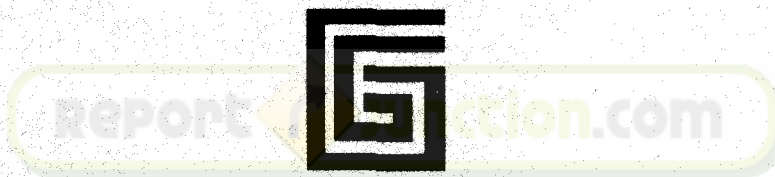


GEE GEE GRANITES LIMITED





GEE GEE GRANITES LIMITED

REGISTERED OFFICE & FACTORY

23, NOCHIMEDU VILLAGE,
NEMAM, POONAMALLEE TALUK
TIRUVALLUR DISTRICT - 602 107

ADMINISTRATIVE OFFICE

'GEE GEE MINAR'
23, COLLEGE ROAD,
NUNGAMBAKKAM,
CHENNAI-600 006

ANNUAL GENERAL MEETING

Date : 30th September, 2006
Day : Saturday
Time : 4.30
Place : 23, Nochimedu Village,
Nemam, Poonamallee Taluk,
Tiruvallur Dist. 602 107.

CONTENTS	PAGE
Notice	2
Directors' Report	3
Auditors' Report	11
Balance Sheet	13
Profit and Loss Account	14
Schedules	15
Notes on Accounts	19
Cash Flow Statement	22
Part IV of Schedule VI	23

DIRECTORS

GOPICHAND IDANDAS
Chairman

SUNIL G. DUSEJA
Managing Director

V. V. NAARAAYAN

SRIRAM V. AYER

AUDIT COMMITTEE & INVESTORS' COMMITTEE

GOPICHAND IDANDAS

V. V. NAARAAYAN

SRIRAM V. AYER

AUDITORS

M/s B.P. JAIN & CO.,
Chartered Accountants,
23, College Road, Chennai - 600 006.

BANKERS

STATE BANK OF INDIA
Overseas Branch, Chennai - 600 001.

REGISTRARS & TRANSFER AGENTS

CAMEO CORPORATE SERVICES LIMITED
"Subramanian Building" 1, Club House Road,
Chennai - 600 002.

FOR THE ATTENTION OF MEMBERS

Members are requested to quote their Folio / I.D. No. in all correspondence and also to bring with them the attendance slip which may be surrendered at the entrance duly signed.

**NOTICE TO THE MEMBERS**

NOTICE is hereby given that the Sixteenth Annual General Meeting of the members of the Company will be held on Saturday, the 30th September, 2006 at 4.30 p.m. at the Registered Office of the Company at 23, Nochimedu Village, Nemam, Poonamallee Taluk, Tiruvallur District, Tamilnadu-602107 to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31.3.2006 and the Profit and Loss Account for the year ended on that date together with the schedules and notes attached thereto and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr.V.V.Naaraayan, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint auditors and fix their remuneration. The retiring auditors M/s.B.P.Jain & Co., Chartered Accountants, Chennai, are eligible for reappointment.

BY ORDER OF THE BOARD
for GEE GEE GRANITES LIMITED

Date : 30-06-2006
Place : Chennai

SUNIL G. DUSEJA
MANAGING DIRECTOR

Note:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member.**
2. The proxy to be effective should be deposited at the Registered Office of the Company at least 48 hours before the time fixed for the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed during 29th and 30th September 2006 (both days inclusive).
4. Members desirous of obtaining any information on the Annual Accounts to be considered at the meeting are requested to write to the company at an early date to facilitate compilation of information.
5. Members are requested to intimate change in their address, if any, immediately to the company at its Registered Office quoting their folio numbers.

The retiring Director Mr.V.V.Naaraayan, aged 60 years (Date of birth 21.4.1946) his a commerce graduate with nearly 40 years experience in the field of finance and accounts. He is also the chairman of the Audit Committee and Member of Share Transfer and Investors' Grievances Committee.



DIRECTORS' REPORT

Your directors have pleasure in presenting the Sixteenth Annual Report and the audited accounts for the financial year ended 31.3.2006.

