. million		
Consolidated Sales break-up	% Salience	FY2007	FY2006	% Growth
Gujarat Glass Limited				
Cosmetics & Perfumery Division				
- Domestic Sales	4.6%	319.0	269.1	18.5%
- Global Sales	16.8%	1,179.9	931.3	26.7%
Sub-total	21.4%	1,498.9	1200.4	24.9%
Pharma Division				
- Domestic Sales	22.4%	1,572.3	1,491.0	5.5%
- Global Sales	10.6%	742.9	407.6	82.3%
Sub-total	33.0%	2,315.2	1,898.6	21.9%
Total	54.4%	3,814.1	3,099.0	23.1%
Gujarat Glass International, Inc.				
Domestic Sales	37.2%	2,608.0	1,188.7	119.4%
Total	37.2%	2,608.0	1,188.7	119.4%
Piramal Glass UK Limited				
Domestic Sales	0.6%	41.1	6.5	532.3%
Total	0.6%	41.1	6.5	532.3%
Ceylon Glass Company Limited				
Domestic Sales	10.9%	765.1	666.7	14.8%
Exports Sales	0.5%	33.5	10.9	207.3%
Total	11.4%	798.6	677.6	17.9%
Less: Inter-company Sales	3.6%	254.3	33.8	-
Consolidated Total Sales	100.0%	7,007.5	4,938.0	41.9%

Notes:

1. Global Sales are Total Consolidated Sales outside India
2. FY2006 Sales for the US acquisition included in Gujarat Glass International, Inc. was for the period 24 October 2005 to 31 March 2006
3. FY2006 Sales for the UK acquisition included in Piramal Glass UK Limited was for the period 22 July 2005 to 31 March 2006

Growth in domestic Sales in C&P and Pharma in India was driven by better sales mix and higher realizations. Export Sales from India grew 43.6%. C&P Exports growth of 26.7% was driven by new product development, entry in Latin America and increased market share in CIS. Pharma bottles Exports growth of 82.3% was due to entry in USA &

Germany, and increased market share in UK. During the year, GGI's main focus was on customer retention.

CGCL Sales grew 17.9%, mainly due to increase in demand from the Food and Beverage Industry.

- **Profitability analysis:**

The following table gives a break-up of Consolidated Gujarat Glass Operating and Net Profitability:

Rs. million

Consolidated Profits break-up	EBIDTA			PAT		
	FY2007	FY2006	% Growth (De-growth)	FY2007	FY2006	% Growth (De-growth)
Gujarat Glass Limited	1,046.2	943.3	10.9%	353.5	296.9	19.1%
Gujarat Glass International, Inc.	(448.4)	(122.6)	(265.7%)	(735.0)	(176.4)	(316.7%)
Piramal Glass UK Limited	(21.5)	(8.9)	(141.6%)	(34.4)	(10.1)	(240.6%)
Ceylon Glass Company Limited	173.5	185.3	(6.4%)	33.3	81.1	(58.9%)
Sub-total	-	-	-	(383.6)	191.5	
Consolidated*	-	-		(389.0)	133.2	(392.0%)

Notes:

1. *Consolidated is after adjustment of Minority Interest and Inter-company transactions

Consolidated profits declined in FY2007, mainly because of GGI operations and an extraordinary income of Rs. 148.1 million received from sale of CGCL equity in FY2006.

GGI has increased expenses in business development, new product design and quality assurance. Its operating losses increased during the year also due to loss of product contribution associated with transitioning of production to India.

A detailed strategic plan has been built to leverage the best of both regions, i.e. premium western market pricing and low cost manufacturing base in India. Transitioning of manufacturing involves numerous customer approval processes.

- **Manufacturing facilities review:**

Gujarat Glass’ strategic plan involves two main pillars – developing a strong front-end in Western markets while building a robust manufacturing base in low-cost regions.

Developing the back-end involves facilities audit, regulatory filings, and sampling. We now have some of our US customers partnering us on this path. However, the process will need more time through this year before it begins to yield material relocation of US demand to our Indian manufacturing facilities.

GGL Group’s current manufacturing facilities across different regions are as follows:

- **Gujarat Glass Limited (GGL):**

GGL has production facilities at Jambusar and Kosamba in Gujarat, India.

The Company has ISO 9001, ISO 140001 certification and OHSAS (Occupational Health, Safety Analysis Series) i.e. ISO 18001 certification.

During the financial year, GGL relined its 18 TPD and 40 TPD furnaces. The capacity of 18TPD furnace has increased to 25 TPD.

As a part of the US turnaround plan, GGL has commissioned a new 100 TPD furnace in March 2007. This furnace mainly produces Cosmetic & Perfumery products.

GGL production capacities are as follows:

Furnace location and number	Installed Capacity TPD	Type of glass containers manufactured
Jambusar (1)	230	Soda Lime Amber - Pharma
Kosamba (6):		
1	25	Borosilicate Amber & Flint - Pharma
2	40	Soda Lime Flint - Pharma
3	75	Soda Lime Amber - Pharma & Chemical
4	35	Soda Lime Flint–cosmetic, perfumery, skin care
5	65	
6	100	

- **Gujarat Glass International Inc. (GGI):**

GGI has manufacturing facilities in USA. The installed capacity of the facility is as follows:

Furnace location and number	Installed Capacity TPD	Type of glass containers manufactured
Two furnaces		
1	100	Personal care and food & beverage-flint
2	95	

In the previous year, GGI had eight lines, which were reduced to six in FY2007.

- **Piramal Glass UK Limited (PGL):**

Decoration capabilities are at the core of a high-end C&P business. GGL is building a center of excellence that will house crucial skills, talent, and technology. The Decoration Plant of PGL in Enfield, London, UK, was relocated to this center of excellence in India in March 2007. The relocation will also generate production cost savings.

- **Ceylon Glass Company Limited (CGCL):**

CGCL manufactures bottled in flint, amber, and other colors with sizes ranging from 50 ml to 2,500 ml. It caters to liquor, food & beverage, pharmaceutical, agro, cosmetic & perfumery and wine industry customers.

CGCL currently has a manufacturing facility at Ratmalana in Sri Lanka. The installed capacity of the facility is as follows:

Furnace location and number	Installed Capacity TPD	Type of glass containers manufactured
Single furnace	100	Pharma, liquor, food & beverage, cosmetics, perfumery, agro, aerated water and wine

The Company is building a new facility to replace the above-mentioned manufacturing facility. This new facility will have an installed capacity of 205 metric tons of glass bottles per day as compared to present capacity of 100 MTPD. This programme provides long-term fiscal incentives to projects of participating companies.

The new manufacturing facility will have five manufacturing lines, with two manufacturing lines having a colouring forehearth. This will enable the Company to produce different shades and shapes of colour for the niche wine and liquor segment. Construction work is expected to be completed in second-half of FY2008.

- **Power & Energy:**

Consolidated power cost increased by 35.7% compared to Consolidated Sales increase of 41.9%.

GGL has gas-based Power Plants at both locations in India, i.e. Kosamba and Jambusar, Gujarat, India. This has helped the Company to keep its power cost lower compared to cost of sourcing electricity from the State Electricity Board. Gas-based in-house power formed 75.5% of the total power used in India and 9.1% in Sri Lanka.

- **Manpower:**

The GGL Group seeks to recruit and retain quality industry professionals and provide them with a high performance environment.

During the financial year, total consolidated work force of Gujarat Glass was 2921, which is an increase of 253 over FY2006.

The work force details are as follows:

Consolidated manpower break-up	FY2007	FY2006	Nos.
			+/-
Gujarat Glass Private Limited	1926	1583	+343
Gujarat Glass International, Inc.	689	789	-100
Piramal Glass UK Limited	16	6	+10
Ceylon Glass Company Limited	290	298	-8
Total	2921	2676	+253

- **Business risk factors:**

- **Replacement threat:**
Glass packaging faces the risk of replacement by other packaging solutions such as plastic and other forms of packaging.
- **Cyclical nature:**
The glass packaging industry might exhibit cyclical pattern of demand and supply.
- **Capital intensive and Energy intensive nature of business:**
The glass packaging business needs significant capital expenditure in creating infrastructure and regular relining of production furnaces.
- **Project implementation:**
Delay in implementation of the expansion projects may have an adverse impact on the business and profitability
- **Turnaround of US operations:**

Delay in customer approvals would have adverse impact on business and profitability.

Annexure to MDA: Financial Highlights (Consolidated)

Income Statement

Rs. million

	Year ended 31 March, 2007	Year ended 31 March, 2006	% Growth (De-growth)
Total Income			
Sales			
- Gross	7,299.9	5,261.5	38.7%
- Net	7,007.5	4,938.0	41.9%
Other Income	196.1	235.3	(16.7%)
Total	7,203.6	5,173.3	39.2%
PBIDT	723.7	983.3	(26.4%)
<i>PBIDT as % to Total Income</i>	<i>10.0%</i>	<i>19.0%</i>	
Interest	347.6	196.6	76.8%
Depreciation	515.1	518.6	(0.7%)
Profit before Tax & Extraordinary items	(139.0)	268.1	(151.8%)
<i>% of Total Income</i>	<i>(1.9%)</i>	<i>5.2%</i>	
Extraordinary items	109.7	42.5	158.1%
Profit Before Tax	(248.7)	225.6	(210.2%)
Provision for Taxation - Current	105.4	80.4	
- Deferred	17.5	(30.5)	
- FBT	4.0	5.0	
Profit After Tax (before extraordinary items)	(375.6)	170.7	(320.0%)
<i>% of Total Income</i>	<i>(5.2%)</i>	<i>3.3%</i>	
Prior Period Expenses/ (Income)	2.0	-	
Profit After Tax (after extraordinary items)	(373.6)	170.7	(318.9%)
<i>% of Total Income</i>	<i>(5.2%)</i>	<i>3.3%</i>	

Net Sales

The net sales during the year registered a growth of 41.9% over the previous year. The main highlights of the same are given earlier in the report.

Other Income

Other income mainly consists of sale of scrap, mould castings, gas refund & income from windmill.

Profit before Interest, Depreciation & Tax

PBIDT decreased from Rs.983.3 million in FY2006 to Rs.723.7 million in FY2007, which was a de-growth of 26.4%. This was mainly due to operating losses of Gujarat Glass International Inc.

Interest

Interest payment increased from Rs.196.6 million in FY2006 to Rs.347.6 million in FY2007. The higher Interest cost was mainly due to:

- GGI, which was in operation for full year in FY2007 & only for about five months in FY2006
- Increase in capital expenditure for new 100 TPD furnace of GGL
- Increase in rate of interest

Extraordinary Items

Extraordinary items consist mainly of provision / write off for doubtful debts and non-moving inventories. The details are as follows:

Rs. million		
Particulars	Year ended 31 March, 2007	Year ended 31 March, 2006
Bad and doubtful debts	-	18.9
Provision for bad and doubtful debts	8.3	6.0
Loss on sale of assets	10.9	-
Provision for non-moving and obsolete inventories	90.5	17.6
Total	109.7	42.5

Balance Sheet

Rs. Million

	As At 31 March, 2007	As At 31 March, 2006
SOURCES OF FUNDS		
Share Capital	173.0	173.0
Reserve & Surplus	1,479.1	1,830.1
Minority Interest	205.9	200.6
Loan Funds	7,044.1	4,828.0
Deferred Tax Liability (Net)	252.6	240.6
TOTAL	9,154.7	7,272.3
APPLICATION OF FUNDS		
Fixed Assets	6,540.0	4,986.7
Investments	0.1	0.1
Net Working Capital	2,614.6	2,275.6
Miscellaneous Expenditure	-	9.9
TOTAL	9,154.7	7,272.3

Key Ratios:

Particulars	FY 2007	FY 2006
Debt Equity Ratio	3.8	2.2
Return on Capital Employed	8.8	15.4
Return on Net Worth %	38.9	44.8
Asset Turnover Ratio	1.2	1.1

Return on Capital Employed	FY 2007	FY 2006
PBIDT	723.7	983.1
Average Net Fixed Assets	5,763.4	4,689.7
Average Net Current Assets	2,445.1	1,682.5
Capital Employed	8,208.5	6,372.1
ROCE (%)	8.8	15.4

OUTSTANDING LITIGATION, DEFAULTS AND MATERIAL DEVELOPMENTS.

Except as described below, there are no outstanding or pending litigation, suit, criminal or civil prosecution, proceeding or tax liabilities against our Company, our Directors, our Promoter or our Promoter Group Companies that would have a material adverse effect on our business and there are no defaults, non payment or overdue of statutory dues, institutional / bank dues or dues payable to holders of debentures, bonds and fixed deposits and arrears of preference shares (irrespective of whether they are specified under Part I of Schedule XIII of the Act), that would have a material adverse effect on our business:

LITIGATION INVOLVING OUR COMPANY

I. LITIGATION INVOLVING OUR COMPANY:

The details of pending proceedings against the Company are given below:

CENTRAL EXCISE

- i. The Excise Department has issued a SCN dated 30-12-2003 disallowing Modvat Credit taken on some Capital Goods imported during the period April 98 to August 98 and has demanded the duty of Rs. 12,448/- penalty of Rs.12,448/- and interest u/rule 57-U r/w Section 11-A & 11 AB of the Central Excise . Matter is pending with the Commissioner (Appeals) Surat –II.
- ii. The Excise Department has issued a SCN dated 8-10-2002 for recovery of duty of Rs. 2,23,990/-, penalty of Rs.13,78,720/- and interest in respect of inter-plant transfer of glass bottles and vials. Appeal is pending before CESTAT.
- iii. The Excise Department has issued a SCN dated 13-04-98 for reversal of Modvat Credit of Rs. 24,21,535/- on finished goods damaged by fire. Dy. Commissioner of C. Excise, Div –V confirmed the demand which has been vacated by Order in Appeal dated 04-08-2003.

A) Details of past cases in which penalties were imposed on the Company:

The Company paid a fine of Rs. 200,000 to Central Excise Dept. in respect of difference in finished goods quantity, which was reduced to Rs. 50,000 by an order of Tribunal dated 16-10-98. A refund claim for Rs. 150,000 has been filed with the Dept.. Matter pending before Joint Appellate Commissioner – Surat for refund.

B) Details of disputed tax liabilities and cases pending before the Labour Court:

INCOME TAX

1. Appeals filed before Commissioner of Income Tax (Appeals)

Existing :

GGL has filed two appeals before the Commissioner of Income Tax (Appeals) (“CIT(A)”) for amounts aggregating Rs.284.79 million, which are as follows :

1.1.GGL filed an appeal before the CIT(A), against the regular assessment order of the Assessing Officer for the Assessment Year 2004-05 aggregating Rs. 155.59 million, on various grounds of disallowances including Claim for Bad debts, Arm's length price in respect of international transactions, unutilized cenvat credit on finished goods, interest on interest free funds to sister concerns, interest on Investment in subsidiary companies and depreciation on non compete fees allocated over various assets. The matter is pending before the CIT(A).

