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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DAV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SH	<input checked="" type="checkbox"/>
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# 5<sup>TH</sup> ANNUAL REPORT

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**GEL** GARNET CONSTRUCTION  
L I M I T E D

**GARNET CONSTRUCTION LIMITED****Annual Report****BOARD OF DIRECTORS**

SHRI KISHAN KUMAR KEDIA  
 SHRI ARUN K. KEDIA  
 SHRI SANJAY K. KEDIA  
 SHRI SOHAN LAL AGARWAL  
 MS. ANUPAM AGARWAL  
 SHRI SANJAY SHIRGAONKAR

CHAIRMAN AND MANAGING DIRECTOR  
 DIRECTOR  
 DIRECTOR  
 DIRECTOR  
 DIRECTOR  
 DIRECTOR

**AUDITORS**

KIRTI MEHTA & ASSOCIATES  
 146/152 SAMUEL STREET,  
 217/218 COLABA ENTERPRISES BUILDING,  
 MUMBAI 400 009.

**BANKERS**

KARNATAKA BANK LTD.  
 STATION ROAD,  
 KANDIVALI (WEST),  
 MUMBAI 400 067.

**REGISTERED OFFICE**

17, MILAP APARTMENTS,  
 S.V. ROAD,  
 MALAD (WEST),  
 MUMBAI 400 064.

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**WORKS****VILLAGE****TALUKA**

HONAD  
 DHEKU  
 KUMBHIVALI  
 DHAMNI  
 AMBIVALI

KHALAPUR, DIST. RAIGAD  
 KHALAPUR, DIST. RAIGAD  
 KHALAPUR, DIST. RAIGAD  
 KHALAPUR, DIST. RAIGAD  
 KHALAPUR, DIST. RAIGAD

**GARNET CONSTRUCTION LIMITED****Annual Report****NOTICE**

**NOTICE** is hereby given that the Fifth Annual General Meeting of the Members of **GARNET CONSTRUCTION LIMITED** will be held on Friday, the 26th September, 1997 at the Registered Office of the Company at 17, Milap Apartments, S.V. Road, Malad (West), Mumbai - 400 064. at 11.30 A.M to transact the following business :

**ORDINARY BUSINESS**

- 1) To receive, consider and adopt the audited Balance Sheet as at March 31, 1997 and the profit and Loss Account for the financial year ended on that date and the Report of Directors and Auditors thereon.
- 2) To appoint a Director in the place of Shri Sanjay Shirgaonkar who retires and shown his inability to continue.
- 3) To Appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company and to fix their remuneration

By Order of the Board of Directors  
GARNET CONSTRUCTION LIMITED

Sd/-  
**KISHAN KUMAR KEDIA**  
Chairman & Managing Director

Place : Mumbai  
Dated : 26th August, 1997

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY MAY BE SENT IN THE FORM ENCLOSED AND IN ORDER TO BE EFFECTIVE MUST REACH AT THE REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Directors' Report, Auditors' Report and the Balance Sheet as at 31st March, 1997 and the profit & Loss account for the financial year ended on that date are enclosed.
3. Members/proxies should bring the Attendance Slip duly filled in for attending the meeting.
4. Members are requested to notify any change in their address quoting their folio number to the Company's share department.
5. Members are requested to bring their copies of the Annual Report at the meeting.

By Order of the Board of Directors  
**GARNET CONSTRUCTION LIMITED**

Sd/-  
**KISHAN KUMAR KEDIA**  
CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai  
Dated : 26th August, 1997

**Registered Office:-**  
17, Milap Apartments,  
S.V. Road, Malad (West),  
Mumbai - 400 064.

**GARNET CONSTRUCTION LIMITED****Annual Report****DIRECTORS' REPORT**

Your Directors have pleasure in presenting to you the Fifth Annual Report and Audited Statement of Accounts of the Company for the financial year ended 31st March, 1997.

