

10TH

ANNUAL REPORT
2001-2002

GARNET CONSTRUCTION
L I M I T E D

CERTIFIED TRUE COPY
FOR GARNET CONSTRUCTION LTD.



DIRECTOR

BOARD OF DIRECTORS

SHRI KISHAN KUMAR KEDIA
SHRI ARUN KUMAR KEDIA
SHRI SANJAY KUMAR KEDIA
SHRI SOHANLAL AGARWAL
MRS. ANUPAM KEDIA
MRS. VARSHA KEDIA
MRS. KUSUMDEVI KEDIA

CHAIRMAN & MANAGING DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR

AUDITORS

NAVIN NISHAR & ASSOCIATES
A/11, PARUL KUNJ CO.OP HSG. SOC. LTD.
267, S.V.ROAD, BORIVALI (WEST), MUMBAI - 400 092.

BANKERS

THE KARNATAKA BANK LTD.
GROUND FLOOR, MATRU ASHISH CO.OP HSG.SOC.LTD.
NEXT TO BALBHARATI HIGHSCHOOL,
S.V.ROAD, KANDIVALI (WEST),
MUMBAI - 400 067.

REGISTERED OFFICE

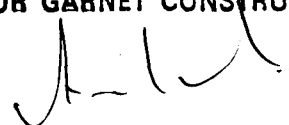
17, MILAP APRTMENTS,
S.V.ROAD,
MALAD (WEST),
MUMBAI - 400 064.

WORKS

VILLAGE
HONAD
DHEKU
KUMBHIVALI
DHAMNI
AMBIVALI
KARLA(LONAVALA)

TALUKA
KHALAPUR, DIST. RAIGAD
KHALAPUR, DIST. RAIGAD
KHALAPUR, DIST. RAIGAD
KHALAPUR, DIST. RAIGAD
KHALAPUR, DIST. RAIGAD
MAWAL, DIST. PUNE

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FOR GARNET CONSTRUCTION LTD.**



DIRECTOR

GARNET CONSTRUCTION LIMITED

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

NOTICE is here by given that the Tenth Annual General Meeting of the Members of **GARNET CONSTRUCTION LIMITED** will be held on Monday, the 30th September, 2002 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, 2002 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, who retires by rotation and being eligible offer themselves for re-appointment.
- 3) To appoint a Director in the place of Smt. Varsha Kedia, who retires by rotation and being eligible offer themselves for re-appointment.
- 4) 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

Kishan Kumar Kedia
Chairman & Managing Director

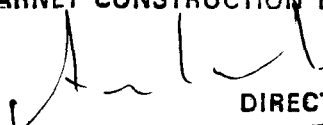
Place : Mumbai

Dated : 30th August, 2002.

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, 2002 and the Profit & Loss account for the financial year ended on that date are enclosed.

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FOR GARNET CONSTRUCTION LTD.


DIRECTOR

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 25th September, 2002 to 28th September, 2002.
7. The Company is registered with the National Securities Depository Limited and Central Depository Services (India) Limited and the shares of the Company have been de-materialised compulsorily for the Institutional investors. The ISIN code number of the Company is INE797D01017 . Any member desirous of de-materialise his holding may do so through any of the Depository participants.

By order of the Board of Directors
GARNET CONSTRUCTION LIMITED

KISHAN KUMAR KEDIA
Chairman & Managing Director

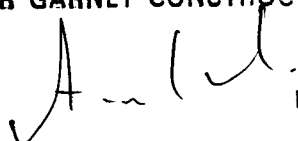
Report Junction.com

Place : Mumbai
Dated : 30th of August, 2002.

Registered Office :-

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

**CERTIFIED TRUE COPY
FOR GARNET CONSTRUCTION LTD.**


DIRECTOR

GARNET CONSTRUCTION LTD.**DIRECTORS' REPORT**

Your Directors have pleasure in presenting to you the Tenth Annual Report and Audited Statement of Accounts of the Company for the financial year ended 31st March, 2002.