FINANCIAL RESULTS:

	2005-2006	2004-2005
	(Rupees in lakhs)	
Sales - export / deemed export	332.10	708.09
Local	24.25	39.48
Other income	400.11	111.54
Total income	756.46	859.11
Profit/(Loss) before Depreciation and tax	(27.62)	175.78
Depreciation	44.51	39.90
Net profit/(Net Loss)	(72.12)	135.88
Provision for taxation -Deferred tax	-	44.19
Adjustment for deferred tax assets	15.87	-
Profit/(Loss) after tax	(56.25)	91.69
ADD: Surplus / (Deficit) brought forward from previous year	(192.72)	(284.41)
Net Profit / (Loss) taken to Balance Sheet.	(248.97)	(192.72)

REVIEW OF OPERATIONS

The Company's performance during the later half of the financial year was not up to the expected level, due to the disaster caused by the rain water, both at the factory and also in the Admin. office. For nearly two months, the unit did not function at all, affecting the production to a large extent. The recondition of the machinery and the re-employment of the human forces lead to unnecessary expenditure. Added to that, the non-availability of working capital finance from the Commercial Banks has created its impact on the performance of the Company.

DIVIDEND

In view of the Loss your directors do not recommend any dividend for the current year.

DEPOSITS

The company has not invited or accepted any deposits from public.

DIRECTORS

During the year Mr. V.V. Naaraayan, retires by rotation and being eligible offers himself for reappointment.

AUDITORS

M/s.B.P.Jain & Co., Chartered Accountants, Chennai, retire at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

The Note 1 to the auditors' Report is self-explanatory and needs no further clarification. The company is making efforts to get confirmation from the creditors in future.

PARTICULARS OF EMPLOYEES

There is no employee during the year under review whose particulars are required to be given as per the provisions of Section 217(2A) of the Companies Act, 1956.



CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & RESEARCH AND DEVELOPMENT

A. CONSERVATION OF ENERGY

Through strict control and by monitoring and restricting the usage of energy substantial saving has been achieved.

Running hours of the 640 KVA Genset was closely monitored so that whenever loads for lighting and power were less, the smaller generator (55 KVA) was put into use, effecting a saving of about 20 to 30 ltrs. of diesel per hour.

B. TECHNOLOGY ABSORPTION

The company has adopted the latest state of the art plant and machinery and these machineries are currently available all over the world.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The total foreign exchange earned and used :

Earnings in foreign currency	:	Rs.332.10 lakhs
Outgo in foreign currency		
Import of materials	:	Rs.70.46 lakhs

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors Confirm

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii. that the Directors have 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 31st March 2006 and of the Loss of the company for that year;
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

As per the listing agreement with the Stock Exchanges, a separate discussion on Corporate Governance is appended.

LISTING OF EQUITY SHARES

The company's equity shares are listed on the Chennai and Mumbai Stock Exchanges and the company has paid the annual listing fee to the Stock Exchanges. The company's shares are now traded in Demat form.

ACKNOWLEDGEMENT

Your directors also wish to place on record their appreciation for the co-operation received from the State and Central Government organisations, banks and also from the dedicated management team and the employees of the company.

for and on behalf of the Board,

Place : Chennai
Date : 30-06-2006

GOPICHAND IDANDAS
Chairman



REPORT ON CORPORATE GOVERNANCE - YEAR ENDED MARCH 31, 2006

Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance envisages attainment of highest levels of transparency, accountability and equity, in all its dealings. Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders' value over a sustained period of time and to provide high quality products and services to its customers, stake holders and all others concerned.

Board of Directors

a. Composition

The Board of Directors of the Company consists of 4 Directors and the Chairman of the Board is Mr. Gopichand Idandas, a Non-Executive Director.

i. Promoter Group	Sunil G. Duseja	Managing Director
	Gopichand Idandas	Non-Executive Director
ii. Independent Director	V.V. Naaraayan	Independent and Non-Executive Director
	Sriram V. Ayer	Independent and Non-Executive Director

b. Attendance at Board Meetings & Details of Directorship/Membership in other Boards / Board Committees

Four meetings of the Board were held during the financial year on 30th June 2005, 30th July 2005, 31st October 2005, and 31st January 2006.