Gujarat Glass Ltd. has also received show cause notice from the Assessing officer for initiating penalty proceedings in respect of the above issues. The quantum of penalty is yet to be computed.

1.2.Gujarat Glass Ltd. filed an appeal before the CIT(A), against the regular assessment order of the Assessing Officer for the Assessment Year 2003-04 aggregating Rs.129.20 million, on various grounds of disallowances including revenue expenses for consultancy fees paid for cost optimization & profit implementation measures, income u/s 41 in respect of write back of trading liability, interest on interest free advance given to sister concerns, interest on borrowed funds for Investment in shares of subsidiary companies and depreciation on non compete fees allocated over various assets. The matter is pending before the CIT(A).

Gujarat Glass Ltd. has also received show cause notice from the Assessing officer for initiating penalty proceedings in respect of the above issues. The quantum of penalty is yet to be computed.

Settled :

- Gujarat Glass Ltd. has received an unfavourable CIT(A) order dtd.30.07.2004 for A.Y.2000-2001 in respect of claim for services charges of Rs.8.94 million paid to Piramal Enterprises Ltd.
- Gujarat Glass Ltd. has received a favourable CIT(A) order dtd.02.09.2004 in respect of traveling expenses and gardening expenses aggregating to Rs.0.90 million for A.Y.2001-2002.
- Gujarat Glass Ltd. has received a favourable rectification order dtd.05.02.2007 from Assessing officer pursuant to directions issued by CIT(A) in the CIT(A) order dtd.02.09.2004 in respect of Rs.9.23million of unutilised cenvat credit u/s 145A for A.Y.2001-2002.

2. Appeals by Income Tax Department before the Income Tax Appellate Tribunal

Existing :

The Income Tax Department has filed three appeals before the Income Tax Appellate Tribunal ("ITAT"), with claims aggregating Rs.710.40 million.

2.1 The Department has filed an appeal against the order of CIT(A) issued in favour of GGL for an amount aggregating Rs. 426.36 million for the assessment year 1999-

2000, on the ground of allowance of w/off of non compete fees paid by GGL to Piramal Enterprises ltd. over a period of 18 years and also for considering the fair market value of depreciable assets acquired on slump sale basis from Nicholas Piramal India Ltd as actual cost for the purpose of computing depreciation. The matter is pending before the ITAT.

GGL has also received show cause notice from the Assessing officer for initiating penalty proceedings in respect of the above issues. The quantum of penalty is yet to be computed.

- 2.2. The Department has filed an appeal against the order of CIT(A) issued in favour of GGL for an amount aggregating Rs.145.95 million, for the assessment year 2000-2001, on the ground of allowance of w/off of non compete fees paid by GGL to Piramal Enterprises Ltd. over a period of 18 years and also for considering the fair market value of depreciable assets acquired on slump sale basis from Nicholas Piramal India Ltd as actual cost for the purpose of computing depreciation. The matter is pending before the ITAT.

GGL has also received show cause notice from the Assessing officer for initiating penalty proceedings in respect of the above issues. The quantum of penalty is yet to be computed.

- 2.3. The Department has filed an appeal against the order of CIT(A) issued in favour of GGL for an amount aggregating Rs.138.09 million for the assessment year 2001-2002, on the ground of allowance of w/off of non compete fees paid by GGL to Piramal Enterprises ltd. over a period of 18 years and also for considering the fair market value of depreciable assets acquired on slump sale basis from Nicholas Piramal India Ltd as actual cost for the purpose of computing depreciation, income u/s 41 in respect of write back of trading liability, and for non exclusion of debenture redemption reserve from book profits u/s 115JA. The matter is pending before the ITAT.

GGL has also received show cause notice from the Assessing officer for initiating penalty proceedings in respect of the above issues. The quantum of penalty is yet to be computed.

3. Appeal by the Income Tax Department before the High Court

NIL

4. Appeals by Gujarat Glass Ltd. before the Income Tax Appellate Tribunal

Existing :

- 4.1. Gujarat Glass Ltd. has filed appeals/cross-objections before the ITAT against the department's appeal before the ITAT for the assessment years 1999-2000, 2000-2001 and 2001-2002.
- 4.2. Gujarat Glass Ltd. has filed an appeal against the CIT(A) order issued against the Gujarat Glass Ltd. in respect of claim for depreciation on the capitalized amount of non compete fees over various fixed assets and for non exclusion of debenture redemption

reserve from book profits u/s 115JA in respect of assessment year 1999-2000. The total amount in dispute is yet to be computed.

Gujarat Glass Ltd. has also received show cause notice from the Assessing officer for initiating penalty proceedings in respect of the above issues. The quantum of penalty is yet to be computed.

4.3 Gujarat Glass Ltd. has filed an appeal against the CIT(A) order issued against the Gujarat Glass Ltd. in respect of claim for depreciation on the capitalized amount of non compete fees over various fixed assets, claim for bad debts w/off , non exclusion of debenture redemption reserve from book profits u/s 115JA and addition of provision for doubtful debts to book profit u/s 115JA in respect of assessment years 2000-2001.The total amount in dispute is yet to be computed.

Gujarat Glass Ltd. has also received show cause notice from the Assessing officer for initiating penalty proceedings in respect of the above issues. The quantum of penalty is yet to be computed.

4.4 Gujarat Glass Ltd. has filed an appeal against the CIT(A) order issued against the Gujarat Glass Ltd. in respect of claim for depreciation on the capitalized amount of non compete fees over various fixed assets, interest paid on borrowed funds utilized for Investment in shares of subsidiary companies and interest paid on borrowed funds utilized for interest free funds to sister concerns in respect of assessment years 2001-2002.The total amount in dispute is yet to be computed.

Gujarat Glass Ltd. has also received show cause notice from the Assessing officer for initiating penalty proceedings in respect of the above issues. The quantum of penalty is yet to be computed.

LABOUR CASES

1. Some workmen of GGL have filed nine (9) complaints before appropriate labour courts against GGL alleging wrongful termination of their services and demanding compensation, back wages and for reinstatement where applicable. The matters are pending for hearing before Surat and Bharuch Labour Courts.
2. The Government of Gujarat has vide notification dated 26/09/2007 referred cases of 4 workmen for adjudication and has prohibited continuation of strike which commenced on 3/09/2007.

Details of small scale undertakings / creditors to whom GGL owes a sum exceeding Rs. 1.00 Lac which is outstanding for more than 30 days:

Sr Vendor Name	Amount Rs.
<u>Small Scale Undertakings</u>	
1 Dattashish Enterprises	117420.00
2 Sheetal Engineering	1390823.00

Creditors

3 Techno Crafts Switchgear Ltd	102000.00
4 R K Paints & Contracts	107968.00
5 Pooja Minerals	110332.00
6 Shree Pooja Packwell	112380.00
7 Jp Morgan Chase Bank N.A	115609.00
8 Anand Minerals Supply	122171.00
9 Wearresist Technologies Pvt	123501.00
10 Interglass S A De C V	125417.39
11 Bombay Fire & Safety Service	144562.51
12 Shree Om Engineering Work	145423.00
13 Swaraj Minerals	171068.00
14 Quality Quartz	175382.00
15 Ganesh Engineering	176459.00
16 Ultrafilter International Ag	190305.00
17 H G Hawa & Co	204697.00
18 Gujarat Glass International, Inc	212565.60
19 Carrier Air Conditioning&Refrigrtn	217358.50
20 S B M Enterprises	227320.00
21 Infinite Metals Pvt Ltd	234121.60
22 Nimit Electronics & Equipmen	235598.00
23 Satya Sai Scrap Traders	264593.00
24 Hindustan Adhesives Limited	289380.00
25 Perfect Glass Accessories	292897.00
26 Tianjin Mould Co Ltd	298774.00
27 Badri Minerals	309924.00
28 Kone Elevator India Pvt Ltd	315000.00
29 Rajasthan Chemicals&Minerals	324341.00
30 Tata Consultancy Services	350000.00
31 D.V's Industries	407160.00
32 Gujarat Guardian Limited	556108.00
33 Dhiresh Malaviya	588065.50
34 Indian Carrying Corporation	742134.00
36 Anmol Cast Industries	1075889.00
37 Lincoln Gmbh	1387881.00
38 Emhart Glass Sa Sng Mkt	1635523.39
39 Harman Plastic Industries	2368454.58
40 Borochemie International Pte Ltd	3564589.45
41 Eqg Glassmach Pvt Ltd	4012220.00
42 Eversafe Protection	5699977.80
43 Shree Mahavir Construction	5852413.23
44 The Magadi Soda Company Ltd.	15659585.10

Grand Total

50757391.65

II. LITIGATIONS AGAINST COMPANIES UNDER SAME MANAGEMENT / COMPANIES PROMOTED BY PROMOTERS OF THE COMPANY / GROUP COMPANIES:

1. Nicholas Piramal India Limited

CASES FILED AGAINST THE COMPANY

A. CIVIL CASES

1. The Enforcement Directorate, has issued eight SCNs to the Company, for demands aggregating Rs. 51.0 million, for non-submission of bill of entries to authorized dealers for certain foreign exchange remittances by the erstwhile Boehringer Mannheim India Limited since merged into NPIL). The Company has filed Appeal Nos. 19/2005, 20/2005, 21/2005, 22/2005, 23/2005, 24/2005, 25/2005 and 37/2005 before the Appellate Tribunal for Foreign Exchange at New Delhi, challenging the adjudication orders of the Enforcement Directorate. The Appellate Authority was pleased to grant interim stay of the SCNs till final disposal. The next date of hearing is yet to be announced.
2. Kurji Holy Family Hospital filed a consumer case before the Bihar State Consumer Disputes Redressal Commission, Patna (complaint No. 13 of 1998) against the erstwhile BMIL, for an aggregate claim of Rs. 1.9 million, on the ground that distributors of BMIL sold a defective blood analyser machine, and failed to rectify the problem. The State Commission, dismissed the complaint vide its order dated February 28, 2000, on the ground that complainant was not a consumer as it had purchased the machine for commercial purposes. The complainant filed a review petition (revision petition No. 6 of 2000) before the State Commission which was rejected vide its order dated January 4, 2001. The complainant thereafter filed an appeal before the National Consumer Disputes Redressal Commission (First Appeal No. 23 of 2001), which was dismissed as barred by limitation vide its order dated March 15, 2002. The complainant has filed a special leave petition (SLP civil No. 17519 of 2002) before the Supreme Court of India. The Supreme Court has remanded the matter to the National Consumer Disputes Redressal Commission, observing that the delay on part of the complainant was a genuine delay. The matter is currently pending before the National Commission.
3. Janak Traders have filed money suit no. 649 of 2001 before the City Civil Court at Calcutta against the Company, its officers and Chairman, Ajay G. Piramal. Janak Traders is claiming commission charges aggregating Rs. 0.2 million together with interest at the rate of 18%p.a. The Company has filed its written statement. The plaintiff has filed for inspection of documents and the Company has filed its affidavit in reply.
4. Sri Sankaradeva Nethralaya has filed title Suit No. 308/2004 against the Company before the court of Civil Judge (Senior Division) Kamrup, Guwahati where they have alleged that the Company has installed defective machinery and has failed to repair or replace the same. The claim made is for replacement of the machinery and damages. An alternative claim for Rs. 1.4 million together with interest at 18% p.a. and damages has also been made. The suit has been withdrawn since Sankardeva Netralaya has entered into a settlement with Roche. Matter closed.
5. Zenith Drugs and Allied Agencies Private Limited ("**Zenith**") filed money suit No. 73 of 2003 before the Civil Judge (Senior Division) Guwahati against the Company. Zenith

- claims to have been appointed by RPIL (since merged with NPIL) as its clearing and forwarding agent and has challenged the termination of its agency by the Company and has made a claim of Rs. 200.0 million together with interest at 18% p.a. The Company has filed its written statement. The Company has also made an application to the court to refer the matter to arbitration. This application was rejected by the court vide its order dated February 19, 2005. The Company has filed a revision petition before the Gauhati High Court challenging the order of the civil judge. The High Court has passed an order dated 26/03/2007 in favour of the company directing the lower court to refer the matter to arbitration.
6. Three writ petitions, W.P. 29271 of 1998, W.P. 31202 of 1998, W.P. 9 of 1999 have been filed against the erstwhile Global Bulk Drugs and Fine Chemicals Limited (since merged with NPIL) before the Andhra Pradesh High Court on the ground that the company was dumping solid waste in the ground and thus affecting the quality of ground water. The writ petitions seek a writ from the High Court restraining the Company from letting out untreated effluents into the agricultural fields, water ways and open lands in and around the village of Digwal and to direct the Company to pay compensation to the villagers whose land was affected. The petitioners claim that the alleged dumping of waste has affected the crop cycle, made the ground water non-potable, and has polluted the soil. The High Court had passed interim orders dated May 8, 2001 directing the District Collector to supply drinking water to the affected village, giving the District Collector the discretion to pass the burden on to the Company. Following the said order, the District Collector had asked the Company to provide water supply to the village. The Company has carried out its obligations and have financed a permanent water supply scheme, which was handed over to the village panchayat on June 18, 2004. The three writ petitions were clubbed together on July 21, 2001 and the matter is currently pending before a division bench of the High Court.
 7. Mr. B.N. Chadha had filed suit No. 246 of 2004 against the Company against the Additional District Judge, Delhi, for possession and recovery of rent and for mesne profits and damages in respect of property let out to the Company. The Additional District Judge, Delhi vide his order dated January 25, 2005 has directed that the Company hand over possession of the premises and to pay a sum of Rs. 30,000 to the plaintiff. The Company has filed an appeal in the High Court of Delhi.
 8. Sri Balaji Supplying Company has filed O.S. No. 1931 of 2001 before the City Civil Court Hyderabad, against the Company for a claim of around Rs.5 Lakhs and interest, on the ground that that the Company has taken supplies from them, but not paid their dues.
 9. The District Collector, Mumbai has issued a demand notice for recovery of Rs 3,13,17,817 as per the direction of the Department of Chemicals and Petroleum, Ministry of Chemical and Fertilizers, New Delhi which was issued in the name of Boehringer Mannheim (India) Limited (BMIL) which was merged with NPIL in the year 1996. BMIL is alleged to have overcharged the retail prices of certain pharmaceutical formulations under the Drug Price Control order, 1979 for the period 1984 –1987. We have written to the Ministry seeking information on the nature of claim and also to grant us an opportunity for personal hearing..
 10. Writ Petition filed by Bombay Municipal Corporation against the Company for fixation of rateable value in respect of R P House (earlier owned by the Company) situated at Worli. The lower court passed an order permitting the company not to predeposit the

amount demanded, against which the BMC has filed an appeal in the High Court. We have filed our Affidavit in reply in the appeal.

