

16<sup>TH</sup>

## ANNUAL REPORT

2007 – 2008

*Certified True Copy*  
*For Griffin Chemicals Ltd.*  
*[Signature]*  
**Director**

# GCL

**GRIFFIN CHEMICALS LIMITED  
202A SAMROCK APARTMENT  
JUHU LANE , ANDHERI (WEST),  
MUMBAI – 400 058.**

**NOTICE**

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of **GRIFFIN CHEMICALS LIMITED** will be held on Saturday, the 27<sup>th</sup> September, 2008 at 3.00 p.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 31<sup>st</sup> March, 2008, 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 Rajan Ranadive, who retires by rotation and being eligible and offer himself for re-appointment.
3. To appoint Auditors of the Company and fix their remuneration.

**SPECIAL BUSINESS :**

4. To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution :

“Resolved that Subject to provisions of section 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable, provisions, if any of the Companies Act, 1956 or any amendment thereof or substitution thereof that Shri Kamlesh Desai be and is hereby appointed as Managing Director of the Company with effect from 1<sup>st</sup> April, 2008 for a period of 5 years on the Remuneration of Rs. 1.80 Lac per annum with effect from 1<sup>st</sup> April, 2008 with a liberty to the Board of Directors of the Company (which shall be deemed to include any committee of the Board as and when constituted) to fix, increase, alter or vary from time to time, the remunerations of the said appointment and subject to the same not exceeding at any point of time, the ceiling specified in Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) or any amendment and/or modifications that may hereafter from time to time be made thereto by the Central Government.

Resolved Further That in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of his as a Managing Director of the Company, the remunerations shall be governed by the limit prescribed in Section II of Part – II of schedule XIII of the Companies Act, 1956 as amended from time to time.

Resolved Further That the aforesaid consent of the Company is accorded without prejudice to his rights of holding managerial position of whatsoever nature in any other company and draw remuneration therefrom, to the regulatory guidelines and ceiling stipulated in this regard.

Resolved Further That for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to do all such, acts, deeds, matters or things as may be necessary, expedient or desirable in the interest of the Company.”

By order of the Board  
For **Griffin Chemicals Limited**

Place : Mumbai

Dated : 2<sup>nd</sup> September, 2008

**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 23<sup>rd</sup> September, 2008 to 27<sup>th</sup> September, 2008 (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.

**Item No. 4**

The Board of Directors of the Company at its meeting held on 2<sup>nd</sup> September, 2008 approved the re-appointment and payment of remuneration to Shri Kamlesh Desai as Managing Director of the Company w.e.f. 1<sup>st</sup> April, 2008 for a period of 5 years. The Company has achieved substantial growth and profit in their sector, the basic terms and conditions of his appointment is that he will get the remuneration of Rs. 1.80 lac p.a. with an increment to be decided by the Board of Director subject to the same is not exceeding at any point of time, the ceiling laid down under the provisions of the Companies Act, 1956 and Schedule thereto.

Your directors recommend this resolutions for your approvals. None of the directors except Shri Kamlesh Desai concerned or interested in this resolution.

The above explanation may also be taken as an abstract of the terms of agreement and memorandum of consent or interest under section 302 (2) of the Companies Act, 1956.

By order of the Board  
For **Griffin Chemicals Limited**

Place : Mumbai

Dated : 2<sup>nd</sup> September, 2008

**Director**

**Details of Director Appointed /Seeking re-appointment in forthcoming Annual General Meeting :****The brief resume of Directors seeking re-appointment :****1. Rajan Ranadive (57)**

Date of Appointment : 30/09/2002

Date of Birth : 18/05/1951

Directorship in other Company : One

Other Committee Membership : Two

**2. Kamlesh Desai (49)**

Shri Kamlesh Desai is instrumental person and promoter director of the Company. He is highly experienced person and having tremendous knowledge of construction sector. He hold directorship in other companies.

## **DIRECTORS' REPORT**

Your Directors have pleasure in presenting to you the Sixteenth Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2008.

### **FINANCIAL PERFORMANCE**

The Company has achieved sales of Rs. 254.81 lacs during the year under review against the previous year sales of Rs. 275.10 lacs from construction sector. However, Company has managed net profit of Rs. 37.91 lacs as against the net profit of Rs. 64.48 lacs, the low profit is mainly due to slow down of demand of Ghatkoper residential project. However, the management is confident in achieving better result in coming financial year.

### **FINANCIAL RESULTS**

Particulars	Rs. In Lacs	
	For the year ended on 31.03.08	31.03.07
Total Income	104.31	246.69
Total Expenditure	66.17	141.62
PBDIT	85.22	105.07
Non Cash Charges	1.24	1.12
Interest	45.85	39.40
PBT	38.13	64.55
Tax Provision	0.22	0.07
Profit / (Loss) After Tax	37.91	64.48
Equity Share Capital	370.83	370.83

### **DIVIDEND**

Your directors do not recommend any dividend for the year.

### **DIRECTORS**

Shri Rajan Ranadive retire by rotation at the ensuing annual general meeting and offer him self for re-appointment. You are requested to reappoint him. Further, due to sad demise of Shri Hitesh Shah, he left the organisation during the year under review.

### **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 31<sup>st</sup> March, 2008 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, Pune and Ahmedabad Stock Exchanges. The Company has received the permission of revocation of suspension in trading of Company's Equity Shares, therefore trading in Company's equity shares started under script code no. 524642 w.e.f. 11<sup>th</sup> June, 2008 at Bombay Stock Exchange Ltd. The Company has paid the annual listing fees to Bombay Stock Exchange for the year 2008-2009.

