

**ELEVENTH
ANNUAL REPORT
2004 – 2005.**



JAIN GRANITES & PROJECTS INDIA LTD.,

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JAIN GRANITES & PROJECTS INDIA LTD.,

JAIN GRANITES & PROJECTS INDIA LIMITED.

Board of Directors:

Sri. A S Dugar (Chairman)
Sri R Dilip Bafna (Managing Director)
Sri R Lalith Bafna (Director)
Sri R Sumil Bafna (Executive Director)
Sri P Sudhakar Reddy (Director)
Sri Vijay M.Desai (Director)

Auditors:

S Kankaria & Co.,
Chartered Accountants.

Bankers:

Andhra Bank
Punjab & Sindh Bank
UTI Bank Ltd.

Registered Office:

New 89/Old 48, Harrington Road,
Chennai 600 010, India
Phones : 044 641 3023 / 642 5057
Fax: +91 44 642 4177
Email: jaingranites@eth.net
Website: www.jaingranites.net

Solicitor:

(J R Kannan

Share Transfer Agents:

M/s Cameo Corporate Services Ltd.,
"Subramanian Building" V Floor,
01 Club House Road,
Chennai 600 002.
Phone: 044-28460390 (6Lines)
Fax: 044-28460129
Email: cameo@cameoindia.com
Person in charge: Mr.Muralidharan

NOTICE TO THE SHAREHOLDERS.

NOTICE is hereby given that the ELEVENTH Annual General Meeting of the members of Jain Granites & Projects India Limited will be held on Friday the 30th, September 2005 at 11.00 A.M. at No. 47, Harrington Road, II Floor, Chennai 600030 to transact the following business:

ORDINARY BUSINESS:

I. To appoint a Director in place of Sri. R.Lalith Bafna who retires by rotation and being eligible, offers himself for re-appointment.

II. To appoint a Director in place of Sri. P.Sudhakar Reddy who retires by rotation and being eligible, offers himself for re-appointment.

III. To receive, consider and adopt the audited Balance Sheet of the Company as on 31st, March 2005 and the Profit & Loss account for the year ended on that date together with Report of the Board of Directors and Auditors thereon

IV. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS:

V. To consider and if thought fit to pass with or without modifications, the following as Ordinary Resolution.

"RESOLVED that Mr.Hussain A.Rahman, who was appointed as an Additional Director pursuant to provisions of Sec:260 of The Companies Act 1956 at the meeting of the Board of Directors held on 19th August 2005 and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice has been received from a member signifying his intention to propose Mr.Hussain A.Rahman as a candidate for the office of the Director of the company, be and is hereby appointed as a Director of the Company."

"RESOLVED further that pursuant to the provisions of Section 198, 269, 309 and read with Schedule XIII and all other applicable provisions of The Companies Act, 1956 as amended and prevailing for the time being or any other law in force, the consent of the company be and is hereby accorded to the appointment of Mr.Hussain A.Rahman as a Director of the company for a period of five years and to the payment of a commission on sales effected by him, the amount or rate commission being decided by Mr.R.Sunil Bafna Executive Director of the company on case by case basis depending on the product, quantity, price, and market conditions subject to the approval of the Shareholders of the Company in the ensuing Annual General Meeting."

"RESOLVED further that in the event of absence/inadequacy of profits in any financial year the above shall be treated as the minimum remuneration payable to Mr.Hussain A.Rahman and shall be governed by Section II of Part II of Schedule XIII of the Companies Act, 1956 as amended from time to time.

"RESOLVED further that the Company authorize the Board of Directors to vary the terms or commission to be paid to Mr. Hussain A. Rahman, Director without referring the matter to the General Body from time to time, as long as it is in accordance with the statutory regulation.