11. Nicholas Laboratories & Diagnostics Limited, a subsidiary of NPIL has filed a Title Suit for decree of declaration that Tribedi & Roy Labs is tenant in respect of the suit property situated at Kolkata and has right to use and enjoy the mentioned property for their peaceful egress and ingress, and a decree for permanent injunction restraining the defendants and/or their now agents, servants from the Company without due process of law or causing any disturbance to the peaceful possession, enjoyment and egress, ingress of the Company. Status quo is granted and the opposite party is asked to remain present in the court failing which the court would pass an order of permanent injunction ex-parte.
12. APSRTC & another V/s. Shri Krishna Agencies. OS No. 2144/03. IA No. 1044/06. In the court of Jr. Civil Judge City Civil Court Hyderabad. Kept for filing of Vakaltnamas.
13. P N Pharma, Guwahati filed a Title Execution Suit No.18/03 before District Judge Sr. Division No.2 against which the Company filed Misc. Application No.158/2005 challenging the termination of C&F Agreement and for compensation. Our application has been allowed and the Title Execution Suit has been dismissed. An appeal has been filed by P N Pharma against the said order of the District Judge Sr. Division in the High Court.
14. Suit filed by a property developer seeking appropriate directions from the HC to direct the Municipal Corporation to permit them to develop the land owned by them. The restrictions were imposed on them from developing the land in view of the safety zone prescribed by the Committee in and around hazardous industries location in Thane. The Petitioners have in the alternative sought appropriate order requiring the companies located in the area (including the Company's VFCD Plant to shift the storage of chemicals /the plant from current location
15. Suit filed by property developers seeking appropriate directions from the HC to direct the Municipal Corporation to permit them to develop the land owned by them. The restrictions were imposed on them from developing the land in view of the safety zone prescribed by the Committee in and around hazardous industries location in Thane. The Petitioners have in the alternative sought appropriate order requiring the companies located in the area (including the Company's VFCD Plant to shift the storage of chemicals /the plant from current location
16. CRB Caps, Delhi DRT filing for valuation of the cars. Suit filed by Vysya Bank, creditor of CRB in Delhi High Court [now before DRT Delhi]. Prayer against the Company to make payments of lease rentals, machineries and motor vehicles taken on lease by RPIL from CRB to the official liquidator.
17. Prejyth Enterprises, a C&F Agent filed suit seeking permanent injunction and declaration to restrain the Company from terminating the services of the C&FA and to appoint any new person in its favour. The suits were dismissed by the Munsiff's Court. The Company in the meanwhile filed a suit to restrain M/s. Prejyth Enterprises to interfere with the business of the Company, which was allowed. On an appeal filed by Prejyth, the High Court was directed the appointment of a commissioner to take inventory of the inactive stocks. The commissioner has not yet complied with this order.

18. Suit filed by M/s. B D Jagan & Company (a C&F Agent) for a decree of permanent injunction, restraining the Company from terminating the C&F Agreement and removing the stocks lying with the Plaintiffs, stopping the supply of their products to the Plaintiffs and selling their products through anybody else within the area of the Plaintiffs. Matter remanded by the Additional District Judge, Ambala to the trial court.
19. Company has also filed complaints u/s 138 of Negotiable Instruments Act 1881 for dishonour of cheques in various courts totalling in aggregate to around Rs.10.5 Million.

B. CRIMINAL CASES

1. Mr. Loknath Ratnakar, a former consignment agent of the Company has filed complaint No. 1497(1) of 2002 for offences under sections 420, 406 and 120B of the Indian Penal Code, 1860 in the Court of Chief Judicial Magistrate, Patna. The complaint has been filed against the Company, its Chairman, Mr. Ajay Piramal, its Chief Executive, Mr. Vijay Shah and other officers of the Company for termination of agency and alledged misappropriation of amounts aggregating Rs. 5.3 million. ICI has filed a Revision petition before the Sessions Judge and the records have beend called for from the Lower Court.
2. The Drugs Inspector, Drugs Control Department, New Delhi has filed criminal complaint against the Company under Section 18(a) (i) and section 27 (d) of the Drugs and Cosmetics Act, 1940 before the Metropolitan Magistrate against the Company and its Executive Director, Vijay Shah. The complaint has been filed on the ground that Tixylix children's cough linctus was found to be not of standard quality and gave a negative test for Pholcodine. However, we have filed a petition u/s 482 Cr.P.C. being number 5146 of 2006 in the Delhi High Court for quashing the proceedings. The Hon'ble High Court has asked the Drug Authorities to file reply and has granted exemption to Mr. Vijay Shah from appearing in the trial court .
3. The Drugs Inspector, Drugs Control Department, New Delhi has filed a criminal complaint Cr. Case No. 8/2004 against the Company under Section 18(a) (i) and section 27 (c) of the Drugs and Cosmetics Act, 1940 before the Metropolitan Magistrate. The complaint has been filed on the ground that a sample Tixylix children's cough linctus was found to be not of standard quality and gave a negative test for Pholcodine and Phenylpropanolamine Hcl. However, we have filed a petition u/s 482 Cr.P.C. being number 5147 of 2006 in the Delhi High Court for quashing the proceedings. The Hon'ble High Court has asked the Drug Authorities to file reply.
4. The Drugs Inspector, Drugs Control Department, New Delhi has filed a criminal complaint Cr. Case No. 25/4 of 2004 against the Company under Section 18(a) (i) and section 27 (d) of the Drugs and Cosmetics Act, 1940 before the Metropolitan Magistrate. The complaint has been filed on the ground that a sample Erythromycin Estolate Oral Suspension USP manufactured by erstwhile RPIL (since merged with NPIL) was found to be not of standard quality. The Company has brought to the attention of the Metropolitan Magistrate certain technical irregularities in the complaint filed. We have filed a petition u/s 482 Cr.P.C. in the Delhi High Court challenging the order issuing process. The Petition has been admitted and the Hon'ble High Court has stayed the proceedings in the Lower Court.

5. The Food Inspector, Nadiad has filed a complaint Cr. Case No. 5 of 2002 against the Company before the Judicial Magistrate, (First Class) at Nadiad alleging that the Company has committed an offence under the Prevention of Food Adulteration Act, 1954 in respect of Rejoint Dietary Supplement on the grounds that a sample was adulterated and misbranded by not making a declaration in respect of animal origin in relation to the gelatine capsule. The complaint has also named directors of the Company as persons accused, including the Chairman The Company had filed Misc. Criminal Application 3986 of 2002 under Section 482 of the Code of Criminal Procedure before the High Court of Gujarat which was admitted vide its order dated December 5, 2002.
6. Loknath Ratnakar has filed Complaint Case No. 2522(C) of 2002 in the court of the Chief Judicial Magistrate, Patna against the Company, its Chairman, and its Executive Director, Mr. Vijay Shah for offences under Sections 420, 406 and 120-B, of the Indian Penal Code, 1860. The criminal complaint has been filed on the grounds that the Company has taken a road permit through the complainant, but has supplied products directly to its distributor and not through the complainant. The matter has been kept for return of service of summons.
7. The Drugs Inspector, Birbhum has filed Cr. Case No. 35/2003 before the Chief Judicial Magistrate, Birbhum against the Company. The complaint has been filed on the allegation that the Company is charging higher prices for certain drugs by adding sales tax charges. The complainant contends that the drugs in question being Promethazine formulations are exempt from sales tax in West Bengal. The matter is posted for evidence before charges.
8. The Inspector, Security Guards Board for Greater Bombay and Thane District has filed a criminal complaint against the Company and the Chairman before the Chief Metropolitan Magistrate, 38th Court, Mumbai. The complaint has been filed for alleged offences under Clause 42 of the Private Security Guards (Regulation of Employment & Welfare) Scheme, 2002, which include employing security guards other than security guards allotted by the Security Guards Board. We have filed a petition u/s 482 of Cr.P.C. before the Bombay High Court and the Court was pleased to admit the matter and stayed the proceedings before the Lower Court.
9. One Mr. Veeraiyah has filed a criminal case 93 of 2005 against the plant in charge Digwal before the Judicial Magistrate First Class, a Zaheerabad, in relation to the accidental death of his son on the Digwal plant premises. The case is in trial and has been posted for appearance of the accused.
10. Inspector of Drugs, Government of West Bengal had confiscated certain goods from a transporter Kamakhya Roadways and approached the court of sub-divisional judicial magistrate, Jalpaiguri for permission for enquiry by the police on the grounds of seizure of suspicious property, sent by the Company through its carrying and forwarding agent. The sub-divisional judicial magistrate has by its order dated March 22, 2005 rejected the application of the Inspector in connection with this enquiry. The Inspector has filed a criminal revision petition No. 1157 in the High Court of Calcutta. The matter is pending before the High Court.
11. The Drugs Inspector, Drugs Control Department, New Delhi has filed criminal complaint against the Company under Section 18(a) (i) and section 27 (d) of the Drugs and Cosmetics Act, 1940 before the Metropolitan Magistrate against the Company and its

- executive director, Vijay Shah. The complaint has been filed on the ground that Tixylix children's cough linctus was found to be not of standard quality and gave a negative test for Pholcodine. However, we have filed a petition u/s 482 Cr.P.C. being number 5148 of 2006 in the Delhi High Court for quashing the proceedings. The Hon'ble High Court has asked the Drug Authorities to file reply and has granted exemption to Mr. Vijay Shah.
12. One of the ex-distributor of the Generics division of the Company has filed a criminal complaint before the Chief Judicial Magistrate, Patna numbered as 2583 (C) of 2005 on the allegation that the company along with the Chairman and VP of Generics Division have illegally terminated his distributorship and has committed an offence of cheating and criminal breach of trust. The Company has filed a petition u/s 482 of Cr.P.C. before the Patna High Court being numbered as 4096 of 2005 and the Hon'ble High Court was pleased to stay the proceedings in the Lower Court till final disposal of the Petition. Presently notice has been served to the Complainant to file his reply.
 13. Mr. DK Chaudhary, a Drug Inspector has filed a complaint in 1997 against Board of Directors, Nicholas Laboratories before the Addl Chief Judicial Magistrate, Jabalpur alleging that the manufacturer's license no. was not mentioned on the pack of Cleartone soap manufactured by the Company. We have challenged the order issuing process by way of a Writ Petition in the Jabalpur High Court. Records have been called for from the Lower Court.
 14. A Drug Inspector in Kozhikode, Kerala, filed a criminal complaint alleging that the Company's cosmetic product Lactocalamine was misbranded under Drugs and Cosmetics Act as it contained claims which are in the nature of drug claims. Company filed a writ petition before the Kerala High Court challenging the order issuing process. The writ petition has been admitted and records called from the Lower Court.
 15. Drug Inspector filed a complaint against the CFA Ranchi vide Cr.Case No.35/06 and 36/06 for offences pertaining to supply of medicines to different agents in the name of Institutional Supply, but actually goods were not supplied to the institutions in whose names the goods were billed but were sold in the open market by different agents. Application under S-205 of CrPC filed in the Trial Court for permanent exemption for the CFA to appear in the trial court has been admitted and an application u/s 482 has been filed for quashing.

C. CONSUMER COMPLAINTS

1. A consumer has filed a complaint before the District Forum, Sasaram claiming Rs.15 Lakhs as compensation on the allegation that OMNATEX tablet strip had only three tablets and one tablet was missing. Company has filed its reply.
2. A consumer has filed a complaint before the District Forum, Raibareli seeking a compensation of Rs.1 Lakh on the alleged ground that the Company's product Phenergan was spurious. Company has filed its reply.
3. R Chellappan, a consumer filed a complaint against the Company for Rs.2 Lakhs on the allegation that a glass piece was found in RHONEMOX bottle. The Company has challenged the order passed by the District Forum rejecting our application testing the product, before the State Commission.

D. IPR LITIGATION

1. USV Limited filed C.S. No. 285 of 2001 before the High Court at Madras, against the Company and another major pharmaceutical company, seeking a perpetual injunction against the use of the trademark “PIOZONE”, as it is claiming to have adopted the trademark “Pioz” by its trademark application dated December 18, 2000 (No.977709). USV Limited has also claimed damages aggregating Rs. 1.0 million in the above suit. The Company filed a counter Suit No. 395 of 2001 before the Madras High Court against USV Limited, for injunction on the ground that the Company’s trademark application was made earlier in time on September 21, 2000 (No. 957738). USV Limited had also earlier filed applications for interim stay against the Company, which was initially granted. The Company’s appeal against this order of injunction was admitted. Thereafter, interim applications were filed by both parties, pursuant to which the single judge of the High Court passed an order dated August 8, 2001 declining to grant an injunction against either of the parties and permitted both parties to use the marks. Both USV Limited and the Company have filed appeals OSA Nos. 407 and 408 of 2001, before the division bench of the Madras High Court. The Company has filed its written statement in respect of C.S. No. 285 on January 11, 2005, which was allowed by the High Court on February 21, 2005. The Company has also made an application to amend the plaint filed in C.S. No. 395 of 2001, which has been allowed. However, both the parties have reached to a settlement and have entered into a coownership agreement in respect of the mark. Both the parties shall be filing an application for a compromise decree on the basis of the settlement arrived at.
2. The Company has filed Civil Suit No. 659 of 2004 before the Madras High Court against the sole proprietors of Gemini Industries and East West Pharma in respect of trademark AMAT (Registered Mark No. 1125803 – class 5). This trademark was assigned by East West Pharma to Gemini Industries, who assigned it to the Company in June 2004. However, East West Pharma was continuing to use the trademark AMAT. The Company has obtained an ad interim injunction vide order of the High Court dated August 18, 2004 restraining the respondents from interfering in the Company’s right to manufacture, market, sell, stock for sale and distribute drugs in respect of the mark AMAT, or in interfering with the Company’s rights in the registered trademark AMAT.

E. ARBITRATION

1. Tilak Raj Choudhry has made a claim in arbitration against the Company, which is before the sole arbitrator Justice H. Suresh. The dispute relates to an agreement dated July 27, 2000 entered by the Company with Tilak Raj Choudhry, proprietor of Electro Optics and Controls for purchase of certain assets, land and building, machinery, current assets and transfer of technology and know how. Tilak Raj Choudhry has made a claim of Rs. 3.3 million together with interest. The Company has also made a counter claim of 29.73 Million with interest thereon at the rate of 18% p.a. The claimant has given his evidence in chief. Cross examination of the Plaintiff is over. Matter is pending for Company’s evidence.
2. Offshore Industrial Construction Private Limited (“OIPCL”) has made claims in arbitration against Canere Active and Fine Chemicals Private Limited (since merged with NPIL) aggregating approximately Rs. 80.0 million in relation to seven erection, procurement and construction contracts in respect of the Digwal manufacturing facility.

