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**ANNUAL REPORT**  
**2003-2004**

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

**GARNET CONSTRUCTION LTD.****BOARD OF DIRECTORS**

SHRI KISHAN KUMAR KEDIA  
 SHRI ARUN KUMAR KEDIA  
 SHRI SANJAY KUMAR KEDIA  
 SHRI SOHANLAL AGARWAL  
 SHRI SANTOSH GINORIA  
 SHRI SHIROMANI CHAUHAN  
 SMT. VAISHALI SAYYED

CHAIRMAN AND MANAGING DIRECTOR  
 DIRECTOR  
 DIRECTOR  
 DIRECTOR  
 DIRECTOR  
 DIRECTOR  
 ADDITIONAL DIRECTOR

**AUDITORS**

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

**BANKERS**

KARNATAKA BANK LTD.  
 S. V. 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  
 KARLA

**TALUKA**

KHALAPUR, DIST. RAIGAD  
 KHALAPUR, DIST. RAIGAD  
 KHALAPUR, DIST. RAIGAD  
 KHALAPUR, DIST. RAIGAD  
 KHALAPUR, DIST. RAIGAD  
 MAVAL, DIST. PUNE

**NOTICE**

Notice is hereby given that the 12<sup>th</sup> Annual General Meeting of the Members of **GARNET CONSTRUCTION LIMITED** will be held on Wednesday, the 29<sup>th</sup> September, 2004 at 10.00 a.m. at Jurassic Park Resorts & Club, Village – Kharodi, Off. Marve Road, Ali Talao Road, Malad (West), Mumbai - 400 095, to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2004, and the Profit & Loss Account for the year ended on that date and the reports of Directors' and Auditors' thereof.
2. To appoint a Director in the place of Shri Arun Kedia who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri Sanjay Kedia who retires by rotation and being eligible offers himself 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.

**SPECIAL RESOLUTION**

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

“Resolved that pursuant to Section 257 of the Companies Act, 1956, Smt. Vaishali Sayyed be and is hereby appointed as a Director, who was appointed as an additional director in the Board of Directors Meeting and as such who holds office up to the date of ensuing Annual general Meeting.”

By order of the Board  
For Garnet Construction Limited

Place : Mumbai  
Dated : 30<sup>th</sup> August, 2004

**Kishan Kumar Kedia**  
Chairman & Managing Director

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The register of Members and the Share Transfer Book will remain closed from 21<sup>st</sup> September, 2004 to 28<sup>th</sup> September, 2004 (both days inclusive) for the purpose of ensuing Annual General Meeting.
3. Members are requested to notify any changes in their address quoting their folio number to the Company's share department.
4. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
5. Members are requested to bring their copies of the Annual Report at the Meeting.
6. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.

**Explanatory Statement, as required under Section 173 (2) of the Companies Act, 1956.**

**ITEM NO. 5**

Smt. Vaishali Sayyed was appointed as additional directors during the year and from that date she has been associated with the Company and looking after the affairs of the Company. Further, to comply the listing agreement and corporate governance provisions the board proposes to re-appoint her as regular directors. The Board therefore recommends to members for their approvals to appoint her as independents non-promoter director. None of the Directors are interested in or concerned with the said resolution.

By order of the Board  
For Garnet Construction Limited

Place : Mumbai  
Dated : 30<sup>th</sup> August, 2004

**Kishan Kumar Kedia**  
Chairman & Managing Director

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

**Details of Director Appointed /Seeking re-appointment in forthcoming Annual General Meeting :**

The brief resume of Directors seeking appointment :

**1. Vaishali Sayyed (26)**

Mrs. Vaishali Sayyed has been associates with the Company since appointment and has vast experience of administration, finance and accounts.

**The brief resume of Directors seeking re-appointment :**

**1. Arun Kedia (36)**

Shri Arun Kedia was appointed as promoter director since incorporation and instrumental person to established the Company. He holds 3 directorship in other Companies.

**2. Sanjay Kedia (35)**

Shri Sanjay Kedia was appointed as promoter director since incorporation and instrumental person to established the Company. He holds 2 directorship in other Companies

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**DIRECTORS' REPORT**

Your Directors have pleasure in presenting to you the 12<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2004.