FINANCIAL RESULTS

The results are as under :

(Rs. in Lacs)

PARTICULARS	As on 31st March 2002	As on 31st March 2001
Profit before Depreciation & Tax	05.56	06.51
Depreciation	03.59	03.58
Profit before Tax	01.97	02.93
Provision for Taxation	00.30	00.50
Provision for Deferred Taxation	01.22	00.00
Profit after Tax	00.45	02.43
Share Capital	540.22	540.22
Reserves & Surplus	38.07	44.17
NET WORTH	578.29	584.39
Book Value Per Share	10.70	10.82
E.P.S. (Rs.)	00.01	00.04

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. 70.75 Lacs. The Company has sold the Sheds at Neelkanth Industrial Estate to the tune of Rs. 24.00 Lacs & Sale of plots at Neelkanth Industrial Estate to the tune of Rs. 4.79 Lacs, Emerald Industrial Estate Rs. 17.01 Lacs.

During the year, your Company has incurred an expenditure of Rs. 2.29 Lacs towards the development of " GARNET RESORT " project. The total expenditure incurred for the GARNET RESORT project till 31st March, 2002 is Rs. 69.39 Lacs including the Land value .

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

At present, the development & Construction activities are increasing slow & steadily and likewise the demand for the Housing & the Industrial premises are increasing. Therefore the Company do not foresee any difficulties in achieving its target 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.

With the increased 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 it's implementation programme 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.

FOREIGN CURRENCY TRANSACTION

The Company has not incurred any travelling expenses during the year under review.

CORPORATE GOVERNANCE

In terms of Listing Agreement with Stock Exchanges, the Company is required to comply with the Corporate Governance provisions by 2002-2003. The Company is taking steps for compliance accordingly.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 217 (2AA) of the Companies (Amendment) Act, 2000, the Directors confirm :

- i. that in the preparation of Annual Accounts, the applicable accounting standards had been followed along with the proper explanation relating to material departures if any.
- ii. that the Directors had 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 the end of the Financial year and of the Profit & Loss of the Company for that period.
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so to prevent and detect fraud and other irregularities.
- iv. that the Directors had prepared the accounts on a going concern basis.

DIRECTORS

The Directors Smt. Anupam Kedia & Smt. Varsha Kedia retires by rotation and being eligible offers themselves for re-appointment. The Board recommends their re-appointment.

AUDITORS

M/s. Navin Nishar & Associates, Chartered Accountants, the retiring Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and they are eligible, offers themselves for re-appointment and have indicated their willingness to act and as such you are requested to appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

AUDIT REPORT

The Notes to Accounts referred to in the Auditor's report are self- explanatory and therefore do not call for any further explanation.

FIXED DEPOSITS

Your Company has not accepted any Fixed deposit during the period under review which falls under the definition of Section 58 A 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 draw remuneration in excess of the amount of remuneration prescribed in the Section.

APPRECIATION

Your Directors wish to place on record their 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

KISHAN KUMAR KEDIA
CHAIRMAN & MANAGING DIRECTOR

PLACE : MUMBAI

DATED : 30TH AUGUST, 2002.

NAVIN NISHAR & ASSOCIATES
CHARTERED ACCOUNTANTS

A/11, PARUL KUNJ CO. OP. HSG. SOC. LTD., 267, S.V.P. ROAD,
BORIVALI (WEST), MUMBAI- 400 092.

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, 2002 and the Profit and Loss Account of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amount and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

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, the Balance Sheet and the Profit and Loss Account dealt with by this report have been prepared in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable.
 - e) On the basis of written representations received from Directors & taken on record by the Board of Directors, we report that none of the Directors of the Company are disqualified from being appointed as Directors of the Company under clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) 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 2002 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 NAVIN NISHAR & ASSOCIATES
CHARTERED ACCOUNTANTS

Dated : 30th AUGUST, 2002.
Place : MUMBAI

NAVIN K. NISHAR
PROPRIETOR

NAVIN NISHAR & ASSOCIATES
CHARTERED ACCOUNTANTS

A/11, PARUL KUNJ CO. OP. HSG. SOC. LTD., 267, S.V.P. ROAD,
BORIVALI (WEST), MUMBAI- 400 092.

ANNEXURE TO THE AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2002 :
(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, 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 finished goods having regard to the size of the Company and nature of its business.
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 preceeding year.
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 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 therefore no interest was receivable for the same.
9. As per explanation given to us by the management 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.