



GWALIOR CHEMICAL INDUSTRIES LIMITED

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25th Annual Report
2008-2009





IMC-RBNQ Performance Excellence Award Trophy 2008



25th Annual Report 2008-2009

Board of Directors

Mr. Ashwin Kumar Kothari	Chairman and Executive Director
Mr. Harisingh Shyamsukha	Executive Director
Mr. K. N. Luhariwala	Executive Director
Mr. Vallabh Prasad Biyani	Executive Director
Mr. Rakesh Khanna	Independent Director
Mr. B. P. Kejariwal	Independent Director
Mr. Milan Mehta	Independent Director
Mr. Rohit Kothari	Non-Executive Director
Mr. Pratap R. Merchant	Independent Director
Mr. Suresh Tapuriah	Independent Director

Chief Financial Officer

Mr. Gaurav Shyamsukha

Company Secretary

Mr. Sanjeev Pathak

AuditorsSarda & Pareek
Chartered Accountants**Registered Office**1&2, Western India House,
1st Floor,
Sir P. M. Road, Fort,
Mumbai – 400 001.
Phone : 022-22873541**Corporate Office**209/210, 2nd Floor,
Arcadia Building, 195,
Nariman Point,
Mumbai – 400 021.
Phone : 022-66388500
Fax : 022-66388620**Works**Birlagram, Nagda
Madhya Pradesh – 456331
Phone : 07366-245104, 245447
Fax : 07366-246283

GIDC, Industrial Estate

Ankleshwar, Gujarat
Phone : 02646-227175, 223280, 221776
Fax : 02646-224908**Bankers & Financial Institutions**State Bank of India
Industrial Development Bank of India
HDFC Bank
Standard Chartered Bank
Bank of Baroda**Registrar and Share Transfer Agent**Link Intime India Private Limited.
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai – 400078
Phone : 022-2594 6970 / 71 / 72 / 73 / 74 / 75
Fax : 022-2596 2691

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GWALIOR CHEMICAL INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the Members of the Company will be held on Thursday the 17th day of September 2009 at 4.00 P.M. at the M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K. Dubash Marg, Fort, Mumbai – 400 001 to transact the following business: -

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit and Loss Account for the year ended 31st March, 2009 together with the Reports of the Board of Directors and Auditor's Report thereon.
2. To declare dividend for the year ended on 31st March, 2009 on the equity share capital of the Company.
3. To appoint a director in place of Shri Rakesh Khanna who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Shri Rohit Kothari who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a director in place of Shri Pratap Merchant who retires by rotation and being eligible offers himself for re-appointment.
6. To consider and if thought fit, to pass with our without modification, the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 224 of the Companies Act, 1956, M/s. Sarda & Pareek, Chartered Accountants be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided mutually between the Audit Committee in consultation with the Board of Directors and Auditors plus reimbursement of out of pocket expenses, if any.”

Special Business:

7. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED THAT Shri. Suresh Tapuriah who has been appointed as an Additional Director of the Company by the Board of Directors with effect from 29th January, 2009 pursuant to the provisions of the Articles of Association and holds office up to date of this Annual General Meeting by reason of the provision of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing, proposing the candidature for the office of Director, in accordance with the provisions of Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company and that the period of office of the Director shall be liable to determination by retirement by rotation.”

BY ORDER OF THE BOARD

SANJEEV PATHAK
Company Secretary

Place: Mumbai

Date: 27th July, 2009.

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Notes:

1. The relevant details as required by clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment / re-appointment as Directors under item Nos. 3, 4 & 5 above, are annexed.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 09th September, 2009 to 17th September, 2009 (both days inclusive).
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**

The Proxy duly completed and signed must be deposited at the Corporate Office of the Company not less than 48 hours before the Meeting.
4. The members / proxies are requested to bring duly filled in Attendance Slips for attending the Meeting and Members/proxies are also requested to bring a copy of the Annual Report along with them to the Meeting.
5. The dividend, if declared, as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on or after 18th September, 2009 as under:
 - To all beneficial owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on 08th September, 2009.
 - To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer request lodged with the Company on or before the close of business hours on 08th September, 2009.
6. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository account will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any changes of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
7. Members holding shares in physical form are requested to immediately notify change of address, if any, to the Company's Registrars and Share Transfer Agents, M/s. Link Intime India Private Limited., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400078. Members holding shares in electronic form must send the advice about changes in address to their respective Depository Participant only and not to the Company or Company's Registrar and Share Transfer Agents.
8. All documents referred to in the accompanying notice are open for inspection at the Corporate Office of the Company on all working days, except Saturdays between 11.00 A.M. to 1.00 P.M.
9. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
10. As per the provisions of the Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Share Transfer Agent or may be down loaded from the website of the Department of Company Affairs.
11. Members are requested to note that as prescribed by Securities and Exchange Board of India (SEBI),



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trading in securities of the Company is in dematerialized form only. Hence, Members who are yet to dematerialize their shares are advised to do so. The Company has entered into agreements with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

12. Members (Beneficiaries) holding shares in dematerialized mode are requested to note that the bank details furnished by them to their respective Depository Participants will be printed on their Dividend Warrants, if not opted for Electronic Clearing Services (ECS). This is pursuant to the SEBI directive vide Circular No. D&CC/FITTC/CIR-4/2001 dated 13.11.2001.