The Company has made a counter claim of Rs. 350.0 million. The matter is pending before the arbitral tribunal.

CASES FILED BY THE COMPANY

A. CIVIL CASES

1. The Company has filed two suits before the Civil Judge, Ulhasnagar against encroachers of its land at Ambernath taken on lease from MIDC. The Company has filed regular civil suit NO. 9 of 2001 against Govindram Dharamdas Ahuja and Narayan Das Chowdhary for encroachment of its land at Ambernath. The Court has appointed a court commissioner to take measurements and identify encroachment.
2. The Company has filed Money Suit No. 20 of 1999 against M/s Lucky Medicine Distributors in the Court of Sub Judge first division, Patna. The Company has made a claim for Rs. 0.9 million for non-payment of moneys due (by way of dishonour of cheques) towards goods purchased from the Company. .
3. The Company has filed Civil Suit No. 79 of 2003 before the Calcutta High Court against the sole proprietor of Bengal Medical Hall. The Company has made a claim of Rs. 1.4 million for non-payment of monies due (by way of dishonour of cheques), towards supply of pharmaceutical products.
4. The Inspector General of Registration, Tamil Nadu has made a demand aggregating approximately Rs. 53.2 million on account of shortfall in stamp duty and registration charges payable in respect of Nicholas Piramal property at Ennore. Nicholas Piramal has filed a writ petition before the Madras High Court being WP No 12372 of 2005 on the ground that the demand has been made on the basis of an incorrect valuation. We have obtained interim order whereby the Sale Document has been returned to NPIL.
5. A demand aggregating Rs. 5.3 million has been made against the Company by NPPA in respect of gentamycin sulphate, out of which Nicholas Piramal has paid an amount of Rs. 1.0 million. A stay has been obtained from the Mumbai High Court of the operation of the demand notice pending disposal of the writ petition filed by OPPI/IDMA . Nicholas Piramal has made a provision for an amount of Rs. 4.3 million in fiscal 1987.

B. CRIMINAL CASES

The Company has filed a criminal case against Mr. Naresh Kochhar for recovery of money due to the Company for sums aggregating Rs. 1.8 million.

The Company has filed a criminal complaint against ABN Amro for cheque stolen in transit. The matter is under investigation.

The company has filed 4 other criminal cases in different courts u/s 420, 406 for misappropriation and cheating.

- i. A complaint filed by RPIL (through U K Sinha) against Varma Medical Agency in the court of JMFC, Patna for offences u/s 406, 420 IPC. Non-bailable warrant issued against accused on 19.4.2000. Also process u/s 82 and 83 [when person is absconding] issued on 15.7.2000.

- ii. A complaint filed by the Company against Hindustan Drugs, Saraiganj, Muzzaffarpur for offences u/s 406, 420 IPC in the court of JMFC, Patna. Non-bailable warrant issued against the accused.
- iii. A complaint filed by the Company (through U K Sinha) against Lucky Medicines, Bihar, Sherrif in the court of JMFC, Patna for offences u/s 406, 420 IPC. Summons issued for appearance against the accused.
- iv. A complaint filed by the Company (through Zivon Marketing) against one Naresh Chaudhary and others of M/s. Krishna Agency for offences u/s 406, 420 of IPC. Summons issued against the accused for appearance.

INCOME TAX

I. Appeals filed before Commissioner of Income Tax (Appeals)

Nicholas Piramal has filed appeals before the Commissioner of Income Tax (Appeals) (“CIT (A)”) for amounts aggregating Rs. 524.59 million, which are as follows.

1. Nicholas Piramal filed an appeal before the CIT (A), against the regular assessment order of the Assessing Officer for the assessment year 2004-05 aggregating Rs 519.63 million, on various grounds Disallowance of Depreciation on assets taken over, Interest on loan for RPIL acquisition, Consultancy charges, Deduction u/s 35(2AB), Set off of losses/depreciation of Tools Division on demerger. The matter is pending before the CIT (A)
2. Nicholas Piramal has filed appeal before CIT (A) against order u/s 201(1) on account of failure to deduct TDS from payment made to third party manufacturers AY2006-2007 aggregating to Rs 4.96 millions
3. In case of Nicholas Piramal the Assessing officer has initiated penalty proceedings in case of AY 1997-98, AY 1999-2000, AY2000-01, AY 2001-2002, AY2002-2003, AY 2003-2004, AY 2004-2005. Orders quantifying the amount of penalty is not yet received
4. In case of RPIL the Assessing Officer has initiated penalty proceedings for AY 1997-1998, AY2001-02. In case of SPPL the Assessing Officer has initiated penalty proceedings for 2003-2004. Orders quantifying the amount of penalty is not yet received

II. Appeals by Income Tax Department before the Income Tax Appellate Tribunal

The Income Tax Department has filed appeals before the Income Tax Appellate Tribunal (“ITAT”), with claims aggregating Rs. 1263.31 million.

1. The Department has filed an appeal against the order of CIT(A) issued in favour of Nicholas Piramal for an amount aggregating Rs. 24.8 million for the assessment year 1991-1992, on grounds including allowability of a liability which was paid to ONGC by Nicholas Piramal and interest thereon. The matter is pending before the ITAT.

2. The Department has filed an appeal against the order of CIT(A) issued in favour of Nicholas Piramal for an amount aggregating Rs. 6.2 million, for the assessment year 1992-1993, on grounds including deduction under sections 80HH and 80I of the I.T. Act. The matter is pending before the ITAT.
3. The Department has filed an appeal against the order of CIT(A) issued in favour of Nicholas Piramal for an amount aggregating Rs. 4.6 million for the assessment year 1993-1994, on grounds including deduction under section 80I of the I.T. Act. The matter is pending before the ITAT.
4. The Department has filed an appeal against the order of CIT(A) issued in favour of Nicholas Piramal for an amount aggregating Rs. 23.6 million, for the assessment year 1994-1995, on grounds including allowability of interest on a liability which was paid to ONGC by Nicholas Piramal. The matter is pending before the ITAT.
5. The Department has filed an appeal against the order of CIT(A) issued in favour of Nicholas Piramal for an amount aggregating Rs. 90.1 million, for the assessment year 1996-1997, on grounds including diminution in the value of advance license benefit. The matter is pending before the ITAT.
6. The Department has filed an appeal against the order of CIT (A) issued in favour of Nicholas Piramal for an amount aggregating Rs. 169.1 million, for the assessment year 1997-1998, on grounds including taxability of grant received from Boehringer Mannheim India Ltd. ("BMIL", that has since merged into NPIL) and depreciation on assets. The matter is pending before the ITAT.
7. The Department has filed an appeal against the order of CIT (A) issued in favour of Nicholas Piramal for an amount aggregating Rs. 4.2 million, for the assessment year 1997-1998, on grounds of adding back provision for bad and doubtful debts which Nicholas Piramal has deposited under protest. The matter is pending before the ITAT.
8. The Department has filed an appeal against the order of CIT(A) issued in favour of Nicholas Piramal for an amount aggregating Rs. 166.3 million for the assessment year 1998-1999, on grounds including allowability of expenditure on VRS and interest. The matter is pending before the ITAT.
9. The Department has filed an appeal against the order of CIT (A) issued in favour of Nicholas Piramal for an amount aggregating Rs. 348.8 million for the assessment year 1999-2000, on grounds including computation of capital gains on slump sale of an undertaking and depreciation on assets. The matter is pending before the ITAT.
10. The Department has filed an appeal against the order of CIT (A) issued in favour of Nicholas Piramal for an amount aggregating Rs. 83.3 million for the assessment year 2000-2001, on grounds including depreciation of assets and allowability of expenditure on VRS. The matter is pending before the ITAT.
12. The Department appeal in case of RPIL for AY 1983-84, 1986-87,1998-99 for Rs 2.90 million is pending.

13. The Department has filed an appeal against the order of CIT (A) issued in favour of RPIL for an amount aggregating Rs. 0.20 million, for the assessment year 2000-01, on the ground of calculation of deduction u/s. 80HHC. The matter is pending before the ITAT.
14. The Department has filed an appeal against the order of CIT (A) in case of Nicholas Piramal relating to AY2002-03 for Rs 44.35 million. Department and company appeal is pending before ITAT.
15. The Department has filed an appeal against the order of CIT (A) in case of Nicholas Piramal relating to AY 2001-02 for Rs 41.43 million.
16. The Department has filed an appeal against the order of CIT (A) issued in favour of SPPL for an amount aggregating to Rs 105.62 million for assessment year 2002-03, on grounds of depreciation on technical know how and Interest u/s 36(1)(iii) and u/s 35AB.
17. The Department has filed an appeal against the order of CIT (A) issued in favour of SPPL for an amount aggregating to Rs 85.5 million for assessment year 2003-04, on grounds of depreciation on technical know how and Interest u/s 36(1)(iii) and u/s 35AB, prepayment charges, R&D exps paid to ASE.
18. The Department has filed against the order of CIT(A) issued in favour of SPPL for Rs 62.31 million for assessment year 1999-2000 on penalty grounds.

III. Appeal by the Income Tax Department before the High Court

1. The appeal is made in respect of tax deducted at source in relation to leave travel allowance, rent free accommodation, medical reimbursement tax etc., paid by Nicholas Piramal amounting to Rs 10.17 million
2. The appeal is made in case of RPIL for AY 1989-90,AY 1991-92,AY 1996-97,AY 1997-98,1990-91 amounting to Rs 7.39 million
3. The appeal is made in case of SPPL for AY 1998-99 amounting to 20.91 million
4. The appeal is made in case of Nicholas Piramal for AY 1990-1991 amounting to Rs 0.30 million

IV. Appeals by Nicholas Piramal before the Income Tax Appellate Tribunal

1. Nicholas Piramal has filed appeals/cross-objections before the ITAT with regard to the regular assessment orders of the Assessing Officer issued to Nicholas Piramal for the assessment years 1993-1994, 1997-1998, 1998-1999, 2000-2001,2001-2002 & 2002-03.
2. Nicholas Piramal has filed an appeal before the ITAT with regard to the regular assessment orders of the assessing officer issued to SPPL for the assessment year 2002-03.
3. Nicholas Piramal has filed an appeal before the ITAT with regard to the regular assessment orders of the Assessing Officer issued to Canere Active and Fine Chemicals Pvt. Ltd. ("Canere" since merged with NPIL) for the assessment years 2001-2002.

4. Nicholas Piramal has filed appeals before the ITAT with regard to the regular assessment orders of the Assessing Officer issued to RPIL, for the assessment years 1983-1984, 1984-1985, 1985-1986, 1986- 1987, 1987-1988, 1992-1993, 1994-1995, 1995-1996, 1999-2000, 2000-2001 and 2001-2002.

V. Appeal by Nicholas Piramal before High Court

1. Nicholas Piramal has filed appeals before the Bombay High Court, against the orders of ITAT issued to RPIL, for the assessment years 1976-1977 to 1979-1980. The grounds of appeal is with respect to allowability of depreciation on the original cost of assets or in the alternate depreciation on written down value as per books instead of written down value as per the I.T. Act.
2. Nicholas Piramal has filed an appeal before the Bombay High Court, against the orders of ITAT issued to RPIL for the assessment year 1983-1984. The ground of appeal is with respect to allowability of cost of advertisement films as revenue expenditure and surtax applicable.

EXCISE, CUSTOMS & SERVICE TAX

Excise Cases

1. The Excise Department has issued a SCN dated July 28, 1998, challenging the admissibility of ad hoc discount for hospital pack, and has demanded Rs. 0.8 million from Nicholas Piramal. Nicholas Piramal has filed its reply and the matter is pending before the Commissioner of Central Excise (the "Commissioner"). 4 other show cause notices were issued in the year 1989, for an aggregate amount of Rs.0.13 million. for availment of Higher notional modvat credit on bulk drugs received from SSI units. Reply submitted & pending with Commissioner of Central Excise
2. The Excise Department has issued a SCN for the differential rate of duty payable Rs 2.17 million. for the period for which notification No.9/94 dated March 1, 1994, was not in force. The Excise Department has made the demand on the ground that the concessional rate of duty on certain bulk drugs applicable under the said notification was not available to Nicholas Piramal for the period in which it was not in force. Matter pending with Commissioner of Central Excise (Appeals), Mumbai.
3. The Excise Department has issued SCNs dated August 8, 1997, January 21, 1998, September 7, 1998, March 15, 1999 and April 28, 1999, with demands aggregating Rs. 20.1 million. The demands have been made in relation to classification of certain vitamin products as bulk drugs, which Nicholas Piramal has classified as pharmaceutical products. The Commissioner of Central Excise confirmed the demand of the Excise Department. Nicholas Piramal has preferred an appeal before the CESTAT-WZB, and has obtained a stay by CESTAT vide its order dated October 8, 2004. CESTAT, Mumbai, has granted Stay and is still in force upto 31/01/2007
4. The Excise Department has issued SCN dated October 3, 2000, demanding Rs. 1.5 million by way of recovery of 8% on certain exempted products on the ground that duty was recovered from customers. Nicholas Piramal has preferred an appeal before the CESTAT-WZB and has paid the amount demanded, and has obtained a stay vide order No. M/221/WZB/2005/C I, dated February 23, 2005. Pending before CESTAT, Mumbai,

for final hearing. CESTAT, Mumbai, has granted Stay and is still in force upto 31/01/2007

5. The Commissioner of Central Excise has passed order No. 07/SK-07/2005-Thane dated March 24, 2005 for demand aggregating Rs. 24.4 million in respect of eight show cause notices. Nicholas Piramal has already paid Rs. 15.0 million. The order requires Nicholas Piramal to pay a further Rs.24.0 million and Rs. 5.5 million as penalty. NPIL has preferred appeal before CESTAT-WZB, for Valuation & has obtained stay vide Order No.S/81/WZB/2005/C-II/EB dt.17-8-2005. The substantive matter on whether production of intermediate Crude Vitamin A is marketable & is subject to excise duty is pending before the Supreme Court in Civil Appeal of 2002. The next date for hearing has not been fixed.
6. The Excise Department has issued show cause notice to Nicholas Piramal in respect of its VFCD facility for reversing the input CENVAT credit in respect of the Feed Supplement (Attracting nil duty) instead of debiting 8% of the value of Feed supplement. CESTAT WZB heard the matter on April 4, 2005 and dismissed the appeal of the Excise Department. Department has filed writ petition in Bombay High Court. The periodical Show cause notices are issued from time to time. Four Show cause notices for the period Feb 01 to Feb 02 amounting to Rs. 25.0 million (Liability 8.75 million) are pending for adjudication with Commissioner. Four other show cause notices amounting to Rs.5.07 million. (Liability Rs.2.48 million.) are pending before Jt.Commr., for the period Jan.2005 to May 2005.
7. Show cause notices for the period March 2002 to December 2003 amounting to Rs. 48.6 million (Liability 23.66 million) are confirmed by Commissioner and Nicholas Piramal. VFCD has preferred an appeal before the CESTAT-WZB and has obtained a stay vide order No. S/565/WZB/2005/CIII/ dated June 16, 2005 over the following notices
 - i. Show cause notices for the period January 2004 to December 2004 amounting to Rs. 8.07 million (Liability 0.84 million) are confirmed by Joint Commissioner (Order dated December 28, 2005) and Nicholas Piramal- VFCD has preferred an appeal before the Commissioner (Appeals) on February 17, 2006
8. The Excise Department has filed an appeal before the CEGAT, Chennai against the order of the Commissioner (Appeals) withdrawing the excise duty demanded of Rs. 53,000 on sale of waste scrap materials. The CEGAT has remanded the case to the Commissioner (Appeals) for readjudication. Meanwhile, the entire duty amount has been paid Under Protest.
9. The Excise Department has gone in appeal before the CEGAT, Chennai against the order of the Commissioner (Appeals) allowing the abatements of discounts amounting to Rs.93,000 claimed on sales made by depots during the period March 2001 to June 2001.
10. The Excise Department has issued four SCNs in respect of the erstwhile Deonar plant of Nicholas Piramal for demands aggregating Rs. 1 million against Nicholas Piramal.
11. The Excise Department has issued other SCNs to Nicholas Piramal in respect of its manufacturing plants at Pithampur, Thane, Mahad, Paithan which are at various stages of adjudication aggregating Rs. 3.9 million.

