

15TH ANNUAL REPORT

2006-2007

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GRIFFIN CHEMICALS LIMITED

**202-A SAMROCK APARTMENT
JUHU LANE, ANDHERI (WEST)
MUMBAI- 400 058**

FOL GRIFFIN CHEMICALS LIMITED.

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DIRECTOR.

NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of **GRIFFIN CHEMICALS LIMITED** will be held on Saturday, the 29th September, 2007 at 10.30 a.m. at Registered Office of the Company situated at, 202-A, Samrock Apartment, Juhu Lane, Andheri (West), Mumbai - 400 058, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007, and the Profit & Loss Account for the year ended on that date and the reports of Directors' and Auditors' thereof.
2. To appoint a director in place of Shri S. Vaidaynathan, who retires by rotation and being eligible and offer himself for re-appointment.
3. To appoint a Director in place of Shri J. A. Shanbhag, who retire by rotation and being eligible and offer himself for re-appointment.
4. To appoint Auditors of the Company and fix their remuneration.

By order of the Board
For Griffin Chemicals Limited

Place : Mumbai

Dated : 5th September, 2007

Klausar
Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The register of Members and the Share Transfer Book will remain closed from 26th September, 2007 to 29th September, 2007 (both days inclusive) for the purpose of ensuing Annual General Meeting.
3. Members are requested to notify any changes in their address quoting their folio number to the Company's share department.
4. Members are requested to bring their copies of the Annual Report at the Meeting.
5. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.

Details of Director Appointed /Seeking re-appointment in forthcoming Annual General Meeting :**The brief resume of Directors seeking re-appointment :****1. S. Vaidyanathan (69)**

Date of Appointment : 15/02/2005

Date of Birth : 18/09/1938

Directorship in other Company : One

Other Committee Membership : Nil

2. J. A. Shanbhag (56)

Date of Appointment : 15/02/2005

Date of Birth : 03/10/1955

Directorship in other Company : One

Other Committee Membership : Nil

DIRECTORS' REPORT

Your Directors have pleasure in presenting to you the Fifteenth Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2007.

FINANCIAL PERFORMANCE

The Company has achieved sales of Rs. 246.69 lacs during the year under review against the previous year sales of Rs. 349.66 lacs. However, Company has managed net profit of Rs. 64.48 lacs as against the net profit of Rs. 42.81 lacs, thus an increase of 50% compare to previous year. Further, Company has revalued its Ghatkopar Site and credited a sum of Rs.100 Lacs as revaluation reserve in the Reserve and Surplus account.

FINANCIAL RESULTS

Particulars	Rs. In Lacs	
	For the year ended on	
	31.03.07	31.03.06
Total Income	246.69	349.66
Total Expenditure	141.62	306.85
PBDIT	105.07	48.89
Non Cash Charges	1.12	0.81
Interest	39.40	5.27
PBT	64.55	42.81
Tax Provision	0.07	0.00
Profit / (Loss) After Tax	64.48	42.81
Equity Share Capital	370.83	370.83

DIVIDEND

Your directors do not recommend any dividend for the year.

DIRECTORS

Shri S. Vaidyanathan and Shri J. A. Shanbhag both retire by rotation at the ensuing annual general meeting and offer themselves for re-appointment. You are requested to reappoint them. Further Smt. Surbhi Desai and Shri Jigar Desai resigned from the due to their pre-occupation, the Board wishes to express their sincere thanks for their contribution.

FIXED DEPOSITS

Your Company has not accepted any fixed deposit during the year under review which falls under the definition of Section 58 A of the Companies Act, 1956.

CORPORATE GOVERNANCE

In terms of Listing Agreement with Stock Exchanges, the Company is required to comply with the Corporate Governance provisions and the Company is complied with the same and attached separate annexure for the same.

MANAGEMENT DISCUSSION AND ANALYSIS

As required under Clause 49 of the Listing, the Management Discussion and Analysis Report for the financial year ended on 31st March, 2007 is annexed to this report.

AUDITORS

The Auditors M/s Asim Santara, Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible offer themselves for reappointment. You are requested to consider their reappointment for the next financial year and fix their remuneration.

The Specific notes forming part of the Accounts referred to in the Auditors' Report are self-explanatory and do not require any further elucidation.

LISTING

The shares of the Company are listed at the Bombay Stock Exchange, Pune and Ahmedabad Stock Exchange. The trading in shares of the Company is suspended at Bombay Stock Exchange. The Company has paid the annual listing fees to Bombay Stock Exchange for the year 2007-2008.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 217 (2AA) of the Companies (Amendment) Act, 2000, the Directors confirm :

1. that in the preparation of Annual Accounts, the applicable accounting standards had been followed along with the proper explanation relating to material departures if any.

