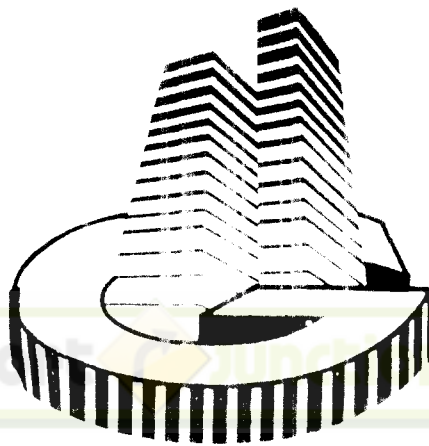


GYAN DEVELOPERS & BUILDERS LIMITED



For **GYAN DEVELOPERS & BUILDERS LTD,**


Managing Director.

TWELFTH

ANNUAL REPORT

(2003 - 2004)

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GYAN DEVELOPERS & BUILDERS LIMITED

CORPORATE INFORMATION

(2003 - 2004)

BOARD OF DIRECTORS

T. ASHOK RAJ	-	Managing Director
N. GAJRAJ	-	Director
S. VIJAYAN	-	Director
T. KAMALA DEVI	-	Director
M.SUNITHA	-	Director

REGISTERED OFFICE

- Plot No. M149, Door No. 8/2, 8th Cross St,
T.V. Nagar, Thiruvanimyur, Chennai -600 041.

BANKER

- Tamil Nadu Mercantile Bank Ltd.,
Chennai - 600 017.

SHARE TRANSFER AGENT

- M/s Intergrated Enterprises (India) Limited.
II Floor, "Kences Towers,
No.1 , Ramakrishna St, North Usman Road,
T. Nagar, Chennai - 600 017.
Ph : 28140801-30, Fax : 28142479

DEMAT ISIN

- INE - 487G01018

AUDITOR

- G.C. DAGA & CO.,
Chartered Accountants, CHENNAI



GYAN DEVELOPERS & BUILDERS LIMITED

NOTICE

GYAN DEVELOPERS AND BUILDERS LIMITED
Regd Off: Plot No.M 149, Door No.8/2, 8th Cross Street,
T.V.Nagar, Thiruvannamiyur, Chennai 600 041

Notice is hereby given that the Twelfth Annual general meeting of the share holders of M/s.GYAN DEVELOPERS AND BUILDERS LIMITED will be held on Friday, 24th day of September 2004 at 9.30 A.M. at No.2L, Rear Block, Prince Arcade, 22-A, Cathedral Road, Chennai 600 086, to transact the following business

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.2004 and Profit and Loss Account for the Company for the period ending 31st March 2004 and the Reports of the Directors and Auditors.
2. To elect a Director in the place of Sri T.Ashok Raj, who retires by rotation and being eligible offers himself for reappointment.
3. To consider the re-appointment of M/s.G.C.Daga & Co., Chartered Accountants as the Auditors of the Company from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT Smt.T.Kamala Devi, Director whose term of Office expires at this A.G.M and in respect of whom the Company had received a Notice under Section 257 of the Companies Act 1956 from a Member proposing the candidature of Smt.T.Kamala Devi for the Office of Director, be and is hereby appointed as Director subject to retirement of directors by rotation"
5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT Smt.M.Sunitha, Director whose term of Office expires at this A.G.M and in respect of whom the Company had received a Notice under Section 257 of the Companies Act 1956 from a Member proposing the candidature of Smt.M.Sunitha for the Office of Director, be and is hereby appointed as Director subject to retirement of directors by rotation."
6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT Sri. N.Gajraj, Director whose term of Office expires at this A.G.M and in respect of whom the Company had received a Notice under Section 257 of the Companies Act 1956 from a Member proposing the candidature of Sri.N.Gajraj for the Office of Director, be and is hereby appointed as Director subject to retirement of directors by rotation"
7. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT Sri.S.Vijayan, Director whose term of Office expires at this A.G.M and in respect of whom the Company had received a Notice under Section 257 of the Companies Act 1956 from a Member proposing the candidature of Sri.S.Vijayan for the Office of Director, be and is hereby appointed as Director subject to retirement of directors by rotation"
8. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

GYAN DEVELOPERS & BUILDERS LIMITED

RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 310,314 read with Schedule XIII and other applicable provisions of the Companies Act 1956, the appointment of Mr. T. Ashok Raj, as the Managing Director of the company for a period Five years with effect from 30.01.2004 to 29.01.2009 on a non-rotational basis made at the Board meeting held on 05.02.2004 without any remuneration/prequisites from the company as per the recommendation of the Remuneration Committee, be and is hereby approved, confirmed and ratified".

- b) "FURTHER RESOLVED THAT the Remuneration Committee be and is hereby authorised to vary or alter the terms and conditions of the appointment of Mr. T. Ashok Raj, Managing Director including the fixation of salary".

On behalf of the Board
for GYAN DEVELOPERS AND BUILDERS LIMITED

S/D. T. ASHOK RAJ
Managing Director.

