

RAMSONS PROJECTS LIMITED

TWELTH ANNUAL REPORT 2005-06

BOARD OF DIRECTORS

| | |
|----------------------|---------------------|
| Mr. Ram Lal Sachdeva | Managing Director |
| Mr. Yogesh Sachdeva | Chairman |
| Mr. Vinod Madan | Whole Time Director |
| Mr. Krishan kumar | Director |
| Mr. R.P.Sharma | Director |
| Mr. Shiv Prasad Sati | Director |
| Ms. Renu Sachdeva | Director |
| Mr. Bhupinder Singh | Director |

COMPANY SECRETARY

Mr. S. C. Tiwari

AUDITORS

Sobti Arora & Grover
Chartered Accountant
301,C-2/4, Pragati Market
Ashok Vihar-II, Delhi-52

BANKERS

Canara Bank
Andhra Bank
IDBI
ABN AMRO

REGISTERED OFFICE
AL-146, Shalimar Bagh
New Delhi-88.

CERTIFIED TRUE COPY
CERTIFIED TRUE COPY

 Ram Lal Sachdeva

RAMSONS PROJECTS LIMITED**Regd. Off : AL-146, Shalimar Bagh, New Delhi-110088****NOTICE**

Notice is hereby given that the Twelfth Annual General Meeting of RAMSONS PROJECTS LIMITED will be held on Thursday, the 28th day of September 2006 at Richi Rich Banquet Hall, Wazirpur Industrial Area, Opp. Shalimar Bagh, Delhi-52, at 02.00 p.m. to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March, 2006 and the Profit and Loss Account for the year ended on that date along with the Directors and Auditors Report thereon.
2. To appoint a Director in place of Mr. Shiv Prasad Sati, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Krishan Kumar, who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. To appoint M/s Sandeep Kumar & Associates, Chartered Accountants, as an Auditors of the company in place of M/s Sobti Arora & Grover retiring Auditors of the Company and to pass with or without modification the following resolution, as on ordinary resolution, as proposed by Mrs. Savitri Sachdeva and Mrs. Poonam Madan, Member of the company through their Special Notice, dated 24.08.2006.

"RESOLVED THAT, pursuant to the provision of section 224 (2) (C) of the companies Act 1956 M/s Sobti Arora & Grover, Chartered Accountants, the retiring auditors of the company, be not re-appointed as auditors of the company after the expiry of their tenure in the twelfth Annual General Meeting of the company.

RESOLVED FURTHER that subject to the provision section 224 and other applicable provision, if any, of the Companies Act 1956, M/s Sandeep Kumar & Associates, Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company in the place of M/s Sobti Arora & Grover, Chartered Accountant, the retiring Auditors, for the Financial Year 2006-07, to hold the office from the conclusion of twelfth Annual General Meeting until the conclusion of the next annual general meeting of the company, on remuneration as mutually agreed by and between the Board of Directors of the company and M/s Sandeep Kumar & Associates, Chartered Accountant."

**BY ORDER OF BOARD OF DIRECTORS
For RAMSONS PROJECTS LIMITED**

Sd/-

**R.L.SACHDEVA
MANAGING DIRECTOR**

**PLACE : NEW DELHI
DATE : 25th AUGUST, 2006**

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 such proxy need not be a member. The proxy to be effective must be submitted to the company not less than 48 hours before the time fixed for the meeting.
2. The Register of Members and Share Transfer Books of the company will remain closed from 24th Sept, 2006 to 28th Sept, 2006 (both days inclusive).
3. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting. For shares held in dematerialized form, the DP ID and Client ID should be indicated in the Attendance Slip.
4. For shares held in physical form, any change in address/other details may be intimated immediately to the Shares Department by quoting his/her Folio Number(s). For shares held in demat form, change in address/other details may be intimated directly to the members DP.

**BY ORDER OF BOARD OF DIRECTORS
For RAMSONS PROJECTS LIMITED**

Sd/-

**R.L.SACHDEVA
MANAGING DIRECTOR**

**PLACE : NEW DELHI
DATE : 25th AUGUST, 2006**

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE
COMPANIES ACT, 1956.**

Items No-4

M/s Sobti Arora & Grover , Chartered Accountant, was appointed as an Statutory Auditors of the company in the eleventh Annual General Meeting , held on 12th September 2005 to hold the office until the conclusion of the next Annual General Meeting of the company. And their tenure is being expired in this Annual General Meeting which will be held on 28th September 2006. The company has received a special notice from Mrs Savitri Sachdeva and Mrs Poonam Madan, members of the company regarding appointment of M/s Sandeep Kumar & Associates, Chartered Accountant, as statutory Auditors in place of M/s Sobti Arora and Grover retiring auditors of the company in this Annual General Meeting company.