**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 company engaged in construction activity therefore consumption of energy is 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 : 27<sup>th</sup> June, 2008

**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 Five 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 ten times during the year on 5<sup>th</sup> April, 2007, 5<sup>th</sup> June, 2006, 29<sup>th</sup> June, 2006, 7<sup>th</sup> August, 2007, 5<sup>th</sup> September, 2009, 31<sup>st</sup> October, 2007, 2<sup>nd</sup> November, 2007, 15<sup>th</sup> November, 2007, 22<sup>nd</sup> January, 2008 and 10<sup>th</sup> March, 2008. The details pertaining to the name and category of Directors on the Board, their attendance at the Board Meetings held during the financial year 2007 – 08 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	10	Y	2	1	1
Mr. Rajan Ranadive	NEI	10	Y	1	1	1
Mr. Hitesh Shah*	NEI	8	Y	1	-	
Ms. Rasika Ranadive	NEI	6	Y	1	1	1
Mr. S. Vaidyanathan	NEI	5	N	-	-	
Mr.. J.A. Sanbhag	NEI	5	N	-	-	

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

\* Left the organization due the sad demise w.e.f. 10<sup>th</sup> March, 2008.

**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 05.04.2007, 30.06.2007, 31.10.2007 and 22.01.2008, 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.	Kamlesh Desai	Member	Executive Director

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 2007 - 08 are as under :

Managerial Remuneration :

The Board has not constituted the Remuneration Committee which is non mandatory and further Company has paid Rs. 1,20,000 as Director remuneration to its directors.

#### **e) Shareholders Committee**

The Board has constituted a share transfer committee consisting of Mr. Kamlesh Desai, Mr. Rajan Ranadive and Mrs. Rasika Ranadive and Ms. Kalpana Desai is designated as Compliance Officer. As on 31<sup>st</sup> March, 2008 there were no complaints pending regarding share transfer registration for more than 15 days as on the said date.

#### **f) General Body Meeting**

Location and time where last three Annual General Meeting (AGMs) and Extra Ordinary General Meeting (EOGM) were held :

EOGM/ AGM held	Day, Date & Time	Venue
2006-2007	Saturday, 29 <sup>th</sup> Sept., 2007, 10.30 a.m.	Registered Office
2005-2006	Friday, 29 <sup>th</sup> Sept., 2006, 10.30 a.m.	Registered Office
2004-2005	Monday, 14 <sup>th</sup> March, 2005, 11.00 a.m.	Registered Office

Further no special resolution were put through postal ballot for insertion of other object as main object in the memorandum of association and there is no such resolutions for this year.

#### **g) Disclosures**

There are transactions with related parties, viz. Promoters, Directors or the Management, their subsidiaries or relatives conflicting with company's interests, and the same are given under the head Notes to the Account.

No penalty or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

#### **h) Means of Communication**

The Company published its quarterly results in the "The Economic Times" and "Lokshakti" newspapers. The Company does not have any website for displaying results or official news.

Management Discussion and Analysis is a part of the Annual Report.

#### **i) General Shareholders Information**

##### **1) AGM – Date, time and venue :**

Date : 27<sup>th</sup> September, 2008  
Time : 3.00 p.m.  
Venue : 202-A, Samrock Apartment, Juhu Lane,  
Andheri (West), Mumbai – 400 058.

##### **2) Financial year ending : 31<sup>st</sup> March**

##### **3) AGM : September**

##### **4) Date of book closure from 23<sup>rd</sup> September, 08 to 27<sup>th</sup> September, 08. (both days inclusive.)**

##### **5) Dividend payment date : Not applicable as no dividend is recommended by the Board.**

##### **6) ISIN No. : INE528E01014**

##### **7) Depository Connectivity : NSDL and CDSL**

- 8) Reporting of Un-audited Financial Result : In respect of year 08 – 09
- a) First quarter : Last week of July, 08
- b) Second quarter : Last week of October, 08
- c) Third quarter : Last week of January, 09
- d) Fourth quarter : Last week of April, 09
- e) Annual General Meeting (For 07 – 08) : By August / September, 09
- 9) Listing on Stock Exchanges: Ahmedabad, Bombay and Pune Stock Exchanges.
- 10) Stock Code : The Stock Exchange, Mumbai - 524642  
The Stock Exchange, Ahmedabad - 94G109  
The Stock Exchange, Pune - N.A.
- 11) Market Price Data – High/Low during the each month of the financial year 2007 – 2008 is not available with the Company since, the Company's shares are suspended at the BSE.
- 12) Registrar & Share Transfer agent (RTA) : M/s Bigshare Services Pvt. Ltd.  
(for physical & demat shares) E/2, Ansa Industrial Estate, Saki Vihar Rd.,  
Sakinaka, Andheri (East),  
Mumbai – 400 072.
- 13) Share Transfer System : Share transfers are registered and returned within a period of 15 days except few transfer, from the date of receipt, if the documents are cleared in all respects by the Committee.

14) Distribution of Shareholding as on 31.03.2008

Shareholding of Nominal Value	Shareholders No.	% of Total	Share Amount Rs.	% of Total
1 – 5000	6998	92.35	16979000	45.79
5001 – 10000	388	5.12	3033000	8.18
10001 – 20000	107	1.41	1554000	4.19
20001 – 30000	21	0.27	512000	1.38
30001 – 40000	8	0.11	288000	0.77
40001 – 50000	11	0.15	504000	1.36
50001 – 100000	21	0.28	1556000	4.20
More than 100001	24	0.32	12657000	34.13
	7578	100.00	3,70,83,000	100.00

15) Shareholding pattern as on 31.03.2008

Category	No. of Shares	% of Total
Director & their Relatives	778000	20.98
Other Bodies Corporate	111000	2.99
Public	2815000	75.91
NRI / OCBs	4300	0.12
Total	37,08,300	100.00

- 16) Dematerialisation of shares and liquidity: 6% of the share capital has been dematerialised as on 31<sup>st</sup> March, 2008.