By Order of the Board

Place: Chennai
Date: 27/08/2005

R. Sunil Datta
Executive Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. A form of Proxy is enclosed. The instrument of proxy to be valid must be deposited at the Registered office of the company not later than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the company will remain closed from 23rd, September, 2005 to 30th, September 2005 (both days inclusive)
3. Members are requested to notify immediately any change in their registered address at the registered office of the Company.
4. Members/proxies should bring the members attendance slip duly filled in for attending the meeting and hand it over at the entrance of the meeting hall
5. Members are requested to bring their copies of Annual Report to the meeting
6. Members are requested to be in their seats at the meeting place before the scheduled time of commencement of the meeting to avoid interruptions in the proceedings. Members are also requested to being accompanied by non-members and children.
7. Members having identical folios are requested to write to the Company so as to consolidate into one folio.
8. Members who hold share in physical form can nominate a person in respect of all the share/s held by them singly or jointly. Members who hold share/s in single name are advised in their own interest to avail of nomination facility by filling Form 21).

EXPLANATORY STATEMENT.

(Pursuant to Section 173(2) of The Companies Act 1956)

Item No: V.

The Board of Directors of the Company in their meeting held on 19th August 2005 appointed Mr.Hussain A.Rahman as an additional Director of the Company u/s 260 of the Companies Act 1956.He holds office upto the date of the forth coming Annual General Meeting . The Company has received notices in writing together with a sum of Rs.1500/- from members under section 257 of The Companies Act 1956 signifying their intention to propose the candidature of Mr.Hussain A.Rahman for the office of the Director.

Mr.Hussain A.Rahman is a B.Com. Graduate and has varied experience for more than 10 years in building materials in general and more than three years in sales of granites and marbles in particular. The company wanted to utilize his services for marketing our products by appointing him as a Director of the company and reap the benefits thereon. Mr.Hussain A.Rahman is not related to any of the Directors and none of the other Directors are interested or concerned in the proposed resolution.

By Order of the Board

Place: Chennai
Date:27/08/2005

R Sunil Bafna
Executive Director

DIRECTORS' REPORT TO THE MEMBERS OF THE COMPANY

1. Your Directors present herewith their ELEVENTH Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2005.

A. FINANCIAL RESULTS

2. The financial results of the Company are summarised below:

Details	(Rs. In Lacs)	
	Year Ended 31-03-2005	Year ended 31-03-2004
Total Income	314.77	209.59
Total Expenditure	312.74	232.14
Interest	1.15	10.92
Profit/Loss before Depreciation	0.88	(11.63)
Depreciation	2.14	3.62
Provision For taxation	----	---
Net Profit/Loss for the year	(1.26)	(15.25)
Paid up Equity Capital	900	900
Reserves	----	----

3. The sad demise of Mr.R.Dilip Bafna, Managing Director of the Company;

The Board of Directors of the Company report to the members of the Company the sad and untimely demise of Mr.R.Dilip Bafna, Managing Director of the Company on 17/08/2005.

The Board has recorded its deep appreciation for his committed services and untiring efforts for the growth and development of the company in its meeting held on 19/08/2005.

4. DIVIDEND :

In view of the working results as stated above, your Directors do not propose any dividend for the year ended 31.03.2005.

5. DEPOSITS:

The Company has not accepted any public deposits.

6.ACCOUNTS & FINANCE:

Working Capital:

In spite of tight situation on the Working capital front, the Company managed it without any sanctioned limits.

7.OPERATIONS:

(a)Closing down of our Branch JGPIL Kitchen World at Annanagar:

During the year 2003-2004 the Company was having a Branch - JGPIL Kitchen World at Annanagar, Chennai-40. Because of uneconomical working of the Branch it was closed down on 31/03/2004. So there was no operation of the Branch during the year 2004-2005. Since the figures for the year 2004-2005 represent only the Head Office and so for a rational comparison the figures of the Head Office alone shown for the year 2003-2004. Wherever necessary only the Head Office figures are taken for both the years 2003-2004 & 2004-2005 for easy comparison.

(b) Sales:

The total turnover of the Company during the year amounted to Rs.268.72 Lakhs as compared to Rs.169.96 Lakhs during the previous year. Thus there is an increase in the turnover to the extent of Rs.98.76 Lakhs. Your Directors are confident to increase the turnover further during the current year.

