



ANNUAL REPORT

1998 - 99

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

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

SHRI KISHAN KUMAR KEDIA
 SHRI ARUN K. KEDIA
 SHRI SANJAY K. KEDIA
 SHRI SOHAN LALA AGARWAL
 MRS. ANUPAM KEDIA
 MRS. VARSHA KEDIA
 MRS. KUSUMDEVI KEDIA

CHAIRMAN AND MANAGING DIRECTOR
 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.

WORKS**VILLAGE**

HONAD
 DHEKU
 KUMBHIVALI
 DHAMNI
 AMBIVALI

TALUKA

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 Seventh Annual General Meeting of the Members of **GARNET CONSTRUCTION LIMITED** will be held on Wednesday, the 29th September, 1999 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, 1999 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 Smt. Anupam Kedia & Smt. Varsha Kedia, who retires by rotation and being eligible offer themselves for re-appointment.
- 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.

SPECIAL BUSINESS :

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

"RESOLVED that pursuant to the circular issued by the Securities and Exchange Board of India, the provision of Listing Agreement and subject to such conditions and modifications as may be imposed in granting such as approval and which may be agreed by the Board of Directors (Board), the consent of the Company be and is hereby accorded to delist the Equity Shares of the Company from The Stock Exchange, Ahmedabad & Jaipur, with effect from 1st October, 1999".

"FURTHER RESOLVED that the Board be and is hereby authorised to do all such acts and things as may be necessary for the purpose of giving effect to the above resolution".

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

"RESOLVED that subject to the provision of section 198, 269, 309, read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to increase the Salary of Mr. Kishan Kumar Kedia, Managing Director of the Company from Rs.20,000/- per month to Rs.25,000/- per month with effect from 1st April, 1999.

- 6) To consider, and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that subject to the provision of section 198, 269, 309, read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to increase the Salary of Mr. Arun Kumar Kedia, the Wholetime Director of the Company from Rs.15,000/- per month of Rs.20,000/- per month, with effect from 1st April, 1999.

- 7) To consider, and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that subject to the provision of section 198, 269, 309, read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to increase the Salary of Mr. Sanjay Kedia, the Wholetime Director of the Company from Rs.15,000/- per month of Rs.20,000/- per month, with effect from 1st April, 1999.

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

"RESOLVED that subject to the provision of section 198, 269, 309, read with schedule XIII and other

GARNET CONSTRUCTION LIMITED**Annual Report**

applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accords to appoint Mrs. Anupam Kedia as a Executive Director of the Company, designated as a Director, for a period of 5 years with effect from 1st April, 1999. The Consent of the Company is also hereby accorded to give the Salary of Rs.5,000/- per month as the Executive Director of the Company, with effect from 1st April, 1999.

- 9) To consider, and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that subject to the provision of section 198, 269, 309, read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accords to appoint Mrs. Varsha Kedia as a Executive Director of the Company, designated as a Director, for a period of 5 years with effect from 1st April, 1999. The Consent of the Company is also hereby accorded to give the Salary of Rs.5,000/- per month as the Executive Director of the Company, with effect from 1st April, 1999.

By Order of the Board of Directors

GARNET CONSTRUCTION LIMITED

Sd/-

KISHAN KUMAR KEDIA
Chairman & Managing Director

Place : Mumbai

Dated : 30th August, 1999

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, 1999 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.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd September, 1999 to 28th September, 1999.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.4

The Equity Shares of the Company are presently listed on the Stock Exchange Mumbai and The Stock Exchange, Ahmedabad, Jaipur since the date of listing on 28th February, 1995.

Pursuant to circular SMDRP/CIR-14/98 dated 29th April, 1998 issued by the Securities and Exchange Board of India to all the Stock Exchanges, voluntary delisting of securities on the stock exchanges other than the Regional Stock Exchange shall be permitted by the Stock Exchanges at the request of the Company. In view of infrequent / non trading of the Company's equity Shares on The Stock Exchange, Ahmedabad, Jaipur, it is proposed to delist the equity shares of the Company. The Company shall continue

GARNET CONSTRUCTION LIMITED **Annual Report**

its listing of securities with the Stock Exchange Mumbai. As the equity shares of the company can be traded on the ON-LINE system of the Stock Exchange, Mumbai, the exit opportunity will continue to be available to those shareholders in area covered by the Stock Exchange, Ahmedabad, Jaipur, where voluntary delisting is being sought.