12. Miranda Tools, which was a division of The Morarjee Goculdas Spg. & Wvg. Co. Ltd., spun off and merged with Nicholas Piramal India Ltd. with effect from December 1, 2003. In the year 1996 a Joint Venture company called Cromwell Tools (India) Pvt. Ltd. (CTIL) was formed in which 50% shareholding was held by Cromwell Group Holdings Ltd., UK and 50% was held by four Indian parties namely M/s. Piramal Finance & Investment Pvt. Ltd., M/s. Rajiv Piramal Investments Pvt. Ltd. M/s. Tally-HO Investments Pvt. Ltd. and M/s. Hyacinth Investment Pvt. Ltd. CTIL purchased the products manufactured by Miranda Tools on a principal-to-principal basis and sold them to bulk users and the trade. This arrangement was found to be in order by the Excise Authority in Mumbai. However, the Excise Authorities at Ankleshwar have held that the arrangement was a device to reduce the incidence of excise payable by Miranda Tools. The said authority has held that Miranda Tools ought to have paid excise not on the price at which it sold the products to CTIL but the price on which CTIL sold the products to bulk users and the trade. It has raised a demand of Rs.1, 38,19,766/- and levied a penalty of Rs.1, 38,19,676/-. The company challenged the order before CESTAT requesting waiver of the above payments demanded. CESTAT has admitted the matter and granted complete waiver of payments as asked for.

SHOW CAUSE NOTICES AGAINST LOAN LICENSE AGENTS (“LLA”)

Nicholas Piramal out sources certain manufacturing processes to other entities on a job work or loan license basis. In the event that a show cause notice is issued to LLA in respect of goods manufactured for Nicholas Piramal, the liability of the excise duty is borne by Nicholas Piramal.

1. The Excise Department has issued SCNs dated April 28, 2000, May 2, 2000 and May 31, 2004 to VVF Ltd. for demands aggregating Rs. 20.56 million. Amount of Rs. 4.00 Mil has been paid under protest. The notices have been issued in relation to classification of Tetmosol soap as a medicament and therefore valuing central excise duty on cost plus conversion charges of the job worker. The Excise Department has stated that Tetmosol soap is toilet soap and therefore excise duty must be valued on maximum retail price. Nicholas Piramal has obtained a stay from CESTAT-WZB in respect of SCNs dated April 28, 2000 and May 2, 2000, where an aggregate amount of Rs. 8.22 million has been claimed by the Excise Department. In respect of SCN dated May 31, 2004, and one more thereafter Nicholas Piramal has proceeded in appeal, before the Commissioner of Appeals, Central Excise, where an amount aggregating Rs. 4.0 million and Rs.8.0 million. has been demanded by the Department. The regular hearing was attended on April 26, 2005 and the decision has been reserved for orders. Appeal filed before Supreme Court, New Delhi, got admitted in Supreme Court on 10th May 2006 . In other cases, appeals are pending before CESTAT, Mumbai and Commissioner of Central Excise (Appeals), Vapi.
2. The Excise Department has issued twelve other SCNs against Nicholas Piramal’s loan license agents for demands aggregating Rs. 24.25 million.

STATE EXCISE

1. The Maharashtra State Excise Department (“MSED”) has issued a notice No. MTP/1199/6/Rhone dated April 7, 1999, to Nicholas Piramal demanding Rs. 1.0 million for duty due on estimated wastages or process losses in the manufacture of Phensedyl and

- Tixylix Cough Linctus. Nicholas Piramal has filed an appeal, and the Commissioner has granted a stay vide his order MTP/1198/38723/1114/x dated May 15, 1999.
2. MSED has issued a notice No. MTP/1199/33/Rhone dated July 29, 1999, to Nicholas Piramal demanding Rs. 2.0 million for non-allowance of trade discount of 10% on Phensedyl. Replied to the Supdt. On 09.08.1999 and the matter is pending before him.
 3. MSED has issued a notice No. MTP/11/2000/18/Rhone dated April 6, 2000, to Nicholas Piramal, demanding Rs. 1.4 million for duty due on estimated wastages or process losses in the manufacture of Phensedyl and Tixylix Cough Linctus. Nicholas Piramal has filed an appeal, and the Commissioner has granted a stay vide his order MTP/112000/24/x dated June 14, 2000.
 4. MSED has issued a notice No. MTP/11/2000/78/Rhone dated October 24, 2000, to Nicholas Piramal, demanding Rs. 1.0million for duty due on estimated wastages or process losses in the manufacture of Phensedyl and Tixylix Cough Linctus. Nicholas Piramal has filed an appeal, and the Commissioner has granted a stay vide his order MTP/112000/34397/898/x dated December 8, 2000.
 5. MSED has issued notices No. MTP/11/2002/22/02 dated January 16, 2002. We filed appeal & it was allowed by Order No. MTP.32202/87/I dated 24.07.2002. Therefore, this matter should be treated as closed.(Mahad). Another notice no. MTP/11/2002/135/02 dated July 8, 2002 to Nicholas Piramal, (Mahad) demanding in aggregate Rs.0.38 mil for duty due on estimated wastages or process losses in the manufacture of Phensedyl and Tixylix Cough Linctus. Nicholas Piramal has filed an appeal, and the matter is pending with the Commissioner.
 6. MSED has issued notices No.MTP/11/2001/46/Rhone dated June 12, 2001 and MTP/11/2000/59/Rhone dated July 30, 2001 to Nicholas Piramal, demanding in aggregate Rs.1.32 mil for duty due on estimated wastages or process losses in the manufacture of Phensedyl and Tixylix Cough Linctus. Nicholas Piramal has filed an appeal, and the Commissioner has granted a stay.
 7. MSED has issued Seven other show cause notices to Nicholas Piramal in respect of its former manufacturing facility at Bhandup for an aggregate amount of Rs.0.7 mil.

SERVICE TAX

1. The Excise Department has issued SCN dated December 29, 2003, to Nicholas Piramal demanding in aggregate Rs. 4.2 million, for non-payment of service tax on detailing charges received, on the ground that it falls under the category of advertisements. Nicholas Piramal has replied to the SCN and the matter is pending before the Commissioner. By O-I-O No.01/ADC/ST/IND/2006-07 dt. 5-5-2006. Addl. Commr. C. Ex., Indore dropped the proceedings. Therefore matter should be treated as closed from our end..
2. The Excise Department has issued SCN dated December 29, 2003, to Nicholas Piramal demanding in aggregate Rs. 88.6 million for non-payment of service tax on royalty paid to a non-resident management consultant. The Commissioner had given a favorable order confirming Rs. 0.6 million including penalty against which we have preferred an appeal before CESTAT New Delhi. An Amount of Rs.0.1 million has been deposited in Feb

2007, however the department has gone into appeal for Rs. 67.53 million. Personal Hearing is awaited we are expecting a favorable order in view of merits in the case.

3. Central Excise Dept. issued 1 show cause notice to Nicholas Piramal India Ltd., Lower Parel, Mumbai 400 013 on 29-3-2006, aggregating to Rs.0.6 million. for the period Jan. to Mar.2005, on the ground that we are not eligible for 75% deduction as we are not Goods Transport Agency. We have submitted our reply & the matter is pending before Jt Commr., Service Tax, Worli. The eligibility of Abatement has been now clarified vide 37B Order No 5/1/2007-ST dtd 12/03/2007.

CUSTOMS

1. The Commissioner of Customs (Import) has issued a SCN dated July 9, 2007 for levy of Anti Dumping Duty on Sodium Ascorbate imported from China. The case is pending before the Asst. Commissioner of Customs, Mumbai

SALES TAX

1. Nicholas Piramal has filed Appeals before Joint Commissioner (Appeal) Lucknow for the sum of Rs. 5.3 millions and Appeal filed with Tribunal Lucknow for a sum of Rs. 2.00 millions.
2. Nicholas Piramal has filed an Appeal before Dy. Commissioner (Appeals) Jaipur for the sum of Rs. 4 millions.
3. Nicholas Piramal has filed Appeals before Maharashtra Tribunal for the sum of Rs. 3.80 millions
And 2.1 millions Appeal has filed before Joint Commissioner Appeals.
4. Nicholas Piramal has filed appeal before Dy. Commissioner (Appeals) Muzafapur for the sum of Rs. 2.9 millions.
5. Nicholas Piramal has filed an appeal before the Asst. Commissioner (Appeals) Delhi, for a sum of Rs. 5.7 millions, and an appeal filed before Dy. Commissioner (Appeals) Delhi for a sum of Rs. 1.00 million.
6. Nicholas Piramal has filed an appeal before Tribunal (Karnataka) for a sum of Rs. 1.30 millions.
7. Nicholas Piramal has filed an Appeal before Dy. Commissioner (Appeals) Indore for a sum of Rs. 1.8 millions.
8. Nicholas Piramal has filed an appeal before Dy. Commissioner (Appeals) Baroda for a sum of Rs. 111.10 millions.
9. Nicholas Piramal has filed an appeal before Dy. Commissioner (Appeals) Ernakulam for a sum of Rs. 3.3 millions.
10. Nicholas Piramal has filed an appeal before Dy. Commissioner of Commercial Tax U.P Varanasi for a sum of Rs. 23.10 millions.

11. Nicholas Piramal filed an appeal before Dy. Commissioner (Appeals) Chennai for a sum of Rs.7.1 million
12. Nicholas Piramal filed an appeal before Joint. Commissioner (Appeals) Patna for a sum of Rs.10.1 million.
13. Nicholas Piramal has filed some appeals before various Sales Tax authorities for a sum of Rs. 1 million.

LABOUR LAWS

Labour Litigation : Field Force – Deonar Factory – SPPL

1. Revision Application (R.A.)No. 139 of 2003- Services of one Mr. J.A. Mashalkar were terminated after completing enquiry. Permission application granted by the Labour Court. Workman has gone in R.A. in Labour Court.
2. ULP 266 of 2001 - Enquiries were under progress for three workmen. Order was passed that enquiry may be completed but punishment to be given only after approval of the court. Services of two of the workmen have been dispensed with under Section 25FF of the ID Act on sale of Deonar establishment.
3. IT 51 of 1999 and ULP 661 of 1999 – Watchmen were employed at Deonar through Security Board. Management asked for transfer of the watchmen. Security Board terminated the services. Krantikari Suraksha Rakshak Sangatana on behalf of watchmen have challenged the termination and made NPIL a party.
4. IT 16 of 2000 – Union filed a case that installed capacity at Deonar should be fully utilized. Company has contended that it is a settled law that it is the right of the management what capacity should be used, what products should be manufactured/discontinued, etc. The demand of the union does not even amount to an industrial dispute.
5. ULP 826 of 2001 –After taking the transfer from erstwhile Deonar factory to Haemacel Plant workmen refused to perform the jobs on the grounds that they were not commensurate with their grades, etc. Company asked the workmen to give an undertaking that they will report for work, follow instructions, maintain discipline. Court ordered undertaking to be given by the workmen till the complaint is disposed off. Undertaking given. Work is being done. Hearing of complaint on merits is pending.
6. ULP 154 of 1996 – Ambernath factory was uneconomical. About 15 workmen were transferred to erstwhile Deonar factory. Application moved to stay the transfer. Stay not granted. Workmen transferred. 10 have taken VRS or have retired. Legality of transfer pending.
7. ULP 699 of 1999 – Challenged introduction of VRS without giving Notice of Change under Section 9-A of the ID Act. Complaint dismissed.
8. ULP 152 of 2000 – Complained that company harassed the workmen of erstwhile Deonar factory. Complaint dismissed.