STATEMENT REGARDING THE DIRECTORS PROPOSED FOR RE-APPOINTMENT

Name of the Appointee	Mr. Rakesh Khanna
Designation	Independent Director
Age (in Years)	57
Qualification & Experience	Chartered Accountant by profession having an experience of around 33 years in the field of finance, accounts and taxation.
Date of Appointment	Appointment as additional director by the Board of Directors in their Meeting held on 3rd February, 2005 and further confirmed as Director by the Shareholders in their General Meeting held on 4th February, 2005.
Shareholding in the Company	Nil
Other Directorships	1) Mangal Keshav Securities Ltd, 2) Mangal Keshav Holdings Ltd, 3) Mangal Keshav Capital Ltd, 4) Mangal Keshav Distributors Ltd, 5) MK Commodities Brokers Ltd, 6) Mangal Keshav Insurance Brokers Ltd, 7) Geltec Pvt. Ltd, 8) Universal Medicare Pvt. Ltd, 9) Dujon Commercial Pvt. Ltd, 10) Viniyog Investment Pvt. Ltd, 11) Douceur Sportswear Manufacturing Pvt. Ltd.
Committee Chairmanships	1) Gwalior Chemical Industries Ltd – a) Audit Committee b) Remuneration Committee 2) Mangal Keshav Securities Ltd – Audit Committee 3) Mangal Keshav Holdings Ltd – Audit Committee 4) Mangal Keshav Distributors Ltd – Audit Committee 5) M. K. Capital Limited – Audit Committee
Committee Memberships	1) Gwalior Chemical Industries Ltd – Investor Grievance Committee 2) Mangal Keshav Holding Ltd – H. R. Committee

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Name of the Appointee	Shri. Rohit Kothari
Designation	Non – Executive Director
Age (in Years)	34
Qualification & Experience	Chartered Accountant and MBA by profession and associated with the Company since 7 years having approximately 9 years of experience in industry.
Date of Appointment	Appointment as additional director by the Board of Directors in their Meeting held on 29th April, 2006 and further confirmed as Director by the Shareholders in their General Meeting held on 22nd May, 2006.
Shareholding in the Company	145200
Other Directorships	1) Aroni Commercials Limited, 2) Monsoon Trading Company Limited, 3) Sushree Trading Limited, 4) Alpine Trading & Finance Limited, 5) Rangoli Holdings Limited, 6) Four Dimensions Securities (India) Limited, 7) Four Dimensions Capital Markets Pvt. Ltd, 8) Antique finance & Investment (p) Ltd, 9) Mapel Infrastructure Private Limited
Committee Chairmanships	Nil
Committee Memberships	Aroni Commercials Limited – Audit Committee

Name of the Appointee	Shri. Pratap R. Merchant
Designation	Independent Director
Age (in Years)	75 Years
Qualification & Experience	B Com, CAIIB-1, has long varied experience in the field of banking and financing spanning over 27 years having been with the Bank of Baroda as its Executive Director and Dena Bank as its General Manager.
Date of Appointment	Appointment as additional director w.e.f. 25th January, 2007 and further reappointed as Independent Director at the Annual General Meeting on 31st July, 2007.
Shareholding in the Company	1000 Equity Shares
Other Directorships	1) Precision wire (India) Limited, 2) Setco Automotive Limited, 3) KJMC Asset Management Co. Ltd.
Committee Chairmanships	1) Audit Committee – KJMC Asset Management Co. Ltd. 2) Remuneration Committee – Setco Automotive Limited. 3) Audit Committee – Setco Automotive Limited.
Committee Memberships	1) Audit Committee – Gwalior Chemicals Industries Limited. 2) Remuneration Committee – Gwalior Chemical Industries Ltd. 3) Audit Committee – Precision Wire (India) Limited. 4) Remuneration Committee – Precision Wire (India) Ltd. 5) Remuneration Committee – KJMC Asset Management Co. Ltd.