None of the Directors of the Company are concerned or interested in the said resolution.

Your Directors recommend the Special Resolution for your approval.

ITEM NO. 5

Mr. Kishan Kedia, the Chairman & Managing Director of the Company, has put in appreciable efforts to expand the Company's business in the current market situation. It has been proposed by the Board to increase their basic Salary from Rs. 20,000/- p.m. to Rs. 25,000/- p.m. from April 1st, 1999.

The board recommends the above mentioned resolution.

None of the Directors except Mr. Kishan Kedia, is in any way interested or concerned in this resolution proposed to be passed.

ITEM NO. 6 & 7

Mr. Arun Kedia & Mr. Sanjay Kedia, the Whole-time Directors of the Company, have put in appreciable efforts to expand the Company's business in the current market situation. It has been proposed by the Board to increase their basic Salary from Rs. 15,000/- p.m. to Rs. 20,000/- p.m. from April 1st, 1999.

The board recommends the above mentioned resolution.

None of the Directors except Mr. Arun Kedia & Mr. Sanjay Kedia, are in any way interested or concerned in this resolution proposed to be passed.

ITEM NO. 8 & 9

Mrs. Varsha Kedia & Mrs. Anupam Kedia, the dynamic Directors of the Company having a greater insight and innovative ideas, are proposed to be appointed as Executive Directors of the Company with effect from 1st April, 1999. It has been proposed by the Board to recommend their basic Salary Rs. 5,000/- p.m. from April 1st, 1999.

The board recommends the above mentioned resolution

None of the Directors except Mrs. Varsha Kedia & Mrs. Anupam Kedia, are in any way interested or concerned in this resolution proposed to be passed.

By order of the Board of Directors
GARNET CONSTRUCTION LIMITED
Sd/-

KISHAN KUMAR KEDIA
Chairman & Managing Director

Place : Mumbai
Dated : 30th of August, 1999

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 Seventh Annual Report and Audited Statement of Accounts of the Company for the financial year ended 31st March, 1999.

FINANCIAL RESULTS

The results are as Under :

PARTICULARS	(Rs. in Lacs)	
	As on 31st March 1999	As on 31st March 1998
Profit before Depreciation & Tax	23.89	12.14
Depreciation	2.54	1.15
Profit before Tax	21.35	10.99
Provision for Taxation	6.50	5.50
Profit after Tax	14.85	5.49
Share Capital	540.22	540.22
Reserves & Surplus	32.52	17.68
NET WORTH	572.75	557.90
Book Value Per Share	10.60	10.33
E.P.S. (Rs.)	0.27	0.10

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

During the year under review witnessed a turnover of Rs. 298.61 Lacs. The significant achievement of the year is the successful sale of plots of Arkosh Industrial Estate to the tune of Rs. 280.39 Lacs.

The process of Shed Construction at the Dhamni Village, Taluka-Khalapur, Dist.-Raigad is in progress. Your Company has incurred an expenditure of Rs. 50.84 Lacs including the Land value under construction till 31st March, 1999. 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.

BUSINESS PROSPECTS

Due to the incentives provided by the Finance Minister in the last Budget, the Construction Industry is on revival phase and it has led to the increased demand for the Housing & the Industrial premises. Therefore 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 prerequisites for the sustained growth of the economy. Your Company is also making its contribution to the evergrowing infrastructure market.

Looking at the demand for housing complexes and the industrial plots, the Company is also planning to set up the Resort & the amusement park at the Lonavala - Karla region. The Company has already started its implementation programme and incurred an expenses of Rs. 3.00 Lacs approximately for the above project.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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