9. ULP 172 of 2000 – Challenging transfer from erstwhile Deonar factory workmen to Thane, Haemaceel and Research Centre. Complaint dismissed.
10. ULP 1111 of 2000 –Seeking prohibition of transfer/sale of equipment from Deonar. Complaint dismissed.
11. ULP 2023 of 2002 –Challenging 2nd set of transfer from erstwhile Deonar factory and seeking stay on transfer. Stay not granted. Transfers effected. Legality of transfer to be decided.
12. ULP 748 of 2002 – Claiming that termination of 67 workmen of the erstwhile Deonar factory under Section 25FF of the ID Act because sale of Deonar factory was bad in law. Industrial court held that the sale was ostensible, therefore termination under Section 25FF not valid. However, instead of ordering reinstatement ordered higher compensation.
13. W.P. 8194 of 2003 while ULP 748 of 2002 was pending the union sought ad-interim relief of being paid wages till the complaint was disposed off. Ad-interim relief was denied by Industrial Court. W.P. moved. Single Judge ordered 50% wages till disposal of ULP.
14. W.P. No. 12998 of 2005 filed by NEU challenging the dismissal of ULP 699 of 1999, 152 of 2000, 172 of 2000 and 1111 of 2000. W.P. pending.
15. W.P. 3902 of 2005 union's petition to High Court challenging the order of the Industrial Court granting compensation and not reinstatement in ULP 748 of 2002. The single Judge in W.P.3902 of 2005 by NEU ordered 100% payment of wages to the workmen whose services were terminated and the Industrial Court under ULP 748 of 2002 had ordered higher compensation but not reinstatement. The single Judge also ordered deposit of Rs.2.81 crores being the additional amount of compensation ordered by the Industrial Court in ULP 748 of 2002.
16. W.P. 4302 of 2005 –Counter writ filed by the company challenging the order of the Industrial Court granting higher compensation in 748 of 2002.
17. Company challenged the order of the single Judge in W.P. 3092 of 2005 by Letters Patent Appeal 144 of 2005. This was rejected on the ground that since the LPA was against interlocutory order Article 227 of the Constitution did not apply.
18. The company filed Special Leave Petition to the Supreme Court against the order of the DB in LPA 144. The Hon'ble Supreme Court was pleased to remand the matter to DB.
19. Following the orders of the Supreme Court, in LPA 150 of 2005 the Hon'ble DB modified the order of the single Judge by ordering payment of 50% wages (instead of 100%) till disposal of the matter on merit. Also instead of asking deposit of Rs.2.81 crores sought Bank Guarantee for the purpose.
20. IT 61 of 2002 Industrial dispute for Charter of Demands was referred by the Government of Maharashtra. Union has asked for upward revision of terms and conditions of

service. Company's contention is that on the principle of wage fixation, the existing terms and conditions of service are favourable and no improvements are necessary.

21. IT 62 of 2002 the union claimed that ex-gratia paid was not a profit sharing bonus but customary bonus and therefore must be paid even without a settlement. Company's contention is that the company was paying ex-gratia on year to year basis based on profits and after signing of settlement. Such payment was not customary bonus. Industrial dispute pending.
22. IT 162 of 2002 and 16 of 2002 have referred the termination of services of contractors workmen employed by the contractor M/s. Clensco and Co. in the erstwhile Bhandup factory of RPIL. The contractor has terminated their services. The workmen are claiming employment in other factories of NPIL.
23. ULP 446 of 2001 filed by Mr. B.R. Pathak ex –employee of RPIL because his application for change in date of birth was rejected and consequently he contends that he had suffered loss in his VRS payment.
24. ID 111 of 1991 one Mr. G.C. Suri whose services were terminated for false reporting because he claimed that he had worked on a particular day when he was in fact attending the cyclical sales meeting. He has challenged his termination.
25. ID 339 of 2001 Rajiv Anand Vs NPIL termination of services for false reporting. Claimed that he had worked in the market on the day on which he had attended a company meeting. He has challenged his termination.
26. ULP 517 of 2002 Remish Gupta Vs NPIL claiming termination on extended period of probation was bad in law.
27. ULP 391 of 2003 application for ad-interim orders praying that the company be prevented from taking disciplinary action on the first batch of transferred TRs who had not reported to their places of transfer. Ad-interim relief not granted. Subsequently the TRs have reported to their places of transfer.
28. ULP 393 of 2003 RPEU Vs NPIL seeking stay of transfer of second batch of TRs and challenged validity of transfer. Stay not granted. TRs have reported to their places of transfer.
29. ULP 87 of 2003 and 101 of 2003 RPEU Vs NPIL challenging creation of Actis Division. Seeking interim relief that Technical Representatives (TRs) who had opted for positions in Actis Division should be continued to be treated as TRs by the company. Also no individuals should be forced to join Actis Division. Company contended that none was forced or will be forced to join Actis. First interim relief rejected. Second interim relief limited to no individual should be forced to join Actis.
30. ULP 454 of 2003 M.Y. Kulkarni Vs NPIL. The services of Mr. Kulkarni who was TR, were terminated on false reporting because he claimed to have worked in the market on the day on which he attended company's meeting. Termination challenged.
31. W.P. 7568 of 2003 filed by Rhone Poulenc Employees Union contending that the order of the Industrial Court asking the TRs to report to their places of transfer was wrong.

Single Judge held that they should report to places of transfer but be paid Rs.25,000/- and salary for March 2004 be paid. Company challenged the order by LPA, which has been admitted and pending. In the meantime all except one of the transferred TRs have settled their cases with the company on monetary payment and left the services.

32. Application 752/B –180 of 2003 claim under Workmen’s Compensation Act by parents of a deceased personal driver of a Manager of the company after the said Manager had resigned from the services of the company. Application dismissed.
33. ID 91 of 2004 services of S.K. Srivastava terminated for claiming to have visited a doctor who had ceased the practice in that location. Termination challenged.
34. ULP 101 of 2005 RPEU Vs NPIL seeking interim relief under Section 30(2) read with Section 32 of MRTU & PULP Act.
35. ULP 50 of 2002 NEU Vs NPIL services of MR terminated. Interim relief application for pay during pending disposal of the complaint rejected. Matter proceeding on merits.
36. ULP 481 of 2002 NEU Vs NPIL one MR called Sayyed Naqvi did not take transfer. Enquiry was completed. Labour Court stayed punishment till approval is granted but also ordered that the company need not pay wages to Mr. Naqvi till the matter of transfer is decided.
37. ULP 574 of 2002 NEU Vs NPIL services of one Akilesh Agarwal who was a Territory Business Manager were terminated. Interim relief application for wages rejected. Matter proceeding on merits.
38. ULP 471 of 2003 NEU Vs NPIL. Services of 12 MRs were terminated. 11 have settled with the company. Case of one MR pending.
39. ULP 601 of 2003 NEU Vs NPIL one MR called Sanjay Apte did not take transfer. Enquiry was completed. Labour Court stayed punishment till approval is granted but ordered that the company need not pay to Mr. Sanjay till the matter of transfer is decided.
40. ULP 415 of 2003 RA FEU Vs NPIL and ULP 416 of 2003 BMIEU Vs NPIL. The unions moved the complaints that they apprehended termination of MRs who did not accept positions of BDMs and asked for interim relief that those MRs who opted for the position of BDMs should be continued to be treated as MRs by the company. Interim relief applications rejected.
41. ULP 482 of 2003 Sayyed Naqvi Vs NPIL, ULP 483 of 2003 Sanjay Apte Vs NPIL, ULP 486 of 2003 NEU Vs NPIL, ULP 563 of 2003 RA FEU Vs NPIL, ULP 564 of 2003 BMIEU Vs NPIL. In each of the above matter the concerned individual or the concerned union challenged the transfers and asked for stay as an interim relief. Since stay was not granted the writ petitions were filed by the concerned individuals/concerned unions. Division Bench of Bombay High Court upheld transfers. Main complaint about legality of transfer pending.
42. IT 70 of 2004 NPIL Vs NEU. NPIL had given Notice of Change. The matter has been referred for adjudication.

43. Contempt Petition of 73 of 2006 NEU has moved the Contempt Petition for company not paying 100% wages based on the order of the single Judge till the said order was set aside by the Division Bench of the Bombay High Court. Contempt Petition also maintains that 50% wages should be calculated not as wages as existing on the date of termination of 67 workmen of the erstwhile Deonar factory under Section 25FF of the ID Act but on escalating wages. Company's contention is that the order of 100% wages has been set aside by the DB. The concept payment on the basis of last drawn wages is supported by case law, whereby even under Section 17-B of the ID Act, where reinstatement is ordered and the company goes in W.P. or SLP. Payment to be made is on the basis of last drawn wages. In the current case no reinstatement has been ordered nor has the union sought clarification from the single Judge whether the payment is on last drawn or escalating wages. No Contempt Petition can be moved which requires the Judge to interpret the order of another court.
44. ULP No.329 of 2006 filed by NEU contending that NPIL could not have changed the mode of posting of documents, mode of preparation of doctor visit list, conduct of retail audit for preparation of doctor visit list and discontinuance of two days granted for updating of DVL without discussions with the union. Rejoinder Affidavit filed.
45. ULP 336 of 2006 filed by FMRAI contending that NPIL could not have created Solitaire and Zestek divisions and manned them with TBMs, could not have given adjustment in emoluments to TBMs without giving the same to the PSRs, could not have shifted brands from Anant and Aakar Divisions to Solitaire and Zestek divisions. Due to the complaint alongwith notice for first hearing reaching 15 days after being delivered to the company ad-interim ex-parte order has been passed on 30.6.2006. Rejoinder Affidavit denying the union's contention filed.
46. One Mr. Koushlesh Upadhyay who was a MR employed by Zivon Marketing was not paid wages from June 2005. He has filed application under 33(C) (2) for recovery of amounts due. The application is both against NPIL and Zivon Marketing Services. Reply for NPIL saying that there is no employer employee relationship and therefore no proceeding can take place under Section 33(C) (2) against NPIL has been filed Zivon has also filed an application stating that Mr. Upadhyay was its employee and not of NPIL.
47. One Mr. Joshy, PSR from erstwhile SPPL had filed a complaint in December 2005 in Munsiff's Court, Tiruvalla challenging his transfer. Company's reply objecting to the same on the preliminary grounds that this matter and only be adjudicated upon by an appropriate authority under labour legislation in terms of the decision of the Supreme Court in Premier Automobiles case and also contending that any intervention by Munsiff will be against the provisions of Specific Relief Act and also justifying the transfer on merits has been filed.
48. In I/D Case No. 54/2003 filed by Sri Satish Chandra Pujari before The Presiding Officer, Labour Court, Sambalpur. An order has been passed to reinstate the dismissed employee and pay him Rs.50000/- towards backwages. Mr. S C Pujari Professional Service Representative posted at Sambhalpur headquarters in Cuttack division was remaining absent from duties without information and sanction. A habitual defaulter in submission of daily reports he was constantly reminded for months by his Region Manager and Divisional Sales Manager to submit either daily reports or leave applications. He was

issued a show cause notice followed by a charge-sheet in December 2000. Mr. Pujari was dismissed from services in the year 2001. His date of birth being 10th May 1949 and age of superannuation applicable to PSRs is 58 years therefore court will be informed about his having reached the age of superannuation on 10.5.2007.

49. Mr. V. Anthony v/s. Sarabhai Piramal Pharmaceutical Pvt. Ltd. Case ID No. 48/2000. Mr. V. Anthony, resigned as Region Manager from Sarabhai Chemicals on 8.4.91. Labour Court, Jabalpur has wrongly passed an ex-parte order against SPPL for payment of Rs. 131648/- against which we have filed an application. The matter is pending before Labour Court, Jabalpur.
50. Mr. N.K. Sharma v/s SPPL. In spite of repeated reminders Mr. N K Sharma, ex-PSR Sagar, Chattisgarh did not join duties and abandoned the job. Finally he was sent notice pay with termination letter against which he has filed an application before asst. Labour Commissioner, Sagar. In two other cases filed by Mr. Sharma he has claimed Rs. 18,400/- and Rs.64400/- towards salary + TA bill expenses which are actually not payable to him as he was absent from duties. These two matters are pending before Labour Court, Sagar.
51. Mr. Pratap Banerjee Shri Banerjee attended on 8th December 2003 the Region meeting along with others Professional Service Representatives at Lindsay Hotel, Kolkata, and submitted a false report of working at an interior on the same day. Consequently he was dismissed. He filed an application before ALC Kolkata, which is likely to become a reference matter.
52. An application before ALC, West Bengal filed by Sarabhai Piramal Pharmaceutical Pvt. Ltd. & Allied Concerns Employees Union regarding Charter of Demand submitted in March 2000 on behalf of SPPL employees is likely to result in a reference.
53. The Authority under the Payment of Wages Act 1936 and the Asst. Labour Commissioner Bijnor had In the matter of Dispute No. PWA 33 of 2005, has passed an ex-parte order for payment to Mr. Navin Dogra for the period when he was not working in field. An application has been filed before the Authority to review the ex-parte order.

Labour Litigation - Pithampur

1. 287/MPIR/2000 Tool Down strike. Sanjay Ramteke instigated workmen for tool down strike to 1.5 hrs. Dismissal on 06.01.2000 Order in Company favour. Worker likely to appeal against the order to the Industrial Court.
2. 122/MPIR/2002- Theft- Surendra Singh trying to steal medicines manufactured. Dismissed on 17-12-2001. Order in Company favour. Worker likely to appeal against the order to the Industrial Court.
3. 169/MPIR/2000- Go slow on Rocaltrol line- Mahesh Patidar. Accumulation of Bottles on line on account of Go slow. Dismissal on 21.09.1999 after found guilty. Order in Company favour. Worker likely to appeal against the order to the Industrial Court.
4. 167/MPIR/2000 -Ashok Verma -Accumulation of Bottles on line on account of Go slow. Dismissal on 21.09.1999 after found guilty. Order in Company favour. Worker likely to appeal against the order to the Industrial Court.

5. 168/MPIR/2000 Prabhakar Tambhare Accumulation of Bottles on line on account of Go slow. Dismissal on 21.09.1999 after found guilty. Order in Company favour. Worker likely to appeal against the order to the Industrial Court
6. 3/MPIR/2003- Indiscipline- Chintaram s/o Bhai Ram dismissed for misconduct. Order in company favour. Worker likely to appeal against the order to the Industrial Court.
7. 451/MPIR/2001- Go slow on Supradyn line –Termination of services of Hari S Bais for go slow in March & April 2000. Dismissed on 30.07.01. Order in company favour on 15.02.2007. Worker likely to appeal against the order to the Industrial Court.
8. Application by about 200 workmen for challenging deduction of 8 days wages (on the basis of concept in Payment of Wages Act) for one day strike All workmen tendered apology after which 7 days deductions were restored. Pro-rata deduction for one day of strike was maintained. Workmen withdrew the cases.
9. 248/MPIR/2003 -Satyanarayan V/s NPIL. Company had entered into a settlement with the Pithampur union and extended it to other workmen also if they accepted the benefit and the burden of the settlement by giving an undertaking. The arrears progressively decreased as longer time was taken for giving the undertaking. The said workman demanded that on the principle of equal pay for equal work revised benefit under the settlement could not be denied to him. Company argued that where a settlement is signed under which certain benefits are given and said settlement was not applicable to all workmen then the workmen could not demand the benefit equal pay for equal work. Order in Company favour. Worker has appealed to the Industrial Court.
- 10.No.237&235/05 Filed by NEU against the order of Principal Secretary, Chief Conciliation Officer & joining NPIL as third respondent. Company had challenged the locus standi of NEU to represent the workmen at Pithampur under various grounds. Also had argued that the matter has become infructuous because settlement has been signed with the Pithampur union and has been accepted by overwhelming majority of workmen. Principal Secretary held in favour of the company. Union challenged the order under a writ. High Court gave directions to the Principal Secretary to give a reasoned order and decide whether or not to refer the matter for adjudication.
11. W.P.No.4451/06(s) Nicholas Piramal V/s State of MP, Labour Comm., NEU Principal Secretary made a reference of the dispute for adjudication without taking into consideration that the industrial dispute with regard to terms and conditions of service is now resolved. Company challenged the order by way of W.P. High court disposed off the writ by stating that this objection could be taken before the Industrial Court. Matter pending in Industrial Court. Writ disposed.
- 12.IT No.33/MPIR/05 Indiscipline Jagdish Patel The workman had abused and threatened supervisors. Dismissed on 29.03.05. Order in Company favour. Worker has filed an appeal before the Industrial Court.
- 13.49/MPIR/2002 Go Slow on Supradyn Dinesh Singh Negi Low output than desired. He had also abused. Dismissed on 21.6.2001. Workman accepted dismissal. Case settled by monetary payment on 26.2.2007.

