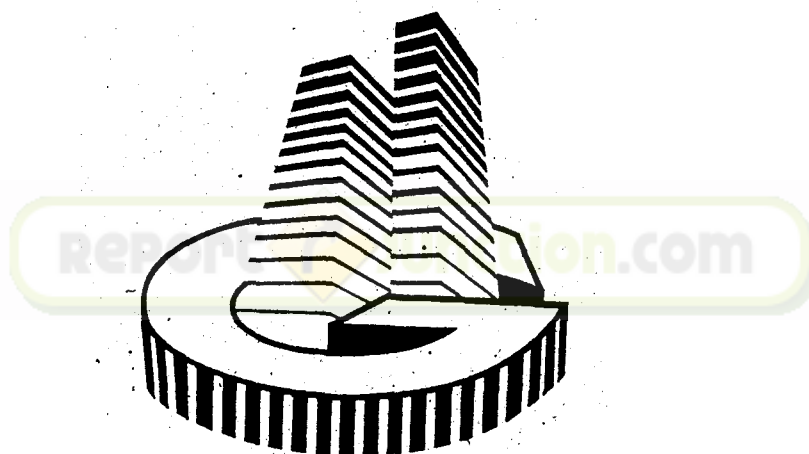


GYAN DEVELOPERS & BUILDERS LIMITED



FOURTEENTH ANNUAL REPORT (2005 - 2006)

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GYAN DEVELOPERS & BUILDERS LIMITED**CORPORATE INFORMATION****(2005 - 2006)****BOARD OF DIRECTORS**

T. ASHOK RAJ	-	Managing Director
N. GAJRAJ	-	Director
S. VIJAYAN	-	Director
T. KAMALA DEVI	-	Director
M.SUNITHA	-	Director

REGISTERED OFFICE

Plot No. M149, Door No. 8/2, 8th Cross St,
T.V. Nagar, Thiruvanimyur, Chennai -600 041.

BANKER

Tamil Nadu Mercantile Bank Ltd.,
Chennai - 600 017.

SHARE TRANSFER AGENT

M/s Intergrated Enterprises (India) Limited.
II Floor, "Kences Towers,
No.1 , Ramakrishna St, North Usman Road,
T. Nagar, Chennai - 600 017.
Ph : 28140801-30, Fax : 28142479

BSE SCRIPT CODE No

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AUDITOR

G.C. DAGA & CO.,
Chartered Accountants, Chennai

COMPANY LAW ADVISOR

A.K. JAIN & ASSOCIATES
Company Secretary, Chennai.



GYAN DEVELOPERS & BUILDERS LIMITED

NOTICE

GYAN DEVELOPERS AND BUILDERS LIMITED
Regd Off: Plot No.M 149, Door No.8/2, 8th Cross Street,
T.V.Nagar, Thiruvanniyur, Chennai 600 041

Notice is hereby given that the Fourteenth Annual general meeting of the share holders of M/s.GYAN DEVELOPERS AND BUILDERS LIMITED will be held on Friday, 15th day of September 2006 at 9.30 A.M. at No.2L, Rear Block, Prince Arcade, 22-A, Cathedral Road, Chennai 600 086, to transact the following business

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.2006 and Profit and Loss Account for the Company for the period ending 31st March 2006 and the Reports of the Directors and Auditors.
2. To elect a Director in the place of **Smt. T. Kamaladevi**, who retires by rotation and being eligible offers himself for reappointment.
3. To elect a Director in the place of **Smt. M. Sunitha**, who retires by rotation and being eligible offers himself for reappointment.
4. To consider the re-appointment of M/s.G.C.Daga & Co., Chartered Accountants as the Auditors of the Company from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Section 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, the approval of the Company be and is hereby accorded to pay a sum of Rs. 7,500 - as remuneration to Mr.T.Ashok Raj, Managing Director of the Company with effect from 01.09.2006, together with all other applicable perquisites and allowances.

"FURTHER RESOLVED THAT notwithstanding the above, in the event of any loss, absence or inadequacy of profits during the tenure of Mr.T.Ashok Raj, Managing Director, the remuneration payable shall be in accordance with the limits prescribed in Section II Part II of Schedule XIII of the Companies Act, 1956 as amended from time to time."

"FURTHER RESOLVED THAT 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, appropriate, expedient or desirable to give effect to above resolution or otherwise considered by it be in the best interest of the Company."

On behalf of the Board
for GYAN DEVELOPERS AND BUILDERS LIMITED

S/D. T. ASHOK RAJ
Managing Director.

Place : Chennai-41

Date : 29-07-2006

GYAN DEVELOPERS & BUILDERS LIMITED

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND PROXY NEED NOT BE A MEMBER. THE PROXIES SHOULD BE LODGED WITH THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING.
2. Shareholders / Proxy holders are requested to produce at the entrance the attached admission duly completed and signed, for admission to the meeting hall.
3. The register of members and share transfer of the company will remain closed from Wednesday 13-09-2006 to Friday 15-09-2006 (Both days inclusive).
4. Members are requested to notify change of address, if any, promptly in order to serve them better.

EXPLANATORY STATEMENT :

5. Mr.T.Ashok Raj, was appointed as a Managing Director of the Company with effect from 30.01.2004 to 29.01.2009 for a period of Five years, without any remuneration. Since his appointment as a Managing Director of the Company, he has been steering the fortunes of the Company and has been instrumental in turning around the company into profits, by his unstinted efforts. The Board of Directors, on the recommendation of the remuneration committee in its meeting held on 29.07.2006, has decided to recommend a remuneration of Rs. 7,500 - per month with all other applicable perquisites and allowances. Hence the consent of the members of the Company is required by way of an Ordinary Resolution in the forthcoming Annual General Meeting.