17) None of shares held by non-executive directors in their name as on 31<sup>st</sup> March, 2008.

18) The Company has not issued any GDRs/ADRs/Warrants. None of the instruments issued by the Company is pending for conversion into equity shares.

**Address for Correspondence :**

- Shareholders holding shares in physical Mode are requested to lodge share transfer, transmission and intimate changes if any in their registered addresses, residential status etc. quoting their folio no to Company's Registrar and Share Transfer Agent.
- Query on Annual Report be addressed to Company's registered office.

**Compliance :**

This section of the report together with the information given under Management Discussion and Analysis and brief resume of Directors constituted a detailed report on Corporate Governance.

The Company has complied with Mandatory requirement of Corporate Governance. The Board would review implementation of Non – Mandatory Requirements of Corporate Governance Code in due course of time.

Auditors Certificates regarding compliances of conditions of corporate Governance is annexed to this report.

**For Griffin Chemicals Limited**

Place : Mumbai  
Date : 27<sup>th</sup> June, 2008

**Kamlesh Desai**  
**Director**

## Management Discussion and Analysis

### Business of the Company

The Company presently engaged in construction and its related activity.

### Industry Outlook

As per the existing big players in this construction sectors estimate an over all growth at the rate of 15 to 20% p.a. in the next fiscal years, which is considered good. The Associated Chambers of Commerce and Industry (ASSOCHEM) has projected a USD 30 billion spurt in foreign direct investment in the real estate market in the next 10 financial years. The total size of the market in the same number of years is 102 billion USD. As per the Chamber FDIs have shown tremendous interests in investing their surplus in the country's most growth oriented real estates projects as return on such investments would be the highest in near future.

The central Government has now allowed 100 per cent FDI in the construction business, clearing the road block for foreign investor in meeting the humongous demand for development of the commercial and residential real estate sectors. It has also encouraged large financial firms to launch exclusive funds targeting the Indian real estate sector.

Therefore we can say that the liberalisation coupled with efforts to make transactions easy and transparent is opening doors of Indian real estate to the foreign investors.

### Company Performance and Outlook

The Company presently developing its Ghatkopar projects and looking for some suitable place at Nashik and its nearby vicinity for future development. The management has already identified one or two places at Nashik and/or Shirdi and the negotiation for the same is going on.

The Company witnessed unbelievable financial performance in last two or three financial years and planning to achieve the same in the coming financial year by one or more construction project at different location. The same will help the company to boost its financial performance.

As per the projection in construction sector there is significant growth has been targeted in all areas, the Company expect the same in its operation.

The major threats for this sector is slow down of growth and reduction in property prices, higher bank / financial institutions interest rates and the change in Government policy are major threats for the industry.

However, the Company is planning such a way that even do affected by such above threats but has come out with positive developments against such threats and has been successful in developing and marketing its product in the market.

**Segmentwise Performance and reporting**

The Company is engaged in residential construction only, hence the segment wise performance is not applicable.

**Cautionary Statement**

Statements in Management Discussion and Analysis describing the Company's objective, expectations, estimates or prediction may be forward looking within the meaning of applicable securities and laws and regulations. Actual result may differ materially from those either expressed or implied in the statement. Important factor that could influence the Company's operations include demand and supply scenario, changes in Government Policies, tax laws, economic development with in the country and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statement, on the basis, of any subsequent development, events or information.

**Compliance Certificate from the Auditor of the Company**

The Members of  
**Griffin Chemicals Ltd.**

We have reviewed the implementation of Corporate Governance producers by M/s Griffin Chemicals Limited (the Company) during the year ended 31<sup>st</sup> March, 2008 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliances of condition of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the condition of the Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based upon such a review, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement.

We further state that, such compliance is neither an assurance as to the future viability of the Company, nor as the efficiency of effectiveness with which the management has conducted the affairs of the Company.

**For Asim Santara**  
**Chartered Accountants**

**Asim Santara**

Place : Mumbai  
Dated : 27<sup>th</sup> June, 2008

## AUDITOR'S REPORT

The Members of  
**GRIFFIN CHEMICALS LIMITED**

1. We have audited the attached Balance Sheet of M/s **GRIFFIN CHEMICALS LIMITED** as at 31<sup>st</sup> March 2008 and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit also includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. As audit also includes assessing the accounting principle used and significant estimates made by the management, as well as evaluation the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order, to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph (3) above and notes referred to in the notes to accounts, we report that :
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of accounts as required by the Law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 unless otherwise stated in the significant accounting policies and notes to accounts annexed to this report.

Contd.....2/-



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- e) On the bases of written representation received form the directors as on 31<sup>st</sup> March, 2008, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2008 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956. and
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information as required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India :
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2008, and
  - ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.
  - iii) In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