Place : Chennai

Date : 05.08.2004.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND PROXY NEED NOT BE A MEMBER. THE PROXIES SHOULD BE LODGED WITH THE COMPANY NOT LATTER THAN 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING.
2. Shareholders / Proxy holders are requested to produce at the entrance the attached admission duly completed and signed, for admission to the meeting hall.
3. The register of members and share transfer of the company will remain closed from 22.09.2004 to 24.09.2004 (Both days inclusive).
4. Members are requested to notify change of address, if any, promptly in order to serve them better.
5. Explanatory Statement pursuant to Section 173 (2) of the Companies Act 1956 for item nos.4 to 8 are as follows.

ITEM NO.4

Smt.T.Kamala Devi, was appointed as an Additional Director in the Board meeting held on 02.12.2003. Pursuant to provisions of Section 260 of the Companies Act, 1956, she holds the office till the ensuing Annual General Meeting. A notice has been received from a shareholder, along with the prescribed deposit, pursuant to section 257 of the Act, proposing the appointment of Smt.T.Kamala Devi, as a Director of the Company. Your Board recommends the above resolution. Mr.Ashok Raj is considered as interested in the above resolution, since he is the son of Mrs.T.Kamala Devi.

ITEM NO.5

Smt.M.Sunitha, was appointed as an Additional Director in the Board meeting held on 02.12.2003. Pursuant to provisions of Section 260 of the Companies Act, 1956, she holds the office till the ensuing Annual General Meeting. A notice has been received from a shareholder, along with the prescribed deposit, pursuant to section 257 of the Act, proposing the appointment of Smt.M.Sunitha, as a Director of the Company. None of the Directors are considered as interested in the above resolution, except Smt.M.Sunitha.

GYAN DEVELOPERS & BUILDERS LIMITED

ITEM NO.6

Sri.N.Gajraj, was appointed as an Additional Director in the Board meeting held on 02.12.2003. Pursuant to provisions of Section 260 of the Companies Act, 1956, he holds the office till the ensuing Annual General Meeting. A notice has been received from a shareholder, along with the prescribed deposit, pursuant to section 257 of the Act, proposing the appointment of Sri.N.Gajraj, as a Director of the Company. None of the Directors are considered as interested in the above resolution, except Sri.N.Gajraj.

ITEM NO.7

Sri.S.Vijayan, was appointed as an Additional Director in the Board meeting held on 02.12.2003. Pursuant to provisions of Section 260 of the Companies Act, 1956, he holds the office till the ensuing Annual General Meeting. A notice has been received from a shareholder, along with the prescribed deposit, pursuant to section 257 of the Act, proposing the appointment of Sri.S.Vijayan, as a Director of the Company. None of the Directors are considered as interested in the above resolution, except Sri.S.Vijayan.

ITEM NO.8

Mr.T.Ashok Raj, who was the whole time director was appointed as a Managing Director in the Board meeting held on 05.02.2004, subject to the approval of members for a period of 5 years i.e., from 30.01.2004 to 29.01.2009, Pursuant to provisions of sections 198, 269, 309, 310, 314 read with Schedule XIII and other applicable provisions of the Companies Act 1956, without any remuneration / perquisites from the Company as per the recommendation of the Remuneration Committee. He possesses rich experience in the field of construction. Your Board recommends his confirmation and ratification of appointment of the Managing Director.

Mr.T.Ashok, Managing Director, is considered as interested in the above resolution. Mrs.T.Kamala Devi, mother of Mr.T.Ashok Raj, is considered as interested in the above resolution.

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE, FOLLOWING INFORMATION ARE FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/REAPPOINTED, VIDE ITEMS NOS. 4,5,6,7,8 OF THE NOTICE DATED 05.08.2004

Name of the Director	T. Kamaladevi	M. Sunitha	N. Gajraj	S. Vijayan	T. Ashokraj #
Date of Birth	14.12.1950	15.01.1972	09.10.1982	24.01.1956	24.09.1967
Date of appointment on the Board as Director / Managing Director #	02.12.2003	02.12.2003	02.12.2003	02.12.2003	05.02.2004
Date of last re - appointment as Director	Nil	Nil	Nil	Nil	Nil
Qualification	Nil	+ 2	B.B.A	-	B.Com
List of Out side Directorships held	Nil	Nil	Nil	Nil	Nil
Chairman / Member of the Committees of Board of Directors of the Company	Nil	Member in A.C. Chairman in R.C	Chairman in A.C. Member in R.C.	Member in A.C. & R.C.	Nil

A.C. - Audit Committee.

R.C. - Remuneration Committee

GYAN DEVELOPERS & BUILDERS LIMITED

DIRECTORS REPORT

Your Directors have pleasure in presenting the 12th Annual Report together with audited accounts for the year ended 31.03.2004.