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Name of the Appointee	Shri. Suresh Tapuriah
Designation	Independent Director
Age (in Years)	63 Years
Qualification & Experience	Bechelor of Chemical Engineering with First Class from Jadavpur University, Calcutta. He is heading his family business in Mumbai and Culcutta, mainly marketing and trading of metals and chemicals. He was trained at M/s. Dennis Brothers, UK for manufacturing of fire engines and Trailer Pumps after which he started manufacturing them in India successfully for Roberts Mclean & Co. He has also worked on a pilot plant and started manufacturing basic drug like Analgin as the first in India on commercial scale.
Date of Appointment	29th January, 2009
Shareholding in the Company	Nil
Other Directorships	1) Ankool Trade and Finance Limited, 2) Binani Commercial Company Pvt. Ltd, 3) Birla Group Holding Pvt. Ltd, 4) Avilok Trade & Finance Ltd, 5) Jaychand Leasing and Investment Co. Ltd, 6) Maxworth Industries Services Ltd, 7) Consilium Communications Pvt. Ltd, 8) Tapuriah & Sons Pvt. Ltd, 9) Gstaad Hotels Pvt. Ltd, 10) Rajita Audio Video Co. Pvt. Ltd, 11) Mansoon Trading Co. Pvt. Ltd, 12) Travel Voyages India Pvt. Ltd, 13) Urvi Chemicals & Allied Industries Limited, 14) Knop Trading Co. Pvt. Ltd, 15) Cresnet Hygiene Products Ltd, 16) Ras Varsha Chemicals (p) Ltd, 17) Emmanuel Productions (p) Ltd.
Committee Chairmanships	Nil
Committee Memberships	Nil

By Orders of the Board

Sanjeev Pathak

Company Secretary

Place: Mumbai

 Date : 27th July, 2009.

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EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.7:

Shri Suresh Tapuriah was appointed as an Additional Director by the Board of Directors on 29th January, 2009 in accordance with the provisions of Section 260 of the Companies Act, 1956. He holds the Office up to the date of Annual General Meeting. The Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a member of the Company proposing his candidature for the office of a Director.

Shri. Suresh Tapuriah holds Bachelor of Chemical Engineering degree with First Class from Jadavpur University, Calcutta. He was trained at M/s. Dennis Brothers, UK for manufacturing of fire engines and Trailer Pumps after which he started manufacturing them in India successfully for Roberts Mclean & Co. He has also worked on a pilot plant and started manufacturing basic drug like Analgin as the first in India on commercial scale. Your Directors consider that his continuation on the Board will be extremely beneficial to the Company.

None of the Directors are in anyway concerned or interested in the resolution.

The Board recommends the resolution set out at No. 7 of the Notice for your approval.

By Orders of the Board

Place: Mumbai
Date : 27th July, 2009.

Sanjeev Pathak
Company Secretary

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GWALIOR CHEMICAL INDUSTRIES LIMITED
**DIRECTORS' REPORT TO THE MEMBERS OF THE COMPANY
FOR THE YEAR ENDED 31ST MARCH 2009**

Dear Shareholders,

Your Directors have great pleasure in presenting their Twenty Fifth Annual Report together with the Audited Accounts for the financial year ended 31st March 2009

1. Financial Results

Particulars	(Rs. in Lacs)	
	Current year	Previous year
Sales	40169.15	32051.92
Other Income	585.57	84.02
Increase /Decrease in Stock	(247.07)	278.79
Total Income	<u>40507.65</u>	<u>32414.73</u>
Gross Profit before Interest & Depreciation	6196.07	5516.01
Less: Interest	<u>956.27</u>	<u>918.71</u>
Gross Profit before Depreciation	5239.80	4597.30
Less: Depreciation	<u>1056.37</u>	<u>862.86</u>
Profit for the year before Taxation	4183.43	3734.44
Less: Provision for Current Tax	751.66	757.51
Less: Provision for Deferred Tax	389.81	464.02
Less: Provision for FBT	<u>15.09</u>	<u>15.00</u>
Net Profit before Prior Period Items & Exceptional Items	3026.88	2497.92
Prior Period Items	57.86	66.20
Exceptional Items	<u>198.86</u>	<u>00.00</u>
Net Profit after Prior Period Items and Exceptional items	<u>2770.16</u>	<u>2431.72</u>
Add: Balance brought forward from previous year	<u>2122.18</u>	<u>1536.90</u>
Amount available for appropriation	<u>4892.33</u>	<u>3968.62</u>
APPROPRIATION		
i) Transfer to General Reserve	1500.00	1500.00
ii) Final Dividend [proposed]	296.12	296.12
iii) Corporate Tax on Dividend	50.33	50.33
iv) Balance carried to Balance sheet	<u>3045.89</u>	<u>2122.18</u>
Total	<u>4892.33</u>	<u>3968.62</u>
EPS (Basic & Dilute per share of face value of Rs 10)	11.23	9.85