**For Asim Santara  
Chartered Accountants**

**Asim Santara**

Place : Mumbai  
Dated : 27<sup>th</sup> June, 2008

**ANNEXURE TO THE AUDITOR'S REPORT**  
**(Referred to in paragraph 3 of our report of even date)**

- i. a. The Company has maintained the proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b. All the assets have been physically verified by the management during the year and in our opinion it is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. In our opinion, the Company has not disposed off any part of the Fixed Assets during the year and therefore paragraph 4 (1) (c) of the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as order) is not applicable.
- ii. a. Physical verification of Inventories was conducted by the management during the year and in our opinion, the frequency of verification is reasonable.
- b. The procedure of physical verification of inventories followed by the management are reasonable adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory and no material discrepancies have been noticed on Physical Verification of inventories as compared to book records.
- iii. a. The Company has not accepted unsecured loan from the companies, or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- b. The Company has granted loans and advances in the nature of current account to the companies, firms or other parties listed in the registrar maintained under Section 301 of the Companies Act, 1956 and the companies under the same management as defined in sub-section (1B) of Section 370 of the Companies Act, 1956. Further the Company has also taken unsecured loans from one of the directors and Company or other parties listed in the register maintained under section 301 of the Act.
- c. In our opinion and as per explanation provided to us, the rate of interest and other terms and conditions of the aforesaid advances given by the company are not prima-facie prejudicial to the interest of the company.
- d. The parties to whom loans and advances in the nature of loans have been given by the Company are generally repaying the principle amount as stipulated wherever stipulations have been made, are also regular in payment of interest where applicable.
- iv. In our opinion and according to the information and explanation given to us, the company has adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and for sale of goods.
- v. As explained to us and according to the information and explanation given to us, there was transaction that need to be entered in the register in pursuance of section 301 of the Companies Act, 1956 have been so entered.
- vi. The Company has not accepted any deposits from public as specified under Section 58 A and 58 AA of the Companies Act, 1956 and therefore the Directives issued by the Reserve Bank of India and the provisions of section 58 A and 58 AA of the Companies Act, 1956 and rules framed there under is not applicable. As explained to us, the Company has not received any order from the Company Law Board.
- vii. As per the information and explanation given to us, during the year under audit, the Company did not have an Internal Audit System but had an efficient system for accounting and internal controls.

- viii. As per the information and explanations given to us, the Central Government has not prescribed the maintenance of costs records, under Section 209(1)(d) of the Companies Act, 1956.
- ix. a. The Company is generally regularly deposited undisputed statutory dues, including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities to the extent applicable and payable by the company. According to the information and explanations given to us no undisputed amounts were outstanding as at 31<sup>st</sup> March, 2008 for a period of more than six months from the date of becoming payable except Frienge Benefit Tax of Rs. 52,601, however the Company has Tax collected at sources of Rs. 2,36,287/-
- b. There is no undisputed statutory dues as on 31<sup>st</sup> March, 2008.
- x. Accumulated losses of the Company at the end of financial year is less than fifty percent of its net worth and it has not incurred cash losses in current financial year as well as in previous financial year also.
- xi. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of its dues to Financial Institutions, Banks during the year.
- xii. The Company has not granted loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
- xiii. We are to inform that the provisions of any special statute applicable to the Chit Fund, Nidhi or Mutual Benefit Society do not apply to the Company.
- xiv. In our opinion and according to the information given to us, the Company has maintained proper records in respect of dealing in shares. All securities are held by the Company in its name.
- xv. As explained to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. The company has availed term loans from The CKP Co-Operative Bank Ltd., however Company has not paid the interest accrued on the same.
- xvii. According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, in our opinion there are no funds raised on short term basis which have been used for long term investments and vice versa.
- xviii. The company has not made any preferential allotment of shares.
- xix. The company has not issued any debentures during the year under review.
- xx. During the year under review the Company has not raised any money by public issue.
- xxi. Based on the audit procedures performed and as per the information and explanations given to us by the management, we report that no fraud on or by the company has been reported or noticed during the year.

For Asim Santara  
Chartered Accountants

Asim Santara

Place : Mumbai

Dated : 27<sup>th</sup> June, 2008

**GRIFFIN CHEMICALS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2008**

(Amount in Rupees)

	SCH	CURRENT YEAR		PREVIOUS YEAR	
<b><u>SHARE HOLDER'S FUNDS:</u></b>					
A. SHARE CAPITAL	1		37,083,000.00		37,083,000.00
B. RESERVE & SURPLUS	2		10,000,000.00		10,000,000.00
C. SECURED LOANS	3		30,660,781.56		26,238,914.02
D. UNSECURED LOANS	4		1,257,000.00		9,066,324.00
<b>TOTAL RUPEES</b>			<b>79,000,781.56</b>		<b>82,388,238.02</b>
<b><u>APPLICATION OF FUNDS:</u></b>					
E. FIXED ASSETS	5				
Gross Block		1,336,284.62		1,336,284.62	
Less : Depreciation		368,855.00		244,237.00	
Net Block			967,429.62		1,092,047.62
F. INVESTMENT	6		15,740,000.00		13,680,000.00
G. CURRENT ASSETS, LOANS & ADVANCES:	7				
a. CURRENT ASSETS		47,506,143.15		49,862,013.10	
b. LOANS AND ADVANCES		8,101,066.00		6,457,587.00	
c. OTHERS		236,287.00		119,377.00	
		55,843,496.15		56,438,977.10	
Less: CURRENT LIABILITIES & PROVISIONS	8	10,951,659.48	44,891,836.67	10,015,868.81	46,423,108.29
H. DEFERRED TAX ASSETS			6,963,190.00		8,288,783.00
I. MISC. EXPENDITURES			0.00		0.00
J. PROFIT & LOSS ACCOUNT (DR. BAL.)	9		10,438,325.27		12,904,299.11
<b>TOTAL RUPEES</b>			<b>79,000,781.56</b>		<b>82,388,238.02</b>
NOTES TO ACCOUNT	11				

AS PER REPORT OF EVEN DATE  
ASIM SANTARA  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF  
FOR GRIFFIN CHEMICALS LIMITED

ASIM SANTARA  
Mumbai, Date : 27th June, 2008

KAMLESH DESAI  
DIRECTOR

RAJAN RANADIVE  
DIRECTOR

**GRIFFIN CHEMICALS LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008**

(Amount in Rupees)