**BY ORDER OF BOARD OF DIRECTORS
For RAMSONS PROJECTS LIMITED**

Sd/-

**R.L.SACHDEVA
MANAGING DIRECTOR**

**PLACE : NEW DELHI
DATE : 25th AUGUST, 2006**

RAMSONS PROJECTS LIMITED
AL-146, SHALIMAR BAGH, NEW DELHI-110088

ATTENDANCE SLIP

NAME OF SHAREHOLDER :

FOLIO NO. :

NO. OF SHARES HELD :

DP. ID* :

Client ID* :

I hereby record my presence at the 12th Annual General meeting held at New Delhi on Thursday, the 28th day of September, 2006 at 02.00 P.M.

SIGNATURE OF THE SHAREHOLDER / PROXY

Note : Please handover the slip at the entrance of the meeting venue.

* Applicable to investors holding shares in electronic form.

RAMSONS PROJECTS LIMITED
AL-146, SHALIMAR BAGH, NEW DELHI-110088

PROXY FORM

I/We.....of.....(address) being a Member(s) of Ramsons Projects Ltd. hereby appoint.....(Name in Blocks) of.....(address) or failing him/her.....(Name in Blocks) of.....(address) as my/ our proxy to attend and vote for me/us on my /our behalf at the Twelfth Annual General Meeting of the Company to be held on Thursday the 28th day of September, 2006 at 02.00 P.M. and at any adjournment(s) thereof.

Signed at thisday of2006

Affix 30 paise revenue stamp

* DP ID No.

* Client ID NO.

Folio No.

No. of Shares Held

* Applicable for Shares held in electronic form.

#Signature

NOTES : 1. The proxy need not be a member.

2. The proxy form duly signed across 30 paise revenue stamp should reach the Company's Registered Office at least 48 hours before the time of the meeting.

RAMSONS PROJECTS LIMITED
AL-146, Shalimar Bagh, New Delhi-110088

DIRECTORS REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their twelfth Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2006.

FINANCIAL HIGHLIGHTS

Financial Statement as at 31st March, 2006 is summarized as follows :

| For the year ended | 31 st March, 2006 | 31 st March, 2005 |
|--------------------------------------|------------------------------|------------------------------|
| Particulars | (Amt. In Rs.) | (Amt. In Rs.) |
| Total Income | 95, 03,954.22 | 14, 17,117.60 |
| Profit before tax | (42,080.77) | (52,750.64) |
| Less:- | | |
| Provision for Tax | 30,000 | ----- |
| Income Tax related to earlier years | ----- | 6586 |
| Provison/(Reversal) for Deferred tax | 50,925 | 15,221 |
| Profit after Tax | (1,23,005.77) | (74557.64) |

DIVIDEND / TRANSFER TO RESERVES

Keeping in view the Financial Results of the company for the year ended 31st March, 2006 no dividend is proposed to be declared by the Board of Directors for this year.

OPERATIONS

The Company is operating its activities into the business of Natural Stone and is expecting to earn a good profit out of it apart from it the Company has earned a reasonable interest income in the previous year. The Company is taking up Manufacturing and trading of Stones during the year. During the year your Company has invested into Capital Assets viz. Plant & Machinery and Land at Tandur and Pinagwa, Gurgaon for effective and efficient operation of Stone Processing and its Manufacturing. Your Company is focusing to cater the market demand in view of this your Company is endeavoring to equip the units with latest techniques of Production. Your Company expects to perform better in Stone Business apart from financing activity.

RESOURCE MOBILISAION / DEPOSITS

Your company has not raised any funds from public or by private placement. The funds of the company are employed in financing and investment in securities.

DIRECTORS

Mr. Shiv Prasad Sati and Mr. Krishan Kumar, Directors of the company retires by rotation and being eligible offers himself for re-appointment.

Ms. Poonam Madan appointed as an Additional Director on 15.04.05 & regularized in the AGM held on 12th September 2005 has resigned on 10th December 2005. She rendered her valuable Tips and advises to company on various business matters out of her experience. With her valuable advises the Company has benefited. She was helping in Tandur Division of the Company for its successful operations. Your Board appreciates her Valuable contribution given to the Company.

CORPORATE GOVERNANCE REPORT

As per the Listing Agreement with the Stock Exchanges, the Company has complied with the requirements of Corporate Governance. A Report on Corporate Governance is attached to this report.