14. 296/MPIR/2000 Tool Down strike. Yashpal Chouhan Instigated workmen for tool down strike to 1.5 hrs Dismissal on 06.01.2000 Workmen accepted dismissal. Case settled by monetary payment on 13.2.2007.
15. 112/MPIR/2001 –Sabotage- Chuhura Ahir put a Gutka pouch in catch boxes Dismissed on 26-11-2001 Workman accepted dismissal. Case Settled by monetary payment on 01.05.2006.

Labour Litigation – VFCD (Thane)

1. Comp (ULP) no.16 of 2001 V/s RFCKU (Kishore Dhamorikar) The Complaint has been filed before the Labour Court, Thane, challenging the action of dismissal taken by the Company against him for proven acts of misconduct. The Complaint is dismissed.
2. Comp (ULP) No. 230 of 2001 V/s Smt. Sunanda Katkar and 5 Others. Garden Contract Employees claimed that they were the employees of NPIL and should be employed permanently by NPIL. This complaint was rejected by the court on the grounds that this matter can only be decided by raising an industrial dispute under the ID Act. The complainants have withdrawn the case on the basis of monetary settlement.
3. Comp (ULP) No. 275 of 2001 V/s Mangesh Adhikari & Others. The Complaint has been filed by 31 persons wherein they have sought for relief from the Hon'ble Industrial Court directing the Company to cover all operators and sweepers under the subsisting settlement between the Company and the Union and that they be allotted work as permanent sweepers and letters of permanency be issued to them from 01.01.2002. Company's stand is that the sweepers have been absorbed within the Plant and there is no vacancy. The Complainants were employed for specific temporary work and the services were terminated in terms of their letters of appointment under Section 2(oo)(bb) of the ID Act and the claim is without merit. Evidence of the complainant is in progress.
4. Comp (ULP) no.533 of 2001 V/s RFCKU. The Complaint has been filed by RFCKU challenging the action of the Company of issuing suspension letters dated 15.10.2001 to 10 employees found sleeping while on duty without conducting an enquiry. Company's stand is that sleeping while on duty is not challenged. Its a serious misconduct deserving dismissal. The company has claimed the right to lead evidence and prove the misconduct before the Court if required. Matter is kept for orders.
5. Comp (ULP) No. 553 of 2001 V/s RFCKU (Canteen). The complaint has been filed by RFCKU challenging the action of the Company in revising the rates prevailing in the canteen maintained by the Company at its VFCD Plant. Company's stand is that it had the right to revise the prices. This view is supported by the decision Supreme Court in the case of Voltas. Union to lead the evidence.
6. Comp (ULP) no.17 of 2002 V/s RFCKU. The Complaint has been filed by the Complainant Union against the Company whereby the said union has sought for reliefs against the Company inter alia restraining the Company from increasing the batch size in all stages without consultation with the union. The said union has also sought for relief of restraining the Company, their agents, contract workmen, management staff, management trainees and apprentices from doing the work of permanent employees /

chemists, supervisors on the reactors except the complainant members. Complaint is dismissed.

7. Comp (ULP) no.64 of 2002 V/s RFCKU. The Complaint has been filed by the Complainant Union praying for interim relief against the Company from getting the work of regular nature in Engineering Department done through employees employed under EPP Scheme. The Complainant has withdrawn the complaint.
8. Comp (ULP) no.363 of 2002 V/s RFCKU (Mr. Prabhu). The Complaint has been filed by Shrikant Tamhane and 34 other persons against the Company before the Industrial Court, Thane, whereby the said complainants have sought for relief from the Industrial Court restraining the Company from getting the work done by the Complainants through trainees employed through EPP Scheme and further restraining the Company from engaging fresh hands in jobs of the complainant employees pending the hearing of the Complaint. Matter is kept for orders.
9. Comp (ULP) no.394 of 2002 V/s RFCKU (EPP Scheme). The Complaint was filed by the Complainant Union for restraining the Company from taking any regular work through employees engaged under EPP Scheme and further restraining the Company from getting any work, including work of a regular nature in any department, including engineering and production, done through employees employed under EPP Scheme. Company's stand in item 7, 8 and 9 is that without prejudice to the company's contention that it was validly appointing individuals under the said Scheme. The employment under the scheme has been discontinued and no permanent or temporary workmen are now performing the work for which the complaint was made. Union to lead the evidence.
10. Comp (ULP) No. 22 of 2003 V/s RFCKU. The complaint was filed on behalf of one Mr. Solanki challenging the termination of his services on account of proven acts of misconduct. Complaint and revision application dismissed. Union has filed a writ petition.
11. Comp (ULP) no.41 of 2003 V/s Marian Kensal Rayon. The services of the said employee were terminated by the Company on account of proven acts of misconduct. The said employee has filed the above Complaint challenging the action of termination. Cross examination of Complainant is in progress.
12. Comp (ULP) no.285 of 2003 V/s R.M. Prabhu. The Complaint has been filed by Mr.R.M.Prabhu whose services have been terminated by the Company for proven acts of misconduct. Matter is kept for final argument.
13. Comp (ULP) no.4 of 2004 V/s RFCKU The company filed an application against RFCKU seeking a declaration that the union had proceeded on an illegal strike from 15th to 19th December 2004 when Mr. Bhoir was charge sheeted. Evidence of Management witness Mr. Mohite to start.
14. Comp (ULP) no.40 of 2005 V/s RFCKU. The Complaint has been filed by RFCKU on behalf of Mr.Arun Bhoir who has been suspended pending enquiry into acts of misconduct. The Complainant has further filed an interim application for staying the enquiry. Interim application rejected. Enquiry is in progress. Matter being heard.

15. Comp (ULP) no.244 of 2004 V/s Dyes & Chemicals Worker's Union and Anand Shradda Enterprises and Anr. The facts of this case are identical to those in complaint no.230 of 2001 referred to as Sr.No.2 in this note. Here also the complaint was rejected for lack of jurisdiction and subsequently matter has been resolved through monetary payment. Matter has been withdrawn by the complainant.
16. Ref (IT) No. 7 of 2006 V/s RFCKU As against the ULP No.4 of 2004 by the company seeking declaration that the strike of 15th to 19th December 2004 was illegal, the union had raised an industrial dispute, claiming that the workmen were not on strike but the company had illegally locked them out. Company's stand is that this is a false case and the facts are as set out by the company in ULP 4 of 2004 cited as item 13 of this note. Management's counter to the written statement of the union is to be filed.

STATUTORY

The Registrar of Companies, had issued three SCNs to the Company, with copies to its Executive Directors and Company Secretary dated February 6, 2004, May 12, 2004 and May 10, 2004 for offences under Section 205C of the Companies Act, 1956, for not transferring unpaid/unclaimed dividend to the Investor Education Protection Fund in the prescribed period. The Company and on behalf of its Executive Directors has made an application for compounding the offences by its letter dated October 8, 2004. The Company has subsequently transferred the required amounts to the Investor Education Protection Fund.

MISCELLANEOUS

1. An Order has been passed by the Chief Controlling Revenue Authority, Maharashtra State, Pune (CCRA) on 2nd May, 2006, directing the Company to pay an amount of Rs. 5.37 crores against alleged deficit stamp duty payable on the Order of the Hon'ble Bombay Court sanctioning the Scheme of Arrangement between NPIL and Rhone Poulenc India Limited, NPIL Fininvest Limited and Super Pharma Limited. The Hon'ble High Court has admitted the Writ Petition filed by the Company challenging the Order and the same is pending for hearing and final disposal.
2. 40 cases have been filed where the Company is named as one of the respondents in relation to transfer, transmission or loss of shares.

2. Alpex International Limited

CIVIL SUITS

1. Deutsche Bank AG has filed a suit being suit No.2465 of 2007, in the Bombay High Court against Alpex International Limited, for specific performance of the Renewal contracts reflected in the Renewal letters stated therein and other reliefs. The Court has kept the matter for hearing of interim reliefs pending the hearing & final disposal of the suit on 21st November, 2007

2. Deutsche Network Services Pvt. Ltd has filed a suit being suit No.2464 of 2007, against Alpex International Limited in the Bombay High Court for specific performance of the Renewal contracts reflected in the Renewal letters stated therein and other reliefs. The Court has kept the matter for hearing of interim reliefs pending the hearing & final disposal of the suit on 21st November,2007
3. Yahooo Web Services India has filed a suit being L.D. suit No.188 of 2007, against Alpex International Limited in the Court of Small Causes for declaration that the Agreement of leave & license dated 23rd December,2004 read with letter dated 20.6.'05 is valid & subsisting and also for a Permanent order & injunction for restraining the Defendants from trespassing,encroaching or entering upon the suit premises. The matter is pending for hearing of interim reliefs
4. Legrand (India) Pvt. Ltd. has filed a suit being L.D. suit No.207 of 2007, against Alpex International Limited in the Court of Small Causes for declaration that the Plaintiff is in possession of the suit Premises and also for a Permanent order & injunction against the Defendants for interfering with or disrupting in any manner the plaintiff's use & occupation of the suit Premises. The matter is pending for hearing of interim reliefs

3. The Swastik Safe Deposits & Investments Limited

INCOME TAX

1. Appeals filed before Commissioner of Income Tax (Appeals)

Swastik has filed an appeal before the Commissioner of Income Tax (Appeals) ("CIT(A)") for Rs.7.62 lakhs, and has received a favourable CIT(A) order dtd.21.04.2006 for A.Y.2003-2004 for Rs.7.62 lakhs deleting disallowance of stamp duty expenses & discounting charges written off.

2. Appeals by Income Tax Department before the Income Tax Appellate Tribunal

The Income Tax Department has filed three appeals before the Income Tax Appellate Tribunal ("ITAT"), with claims aggregating Rs.270.24 lakhs, which are as follows:

- 2.1. The Department has filed an appeal against the order of CIT(A) issued in favour of Swastik, for the assessment year 2003-2004, for Rs.6.70lakhs of discounting charges written off. The matter is pending before the ITAT.

Swastik has also received show cause notice from the Assessing officer for initiating penalty proceedings in respect of the above issues. The quantum of penalty is yet to be computed.

- 2.2 The Department has filed an appeal against the order of CIT(A) issued partly in favour of Swastik for the assessment year 2002-2003, aggregating to Rs.248.86lakhs deleting allowance of interest paid u/s14A etc. The matter is pending before the ITAT.

Swastik has also received show cause notice from the Assessing officer for initiating penalty proceedings in respect of the above issues. The quantum of penalty is yet to be computed.

2.3. The Department has filed an appeal against the appellate order of the Commissioner of Income Tax (Appeals) passed in favour of Swastik for assessment year 1999-2000, for Rs.14.68lakhs deleting penalty. The matter is pending before the ITAT.

3. Appeals before the Income Tax Appellate Tribunal

Swastik has filed six appeals before the Income Tax Appellate Tribunal (“ITAT”) for Rs.1393.89 lakhs, which are as follows :

3.1. Swastik has filed appeals/cross-objections before the ITAT against the department’s appeal before the ITAT for the assessment years 2002-2003.

3.2 Swastik has filed an appeal before the ITAT, against the appellate order of the Commissioner of Income Tax (Appeals) issued against Swastik for assessment year 1998-1999, aggregating to Rs.295.06lakhs, in respect of disallowance of expenses incurred towards premium on redemption of debentures, advance discounting charges w/off etc. The matter is pending before the ITAT.

Swastik has also received show cause notice from the Assessing officer for initiating penalty proceedings in respect of the above issues. The quantum of penalty is yet to be computed.

3.3 Swastik has filed an appeal before the ITAT, against the appellate order of the Commissioner of Income Tax (Appeals) issued against Swastik for assessment year 1999-2000 for Rs.29.90lakhs in respect of disallowance of discounting charges w/off . The matter is pending before the ITAT.

3.4 Swastik has filed an appeal before the ITAT, against the appellate order of the Commissioner of Income Tax (Appeals) for the assessment year 2001-02 aggregating to Rs.703.41lakhs, on grounds of disallowance u/s 14A, interest on loans, discounting charges w/off. The matter is pending before the ITAT.

3.5 Swastik has filed an appeal before the ITAT, against the appellate order of the Commissioner of Income Tax (Appeals) for the assessment year 2001-02 aggregating to Rs.261lakhs, for penalty u/s 271(1)© on grounds of disallowance u/s 14A, interest on loans, discounting charges w/off . The matter is pending before the ITAT.

3.6 Swastik is in process of filing an appeal before the ITAT, against the appellate order of the Commissioner of Income Tax (Appeals) for the assessment year 2004-05 aggregating to Rs.104.52lakhs, on grounds of disallowance u/s 14A and claim for Bad debts w/off . The same will be filed before the end of Nov 2007.

3.7 Swastik has also received show cause notice from the Assessing officer for initiating penalty proceedings in respect of the above issues. The quantum of penalty is yet to be computed.

4. Glass Engineers Pvt. Ltd.

INCOME TAX

Glass Engineers has filed an appeal before CIT (A) for Rs 13 lacs on ground of 14A disallowance.