	SCH	CURRENT YEAR	PREVIOUS YEAR
<b><u>INCOME AND RECEIPTS:</u></b>			
SALES		-	-
INCOME FROM REAL ESTATE		25,481,599.00	27,510,000.00
OTHER INCOME		1,515.00	
INCREASE / (DECREASE) IN STOCK		(15,050,800.00)	(2,840,500.00)
<b>TOTAL RUPEES</b>		<b>10,430,799.00</b>	<b>24,669,500.00</b>
<b><u>EXPENDITURE AND PAYMENTS:</u></b>			
PURCHASES & LABOUR CHARGES		1,090,000.00	13,224,000.00
ADMINISTRATIVE EXPENSES	10	817,784.16	938,122.13
INTEREST		4,584,830.00	3,940,091.27
DEPRECIATION		124,618.00	112,072.00
MISC. EXPENDITURE W/OFF		-	-
<b>TOTAL RUPEES</b>		<b>6,617,232.16</b>	<b>18,214,285.40</b>
PROFIT BEFORE TAXATION		3,813,566.84	6,455,214.60
LESS: PROVISION FOR TAXATION		-	-
DEFERRED TAX LIABILITY			
FRIENGE BENEFIT TAX		22,000.00	7,087.00
PROFIT AFTER TAXATION		3,791,566.84	6,448,127.60
ADD : DEFERRED TAX ASSETS		(1,325,593.00)	(2,167,205.00)
BALANCE CARRIED FROM LAST BALANCE SHEET		(12,904,299.11)	(17,185,221.71)
BALANCE CARRIED TO BALANCE SHEET		(10,438,325.27)	(12,904,299.11)
NOTES TO ACCOUNTS	11		

AS PER REPORT OF EVEN DATE  
ASIM SANTARA  
CHARTERED ACCOUNTANTS

FOR AND ON BEHLAF OF BOARD OF  
FOR GRIFFIN CHEMICLAS LIMITED

ASIM SANTARA  
Mumbai, Date : 27th June, 2008

KAMLESH DESAI      RAJAN RANADIVE  
DIRECTOR              DIRECTOR

**SCHEDULE : 1 – SHARE CAPITAL**

PARTICULARS	Rupees	
	AS ON 31.03.08	AS ON 31.03.07
<b>AUTHORISED</b>		
80,00,000 Equity Shares of Rs. 10/- each	8,00,00,000.00	8,00,00,000.00
<b>ISSUED, SUBSCRIBED &amp; PAID-UP</b>		
4,37,000 Equity Shares of Rs. 10/- each	43,70,000.00	43,70,000.00
(Issued for Consideration other than Cash)		
32,71,300 Equity Shares of Rs.10/- each Fully paid	3,27,13,000.00	3,27,13,000.00
(Issued for Cash)		
<b>TOTAL</b>	<b>3,70,83,000.00</b>	<b>3,70,83,000.00</b>

**SCHEDULE : 2 – RESERVE & SURPLUS**

PARTICULARS	Rupees	
	AS ON 31.03.08	AS ON 31.03.07
Revaluation Reserve Credited as per Architect report in relation with Ghatkopar project	1,00,00,000.00	1,00,00,000.00
<b>TOTAL</b>	<b>1,00,00,000.00</b>	<b>1,00,00,000.00</b>

**SCHEDULE : 3 – SECURED LOAN**

PARTICULARS	Rupees	
	AS ON 31.03.08	AS ON 31.03.07
From HDFC bank (Secured against Hypothecation of Car)	1,66,290.09	2,86,550.05
From ICICI bank (Secured against Hypothecation of Car)	2,75,141.87	3,53,065.97
From The CKP Co-Op. Bank Ltd. (Secured against Company's Ghatkopar Project)	2,55,99,298.00	2,19,71,531.00
Add : Interest Accrued but not paid	46,20,051.00	36,27,767.00
<b>TOTAL</b>	<b>3,06,60,781.56</b>	<b>2,62,38,914.02</b>

**SCHEDULE : 4 – UNSECURED LOAN**

PARTICULARS	Rupees	
	AS ON 31.03.08	AS ON 31.03.07
From Director	12,57,000.00	12,75,000.00
From Companies under Same Management	0.00	28,16,324.00
From others	0.00	49,75,000.00
<b>TOTAL</b>	<b>12,57,000.00</b>	<b>90,66,324.00</b>

**SCHEDULE : 5 – FIXED ASSETS:**

Rupees

S. NO.	PARTICULARS	GROSS BLOCK			DEPRECAIATION			NET BLOCK	
		Op. Balance 01-04-07	Addition	Clo. Balance 31-03-08	Op. Balance	Dep. For the Year	Clo. Balance	As on 31.03.08	As on 31.03.07
1	Computers	16,477.50	0.00	16,477.50	5222	2671	7893	8,584.50	11,255.50
2	Furniture & Fixtures	47,530.12	0.00	47,530.12	7877	4515	12392	35,138.12	39,653.12
3	Motor Car	11,99,977.00	0.00	11,99,977.00	223444	113998	337442	8,62,535.00	9,76,533.00
4	Office Equipment	72,300.00	0.00	72,300.00	7694	3434	11128	61,172.00	64,606.00
	<b>TOTAL</b>	<b>13,36,284.62</b>	<b>0.00</b>	<b>13,36,284.62</b>	<b>2,44,237</b>	<b>1,24,618</b>	<b>3,68,855</b>	<b>9,67,429.62</b>	<b>10,92,047.62</b>
	<b>P. Year</b>	<b>9,30,284.62</b>	<b>4,06,000.00</b>	<b>13,36,284.62</b>	<b>1,32,165</b>	<b>1,12,072</b>	<b>2,44,237</b>	<b>10,92,047.62</b>	<b>10,92,047.62</b>

