

22nd Annual Report **2013 - 2014**



Garnet Construction Limited

Registered & Corporate Office:

501/531, Laxmi Mall, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai - 400 053.

Tel: 91-22-42578500 | Fax: 91-22-42578522 | E-mail: garnet@garnetconstructions.com | www.garnetconstructions.com

GARNET CONSTRUCTION LIMITED

BOARD OF DIRECTORS :

Mr. Kishan Kumar Kedia	Chairman & Managing Director
Mr. Arun Kedia	Marketing Director
Mr. Sanjay Kedia	Finance Director
Mr. Shriromani Chauhan	Director
Mr. Santosh Ginoria	Director
Mrs. Seema Bhattar	Director

AUDITORS :

M/s Shankarlal Jain & Associates

12, Engineering Building,
265, Princess Street, Mumbai – 400 002

BANKERS :

Axis Bank Ltd

S.V.Road,
Malad West,
Mumbai – 400 064.

Allahabad Bank

S.V.Road,
Andheri West,
Mumbai – 400 058

Union Bank of India

S.V.Road,
Jogeshwari (W).
Mumbai – 400 102.

REGISTRAR & SHARE TRANSFER AGENT: **M/s Link Intime India Pvt. Ltd.**
C-13, Panalal Silk Mill Compound,
LBS Marg, Bhandup,
Mumbai – 400 078.

REGISTERED OFFICE :

501/531, Laxmi Mall,
Laxmi Industrial Estate,
New Link Road, Andheri (West),
Mumbai - 400 053.

If Undelivered, Please Return To :

Garnet Construction Limited

Registered & Corporate Office:

501/531, Laxmi Mall, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai - 400 053.

Tel: 91-22-42578500 | Fax: 91-22-42578522 | E-mail: garnet@garnetconstructions.com | www.garnetconstructions.com

NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of **GARNET CONSTRUCTION LIMITED** will be held on Tuesday, the 30th September, 2014 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, 2014, and the Profit & Loss Account for the year ended on that date and the reports of Directors' and Auditors' thereof.
2. To re - appoint a Director in the place of Shri Arun Kedia (DIN No. 00205183) who retires by rotation and being eligible offers himself for re-appointment.
3. To re - appoint a Director in the place of Shri Sanjay Kedia (DIN No. 00205220) who retires by rotation and being eligible offers himself for re-appointment.
4. To re - appoint M/s Shankarlal Jain & Associates, Chartered Accountants, as Statutory Auditor of the Company and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Shiromani Singh (holding DIN 02451817), a Non-Executive Director of the Company whose period of office was liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and Clause 49 of the Listing Agreement and is eligible for appointment, be and is hereby appointed as an Independent Director to hold office for 5 (five) consecutive years from the date of this Annual General Meeting AND THAT he shall not be liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Sanotosh Ginoria (holding DIN 00205556), a Non-Executive Director of the Company whose period of office was liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and Clause 49 of the Listing

Agreement and is eligible for appointment, be and is hereby appointed as an Independent Director to hold office for 5 (five) consecutive years from the date of this Annual General Meeting AND THAT he shall not be liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Smt. Seema Bhattar (holding DIN 06617036), a Non-Executive Director of the Company whose period of office was liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and Clause 49 of the Listing Agreement and is eligible for appointment, be and is hereby appointed as an Independent Director to hold office for 5 (five) consecutive years from the date of this Annual General Meeting AND THAT he shall not be liable to retire by rotation.”

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

“RESOLVED THAT in supersession of the earlier resolution passed in the General Meeting of the members of the Company, the consent of the Company be and is hereby accorded under the provisions of Section 180(1)(a) of the Companies Act, 2013 (previously being Section 293(1)(a) of the Companies Act, 1956), and all other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company to create such charge by way of hypothecation and / or equitable mortgage on such terms and conditions and at such time(s) and in such form and manner and with such ranking as to priority, as the Board in its absolute discretion thinks fit, on all or any of the movable or immovable properties of the Company, wherever situated, both present and future comprised in any undertaking of the Company or one or more of the undertakings or of all the undertakings, of the Company, as may be agreed to in favour of the Bank (s) / financial institution/(s) (hereinafter referred to as Lenders) to secure repayment of the present Term Loan / Working Capital facilities granted by them and/or such other amount as may be advanced by such Lenders in future as a Cash Credit facility and / or Term Loan up to the extent of sum of Rs. 200 Crores (Rupees Two Hundred Crores only) together with interest on the principal amounts at the respective agreed rates, compound interest, liquidated damages, commitment charges, cost, any other charges, expenses if any, and all other monies payable by the company to the concerned Banks / Institutions under the respective documents entered in to / to be entered in to by the Company.

“RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank prior / pari passu / subservient with / to the mortgage and/or charges already created or to be created in future by the Company in favour of any Lender including existing Banks and as may be agreed to between the concerned parties.

“RESOLVED FURTHER THAT for the purpose of giving effect to the resolution, the Board or any Committee or Persons authorized by the Board, be and are hereby authorized to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute

discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage / charge as aforesaid or otherwise considered to be in the best interest of the Company."

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

"RESOLVED THAT in supersession of the earlier resolution passed in the General Meeting of the members of the Company, the consent of the Company be and is hereby accorded under the provisions of Section 180(1)(c) of the Companies Act, 2013 (previously being Section 293(1)(d) of the Companies Act, 1956) and Article 23 of the Articles of Association of the Company and all other enabling provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company to borrow for and on behalf of the Company from time to time as they may consider fit any sum or sums of money in any manner and without prejudice to the generality thereof, by way of loans, advances, credits, acceptance of deposits or otherwise in Indian Rupees or any other foreign currency from any bank or banks or any financial institutions, other person or persons and whether the same be unsecured or secured and if secured, whether by way of mortgage, charge, hypothecation, pledge or otherwise in any way whatsoever, in respect of all or any of the Company's assets and properties (including raw materials, stores, spares and components in stock or transit) notwithstanding that the monies so borrowed together with the monies, if any, already borrowed by the Company (apart from temporary loans and credits obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves i.e. reserves not set apart for any specific purpose, provided that, the total amount so borrowed by the Directors and outstanding at any time shall not exceed Rs. 200.00 Crores (Rupees Two Hundred Crores Only) over and above the paid-up capital of the Company and its free reserves.

By order of the Board
For Garnet Construction Limited

Place : Mumbai
Dated : 3rd September 2014

Kishan Kumar Kedia
Chairman & Managing Director
Din No. 00205146

Redg. Office : 501/531, Laxmi Mall, Laxmi Industrial Estate,
New Link Road, Andheri West, Mumbai – 400 053.

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, 2014 to 30th September, 2014 (both days inclusive) for the purpose of ensuing Annual General Meeting.
3. The annual report containing accounts for the financial year ended March 31, 2014 together with the report of Auditors and Directors and the notice of ensuring AGM are available on the company website www.garnetconstructions.com.

4. Members are requested to:

- Immediately , intimate change of address, if any , to company , quoting reference of registered folio number or client DP ID No.;
 - Produce attendance slip at the entrance of meeting hall;
 - Bring the Annual Report at the entrance of the meeting hall;
5. 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 ten days prior to the meeting so that the required information can be made available at the meeting.
6. Corporate members intending to send their authorised Representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
7. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report

8. Green Initiative in the Corporate Governance

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing the Companies the paperless compliance and the said ministry has issued a circular stating that the service of notice / documents including annual reports can be sent by e mail to the members.

In order to abide by the circular, the members are requested to register their e-mail address, to enable the company to send reports by e mail. The members holding shares in demat form may register their e-mail address with the respective DPs and the members who holds the shares in physical form are requested to register their e-mail with the Company or Registrar & Share Transfer Agent. This will enable the company to send the annual reports by e-mail.

9. Voting Through Electronic Means

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of 22nd Annual General Meeting of the Company.

The instructions for shareholders voting electronically are as under:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,

- b. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.

Explanatory statement, as required under Section 102 of the Companies Act, 2013.

ITEM NO.5, 6 & 7

Shiromani Singh, having wide experience of over 30 years in corporate advisory services, has been Independent Director of the Company since 10th March, 2003.

Santosh Ginoria, having wide experience of over 20 years in financial and its related filed, has been Independent Director of the Company since 10th March, 2003.

Seema Bhattar, having wide experience of over 10 years in marketing and administration, has been Independent Director of the Company since 5th November, 2012.