8.Foreign Exchange Earnings & Outgo:

The foreign exchange earnings of the Company during the year amounted to Rs.81.30 Lakhs (previous year Rs 125.61lakhs) and after deducting outflow of Rs.3.94 Lakhs, the net foreign exchange earnings of your Company during the year amounted to Rs 77.36 Lakhs (previous year Rs 123.35 Lakhs). It may be noted that the export sales during the year 2004-2005 amounted to Rs.150.61 lakhs as compared to Rs.125.61 lakhs during the previous year. The outstanding on exports as on 31/03/2005 has been received during the current year.

9.Profitability:

There is substantial increase in our turnover during the year as compared to the previous year. The gross profit for the year works out to Rs.53.54 lakhs as compared to Rs.59.86 lakhs for the previous year. There is a loss of Rs.2.76 lakhs on sale of fixed assets during the year..

10.Capital Expenditure / Projects:

During the year, no additional investments were made on the capital expenditure account.

11.Safety & Ecology

Your Company continues to train and educate all its employees and employees of the sub contractors who undertake turn key projects in India & Abroad, the process of upgrading the safety and health standards throughout its operations which has resulted in better work practices leading to better safety and cost effective operations,.

12. Dematerialisation of shares and Depository System

Investors / Shareholders are requested to contact our Share Transfer Agents M/s Cameo Corporate Services Limited, Chennai-600002 for guidance on dematerialisation of shares

13. Directors' Responsibility Statement

To the best of their knowledge and belief and according to the confirmation and explanations obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- (i) that in the preparation of the annual accounts for the year ended 31st March, 2005, the applicable accounting standards have been followed along with proper explanations in case of material departures;
- (ii) that such accounting policies as mentioned in Note 1 of the Schedule 19 of the Annual Accounts have been applied consistently and judgements and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2005 and the Profit & Loss Account of the Company for that period;
- (iii) that proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (iv) that the annual accounts for the year ended 31st March, 2005 have been prepared on a going concern.

14. Corporate Governance

Your Company has been complying with the requirements. A detailed report on Corporate Governance is Annexed. The Statutory Auditors of the Company have examined the Company's compliance as above and have certified the same as required under the SEBI guidelines.

15. Management discussion and analysis of risks.

A. Industrial scenario and opportunities:

Your Company is in the Granites & Marbles industry. The nature of the industry is partly consumer oriented and partly construction industry oriented. Your company's products have established their creditability qualitatively in domestic as well as international markets. Your company is taking all efforts to continuously improve the quality of its products to ensure consumer satisfaction.

The Company has achieved a total sales of Rs.268.72 Lakhs as to Rs.182.99 lakhs, thus accounting for an increase of Rs.85.73 Lakhs. (46.84%)

B. Threats and Risks:

The Company have to operate penetrating with stiff competition in the market. To overcome the situation your directors are taking every effort not only to sustain the market share but also to enlarge it by adopting strict quality control. Your Directors are striving their best to improve the marketability of our products both in domestic as well as international markets. During the year 2004-2005, the export of Granites, Natural Stones Marbles etc account for Rs.3372/- crores which works out to 10.75% of the total exports of chemicals & allied products.

16. Employees

The relations at the Company and other establishments continued to remain cordial during the year.

There is no employee drawing a remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with relevant rules.

17. Information as per Section 217(1)(e) of the Companies Act, 1956

The Company did not have any activity relating to

- (a) Conservation of energy and
- (b) Technology absorption during the year.

18. Auditors:

M/s S Kankaria & Co., Chartered Accountants, the retiring Auditors, are eligible for re-appointment and have furnished a certificate to the effect that their re-appointment, if made will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956. Accordingly it is proposed to appoint M/s S.Kankania & Co as Auditor of the Company at the ensuing Annual General Meeting to hold office till the conclusion of the next Annual General Meeting. Members are requested to appoint the Auditors for the Current year at a remuneration to be decided by the Board of Directors of the Company.

19. Acknowledgement:

Your Directors greatly value and acknowledge the support and co-operation that the Company received from Bankers, Buyers/Customers, Vendors, statutory authorities and all the other establishments connected with the business of the Company.

Your Directors place on record their appreciation of the valuable contributions made by the Company's employees at all levels during the year.

For and behalf of the Board Of Directors.

Chennai - 600 030
Place : 27/08/2005

A S DUGAR
Chairman.