MANAGEMENT DISCUSSION AND ANALYSIS :

- (i) **INDUSTRY STRUCTURE AND DEVELOPMENT:** During the year your company has ventured into the business of Natural Stone in the Manufacturing as well as Trading of Stone. As regards to this segment there are extreme opportunities to explore and earn profit. There was a continuation of the downtrend in interest rates with the policy preference of RBI being for a softer interest rate.
- (ii) **OPPORTUNITIES, THREATS AND OUTLOOK:** There is extreme growth in the segment of Stone Business. There is a scope of Export of Stone as there is a huge demand in European Countries. There are many Groups who purchase from domestic market and export them. Your company is exploring such an opportunity. There seems to be threat in the sense of Credit period and the Competition from other existing counterparts. But with a view of catering the demands and better service we expect to grow with a steady and firm step.
- (iii) **RISK MANAGEMENT:** There are three component of risk.

Credit Risk: The Company keeps watching on large credit recoveries and has taken timely action for the recovery.

Market Risk: The Company has been following RBI guidelines on Loans and Advances given to its customers and keep watching on the liquidity and interest rate risks. Apart from this there lies a risk of competition in the business of Natural Stone from the existing Companies and Firms. There is a stiff competition in the segment of Stone but one can be the leader with their Services and Better quality products.

Operational Risk: The risk is also being addressed by adopting appropriate internal control system.
- (iii) **INTERNAL CONTROL SYSTEM:** The Company has adequate internal control system.
- (iv) **COMPLIANCE:** The compliance division is at the Registered Office of the company and ensures timely submission of all returns and information to all Government Authorities.
- (v) **HUMAN RESOURCES:** Management relations in the organization continued to be cordial during the year.
- (vi) **SEGMENTWISE REPORTING:** Finance, Investment in shares and Trading in goods are the main business activities of the company. The revenue from interest income is reasonable and investment segment is still not giving good result because of volatility in the market.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed:

- (i) That in the preparation of the final accounts , the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) That the Directors have selected such accounting policies and applied them consistently so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2006 and of the profit of the Company for the year ended on that date.
- (iii) That the Directors have taken proper and sufficient care 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 fraud and other irregularities ;
- (iv) That the Directors had prepared the annual accounts "going concern" basis.

AUDITORS

M/S Sobti Arora & Grover, Chartered Accountants, who retires at the conclusion of this Annual General Meeting. and Mrs. Savitri Sachdeva and Mrs Ponam Madan, members has submitted Special Notice regarding not to appoint M/s Sobti Arora & Grover, Chartered Accountants as an auditors of the company for next financial year and to appoint M/s Sandeep Kumar & Associates, Chartered Accountants as an auditors, in the place of M/s Sobti Arora & Grover, Chartered Accountant, retiring auditors of the company for the next financial year 2006-07. M/s Sandeep Kumar & Associates, Chartered Accountants has also expressed their willingness to be appointed as the Auditors of the Company. The requisite certificate under Section 224 (1B) of the Companies Act, 1956 has been received from them. Your board recommends their re-appointment as Company's Auditor for the Financial Year 2006-2007.

PUBLIC DEPOSIT

Your company did not accept any public deposit during the year.

PERSONNEL

None of the employee were paid remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (particular of employees) Rules 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO DURING THE YEAR

Your company is engaged in Manufacturing of Stone apart from finance & investment business and all the measures as to Conservation of Energy is taken care of. There was no Foreign Exchange earnings and outgo and no Technology absorption during the year.

ACKNOWLEDGEMENT

Your directors wish to place on record their sincere appreciation for the whole hearted co-operation and assistance extended by its Dealers, Shareholders, Bankers, Business Constituents and the services rendered by the staff and officers of the Company.

For & on behalf of the Board of Directors

DATE : 25th August, 2006
PLACE: NEW DELHI

Sd/-
YOGESH SACHDEVA
CHAIRMAN

RAMSONS PROJECTS LIMITED
AL-146, Shalimar Bagh, New Delhi-110088

REPORT ON CORPORATE GOVERNANCE (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Ramsons Project Ltd. believes that for a company to succeed on a sustained basis, it must maintain very high standards of corporate conduct towards its constituents. The company truly believes in transparency, professionalism and accountability, which are the basic principles of corporate governance. The company constantly endeavors to improve on these aspects.

The policies and actions of the Company while being in full compliance of applicable laws and regulations are dictated by the underlined objective of maximizing shareholder value on a long-term basis.

2. BOARD OF DIRECTORS:

The board of Directors monitors' company performance, approves and reviews policies/ strategies and evaluates management performance. The Board ensures legal and ethical conduct and accurate financial reporting.

The Company has Eight Directors as on 31st March, 2006. Except Mr. Yogesh Sachdeva, Ms. Renu Sachdeva Mr. Ram Lal Sachdeva and Mr. Vinod Madan, all other four directors are independent directors. The Managing Director looks after the day-to-day affairs of the Company. Mr. Vinod Madan has been appointed as the Whole Time Director and is looking after the Tandur division of the Company. The Chairman and the remaining five directors are Non-Executive Directors, with expertise and experience in general corporate management, finance, legal and other allied fields.