WORKING RESULTS

The summarised financial results for the year ended 31.03.2004 and for the previous year 31.03.2003 are as under:

	2003-04	(Rs.) 2002-03
Income from Operations	5,14,462.20	1,78,18,078.15
Expenditure	9,97,125.11	1,78,12,029.34
Profit / Loss for the year before tax	(4,82,662.91)	6,048.81
Less : Provision for Tax	-	69,017.00
Current Tax :	477.00	
Deferred Tax	68540.00	
Profit / Loss after tax	(4,82,662.91)	(62,968.19)

OPERATIONS :

The Company has made a loss of Rs.4,82,662.91 as against previous loss of Rs.62,968.19. Despite the slackness in the real estate market and fluctuation in the prices in the Real Estate Field, your Company is able to do good business for the year under review. Since the Projects are started belatedly the company could not earn Profits. However during the current year company has started earning Profit.

DEPOSITS:

The Company has not accepted any deposits from the public during the period under review.

DIVIDEND :

Due to losses, your Directors cannot recommend dividend.

DIRECTORS :

Smt.T.Kamala Devi, Smt. M.Sunitha, Sri.N.Gajraj and Sri.S.Vijayan were appointed as additional directors in the Board Meeting held on 02.12.2003, your Board recommends their continuation. Sri.Ajit Kumar resigned from the Board on 02.12.2003 and Sri.G.Goutham Chand resigned from the Board on 30.01.2004. further Sri.T.Ashok Raj, Whole Time Director was appointed as Managing Director in the Board Meeting held on 05.02.2004 for a period of 5 years from 30.01.2004 to 29.01.2009. The confirmation of her appointment as Managing Director as Placed before this meeting for the approval of the Share holders.

Mr.T.Ashok Raj, Managing Director liable to retire by rotation, being eligible offers himself for re-appointment.

AUDITORS :

M/s.G.C.Daga & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Board recommends their re-appointment. The Company has received confirmation that their appointment will be within the limits specified u/s.224 (1B) of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your directors state;

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

GYAN DEVELOPERS & BUILDERS LIMITED

- b. that the directors had 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 at the end of the financial year and of the loss of the company for the period;
- c. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. that the directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE:

Detailed Report on the Corporate Governance in Compliance of Clause 49 of the Listing Agreement are attached, which form part of the report.

CASH FLOW STATEMENT :

Cash Flow Statement as per Clause 32 of the Listing Agreement is enclosed.

STATUTORY DISCLOSURES:

The Provisions of Section 217 (2A) of the Companies Act, 1956 and the rules thereunder are not applicable as no employee was in receipt of remuneration specified therein. The Company is taking utmost care in the Conservation of Energy. The Company has no activity in relation to Technology Absorption. The Company has no foreign Exchange outgo or inflow.

GENERAL :

We wish to placed on record our sincere thanks for the help and service by our Bankers, customers, auditors and staff.

On behalf of the Board
for GYAN DEVELOPERS AND BUILDERS LIMITED

T.Ashok Raj
Managing Director.

T.Kamala Devi
Director.

Place : Chennai

Date : 05.08.2004.

GYAN DEVELOPERS & BUILDERS LIMITED

REPORT ON CORPORATE GOVERNANCE 2003 - 2004

Mandatory Requirements:

1. COMPANY PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Your Company is committed to the standards of corporate governance in all its activities and functions. The business of the Company are carried out to benefit all the shareholders of the company and not to benefit any particular group or constituents thereof.

2. BOARD OF DIRECTORS:

The Board comprises of five directors, one executive director, one non-executive director and three non executive independent directors. During the year Thirteen meetings were held.

28.04.2003	30.09.2003	28.11.2003	05.02.2004
02.06.2003	27.10.2003	02.12.2003	
20.06.2003	30.10.2003	11.12.2003	
24.07.2003	15.11.2003	30.01.2004	

The composition of Board of directors and their attendance at the meeting during the year and at the last annual general meeting as also number of other directorships/ memberships of committees are as follows:

Sl No.	Name	Category	No of BM attended 2003-04	Whether attended 11thAGM	No of other directorship in public cos.	Committee Membership Chairman / Member.
1.	G.Goutham Chand	Managing Director*	12	Yes	Nil	Nil
2.	Ajit Kumar	Director (NED)**	10	No	Nil	Nil
3.	T.Ashok Raj	Managing Director \$	13	Yes	Nil	Nil
4.	N.Gajraj	Director (NEID)	4	Yes	Nil	Chairman
5.	S.Vijayan	Director (NEID)	4	Yes	Nil	Member
6.	M.Sunitha	Director (NEID)	4	Yes	Nil	Member
7.	T.Kamala Devi	Director	4	Yes	Nil	Nil

*G.Goutham Chand resigned with effect from 30.01.2004.

** Ajit Kumar resigned with effect from 02.12.2003.

\$ Mr.T.Ashok Raj, Whole Time Director is appointed as Managing Director, With effect from 30.01.2004 for a Period of 5 years.

3. AUDIT COMMITTEE:

The Audit Committee met on 28.04.2003, 24.07.2003, 27.10.2003, 11.12.2003, 30.01.2004 and 05.02.2004 attended by Mr.Ajit Kumar - Chairman, G.Goutham Chand - Member, T.Ashok Raj - Member. The audit committee was re-constituted on 11.12.2003. Presently, the audit committee consists of following members: