

Garnet International Limited



**26th Annual Report
2007-2008**

Garnet International Limited

BOARD OF DIRECTORS

MR. SURESH GAGGAR
 MR. DEVEN MEHTA
 MR. PANKAJ GOEL
 MR. DINESH NANDWANA
 MR. RAMAKANT GAGGAR

BANK

HDFC BANK LIMITED

AUDITORS

M/S. R.S. AGRAWAL & ASSOCIATES

REGISTERED OFFICE

901, RAHEJA CHAMBERS
 NARIMAN POINT
 MUMBAI – 400 021

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NOTICE

NOTICE IS HEREBY GIVEN THAT the 26th Annual General Meeting of Garnet International Limited will be held on Tuesday, 30th day of September 2008 at 4.30 P.M at 901, Raheja Chambers, Nariman Point, Mumbai - 400 021 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Accounts for the year ended 31st March 2008 and Balance Sheet as on that date along with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Suresh Gaggar who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Dinesh Nandwana who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. R.S. Agrawal & Associates, Chartered Accountants, the retiring Auditors as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Ramakant Gaggar, who was appointed as an Additional Director the Company with effect from 24th September 2007 pursuant to the provisions of Section 260 of the Companies Act, 1956 and in accordance with the Articles of Association of the Company and whose term expires at the 26th Annual General Meeting of the Company and for the appointment of whom the Company has received a notice under Section 257 of the said act from a shareholder proposing the candidature of Mr. Ramakant Gaggar for the office of a Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be subject to retirement by rotation."

By order of the Board

Place: Mumbai
Dated: 30th June 2008

SURESH GAGGAR
DIRECTOR

Garnet International Limited

NOTES:

1. ***A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.***
2. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48 hours (forty eight hours) before the time fixed for holding the meeting.
- 3 The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 29th September 2008 to Tuesday, 30th September 2008 (both days inclusive).

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

Item No. 5

Mr. Ramakant Gaggar was appointed as an Additional Director of the Company with effect from 24th September 2007. Pursuant to the provisions of the Section 260 of the Companies Act, 1956, the term of office as Additional Director of the aforesaid person shall expire at the 26th Annual General Meeting of the Company. In the meantime, the Company has received notice under Section 257 of the said act from a shareholder proposing the candidature of Mr. Ramakant Gaggar for the office of Director of the Company. The Board recommends the appointment of Mr. Ramakant Gaggar as a Director of the Company.

The resolution vide Item No. 5 is therefore proposed for the approval of the Members.

Mr. Suresh Gaggar and Mr. Ramakant Gaggar shall be deemed to be concerned or interested in the resolution for their respective appointment. Apart from the said Directors, no other Director shall be deemed to be concerned or interested in the said resolution.

By order of the Board

Place: Mumbai
Dated: 30th June 2008

**SURESH GAGGAR
DIRECTOR**

Garnet International Limited

DIRECTOR'S REPORT

The Members

The Directors of **Garnet International Limited** take pleasure in presenting the Annual Report on the operations of the company, together with the audited accounts for the year ended March 31, 2008.

Financial Results

Particulars	Rs. in Lacs	
	Year ended 31 st March 2008	Year Ended 31 st March 2007
Total Income	149.56	216.32
Profit/(Loss) before Depreciation and Tax	129.12	202.43
Less: Depreciation	1.24	0.99
Profit/(Loss) before Tax	127.88	201.44
Less: Provision for Tax	13.46	24.17
Net Profit /(Loss) after Tax	114.42	177.27

Year and Period under review

During the period under review, your Company has diversified into business activities pertaining to construction and real estate. The said sector provides immense opportunities. The Construction Industry provides various sub-segments such as commercial, residential, townships etc. Your Directors are fully optimistic on capitalizing the ongoing infrastructure boom.

The total income of earned during the year was on account of other income. The company registered a total income of Rs.149.56 lacs as against Rs.216.32 lacs in the previous year. Profit before depreciation and tax stood at Rs.129.12 lacs as against Profit of Rs.202.43 lacs in the previous year. Your company reported net profit of Rs.114.42 lacs.

Audit Committee

The Audit Committee comprises of Mr. Dinesh Nandwana, Mr. Pankaj Goel and Mr. Suresh Gagar as the Members of the Committee.

Mr. Dinesh Nandwana has been appointed as the Chairman of the Committee.

Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that:

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- The applicable standards have been followed in the preparation of the annual accounts.
- The Directors have selected such accounting policies and applied them consistently and made judgments 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 March 31, 2008 and the profit of the company for the year ended on that date.
- The Directors have taken appropriate and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- The Directors have prepared the attached Statement of Accounts for the year ended March 31, 2008 on a going concern basis.

Corporate Governance

As required under the Listing Agreement with Bombay Stock Exchange Limited, a report on Corporate Governance is given in Annexure –A to this Report

Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Suresh Gaggar and Mr. Dinesh Nandwana, Directors of the Company, shall retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment. The Board of Directors recommends their re-appointment.

Mr. Ramakant Gaggar who was appointed as an Additional Director of the Company during the period under review pursuant to the provisions of Section 260 of the Companies Act, 1956 would vacate his office on the date of the ensuing Annual General Meeting of the Company. The Company has received Notice under Section 257 of the said act from a shareholder proposing the candidature of the aforesaid person as a Director of the Company. Accordingly, resolution has been proposed in the Notice of the forthcoming Annual General Meeting of the Company for the appointment of the aforesaid person as a Director of the Company.

During the period under review, Mr. Jitendra Mehta had tendered resignation due to his other pre-occupations. Your Directors place on record their deep appreciation for the valuable contribution made by the outgoing Director during his association with the Company

Fixed Deposits

During the year under review, the company had neither accepted nor renewed any deposit from public within the meaning of Section 58 A of the Companies Act, 1956.

Auditors

M/s. R.S. Agrawal & Associates, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. The retiring Auditors have furnished a certificate of their eligibility for re-appointment under Section 224(1B) of the Companies Act, 1956 and have indicated their willingness to continue in the said office.

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Auditors' Comments

The observations made by the Auditors in their Report read with relevant notes as given in the Notes on Accounts annexed to the Accounts, are self explanatory and therefore do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

Conservation of Energy, Research & Development, Technology absorption, Foreign exchange Earnings and Outgo:

(A) Conservation of Energy and Technology Absorption

Considering the Company's business activities, the Directors have nothing to state in connection with Conservation of Energy and Technology Absorption.

(B) Foreign Exchange Earnings And Outgo

During the year under review, the Company did not have any Foreign Exchange Earnings or Outgo.

Particulars as per section 217(2A) of Companies Act, 1956

Statement containing particulars of employees as required under Section 217(2A) of the Companies Act, 1956, is not given as none of the employees of the Company is covered under the provisions of the said section.

Acknowledgements

The Directors greatly value the support and co-operation received during the year from the Financial Institution, the Company's Bankers, Statutory Authorities and all organizations connected with its business. The Directors also take pleasure in commending the valuable contributions made by the Company's employees at all levels during the year under review.

For and on behalf of the Board

Place: Mumbai

Dated: 30th June 2008

**Suresh Gaggar
Director**

**Dinesh Nandwana
Director**

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REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity. Corporate Governance assumes a great deal of importance in the business life of the Company through adoption of best governance practices and its adherence in the true spirit at all times. The Company believes that proper Corporate Governance facilitates effective management and control of business. The Company's goal is to find creative and productive ways of delighting its stakeholders, while fulfilling the role of a responsible corporate representative committed to best practices. The Company has implemented the mandatory requirements of the 'Code of Corporate Governance' as mentioned in the clause 49 of the Listing Agreement.

2. Board of Directors

a) Composition of the Board

The Board comprises of Five Directors all of whom are Non-Executive Directors. One third of the Board comprises of independent Directors as there is no chairman. All the Directors are liable to retire by rotation.