**SCHEDULE : 6 – INVESTMENTS (At Cost)**

PARTICULARS	Rupees	
	AS ON 31.03.08	AS ON 31.03.07
(As verified, valued and certified by management)		
<b>Unquoted</b>		
Un-quoted Investment	1,41,80,000.00	1,36,80,000.00
2,00,000 Con. Warrants of Garnet Construction	15,60,000.00	0.00
(Market value – N. A.)		
<b>TOTAL</b>	<b>1,57,40,000.00</b>	<b>1,36,80,000.00</b>

**SCHEDULE : 7 – CURRENT ASSETS, LOANS & ADVANCES**

PARTICULARS	Rupees	
	AS ON 31.03.08	AS ON 31.03.07
Stock in Trade	0.00	0.00
Work in Progress (As verified, valued and certified by mgmt)	2,88,73,098.00	2,88,73,098.00
Less : Transferred during the year	1,50,50,800.00	0.00
<b>SUB-TOTAL</b>	<b>1,38,22,298.00</b>	<b>2,88,73,098.00</b>
<b>Sundry Debtors : (Unsecured, Considered Good)</b>		
Exceeding six months	1,95,79,173.10	74,42,787.10
Others	1,35,34,579.00	1,32,73,859.00
<b>SUB-TOTAL</b>	<b>3,31,13,752.10</b>	<b>2,07,16,646.10</b>
<b>Cash &amp; Bank Balance :</b>		
Cash in Hands	4,82,329.39	1,80,853.39
Bank Balance	87,763.66	91,415.61
<b>SUB-TOTAL</b>	<b>5,70,093.05</b>	<b>2,72,269.00</b>
<b>Loans &amp; Advances : (Unsecured, Considered Good)</b>		
Parties under same management	22,58,066.00	21,03,560.00
From Directors	5,43,000.00	10,83,000.00
Others	53,00,000.00	32,71,027.00
<b>SUB-TOTAL</b>	<b>81,01,066.00</b>	<b>64,57,587.00</b>
TDS	2,36,287.00	1,19,377.00
<b>SUB-TOTAL</b>	<b>2,36,287.00</b>	<b>1,19,377.00</b>
<b>TOTAL</b>	<b>5,58,43,496.15</b>	<b>5,64,38,977.10</b>

**SCHEDULE : 8 – CURRENT LIABILITIES & PROVISIONS**

PARTICULARS	Rupees	
	AS ON 31.03.08	AS ON 31.03.07
Sundry Creditors for goods :	1,05,73,277.50	95,43,368.50
<b>SUB-TOTAL</b>	<b>1,05,73,277.50</b>	<b>95,43,368.50</b>
Creditors for Expenses :	3,03,780.98	4,19,978.31
<b>SUB-TOTAL</b>	<b>3,03,780.98</b>	<b>4,19,978.31</b>
Provision for Tax	74,601.00	52,522.00
<b>TOTAL</b>	<b>1,09,51,659.48</b>	<b>1,00,15,868.81</b>



**SCHEDULE : 9 –PROFIT & LOSS ACCOUNT**

PARTICULARS	Rupees	
	AS ON 31.03.08	AS ON 31.03.07
Profit & Loss Account (Debit Balance)	1,04,38,325.27	1,29,04,299.11
<b>TOTAL</b>	<b>1,04,38,325.27</b>	<b>1,29,04,299.11</b>

**SCHEDULE : 10 – ADMINISTRATIVE EXPENSES**

PARTICULARS	Rupees	
	CURRENT YEAR	PREVIOUS YEAR
Audit Fees	15,000.00	15,000.00
Advertisement	41,551.00	0.00
Bank Charges	4,802.17	11,848.13
Books & Periodicals	4,655.00	0.00
Business Promotion	18,569.00	9,237.00
Conveyance Exp.	9,019.00	13,019.00
Demat Charges	4,495.00	0.00
Filing Fees	500.00	8,690.00
Sundry Exp.	4,870.00	3,101.00
Insurance Premium	36,472.00	43,022.00
Interest Charges	60,422.54	0.00
Listing Fees	10,000.00	10,000.00
Membership & Subscription	6,823.00	49,590.00
Motor Car exp.	23,512.00	77,439.00
Office Exp.	4,115.00	1,570.00
Office Rent	1,20,000.00	1,20,000.00
Printing & Stationery	3,353.00	2,198.00
Processing Charges	16,556.00	0.00
Professional Fees	23,500.00	0.00
Salary	3,22,000.00	5,11,274.00
Registrar & Share Transfer Charges	40,946.00	37,228.00
Staff Welfare	11,000.00	7,112.00
Telephone Charges	31,585.45	17,794.00
Travelling Charges	4,038.00	0.00
<b>TOTAL</b>	<b>8,17,784.16</b>	<b>9,38,122.13</b>

**SCHEDULE : 11 - SIGIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS****A. SIGIFICANT ACCOUNTING POLICIES :****1. BASIC OF PREPARATION OF FINANCIAL STATEMENTS :**

The financial statements have been prepared under the historical cost convention method in accordance with the generally accepted accounting principles and provision of the Companies Act, 1956, except otherwise stated elsewhere.

The Company generally follows mercantile system of accounting and recognising items of income and expenditure on accrual basis except otherwise stated elsewhere.

**2. FIXED ASSETS :**

There fixed assets stated at cost less depreciation.

**3. DEPRECIATION :**

Depreciation on fixed assets during the year is provided on S. L. M. basis as per the rate prescribed in Schedule XIV of the Companies Act, 1956 on pro-rata basis.

**4. INVENTORIES :**

The stock is stated at Cost or market value, whichever is lower.

**5. INVESTMENTS:**

The Investment stated at cost.

**6. MISCELLANEOUS EXPENDITURE :**

The Company does not recognize any deferred revenue expenditure in the form of preliminary expenses and public issue expenses as against amortizing in each year in five years.

**7. PROVISION FOR CURRENT AND DEFERRED TAX :**

Provision for Current Tax is made on the basis of estimated taxable income for the current accounting year and in accordance with the provisions as per Income Tax Act, 1961.

Deferred Tax resulting from "timing difference" between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the assets will be adjusted in future.

**8. Accounting polices not specifically referred to are consistent with generally accepted accounting practices.**

**B. NOTES FORMING PART OF THE ACCOUNTS :**

1. Contingent liabilities to be provided for : Nil.
2. Since, the construction activity at Ghatkopar Project is going on, hence the booking for the said project is going on, therefore the decrease in stock in trade is related to Ghatkopar project.
3. The bank balance was not reconciled with the Central Bank of India and it is in the process of reconciliation, hence the effect of any increase or decrease in the negative balance is not known to us and therefore not considered.
4. As informed by the management the Company does not owe any sum exceeding Rs. 1,00,000/- to the small scale undertaking.
5. Deferred Tax Assets and Liabilities as on 31<sup>st</sup> March, 2008 are as under :

## a) Deferred Tax Assets and Liabilities

Amount in Rs.

		Current Year	Previous Year
1	Carry Forward Loss as per Income Tax Act	3,41,40,744	3,41,40,744
2	Deferred Tax Assets as per Previous Year	82,88,783	1,04,55,988
3	Deferred Tax Liabilities @33.66% on profit for year		
	Depreciation	41,946	36,984
	Profit for the year	12,83,647	21,30,221
4	<b>Net Deferred Tax Assets ( 2-3)</b>	<b>69,63,190</b>	<b>82,88,783</b>

- b) As per the information given and explanations provided to us, the companies activities will be continued in future. The company is also expected to earn profit from the proposed projects, which are under process of implementation.
  - c) During the year under review, the Company has received the Income Tax Authorities assessment order for carry forward of losses, pertaining to the previous year. Therefore the Company has credited the deferred tax assets in the balance sheet.
6. Remuneration paid to Director:  
Salary : 1,20,000
  7. Related Party Disclosures (identified by the Company and relied upon by Auditor)

## a) List of Related parties

- |                                   |   |                    |
|-----------------------------------|---|--------------------|
| a. Krez Hotel & Realty Ltd.       | - | Associate Concern  |
| b. Kriyasu Finvest Pvt. Ltd.      | - | Associate Concern  |
| c. Shanil Financial Services Ltd. | - | Associate Concern  |
| e. Kamlesh Dessai                 | - | Director           |
| f. Surbhi Desai                   | - | Directors relative |
| g. Jigar Desai                    | - | Directors relative |
| h. Rajan Ranadive                 | - | Director           |

- |                    |   |          |
|--------------------|---|----------|
| i. Rasika Ranadive | - | Director |
| j. S. Vaidyanathan | - | Director |
| k. J. A. Shanbhag  | - | Director |

## b) Transaction carried out with related parties in the Ordinary course of Business

	<u>31.03.2008</u>	<u>31.03.2007</u>
Advanced given	1,54,506.00	16,87,402.00
Advances received	0.00	4,91,356.09

	<u>31.03.2008</u>	<u>31.03.2007</u>
c) Outstanding as at the year end		
Advance to parties under same management	22,58,066.00 (Dr.)	21,03,560.00 (Dr.)
Advances from Director	12,57,000.00 (Cr.)	12,75,000.00 (Cr.)
Advance To Director	5,43,000.00 (Dr.)	10,83,000.00 (Dr.)
Advances from Parties under same management	0.00 (Cr.)	28,16,324.00 (Cr.)

8. Earning Per Share	2007 – 08	2006 – 07
Profit After Tax	37,91,567	64,48,128
No. of Equity Shares	37,08,300	37,08,300
Earning Per Share	1.02	1.74
Diluted Earning Per Share	1.02	1.74

9. During the year Company was engaged in one sector i.e. construction, therefore the segment reporting is not applicable.

10. In the opinion of the Board, the current assets have a value on realization in the ordinary course of the business at least equal to the amount at which they are stated in the Balance Sheet unless otherwise specified. All debtors are unsecured and considered good.

11. Balances of sundry debtors, sundry creditors and loans and advances are subject to confirmation.

12. During the year income and expenditure in foreign currency is Nil.

13. Previous year's figure have been regrouped or rearranged wherever necessary.

14. Auditor remuneration is as follows :

For Audit & Income Tax Matters Rs. 15,000

15. Additional information as required under schedules VI of the Companies Act, 1956 including other additional information and quantitative details in respect of construction activity is not available, further the engineering division is closed down hence the same is not available with the Company.