III. LITIGATION AGAINST OUR PROMOTER & PROMOTING COMPANIES

1. Ajay G. Piramal

The following cases / complaints have been filed against the promoter and Chairman of the Company Mr. Ajay G. Piramal **in his capacity as Director and Chairman of Nicholas Piramal India Limited:**

Sl. No.	Particulars of the Litigation in connection with NPIL	Counter Party	Amount Involved	Date of Litigation
1	Ex consignment agent filed a criminal complaint before Patna JMFC u/s 406, 420 & 120 B of IPC on the allegation of illegal termination of agency.	Mr. Loknath Ratnakar	-----	30/07/02
2	Ex consignment agent filed a criminal complaint before Patna JMFC u/s 406, 420 & 120 B of IPC alleging that though the Company has taken a road permit through the complainant, it supplied products directly to its distributor and not through the complainant.	Mr. Loknath Ratnakar	-----	09/12/02
3.	Suit filed by an ex-authorized dealer of the Company for non payment of commission in respect of the goods supplied to South Eastern Railway and recovery of the same along with the interest filed before the City Civil Court, Calcutta.	M/S Janak Traders	2,15,000	16/09/04
4	Complaint filed by Inspector, Security Guards Board before the Metropolitan Magistrate Court, Bombay alleging contravention of the provisions of the Maharashtra Private Security Guards (Regulation of Employment & Welfare) Act, 1991 on the ground that the company has not recruited security guards from the Security Board.	Inspector Security Guards Board for Greater Bombay & Thane District.	-----	16/09/04
5	Complaint filed by the Drug	Drug Inspector.	-----	4/11/03

	Inspector before the Tis Hazari Court, Delhi alleging that a drug, Erythromycin (manufactured by erstwhile Rhone Poulenc India Limited now merged with NPIL), is not of standard quality as prescribed under the Drugs and Cosmetics Act.			
6.	Ex distributor filed a criminal complaint before Patna JMFC u/s 406, 420 & 120 B of IPC alleging non payment of claims and for wrongly invoking Bank Guarantee.	Pashupatinath Khemka	-----	27/09/05
7.	A consumer complaint filed by a customer before the Consumer Forum Patna, alleging that a machine, Autolab Analyser, purchased from the distributors of the company is defective and the services rendered were deficient.	Dr. Sens Diagnostics Pvt. Ltd.	Rs 8,92,700	1998
8.	ROC has issued three Show Cause Notices to NPIL, with copies to its executive Directors & Company Secretary, for offences under Sec- 205 C of the Companies Act, 1956 for not transferring unpaid or unclaimed dividend to the Investor Education & Protection Fund in the prescribed period. Application has been made for compounding of offence which is pending.	ROC		06/02/04; 12/05/04; 10/05/04.
9.	Vinayak Healthcare Pvt Ltd., who runs a hospital under the name "Life Line Hospital" at Alwar, Rajasthan have filed a consumer complaint against the Chairman, before the District Consumer Protection Forum, Alwar alleging that the Semi-automatic Clinical Chemistry Analyzer supplied by the Company was giving wrong results. The Company is in the process of replying to the Complaint.			25/06/2007

NPIL = Nicholas Piramal India Limited

Apart from the above cases, there are various labour related cases against NPIL, which have arisen, in the normal course of business where, as is normally done by the litigants, alongwith other officers of NPIL, his name as Chairman of NPIL has been included. Necessary applications have been made for deletion of his name.

IV. LITIGATIONS AGAINST DIRECTORS OF THE COMPANY

Except as stated above, there are no litigations against any of the Directors of the Company involving violation of any statutory regulations or alleging criminal offences in connection with the business of the Company or any of its Group Company's.

V. LITIGATIONS AGAINST SUBSIDIARIES OF THE COMPANY

There are no litigations against any of the subsidiaries of the Company.

GOVERNMENT APPROVALS

The Company has received all the necessary permissions and approvals from the Government and various Government agencies for the existing activities.

No further approvals from any Government authority/Reserve Bank of India (RBI) are required by the Company to undertake the existing activities, save and except those approvals, which may be required to be taken in the normal course of business from time to time.

REGULATORY AND STATUTORY DISCLOSURES

Authority for the Scheme

The Honorable High Court of Judicature at Ahmedabad, by its Order dated 27th August, 2007 issued on 17th September, 2007 and Honorable High Court of Judicature at Bombay, by its Order dated 10th August, 2007 issued on 1st September, 2007 have approved the Scheme of Arrangement and Amalgamation between Kojam Fininvest Limited ('Kojam') and Gujarat Glass Limited ('GGL') and their respective shareholders and creditors (the 'Scheme').

Prohibition by SEBI

The Company, its directors, its promoters, other companies promoted by the promoters and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Caution

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements to be published in terms of Clause 8.3.5.4 of SEBI (DIP) Guidelines, 2000 or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Disclaimer Clause of the BSE

As required, a copy of this Information Memorandum has been submitted to BSE. The BSE has vide its letter dated 4th April 2007 approved the said Scheme under Clause 24(f) of the Listing Agreement and by virtue of that approval the BSE's name in this Information Memorandum has been incorporated as one of the Stock Exchanges on which the Company's securities are proposed to be listed.

The BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE. Every person who desires to acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the NSE

As required, a copy of this Information Memorandum has been submitted to NSE. The NSE has vide its letter dated 23rd April 2007, has approved the said Scheme under Clause 24(f) of the Listing Agreement and by virtue of that approval the NSE's name in this Information Memorandum has been incorporated as one of the Stock Exchanges on which the Company's securities are proposed to be listed.

It is to be distinctly understood that it should not in any way be deemed or construed that this Information Memorandum has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Information Memorandum; nor does it warrant that our securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

Every Person who desires to acquire any of our securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer Clause of the ASE

As required, a copy of this Information Memorandum has been submitted to ASE. The ASE has vide its letter dated 19th April 2007, approved the said Scheme under Clause 24(f) of the Listing Agreement and by virtue of that approval the ASE's name in this Information Memorandum has been incorporated as one of the Stock Exchanges on which the Company's securities are proposed to be listed.

It is to be distinctly understood that it should not in any way be deemed or construed that this Information Memorandum has been cleared or approved by ASE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Information Memorandum; nor does it warrant that our securities will be listed or will continue to be listed on the ASE; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

Every Person who desires to acquire any of our securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against ASE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

Copies of this Information Memorandum have been filed with BSE, NSE and ASE.

Listing

Applications have been made to BSE, NSE and ASE for permission to deal in and for an official quotation of the Equity Shares of the Company. The Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the shares. The Company has received in-principle approval from BSE vide its letters dated 19th November, 2007 read with letter dated

3rd December 2007, ASE vide its letter dated 12th December, 2007 and NSE vide its letter dated 17th December, 2007 for the listing of our Equity Shares.

The Company shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above.

Demat Credit

The Company has executed Agreements with CDSL and NSDL for admitting its securities in demat form. On 11th October 2007 the Company allotted the equity shares. The equity shares in demat form have been credited by CDSL and NSDL to the respective demat account on 1st November, 2007 and 3rd November, 2007 respectively of those shareholders who have provided necessary details to the Company and who were holding their shares in Kojam in demat form and/or of those shareholders who have opted to receive the shares in demat form, as on the Record Date.

Despatch of Share Certificates

Upon allotment of Shares to eligible shareholders pursuant to the Scheme on 11th October, 2007, the Company has dispatched the share certificates on 14th November, 2007, to those shareholders who were holding shares in Kojam in physical form and have not opted to receive shares in demat form, as on the Record Date.

Expert Opinions

Save as stated elsewhere in this Information Memorandum, we have not obtained any expert opinions.

Previous rights and public issues

The Company has not made any public or rights issue since incorporation.

Commission and brokerage on previous issues

Since the Company has not issued shares to the public in the past, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

Companies under the Same Management

Save and except SPIL there is no other listed company under the same management within the meaning of erstwhile Section 370 (1B) of the Companies Act.

Promise vis-à-vis performance

This is for the first time the Company is being listed on the Stock Exchange.

Disposal of Investor Grievances

Amtrac Management Services Limited (Amtrac) are the Registrars and Transfer Agents of the Company. Documents/Letters are also received from the Investors directly at Mumbai by courier/post. All documents are received at the inward department, where the same are classified based on the nature of the queries/actions to be taken and coded accordingly. The documents are then electronically captured before forwarding to the respective processing units.

The contact details of Amtrac are as under:

Amtrac Management Services Limited

Nasik Processing Unit

Plot No.101/102,
19th Street, MIDC,
Satpur, Nasik 422007
Tel.: +91 253 235 4032 / 236 3372
Fax: +91 253 235 1126
Email: amtrac_nsk@sancharnet.in

Mumbai Administrative Office

Peninsula Centre,
Dr. S. S. Rao Road,
Parel, Mumbai – 400012
Tel.: +91 22 2410 5685
Email: vidula@bom3.vsnl.net.in

The Company has appointed Ms. Maria Monserrate, Company Secretary, as the Compliance Officer and she may be contacted in case of any queries. She can be contacted at the following address:

Ms. Maria Monserrate, Company Secretary –
Gujarat Glass Limited,
Secretarial Department,
Nicholas Piramal Tower, 3rd Floor,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai - 400 013

Telephone : +91 22 3046 7836
Fax: +91 22 24902363
E-mail : mmonserrate@gujaratglass.co.in

ARTICLES OF ASSOCIATION

Articles of Association comply with the requirements of the Companies Act, 1956, other relevant laws and the requirements of the Listing agreement.

Main Provisions of the Articles of Association

Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company.

Pursuant to Schedule II of the Companies Act and SEBI Guidelines, the main provisions of the Articles of Association of Gujarat Glass Limited are set forth below:

FURTHER ISSUE OF SHARES

Article 18 provides that “Subject to the provisions of Section 81 of the Companies Act, 1956 and other applicable provisions, where at the time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, which ever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares either out of the un-issued capital or out of the increased share capital then:

- (a) such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date.
- (b) such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted will be deemed to have been declined.
- (c) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favor of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favor any member may renounce the shares offered to him.
- (d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner and to such person(s) as they may think, in their sole discretion, fit.”

Article 19 provides that “Notwithstanding anything contained in clause 18 thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (18) hereof) in any manner whatsoever.

- (a) If a special resolution to that effect is passed by the Company in General Meeting, or
- (b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and

voting and the Central Government is satisfied, on an application made by the Board in this behalf that the proposal is most beneficial to the Company.”

Article 20 provides that “Nothing in sub-clause (c) of clause 18 hereof shall be deemed:

- (a) to extend the time within which the offer should be accepted; or
- (b) to authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.”

Article 21 provides that “Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:

- (i) to convert such debentures or loans into shares in the Company: or
- (ii) to subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (a) either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf: and
- (b) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any Institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.”

SHARE CERTIFICATES

Article 33 provides that “Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up there on and shall be in such form as the Directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

Nothing contained herein shall apply to transfer of a security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of a Depository.”

Article 35 provides that “If any certificate be worn out, defaced, mutilated or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, an & new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificate under the Article shall be issued without payment of such fees (not exceeding Rs. 2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the each thereof for endorsement of transfer.

Provided that notwithstanding what is slated above the Board shall comply with such Rules or Regulation or requirement of any stock exchange or the Rules made under the Securities Contract Regulations Act, 1956 or the Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.”

PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

Article 41 provides that “The Board may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares hld by him beyond the sums actually called for and upon the amount so paid or satisfied in advances, or so much thereof as from time to time exceeds the amount of the calls than made upon the shares in respect of which such advance has been made, the Company may pay interest provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The Company may pay interest at such rate not exceeding 12 % (Twelve) or as determined by the Board from time to time unless the Company in General Meeting shall otherwise direct.”

Article 42 provides that “The members shall not be entitled to any voting rights in respect of the moneys so paid by them the same would but for such payment, become presently payable.”

Articles 43 provides that “The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.”

SHARES AT THE DISPOSAL OF THE DIRECTORS

Article 49 provides that “Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares.

Provided that option or right to call on shares shall not be given to any person or persons without the sanction of the Company in a General Meeting.”

COMPANY'S LIEN ON SHARES

Article 64 provides that “The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonus from time to time declared in respect of such shares subject to section 205A of the Act. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien if any on such shares. The Directors may, at any time declare any share wholly or in part to be exempt from the provisions of this clause.”

TERM OF ISSUE OF DEBENTURE

Article 68 provides that “Any debentures, debentures stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.”

Article 71 provides that “Every instrument of transfer of shares shall be in the form prescribed under the Act or as near thereto as the circumstances may admit and shall be in accordance with the provisions of Section 108 of the Act, from time to time.”

Article 72 provides that “No fee shall be charged for transfer of shares/ debentures or for effecting transmission or for registering any letters of probate, letters of administration and similar other documents.”

Article 75 provides that “Subject to the provisions of Section 111A of the Act the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not as affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares, transfer of shares/debentures in whatever lot shall not be refused.”

UNPAID OR UNCLAIMED DIVIDEND

Article 182 provides that “Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special

“Unpaid Dividend” account in that behalf in any scheduled bank and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

Article 183 provides that “Subject to the provisions of Section 205B of the Act any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund (“Fund”) and that no claim by any person to any money transferred to the Fund shall lie on or after the commencement of the Companies (Amendment) Act, 1999”.

Article 184 provides that “No unclaimed or unpaid dividend shall be forfeited by the Board and all unclaimed and unpaid dividends shall be dealt with as per Section 205 A and 205 B of the Act and the rules made there under”.

OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Documents available for Inspection during business hours at the Registered office of Company at Mumbai:

1. Memorandum and Articles of Association, as amended till date.
2. Certificate of Incorporation dated February 6, 1998.
3. Fresh Certificate of Incorporation issued upon conversion to a public limited company dated March 06, 2007.
4. Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble High Court of Judicature of Ahmedabad and Honorable High Court of Judicature at Bombay between Kojam Fininvest Limited and Gujarat Glass Limited.
5. Orders dated 10th August, 2007 of the Honorable High Court of Judicature at Bombay and dated 27th August, 2007 of the Honorable High Court of Judicature at Ahmedabad approving the Scheme of Arrangement and Amalgamation.
6. Letters approving the Scheme dated 4th April 2007 of BSE, 23rd April 2007 of NSE and 19th April 2007 of ASE under clause 24(f) of the Listing Agreement.
7. Letter from BSE dated 19th November, 2007 read with letter dated 3rd December 2007, letter from ASE dated 12th December, 2007 and letter from NSE dated 17th December, 2007 granting in-principle approval for listing of shares.
8. Certificates on Financial Statements from Auditors M/s. Haribhakti & Co. Chartered Accountants, Vadodara dated 22nd November 2007.
9. Tripartite Agreement with NSDL dated 26th December 2001 and with CDSL dated 5th October 2007.
10. SEBI letter ref. no. CFD/DIL/NB/VG/111139/2007 dated 17th December, 2007, granting relaxation from the strict enforcement of the requirement of Rule 19(2)(b) of the Securities Contract Regulation (Rules), 1957 (SCRR) for the purpose of listing of shares of GGL.

DECLARATION

To the best of knowledge and belief of the Board of Directors of the Company, all statements made in this Information Memorandum are true and correct.

**SIGNED ON BEHALF OF THE
BOARD OF DIRECTORS
FOR GUJARAT GLASS LIMITED**

DIRECTOR

Mumbai

Date: 31st December, 2007