**FINANCIAL RESULTS**

This is the second year of Commercial operation of the Company. The Results are as Under :

Particulars	(Rs. in Lacs)	
	As on 31st March 1996	As on 31st March 1997
Profit before Depreciation & Tax	12.49	13.65
Depreciation	0.83	1.12
Profit before Tax	11.66	12.53
Provision for Taxation	6.00	6.00
Profit after Tax	5.66	6.53
Share Capital	540.22	540.22
Reserves & Surplus	5.66	12.19
Net Worth	545.88	552.41
Book Value Per Share	10.10	10.23
E.P. S. (Rs.)	0.10	0.12

**DIVIDEND :**

In view of Strengthening the Financial Position of the Company and keeping in view the long term Business Plans your Directors do not recommend any dividend from the Profits made during the Year and proposes to transfer entire amount of profits to the Reserves of the Company.

**PERFORMANCE**

The year under review witnessed a turnover of Rs. 159.21 Lacs. The Company had started a Residential Project namely Panchdeep Housing Complex consisting of 176 plots. The significant achievement of the year is the successful sale of 49 plots mainly to NRIs. The total revenue generated from the sale in 1996-97 is Rs. 76.54 lacs. The Development of the plots is expected to commence from October, 1997. The Company has also purchased 100 Acres of land which will have approximately 500 plots (Hsg.) in the second phase of its programme.

The Year 1996-97 saw the emergence of a new project i.e. Emerald Industrial Estate at Village Dheku, Taluka - Khalapur, Dist. - Raigad consisting of 49 Plots out of which 15 plots are sold in the year 1996-97 leading to generation of revenue of Rs. 77.76 Lacs.

During the year the company has acquired 73.02 Acres of land at Dist. Raigad.

The company has already started process of Shed Construction in at the Dhamn. Village, Taluka - Khalapur, Dist. - Raigad. The company has already constructed 10 Industrial Sheds in the year 1996-97. The Revenue generation from the sale of the 85 sheds is estimated at Rs. 606.32 Lacs. in the coming year. The company has already incurred an expenditure of Approx. Rs. 56.45 lacs including the land value under construction till 31st March, 1997. The Company has received an Advance of Rs. 10.18 Lacs against the sale of Sheds. Since the Construction work is in progress, the company will recognise the revenue in the year of its completion.

The Directors are happy to communicate that all the business group has contributed to this performance. The Directors take this opportunity to thank the dedicated team of people who have contributed to its success.

**GARNET CONSTRUCTION LIMITED****Annual Report****BUSINESS PROSPECTS**

Although Construction Industry is passing through bad time the Company do not foresee any difficulties in fulfilling its objectives as the Company has been concentrating on industrial estates, plots, and sheds in tune with the Country's agenda for infrastructure development which is essential purquisites for sustained growth of the economy, Your Company is also making its contribution to the evergrowing infrastructure market.

Looking at the demand for housing complexes near to industrial parks the Company has already envisaged a Housing Complex Project to cater to the need of the official accommodation for the various industries located in that area. The company had acquired 200 Acres of land for its Resort Project at Village Ambivli, in Raigad District which is very near to New Bombay - Pune Express Highway. The Company expects good revenue generation from resort project due to its proximity to highway and leading industrial units. The Resort will be equipped with all the necessary infrastructure for Indoor & Outdoor Sports, Restaurant, Conference Hall, Banquet Hall.

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

The details regarding conservation of Energy and Technology absorption are not relevant since it is a construction industry.

**FOREIGN CURRENCY TRANSACTION**

The Company has incurred travelling allowance of Rs. 1,55,486 (\$4308.90) on Director for his trip to Dubai & Bahrain in connection with Marketing of Panchdeep Housing Complex project to NRI's.

**DIRECTORS**

Shri Sanjay Shirgaonkar retire from the Board and had shown his inability to continue due to preoccupation. The Company has received notice in writing from one of the members to appoint Mrs. Varsha A. Kedia as a director in place of Mr. Sanjay Shirgaonkar. The Board recommends her appointment.

**AUDITORS**

The Auditors M/s Kirti Mehta & Associates, retire and are eligible for reappointment. You are requested to consider their re-appointment for the Financial year ending March, 1998 and fix their remuneration.

As regards Auditor's observations, the notes provided with the Accounts are self-explanatory.