16. Additional information in pursuant to the part IV of schedule VI of the Companies Act, 1956.

**BALANCE SHEET ABSTRACTS AND COMPANY'S GENERAL BUSINESS PROFILE****Registration Details**

Registration Number : 67837

State Code : 11

Balance Sheet Date : 31<sup>st</sup> March, 2008**Capital Raised During the Year****Amt. in Lacs**

Public Issue	NIL	Bonus Issue	NIL
Right Issue	NIL	Private Placement	NIL

**Position of Mobilisation and Deployment of Funds****Amt. in Lacs**

Total Liabilities	790.01	Total Assets	790.01
Sources of Funds		Applications of Funds	
Paid-up Share Capital	370.83	Net Fixed Assets	9.67
Reserves & Surplus	100.00	Investments	157.40
Secured Loans	306.61	Net Current Assets	518.56
Unsecured Loan	12.57	Profit & Loss A/c (Dr.)	104.38

**Performance of the Company****Amt. in Lacs**

Turnover	104.31	Total Expenditure	66.17
Profit / (Loss) before Tax	38.14	Profit / (Loss) after Tax	37.92
Earning Per Share (Rs.)	1.02	Dividend Rate (%)	-

**Generic Names of Three Principle Products / Services of the Company  
(as per monetary terms)**

Item Code No. (ITC Code)	Not Applicable
Products / Services Description	Construction Activity
	Construction allied activity

Notes to Accounts Schedule '11'

As per out report of even date attached

**For Asim Santara****Chartered Accountants****For & on behalf of the Board  
of Griffin Chemicals Limited****Asim Santara****Director****Director**

Place : Mumbai

Dated : 27<sup>th</sup> June, 2008

**CASH FLOW STATEMENT ANNEXED TO FINANCIAL STATEMENTS**

	Amount in Rs.	
	As At 31-03-2008	As At 31-03-2007
<b>A. Cash Flow From Operating Activities</b>		
Net Profit /(Loss) Before Tax & Extraordinary Items	38,13,566.84	64,55,214.60
Adjusted for depreciation, Misc. Exp written off, interest exp.	1,24,618.00	1,12,02.00
Operating Profit/(Loss) before working capital changes	39,38,184.84	65,67,286.60
Adjustment for		
Trade and Other Receivables	(1,23,97,106.00)	(1,07,23,333.37)
Inventories	1,50,50,800.00	(58,49,276.00)
Loans & Advances	(16,43,479.00)	13,83,538.00
Other Current Assets	(1,16,910.00)	0.00
Trade Payables	9,35,790.65	(35,91,454.80)
Short Term Loans	(78,09,324.00)	30,09,356.09
Net Adjusted For	(59,90,228.35)	(1,57,71,170.08)
Cash Generated from operations	(20,42,043.51)	(92,03,883.48)
Interest, direct taxes paid and net prior year adj.	22000.00	0.00
Net Cash from Operating Activities	(20,20,043.51)	(92,03,883.48)
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	0.00	(4,06,000.00)
Purchase of Investment	(20,60,000.00)	(39,00,000.00)
Net Cash used in Investing Activities	(20,60,000.00)	(43,06,000.00)
<b>C. Cash Flow From Financing Activities</b>		
Proceeds from Issue of Share Capital	0.00	0.00
Secured Loans	44,21,867.54	28,66,476.09
Revaluation Reserve	0.00	1,00,00,000.00
Net Cash used in Financing Activities	44,21,867.54	1,28,66,476.09
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>2,97,824.05</b>	<b>(6,43,407.39)</b>
<b>OPENING BAL. OF CASH &amp; CASH EQUIVALENTS</b>	<b>2,72,269.00</b>	<b>9,15,676.39</b>
<b>CLOSING BAL. OF CASH &amp; CASH EQUIVALENTS</b>	<b>5,70,093.05</b>	<b>2,72,269.00</b>

We have examined the Cash Flow Statement of Griffin Chemicals Limited for the year ended 31<sup>st</sup> March, 2008. The statement has been prepared in accordance with the requirements of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our Report of 27<sup>th</sup> June, 2008 to the members of the Company.

**For Asim Santara**  
**Chartered Accountants**

Place : Mumbai  
Dated: 27<sup>th</sup> June, 2008

**Asim Santara**

## GRIFFIN CHEMICALS LIMITED

Regd. Office : 202-A, Samrock Apartment, Juhu Lane, Andheri (West), Mumbai - 400 058

### ATTENDANCE SLIP

Regd. Folio No. _____
DP ID _____
Client ID _____
No. of Shares held _____

I hereby record my presence at the 16<sup>th</sup> Annual General Meeting of the Company held at 202-A, Samrock Apartment, Juhu Lane, Andheri (West), Mumbai – 400 058 on Saturday, the 27<sup>th</sup> September, 2008 at 3.00 p.m.

1. Full Name of the member (In Block Letter) \_\_\_\_\_
2. Full name of the joint – Holders (s) (In Block Letter) \_\_\_\_\_
3. Full Name of the Proxy (In Block Letter) \_\_\_\_\_
4. Signature of the Member/Proxy attending the Meeting \_\_\_\_\_

-----Tear Here-----

## GRIFFIN CHEMICALS LIMITED

Regd. Office : 202-A, Samrock Apartment, Juhu Lane, Andheri (West), Mumbai - 400 058

Regd. Folio No. _____
DP ID _____
Client ID _____
No. of Shares held _____

### PROXY FORM

I /We \_\_\_\_\_ of \_\_\_\_\_ being a Member / Members of Garnet Construction Limited, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him / her of \_\_\_\_\_ as my / our Proxy to vote for me / us on my / our behalf at the 16<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, the 27<sup>th</sup> September, 2008 at 202-A, Samrock Apartment, Juhu Lane, Andheri (West), Mumbai – 400 058 at 3.00 p.m. and at any adjourned thereof.

Signed this \_\_\_\_\_ Day \_\_\_\_\_ 2008.

Affix  
One Rs.  
Revenue  
Stamp

\_\_\_\_\_  
Signature

Note : Member/Proxy attending the Meeting must fill – in this Attendance Slip and hand it over at the entrance of the venue of the Meeting.

## **Book-Post**

To

If undelivered, please return to  
Griffin Chemicals Limited  
202-A, Samrock Apartment,  
Juhu Lane, Andheri (West),  
Mumbai – 400 058