



ANNUAL REPORT
2010-2011



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 SANTOSH GINORIA
SHRI SHIROMANI CHAUHAN
SHRI ANIL PATEL

CHAIRMAN AND MANAGING DIRECTOR
DIRECTOR - MARKETING
FINANCE DIRECTOR
DIRECTOR
DIRECTOR
ADDITIONAL DIRECTOR

AUDITORS

SHANKARLAL JAIN & ASSOCIATES
12, ENGINEER BUILDING,
265, PRINCESS STREET,
MUMBAI - 400 002.

BANKERS

AXIS BANK LTD.
S. V. ROAD,
KANDIVALI (WEST),
MUMBAI - 400 067.

ALLAHABAD BANK
S. V. ROAD,
ANDHERI (WEST),
MUMBAI - 400 058.

REGISTERED OFFICE

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

CORPORATE OFFICE

401, LAXMI MALL,
LAXMI IND. ESTATE, LINK ROAD,
ANDHERI (WEST),
MUMBAI - 400 053.

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 19th Annual General Meeting of the Members of **GARNET CONSTRUCTION LIMITED** will be held on Thursday, the 29th September, 2011 at 10.00 a.m. at Ashish -1 Banquet, Land Mark Building, Link Road, Mid Chowky, Malad (West), Mumbai - 400 064, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011, 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 Auditor 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

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 Shri Anil Patel be and is hereby appointed as 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."

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

"Resolved that Subject to provisions of section 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable, provisions, if any of the Companies Act, 1956 or any amendment thereof or substitution thereof that Shri Kishan Kumar Kedia be and is hereby appointed as Chairman & Managing Director of the Company with effect from 1st April, 2011 for a period of 5 years on the Remuneration of Rs. 1.50 Lacs per annum with effect from 1st April, 2011 with a liberty to the Board of Directors of the Company (which shall be deemed to include any committee of the Board as and when constituted) to fix, increase, alter or vary from time to time, the remunerations of the said appointment and subject to the same not exceeding at any point of time, the ceiling specified in Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) or any amendment and/or modifications that may hereafter from time to time be made thereto by the Central Government.

Resolved Further That in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of his as a Chairman & Managing Director of the Company, the remunerations shall be governed by the limit prescribed in Section II of Part - II of schedule XIII of the Companies Act, 1956 as amended from time to time.

Resolved Further That the aforesaid consent of the Company is accorded without prejudice to his rights of holding managerial position of whatsoever nature in any other company and draw remuneration therefrom, to the regulatory guidelines and ceiling stipulated in this regard.

Resolved Further That for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to do all such, acts, deeds, matters or things as may be necessary, expedient or desirable in the interest of the Company."

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

"Resolved that Subject to provisions of section 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable, provisions, if any of the Companies Act, 1956 or any amendment thereof or substitution thereof that Shri Arun Kedia be and is hereby appointed as Director - Marketing of the Company with effect from 1st April, 2011 for a period of 5 years on the Remuneration of Rs. 1.50 Lacs per annum with effect from 1st April, 2011 with a liberty to the Board of Directors of the Company (which shall be deemed to include any committee of the Board as and when constituted) to fix, increase, alter or vary from time to time, the remunerations of the said appointment and subject to the same not exceeding at any point of time, the ceiling specified in Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) or any amendment and/or modifications that may hereafter from time to time be made thereto by the Central Government.

Resolved Further That in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of his as a Director - Marketing of the Company, the remunerations shall be governed by the limit prescribed in Section II of Part - II of schedule XIII of the Companies Act, 1956 as amended from time to time.

Resolved Further That the aforesaid consent of the Company is accorded without prejudice to his rights of holding managerial position of whatsoever nature in any other company and draw remuneration therefrom, to the regulatory guidelines and ceiling stipulated in this regard.

Resolved Further That for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to do all such, acts, deeds, matters or things as may be necessary, expedient or desirable in the interest of the Company."

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

"Resolved that Subject to provisions of section 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable, provisions, if any of the Companies Act, 1956 or any amendment thereof or substitution thereof that Shri Sanjay Kedia be and is hereby appointed as Finance Director of the Company with effect from 1st April, 2011 for a period of 5 years on the Remuneration of Rs. 1.50 Lacs per annum with effect from 1st April, 2011 with a liberty to the Board of Directors of the Company (which shall be deemed to include any committee of the Board as and when constituted) to fix, increase, alter or vary from time to time, the remunerations of the said appointment and subject to the same not exceeding at any point of time, the ceiling specified in Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) or any amendment and/or modifications that may hereafter from time to time be made thereto by the Central Government.

Resolved Further That in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of his as a Finance Director of the Company, the remunerations shall be governed by the limit prescribed in Section II of Part – II of schedule XIII of the Companies Act, 1956 as amended from time to time.

Resolved Further That the aforesaid consent of the Company is accorded without prejudice to his rights of holding managerial position of whatsoever nature in any other company and draw remuneration therefrom, to the regulatory guidelines and ceiling stipulated in this regard.

Resolved Further That for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to do all such, acts, deeds, matters or things as may be necessary, expedient or desirable in the interest of the Company.”

By order of the Board
For Garnet Construction Limited

Kishan Kumar Kedia
Chairman & Managing Director

Place : Mumbai
Dated : 29th August, 2011

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

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 22nd September, 2011 to 29th September, 2011 (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. A member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least eight days prior to the meeting so that the required information can be made available at the meeting.