This notice together with explanatory statement may be treated as an abstract of the terms of fixing the remuneration payable to the Managing Director as required to be sent to every member pursuant to Section 302 of the Companies Act, 1956.

Mr.T.Ashok Raj, considered as interested in the above resolution. Mrs.T.Kamala Devi, being mother of Mr.T.Ashok Raj, Managing Director, being considered as interested in the above resolution.

6. PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE, FOLLOWING INFORMATION ARE FURNISHED ABOUT THE DIRECTORS LIABLE TO RETURN BY ROTATION

Name of the Director	T. Kamaladevi	M. Sunitha
Date of Birth	14.12.1950	12.08.1973
Date of appointment on the Board as Director / Managing Director #	02.12.2003	02.12.2003
Qualification	Nil	-
List of Out side Directorships held	Nil	Nil
Chairman / Member of the Committees of Board of Directors of the Company	Nil	Member in A.C. & R.C.

A.C. - Audit Committee.

R.C. - Remuneration Committee

GYAN DEVELOPERS & BUILDERS LIMITED

DIRECTORS REPORT

Your Directors have pleasure in presenting the 14th Annual Report together with audited accounts for the year ended 31-03-2006.

WORKING RESULTS

The summarised financial results for the year ended 31.03.2006 and for the previous year 31.03.2005 are as under:

		(Rs.)
	2005-2006	2004-05
Income from Operations	15,29,071.00	14,37,638.75
Expenditure	6,21,511.80	8,77,459.37
Profit / Loss for the year before tax	9,07,559.20	5,60,179.38
Less : Provision for Tax		
Current Tax :	76,371.00	36,846.00
Deffered Tax	98,041.00	2,76,218.00
Profit / Loss after tax	7,33,174.20	2,47,115.38
	=====	=====

OPERATIONS :

The Company has made a Profit Rs.7,33,174.20 as against previous year Profit of Rs.2,47,115.38. Despite the slack ness in the real estate market and fluctuation in the prices in the Real Estate Field, your Company is able to do good business for the year under review. During the year under review, the company is concentrated in buying and selling vacant lands and Real Estate Activity.

DEPOSITS:

The Company has not accepted any deposits from the public during the period under review.

DIVIDEND :

In order to conserve reserves / Profit for the growth of the company your. Directors do not recommend any dividend.

AUDITORS :

M/s.G.C.Daga & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Board recommends their re-appointment. The Company has received confirmation that their appointment will be within the limits specified u/s.224 (1B) of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your directors state;

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the period;
- that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- that the directors had prepared the annual accounts on a going concern basis.

GYAN DEVELOPERS & BUILDERS LIMITED

CORPORATE GOVERNANCE:

Detailed Report on the Corporate Governance in Compliance of Clause 49 of the Listing Agreement are attached, which form part of the report.

CASH FLOW STATEMENT :

Cash Flow Statement as per Clause 32 of the Listing Agreement is enclosed.

STATUTORY DISCLOSURES:

The Provisions of Section 217 (2A) of the Companies Act, 1956 and the rules thereunder are not applicable as no employee was in receipt of remuneration specified therein. The Company is taking utmost care in the Conservation of Energy. The Company has no activity in relation to Technology Absorption. The Company has no foreign Exchange outgo or inflow.

GENERAL :

We wish to place on record our sincere thanks for the help and service by our Bankers, customers, auditors and staff.

On behalf of the Board
for GYAN DEVELOPERS AND BUILDERS LIMITED

T.Ashok Raj
Managing Director.

T.Kamala Devi
Director.

Place : Chennai-41

Date : 29-07-2006

GYAN DEVELOPERS & BUILDERS LIMITED

REPORT ON CORPORATE GOVERNANCE 2005 - 2006

Mandatory Requirements:

1. COMPANY PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Your Company is committed to the standards of corporate governance in all its activities and functions. The business of the Company are carried out to benefit all the shareholders of the company and not to benefit any particular group or constituents thereof.

2. BOARD OF DIRECTORS:

The Board comprises of five directors, one executive director, one non-executive director and three non executive independent directors. During the year five meetings were held.

29.04.2005	29.10.2005
29.06.2005	30.01.2006
29.07.2005	

The composition of Board of directors and their attendance at the meeting during the year and at the last annual general meeting as also number of other directorships/ memberships of committees are as follows:

Sl No.	Name	Category	No of BM attended 2005-06	Whether attended 13thAGM	No of other directorship in public cos.	Committee Membership Chairman / Member.
1.	T.Ashok Raj	Managing Director	5	Yes	Nil	1
2.	N.Gajraj	Director (NEID)	5	Yes	Nil	3
3.	S.Vijayan	Director (NEID)	5	Yes	Nil	2
4.	M.Sunitha	Director (NEID)	5	Yes	Nil	2
5.	T.Kamala Devi	Director	5	Yes	Nil	Nil

3. AUDIT COMMITTEE:

The Members of the Audit Committee met Five times on 28.04.2005, 28.06.2005, 28.07.2005, 28.10.2005 & 28.01.2006. The following are the members of the Audit Committee and had attended all the five meetings.

- | | |
|--------------|----------|
| 1. N.Gajraj | Chairman |
| 2. S.Vijayan | Member |
| 3. M.Sunitha | Member |

The terms of reference of the Audit committee cover the matter specified under Clause 49 of the Listing Agreement.

4. REMUNERATION COMMITTEE:

The members of the Remuneration committee consists of

- | | |
|--------------|----------|
| 1. M.Sunitha | Chairman |
| 2. S.Vijayan | Member |
| 3. N. Gajraj | Member |