2. that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the Financial year and of the Profit & Loss of the Company for that period.
3. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so to prevent and detect fraud and other irregularities.
4. that the Directors had prepared the accounts on a going concern basis.

STATUTORY DISCLOSURES

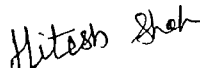
- A) Particulars of the employees of the Company pursuant to Section 217 (2A) of the Companies Act, 1956 is not required to be given as there is no employee draw salary in excess of the limit specified in the said Section.
- B) Particulars required to be furnished by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988:
 - i) Part A relating to Conversion of Energy - The energy consumption is not significant therefore conservation of energy, additional investment and proposals if any, for reduction of consumption of energy are not applicable.
 - ii) Part B relating to technology Absorption - Nil
 - iii) Foreign Exchange Earning and Outgo :- The Company has neither consumed nor earned any foreign exchange during the year under review.

ACKNOWLEDGEMENT

Your Directors place on records their grateful appreciation for the assistance and co-operation received from banks, clients, staff and you the shareholders.

For and on behalf of the Board of
GRIFFIN CHEMICALS LIMITED


Director


Director

Place : Mumbai,

Dated : 5th September, 2007

ANNEXURE TO DIRECTOR'S REPORT

Corporate Governance Report

a) Company's philosophy on code of Governance

Griffin Chemicals believes that good corporate governance is essential to achieve long term goals and also to enhance the shareholders value. The Company is presently engaged in construction activity to create value that can be sustained over a long term for its shareholders, employees, customers, government and others.

b) Board of Directors :

The Board of your Company consists of Six Directors including non-executive independent Director. Your Company has an optimum combination of Executive and Non-Executive Directors with not less than 50% of the Board of Directors comprising of Non-Executive Directors. All the members of the Board are eminent with sound knowledge and background in different field.

The Board is headed by Shri Kamlesh Desai. The non executive director constitutes more than half of the total numbers of directors.

Board Meetings and procedure

The Board of Directors of your Company met seven times during the year on 02nd May, 2006, 28th July, 2006, 04th September, 2006, 30th October, 2006, 01st January, 2007, 31st January, 2007 and 30th March, 2007. The details pertaining to the name and category of Directors on the Board, their attendance at the Board Meetings held during the financial year 2006 – 07 and at the last Annual General Meeting of the Company and the no. of Directorship on the Board or membership/chairmanship in committee held by them across all the Companies are as under :

Name of Directors	Position / Status	Attended		Directorship	No. of other	
		Board Meeting	Last AGM		Committee Membership/ Chairmanship	
Mr. Kamlesh Desai	ENI	7	Y	2	1	1
Mrs. Surbhi Desai *	ENI	4	Y	2	1	
Mr. Jigar Desai **	ENI	7	Y	-	-	
Mr. Rajan Ranadive	NEI	5	Y	2	1	1
Mr. Hitesh Shah	NEI	7	Y	1	-	
Ms. Rasika Ranadive	NEI	5	Y	1	1	1
Mr. S. Vaidyanathan	NEI	3	N	-	-	
Mr.. J.A. Sanbhag	NEI	3	N	-	-	

ENI = Executive Not Independent, NEI = Non-executive Independent Director

* Resigned w.e.f. 1st January, 2007

** Resigned w.e.f. 23rd August, 2007

c) Audit Committee

The Board of Directors has constituted Audit committee of Directors to exercise powers and discharge function as stipulated in Section 292A of the Companies Act, 1956 During the year four meetings were held on 02.05.06, 28.07.06, 30.10.06 and 31.01.07, all the members had attended all meeting. The role and terms of reference of the audit committee covers the matter specified for audit committees under clause 49 of the listing agreement and provisions of Companies Act, 1956. The committee comprises of four Directors who are Non-executive and majority of them are independent Director.

The Composition of Audit Committee is as under :

S. No.	Name of the members	Status	Director Status
1.	Rajan Ranadive	Chairman	Non-Executive & Independent
2.	Rasika Ranadive	Member	Non-Executive & Independent
3.	Hitesh Shah	Member	Non-Executive & Independent

Terms of reference :

The terms of reference of this committee are wide enough covering the matters specified for Audit Committee under Clause 49 of the Listing Agreement as amended.

- Overseeing of the Company's financial reporting process and disclosure of financial information.
- Review of quarterly financial statement ensuring compliances with regulatory guidelines before submission to the Board
- Recommended appointment, removal of statutory auditors and payment of fees to them.
- Statement of significant related party transactions.

d) Remuneration Committee

The Board has not constituted any Remuneration Committee which is non mandatory however the details of remuneration paid to the Directors for the year 2006 - 07 are as under :

Managerial Remuneration :

The Board has not constituted the Remuneration Committee which is non mandatory and further Company has paid Rs. 2,40,000 as Director remuneration to its directors.