**FINANCIAL RESULTS**

	<b>(Rs. In Lacs)</b>	
	<b>As on 31.03.2004</b>	<b>As on 31.03.2003</b>
Profit before Depreciation	30.15	6.27
Depreciation	4.34	4.16
Profit before Tax	25.81	2.11
Provision for Taxation	10.00	0.24
Provision for Deferred Taxation	1.29	1.37
Profit After Tax	14.52	0.50
Share Capital	540.22	540.22
Reserve & Surplus	52.75	38.56
Net Worth	592.97	578.78
Book value per Share	10.97	10.71
E. P. S. (Rs.)	0.27	0.01

**DIVIDEND**

Your directors do not recommend any dividend for the year.

**OPERATIONAL REVIEW**

Your directors are pleased to communicate that during the year under review the Company is able to achieve better turnover and net profit during the year compared to previous year. The Company has sold 9 plots and achieved turnover of Rs. 103.00 lacs as compared to previous year of Rs. 49.96 lacs. The increase in sales due to appointment of reputed Marketing Agency and continuous advertisement in newspaper and good policy adopted by the Company. This has resulted in shifting in booking of plots in the current year. The profit after tax has been much higher than previous year.

**FUTURE OUTLOOKS AND PROSPECTS**

As you are aware that the Company is engaged in the industrial development in the State of Maharashtra by providing infrastructure of best quality and other ancillary services to the customers for putting up any kind of project. Your directors are pleased to inform you that at present the Company has been instrumental in setting up of 150 projects in its various industrial estates. The Company designs the industrial estates considering the requirement of its customers and matching with the project requirement of any industry/sector. Further, the Company has developed dedicated and core team for rendering the following essential services for putting up any kind of project :

1. Assistance in selection of land / plot suiting the customers project requirement
2. Vastu Shastra Assistance followed by services
3. Assistance in obtaining the SIA/SSI Registration
4. Assistance in securing power connection from MSEB
5. Assistance in securing consent from MPCB
6. Assistance in getting the project finance

The Company has also designed its payment mechanism in the most suited manner based upon the customer's repayment capabilities and requirement. This ensures the Company to increase its sale and also the collection at good price of its land, as it eliminates the discounting and bargaining procedures. Thus, We at Garnet fulfill our customer's requirement at ONE STOP by rendering all the services besides industrial land/plot for smooth implementation.

The Company has identified the following as growth and focus areas :

1. Sale of Industrial Plots
2. Sale of Readymade Industrial Galas
3. Making foray in the Residential Construction Segment

The construction industry at present is not anticipating any down fall in the market rate. The impact of the same will be reflected in the coming financial results of the Company in the current and next years.

Further, as members are aware that the Company has already ventured into residential project, at Lonavala. The said project of admeasuring 25 acres valued at Rs. 7 crores is almost ready for construction.

### **DIRECTORS**

Shri Arun Kedia and Shri Sanjay Kedia, Directors, retire at the ensuing annual general meeting and offers themselves for re-appointment. You are requested to reappoint them. During the year under review, Smt. Vaishali Sayyed has joined the Board and has been appointed as Additional Directors. It would be in the interest of the company to appoint her as a regular director and therefore, you are requested to consider and approve the resolution of appointing her. During the year Smt. Minal Dalal resigned from the board. Board places their appreciation to director for their valuable support.

### **FIXED DEPOSITS**

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

### **CORPORATE GOVERNANCE**

The Management discussion and analysis and the compliance of corporate governance are annexed to this report.

### **AUDITORS**

The Auditors M/s Navin Nishar & Associates, Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible offer themselves for reappointment. You are requested to consider their reappointment for the next financial year and fix their remuneration.

The Specific notes forming part of the Accounts referred to in the Auditors' Report are self-explanatory and do not require any further elucidation.

### **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.

### **STATUTORY DISCLOSURES**

- A) Particulars of the employees of the Company pursuant to Section 217 (2A) of the Companies Act, 1956 is not required to be given as none of the employees of the Company drawn remuneration in excess of amount prescribed in the section.
- B) Particulars required to be furnished by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988:
  - i) Part A and Part B relating to Conversion of Energy and technology Absorption are not applicable to the Company as your Company is not a manufacturing Company.
  - ii) Foreign Exchange Earning and Outgo :- The Company has incurred Rs. Nil/- towards the foreign traveling expenses during the year under review.

### **ACKNOWLEDGEMENT**

Your Directors thanks the banks for their valuable and timely financial assistance and support provided to the Company. Your Directors also thanks to the customers, suppliers, Government Institutions and others for the co-operation extended to the Company. The Board also places on record its appreciation for the assistance and co-operation received from staff and you the shareholders.