**FIXED DEPOSITS**

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

**PERSONNEL**

Particulars of the employees of the Company pursuant to Section 217 (2A) of the Companies Act, 1956 is not required to be given because none of the employees of the Company draws remuneration in excess of the amount of remuneration prescribed in the Section.

**APPRECIATION**

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from banks, and other Government Bodies.

Your Directors wish to place on record their deep sense of appreciation for the devoted services of the staff for its success.

For and on behalf of the Board  
of GARNET CONSTRUCTION LIMITED

Sd/

KISHAN KUMAR KEDIA  
CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai

Dated : 14th August, 1997.

## GARNET CONSTRUCTION LIMITED

## Annual Report

## KIRTI MEHTA &amp; ASSOCIATES

Chartered Accountants

146/152 Samuel Street, 217/218 Colaba Enterprises Building,

Mumbai 400 009.

## AUDITOR'S REPORT

To,  
The Members of  
GARNET CONSTRUCTION LIMITED

We have audited the attached Balance Sheet of GARNET CONSTRUCTION LIMITED as on 31st March, 1997 and the Profit and loss Account of the Company for the year ended on that date, annexed thereto and report that :

1. As required by the Manufacturing and other companies (Auditors Report) Order, 1988 issued by the company law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state 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 account as required by the companies Act, 1956 have been kept by the Company, so far as it appears from our examination of books.
  - c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
  - d) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account read together with the Significant Accounting Policies and the notes thereon give the information required by the Companies Act, 1956 in the manner so required and gives a true and fair view :
    - (i) in so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March 1997 and
    - (ii) in so far as it relates to profit and Loss Account, of Profit of the Company for the year ended on that date.

FOR KIRTI MEHTA & ASSOCIATES  
CHARTERED ACCOUNTANTS

DATED : 12TH OF AUGUST, 1997  
PLACE : MUMBAI

Sd/-  
K.T. METHA  
PROPRIETOR.

**GARNET CONSTRUCTION LIMITED****Annual Report**

**ANNEXURE TO THE AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 1997 :**  
(Referred to in paragraph 1 of our report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. 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 nature of its assets. No material discrepancies were noticed on such verification.
2. None of the fixed Assets have been revalued during the year.
3. As explained to us, the stock of stores, equipments and spare parts Stock of Land which constitutes the raw materials, plots, sheds which constitutes the finished Goods of the 'Company have been physically verified by the Management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business.
4. In our opinion and according to the information and explanations given to us, the procedures of physical verification of the stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
5. As explained to us, there were no material discrepancies noticed on physical verification of stocks of raw materials Stores and spares and finished goods having regard to the size of the operations of the Company.
6. In our opinion, the valuation of the aforesaid stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year, except to valuation of opening stock of land, where the expenses incurred prior to the commencement of commercial operation were being added in the previous financial year being in the nature of Expenses Pending Allocation to Projects. As per informations and explanations provided to us by the management, this treatment of expenses was necessary and acceptable and was in accordance with the normal accounting principles.
7. In our opinion and as per the explanation provided to us, the Company has taken loans and advances from companies, firms or other parties listed in the registers maintained under Section 301 of the Companies Act, 1956 and from the companies under the same management as defined in Sub-section (1B) of Section 370 of the Companies Act, 1956. As per the information and explanations provided to us by the management all these loans and advances were taken in the nature of current account and were for a short period and therefore no interest was payable for the same.
8. In our opinion and as per the explanations provided to us, the company has granted loans and advances to the companies, firms or other parties listed in the register maintained under section 301 and to the companies under the same management as defined in Sub-Section [1B] of section 370 of the Companies Act, 1956. As per the information and explanations provided to us by the management these loans and advances were given in the nature of current account and were for a short period and therefore no interest was receivable for the same.
9. The parties to whom loans or advances in the nature of current account have been given by the company are repaying the principle amounts as stipulated and no interest is chargeable for the same.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regards to purchase of stores, raw materials including components, plant and machinery, equipments and other assets and also for the sale of plots being finished goods of the Company.
11. In our opinion and according to the information and explanations given to us, there were transactions of purchases and sales of raw materials and goods made in pursuant of contracts or arrangements entered in the registers maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party and the price at which these transactions were made were reasonable having regards to prevailing market price of such raw materials and goods.