Directors of the Company, had been appointed as Directors liable to retire by rotation and retire by rotation at the ensuing Annual General Meeting in terms of the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, all of them being eligible and seeking re-appointment, are proposed to be appointed as Independent Directors for a term up to 31st March, 2019.

The Company has received notices in writing under the provisions of Section 160 of the Companies Act, 2013 from members along with a deposit of Rs. 1,00,000/- in each case, proposing candidature of Shri Shiromani Singh, Shri Santosh Ginoria and Mrs. Seema Bhattar for the office of Independent Directors, to be appointed as such under the provisions of Section 149 of the said Act.

The Company has received from each of the said Directors, consent in writing to act as director and declaration to the effect that they are not disqualified under Section 164(2) of the Companies Act, 2013 in prescribed Form DIR - 2 and DIR - 8 respectively. Further, the Company has received from each of the said Directors, a declaration to the effect that he meets criteria of independence as provided in Section 149(6) of the said Act. Further, in terms of Sections 149, 152 read with Schedule IV of the Companies Act, 2013, the Board of Directors have reviewed the declaration made by each of the said Directors that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and they are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Board of Directors of your Company is also of opinion that they are independent of the management of the Company.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors as the Company is benefitting from their expertise and invaluable experience.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

Accordingly the Board recommends the resolutions at Item No. 5 to 7 set-out in accompanying notice in relation to their appointment as Independent Directors for your approval.

In terms of Provisions of Section 149 (13) of the Act, they shall not be liable to retire by rotation.

Brief resume of aforesaid appointees, nature of their expertise in specific functional areas and name of Companies in which they hold directorships and membership / chairmanship of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are provided as a part of this notice.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Shri Shiromani Singh, Shri Santosh Ginoria and Smt. Seema Bhattar are interested in the resolutions set out at Item Nos. 5 to 7 of the Notice with regard to their respective appointments.

The relatives of aforesaid Directors may be deemed to be interested in above resolutions to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other directors / key managerial personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in these resolutions.

ITEM NO. 8 & 9

The consent of the members of the Company by way of Ordinary Resolution was obtained under section 293(1) (a) and Section 293(1) (d) in the earlier years General Meeting of the Company to the Board of Directors for creating mortgage or charge on its movable and immovable properties to secure credit limits upto the extent of sum of Rs. 200 Crores and make borrowings over and above the aggregate of Paid-up Share Capital and Free Reserves of the Company provided that the total amount of such borrowing together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 200 Crores.

Section 180 of the Companies Act, 2013 was made effective from 12th September, 2013. The Ministry of Corporate Affairs issued a clarification on 25th March, 2014 stating the resolutions passed under section 293 of the Companies Act, 1956 prior to 12th September, 2013 with reference to borrowings and/or creation of security on assets of the Company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of section 180 of the Act.

The Special Resolutions under Section 180(1)(a) and 180(1)(c) are proposed to accord the consent of the members to the Board to borrow money in excess of limit prescribed therein and create security in favour of the lender by way of mortgage or charge on its movable and immovable properties.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in aforesaid resolutions.

The Board recommends these resolutions for approval by the Members of the Company.

By order of the Board
For Garnet Construction Limited

Place : Mumbai
Dated : 3rd September 2014

Kishan Kumar Kedia
Chairman & Managing Director
DIN No. 00205146

Annexure to Notice

Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting

1	Name	Shri Arun Kedia	Shri Sanjay Kedia
2	Age	45 Years	44 Years
3	Qualification	Under Graduate	Graduate
4	Nature of Experience	Over two decade of experience in Marketing of company projects	Over two decade of experience in finance and administration
4	List of other Directorship held	One	Two
5	Chairman / Member of the Committee of other Companies	Nil	Nil

1	Name	Shri Shiromani Singh	Shri Santosh Ginoria	Smt. Seema Bhattar
2	Age	80 Years	52 Years	37 Years
3	Qualification	Graduate	Graduate	Graduate
4	Nature of Experience	Over four decade of experience in corporate advisory services	Over two decade of experience in finance and administration	Over decade of experience in marketing and administration
4	List of other Directorship held	Nil	One	Nil
5	Chairman / Member of the Committee of other Companies	Nil	Nil	Nil
6	No. of Shares held in the Company	1000	900	Nil
7.	Relation between director and inter-se	Nil	Nil	Nil