For and on behalf of the Board of  
Garnet Construction Limited

Place : Mumbai  
Dated : 30<sup>th</sup> August, 2004

**Kishan Kumar Kedia**  
Chairman & Managing Director



## ANNEXURE TO DIRECTOR'S REPORT

## Corporate Governance Report

## a. Company's philosophy on code of Governance

The Garnet Construction Ltd. believes that good corporate governance is essential to achieve long term goals and also to enhance the shareholders value. The Company is engaged in construction activity and rendering good quality of industrial construction at Khopoli to strive for continuous improvement in all other areas to create value that can sustain over a long term for all its shareholders, employees, customers, government and others.

## b. Board of Directors :

1. The Board of Directors of the Company is comprised of :

**Promoter Director**                      Mr. Kishan Kumar Kedia  
    Mr. Arun Kedia  
    Mr. Sanjay Kedia  
    Mr. Sohanlal Agarwal

**Non promoter Director**                Mr. Santosh Ginoria  
    Mr. Shiromani Chauhan  
    Mrs. Vaishali Sayyed

2. Attendance of Directors at Board meetings and Annual general Meeting

Name of Directors	No. of Board Meeting held	Attended	Last AGM	No. of other Directorship	Committee Membership/ Chairmanship
Mr. Kishan Kumar Kedia	8	8	Y	3	-
Mr. Arun Kedia	8	8	Y	3	-
Mr. Sanjay Kedia	8	8	Y	2	-
Mr. Sohanlal Agarwal	8	6	N	1	-
Mr. Santosh Ginoria	8	8	Y	-	-
Mr. Shiromani Chauhan	8	6	N	-	-
Mrs. Minal Dalal *	8	5	N	-	-

\* Resigned w.e.f. 12<sup>th</sup> July, 2004.

8 Board meetings were held during the year on 05.04.2003, 29.04.2003, 31.07.2003, 11.08.2003, 30.08.2003, 31.10.2003, 29.11.2003 and 30.01.2004.

## c. Audit Committee

The Audit Committee is comprised of 3 members viz. Mr. Santosh Ginoria Mr. Shiromani Chauhan and Mrs. Minal Dalal. There were five meeting held during the year on 29.04.2003, 31.07.2003, 25.08.2003, 31.10.2003 and 30.01.2004, all the members had attended all meeting. The role and terms of reference of the audit committee covers the matter specified for audit committees under clause 49 of the listing agreement and provisions of Companies Act, 1956.

**d. Remuneration Committee**

The Board has not constituted any Remuneration Committee which is non mandatory however the details of remuneration paid to the Directors for the year 2003 - 04 are as under :

**Managerial Remuneration :**

Salary	:	Rs. 4,20,000
Commission	:	-
Other Perquisite	:	-
Total	:	Rs. 4,20,000

**e. Shareholders / Investors Grievance Committee**

The Board has constituted a share transfer committee consisting of Mr. Kishan Kumar Kedia, Mr. Sanjay Kedia and Mr. Arun Kedia, and Mr. Arun Kedia is designated as Compliance Officer. As on 31<sup>st</sup> March, 2004 there were no complaints pending and no share transfer pending for registration for more than 30 days as on the said date.

**f. General Body Meeting**

Location and time where last three Annual general Meeting (AGMs) were held :

AGM/EGM held	Day, Date & Time	Venue
AGM	Tuesday, 30.09.2003, 11.30 a.m.	Registered Office
AGM	Monday, 30.09.2002, 11.30 a.m.	Registered Office
AGM	Saturday, 29.09.2001, 11.30 a.m.	Registered Office
EGM	Tuesday, 29.05.2001 11.00 a.m.	Registered Office

No special resolution were put through postal ballot last year and nor is there any proposal for this year.

**g. Disclosures**

The related party transactions are furnished in note no. B(5) of the Schedule R as given under notes to accounts.

No penalty or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

**h. Means of Communication**

The quarterly results are published in the "Free Press Journal and Navshakti" newspapers. The Company do not have website for displaying results or official news. Further the company has complied with the requirement of SEBI EDIFAR on regular basis.

Management discussion and analysis is a part of the Annual Report.

**i. General Shareholders Information****1) AGM – Date, time and venue :**

Date	:	29 <sup>th</sup> September, 2004
Time	:	10.00 a.m.
Venue	:	Jurassic Park Resorts & Club, Village – Kharodi, Off. Marve Road, Ali talao Road, Malad (West), Mumbai – 400 095.