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

ITEM NO. 5

During the year Shri Anil Patel was appointed as Additional Director in the Board of Directors meeting and he is having enough knowledge and experience in construction industry the same will help the Company in its operations. Therefore, it is in the interest of the Company to appoint him as regular director of the Company. The board recommended the acceptance of the resolution. None of the directors is deemed to be interested or concerned in the said resolution except Shri Anil Patel, Director of the Company.

ITEM NO. 6, 7 & 8

The Board of Directors of the Company at its meeting held on 3rd September, 2011 approved the re-appointment and payment of remuneration to Shri Kishan Kumar Kedia, Shri Arun Kedia and Shri Sanjay Kedia as Chairman & Managing Director, Director – Marketing and Finance Director respectively of the Company w.e.f. 1st April, 2011 for a period of 5 years. Their material terms and conditions of their appointment is that they will get the remuneration of Rs. 1.50 lacs p.a. with an increment to be decided by the Board of Director subject to the same is not exceeding at any point of time, the ceiling laid down under the provisions of the Companies Act, 1956 and Schedule thereto.

Your directors recommend this resolutions for your approvals. None of the directors except Shri Kishan Kumar Kedia, Shri Arun Kedia and Shri Sanjay Kedia are concerned or interested in this resolution.

The above explanation may also be taken as an abstract of the terms of agreement and memorandum of consent or interest under section 302 (2) of the Companies Act, 1956.

By order of the Board
For Garnet Construction Limited

Kishan Kumar Kedia
Chairman & Managing Director

Place : Mumbai
Dated : 29th August, 2011

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

The brief resume of Directors seeking re-appointment :

1. Kishan Kumar Kedia (65)

Shri Kishan Kumar Kedia is instrumental person and promoter director of the Company highly experienced person and having tremendous knowledge of management and control of business. He holds Nil directorship in other companies.

2. Arun Kedia (42)

Shri Arun Kedia was appointed as promoter director since incorporation and instrumental person in marketing of the company's project along with well versed with statutory compliance. He holds Nil directorship in other Companies.

3. Sanjay Kedia (41)

Shri Sanjay Kedia was appointed as promoter director since incorporation and instrumental person of the Company, he is well versed with finance and implementation part of the Company's projects. He holds Nil directorship in other Companies.

4. Anil Patel (26)

Shri Anil Patel is by profession engineers and will play important role in company operation specially in designing and other works for setting up projects of the Company, presently he is looking after the Company Magic Hill project. He holds Nil directorship in other company.

DIRECTORS' REPORT

Your Directors have pleasure in presenting to you the 19th Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2011.

FINANCIAL RESULTS

	(Rs. In Lacs)	
	As on 31.03.2011	As on 31.03.2010
Sales & other Income	1236.60	507.62
Profit before Depreciation, Int. & Tax	(0.94)	(262.07)
Depreciation	25.39	80.84
Interest	138.36	18.76
Profit before Tax	(164.69)	(162.47)
Provision for Taxation	0.00	0.00
Provision for Deferred Taxation	0.00	18.27
Profit After Tax	(164.69)	(144.30)
Share Capital	1390.22	1390.22
Reserve & Surplus	4565.53	4792.30

DIVIDEND

Due the losses your directors do not recommend any dividend for the year.

OPERATIONAL REVIEW

During the year under review the Company has suffered losses of Rs. 164.69 Lacs as against previous year losses of Rs. 144.30 Lacs, the same is due to sales return and therefore even there is substantial increased in sales figures compare to previous year, your Company unable to generate profit. Further the construction sector is not doing well, the same is additional factor for current year losses. However, the management is confident of achieving better result in coming financial year.

DIRECTORS

Shri Arun Kedia and Shri Sanjay Kedia, Directors are retiring at the ensuing annual general meeting and offers themselves for re-appointment. You are requested to reappoint them. Further during the year Smt. Vaishali Sayyed resigned from the board, board place their appreciation to her for her valuable support. Besides, during the year board has appointed Shri Anil Patel, as additional director you are request to consider his re-appointment as regular director.

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

A separate section on Corporate Governance is included in the Annual Report and the certificates from the Company's Auditors confirming the compliances of conditions on Corporate Governance as stipulated in Listing Agreement is annexed thereto.

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

AUDITORS

The Auditors M/s Shankarlal Jain & Associates, Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible to 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

Your Director make the following statement to Section 217 (2AA) of the Companies Act, 1956 :

- 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, further there is a change in accounting policy in relation with recognition of sales as well as income.
- 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.

LISTING FEES

The Company confirms that the Annual Listing Fees due to Bombay Stock Exchange Ltd., Mumbai for the Financial Year 2011 – 2012 has been paid.

CUSTODIAN CHARGES

The Company confirms that the Custodian Charges due to the National Securities Depository Ltd., and Central Depository Services (India) Ltd. have been paid for the financial year 2011-12 as applicable and payable as per the SEBI circular in this regard.

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. 1,83,572/- towards the foreign traveling expenses during the year under review.

ACKNOWLEDGEMENT

Your Directors thanks the banks, financial institutions 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.

Place : Mumbai
Dated : 29th August 2011

**For and on behalf of the Board of
Garnet Construction Limited**

**Kishan Kumar Kedia
Chairman & Managing Director**