Name of the Directors	No. of Board Meetings attended	Attendance at last AGM	*Membership as on 31.03.2006		Shares held in the Company
			Other Boards	Other Board Committees	
Sunil G Duseja	4	Present	Nil	Nil	2,64,000
Gopichand Idandas	4	Present	Nil	Nil	12,90,700
V.V. Naaraayan	4	Present	Nil	Nil	300
Sriram V. Ayer	4	Present	Nil	Nil	—

* Excludes Foreign Companies, Private Limited Companies and Alternate Directorships.

Board Committees

1. Audit Committee

The Audit Committee consists of 3 Directors namely Mr. Gopichand Idandas, Mr. V.V. Naaraayan and Sriram V Ayer. Mr. V.V. Naaraayan is the Chairman of the Committee.

The Committee had 4 meetings during the year and the details of attendance is given below:

Name of the Directors	30.06.2005	29.07.2005	31.10.2005	31.01.2006
Gopichand Idandas	Yes	Yes	Yes	Yes
V.V. Naaraayan	Yes	Yes	Yes	Yes
Sriram V Ayer	Yes	Yes	Yes	Yes

2. Share Transfer/Investors' Grievances Committee:

Share Transfer Committee meets at regular intervals to consider share transfers/ transmissions, issue of duplicate share certificates, splits etc.,



Investors' grievances committee is mandated to respond/redress investors' correspondence/grievances. All letters received from Stock Exchanges and SEBI and the responses to such letters by the company are reviewed by the Committee. The present share transfer Committee consists of 3 Directors with Mr. Gopichand Idandas as the Chairman of the Committee.

The Committee had 11 meetings during the year 2005.06 on the following dates. 30th April 2005, 31st May 2005, 25th June 2005, 29th July 2005, 30th August 2005, 30th September 2005, 10th November 2005, 12th December 2005, 19th January 2006, 10th March 2006 and 31st March 2006.

Name of the Directors	No of meetings attended.
Gopichand Idandas	11
V.V. Naaraayan	11
Sriram V Ayer	11

Name and Designation of the Compliance Officer : Mr. P.S. Anantha Krishnan

Remuneration Committee

Due to small size of its operation the company does not have Remueration Committee.

Remuneration to Directors

The details of remuneration paid/payable to all Directors during the year 2005-2006 are given below:

Name of the Directors	Basic Pay Rs.	HRA Rs.	Sitting fee Rs.	Total Remuneration Rs.
Sunil. G. Duseja	3,60,000	1,80,000	-	5,40,000
Gopichand Idandas	-	-	2,500	2,500
V.V. Naaraayan	-	-	2,500	2,500
Sriram V. Ayer	-	-	2,500	2,500

Apart from the above Mr. Sunil G Duseja is provided with telephone at residence.

Code of Conduct :

The Company has circulated the code of conduct for its Directors.

Communication with shareholders

- The quarterly and the annual results are generally published in Trinity Mirror and Makkal Kural. The same are also submitted to the Stock Exchanges. The Annual Report is sent to individual shareholders. During the year in October 2005 the entire accounting and other records and computers were totally drenched and damaged in the torrential rain experienced by Chennai. The Company had to start rebuilding the entire accounting and other records for the year 2005-2006 with the new computers purchased. As a result the company could not consider the unaudited financial results for the quarters ended 30.09.2005 and 31.12.2005. The Stock Exchanges at Chennai and Mumbai were also informed of the fact.

2. General Body Meetings

Details of last three General Body meetings:

Financial Year Ending	Date	Time	Venue
31 st March 2003	26.09.2003	4.35 P.M	Registered Office*
31 st March 2004	27.08.2004	4.35 P.M	Registered Office*
31 st March 2005	02.09.2005	4.35 P.M	Registered Office*

* at No.23, Nochimedu Village, Nemam, Poonamallee Taluk, Thiruvallur District, Tamil Nadu – 602 107.