The composition of the Board and other relevant details relating to Directors are given below:

Name of the Director	Designation	Category of Directorship	No. of Other Directorships*	No. of Other Committee Memberships #	
				Chairman	Member
Mr. Suresh Gaggar	Director	Promoter, Non-Executive; Non Independent	Nil	Nil	Nil
Mr. Ramakant Gaggar	Director	Promoter; Non-Executive; Non-Independent	Nil	Nil	Nil
Mr. Deven Mehta	Director	Promoter; Non-Executive; Non-Independent	1	Nil	2
Mr. Dinesh Nandwana	Director	Non-Executive; Independent	3	Nil	Nil
Mr. Pankaj Goel	Chairman	Non-Executive; Independent	1	Nil	Nil

* Directorships in Private and Foreign Companies, if any are excluded.

Memberships of only Audit Committee, Shareholders/investors' Grievance Committee and Remuneration Committee have been considered.)

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b) Reappointment of Directors:

Resume of the Directors whose appointment/re-appointment is proposed at the forthcoming Annual General meeting is as under:

i) **Mr. Suresh Gaggar**

Mr. Suresh Gaggar is a M.Com. He has been actively associated with financial activities and has sound knowledge and experience on Mergers, Amalgamations, Restructuring, Funds Mobilization, Project Advisory and Financing, Working Capital Arrangements etc. Besides he has deep understanding on Investment and Portfolio Management, Derivatives and Capital Market Operations.

Directorships held by Mr. Suresh Gaggar in other companies is as under :

Sr. No.	Name of the Company
1	Bhuta Investment P. Ltd.
2.	Casanova Builcons P. Ltd.
3.	Jyoti Brigh Bar P. Ltd.
4.	Maxwell Management Services P. Ltd.
5.	Sukartik Export P. Ltd.
6.	Evergreen Infotech & Datacom P. Ltd.

Mr. Gaggar does not hold Committee Chairmanship/Membership in any other Company.

Mr. Suresh Gaggar holds 417000 equity shares in the Company as on 30th June 2008

ii) **Mr. Dinesh Nandwana**

Mr. Dinesh Nandwana is a member of Institute of Chartered Accountants of India having over 23 years of experience of administration. He is Chairman of Vakrangee Softwares Limited, a company involved in development of administrative aspect of both digitized photo and multilingual technology.

Directorships held by Mr. Nandwana in other companies is as under:

Sr. No.	Name of the Company
1	Vakrangee Softwares Limited
2.	Vakrangee Technologies Limited
3.	Vakrangee IT Solutions Limited
4.	Dream River (Neral) Developers P. Ltd.
5.	NJD Holdings P. Ltd.
6.	NJD Biotech P. Ltd.
7.	NJD Infrastructure P. Ltd.
8.	MDN Shares & Stock Brokers P. Ltd.
9.	MDM Multi Commodities P. Ltd.

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Mr. Nandwana does not hold any Chairmanship/Membership in committees of other companies..

Mr. Nandwana does not hold any equity shares in the Company as on 30th June 2008

iii) Mr. Ramakant Gaggar

brief profile to include

Directorships held by Mr. Ramakant Gaggar in other companies is as under :

Sr. No.	Name of the Company
1	Bhuta Investment P. Ltd.
2.	Maxwell Management Services P. Ltd.
3.	Sukartik Export P Ltd.
4.	Evergreen Infotech & Datacom P. Ltd.
5.	MCG Commodities Services P. Ltd.

Mr. Ramakant Gaggar does not hold any Chairmanship/Membership in committees of other companies..

Mr. Ramakant Gaggar holds 912950 equity shares in the Company as on 30th June 2008

c) Board Meetings and Annual General Meeting:

During the financial year 2007-08, 7 Board Meetings were held on 27th April 2007, 28th June 2007, 31st July 2007, 14th August 2007, 24th September 2007, 31st October 2007 and 24th January 2008. The last Annual General Meeting of the Company was held on 21st August 2007. The details of attendance of Directors in Board Meetings and the last Annual General Meeting are as follows.

Name of the Director	No. of Board Meetings Attended	Attendance at Last Annual General Meeting
Mr. Suresh Gaggar	7	Yes
Mr. Deven Mehta	6	Yes
Mr. Dinesh Nandwana	6	Yes
Mr. Pankaj Goel	6	No
Mr. Jitendra Mehta #	Nil	No
Mr. Ramakant Gaggar *	2	N.A.

Resigned w.e.f. 24th September 2007

* Appointed w.e.f. 24th September 2007