Apart from the reimbursement of expenses incurred in the discharge of their duties, no remuneration is paid to any of the Director of the company and none of these Directors has any other material pecuniary relationship or transactions with the company, its Promoters, its Management or its subsidiaries which in the judgment of the Board would affect the independence of judgment of the Directors.

A. The Constitution of the Board as on 31st March, 2006

| Name of the Directors | Designation & Category | Total No of Directorship, Chairmanships & Memberships of Committees held as on 31 st March, 2006 including Ramsons Projects Ltd. (other than in private companies and foreign companies) | | |
|-----------------------------|---|--|----------------------|------------------------|
| | | Director of public Companies | Member of committees | Chairman of committees |
| <u>Mr. Yogesh Sachdeva</u> | <u>Chairman</u> <u>Non executive</u> | 4 | 1 | 1 |
| <u>Mr.R.L. Sachdeva</u> | <u>Managing Director- Executive</u> | 3 | 1 | Nil |
| <u>Mr. R.P. Sharma</u> | <u>Director – Non Executive</u> | 1 | 1 | 1 |
| <u>Mr. Vinod Madan</u> | <u>Director- Executive</u> | 2 | 1 | Nil |
| <u>Mr. Krishan Kumar</u> | <u>Director-Non Executive</u> | 1 | 1 | Nil |
| <u>Mr. Shiv Prasad Sati</u> | <u>Director-Non Executive</u> | 2 | 1 | Nil |
| <u>Mr. Renu Sachdeva</u> | <u>Director – Non Executive</u> | 2 | Nil | Nil |
| <u>Mr. Bhupender Singh</u> | <u>Director- Non Executive</u> | NIL | Nil | Nil |

B. Board Procedure:

A detailed Agenda is sent to each director in advance of Board and Committee meetings.

The Managing Director briefs the Board at every meeting on the overall performance of the Company. All statutory and significant and material information are placed before the board to enable it to discharge its responsibilities of strategic supervision of the company as trustees of the shareholders.

The Board also reviews:

- Strategy and business plans
- Annual operating and capital expenditure budgets
- Investment and exposure limits
- Compliance with statutory / regulatory requirements
- Adoption of quarterly / half yearly / annual results

C. Attendance of the Directors at Meetings of the Board :

The board of Directors meets at least once in a quarter to review the Company's performance and financial results and more often, if considered necessary, to transact other business.

Twelve Board Meetings were held during the period 1st April 2005 to 31st March 2006 on the following dates :

- 28th April 2005, 16th May 2005, 27th June 2005, 30th June 2005, 12th July 2005, 30th July 2005, 8th August 2005, 12th August 2005, 24th August 2005, 31st October 2005, 10th December 2005, 31st January 2006, 6th February 2006, 20th March 2006 & 28th March 2006

The Eleventh Annual General Meeting was held on 12th September 2005.

The attendance of the Directors at these meetings is as under:

| Directors | Board Meetings attended during the tenure of the directors | Attendance at the last Annual General Meeting |
|----------------------|--|---|
| Mr. Yogesh Sachdeva | 12 | YES |
| Mr. R.L. Sachdeva | 15 | YES |
| Mr. R.P. Sharma | 15 | YES |
| Mr. Vinod Madan | 15 | YES |
| Mr. Krishan Kumar | 15 | YES |
| Mr. Shiv Prasad Sati | 15 | YES |
| Ms. Renu Sachdeva | 12 | YES |
| Ms. Poonam Madan | 08 (RESIGNED) | YES |
| Mr. Bhupender Singh | 10 | YES |
| Mr. Sunil Sachdeva | 05 (not regularized in the AGM) | YES |

3. Information in cases of appointment or re-appointment of Directors as required under Listing Agreement is given as under:

Particulars of the Director seeking re-appointment are furnished below:

MR. Shiv Prasad Sati

Mr. Shiv Prasad Sati, Director retires from the Board by rotation and being eligible offers himself for re-appointment. He is has sound knowledge and rich experience in the area of administration and operation of machinery. He joined Ramsons Group as Director of the Company on 30.03.2002. He is on the committees of the Board mentioned hereunder.

| Name of the Company | Name of the Committee | Position held |
|--------------------------|-----------------------|---------------|
| Ramsons Projects Limited | Audit Committee | Members |

MR. Krishan Kumar

Mr. Krishan kumar, Director retires from the Board by rotation and being eligible offers himself for re-appointment. He is has sound knowledge and rich experience in the area of administration and Accounting. He joined Ramsons Group as Director of the Company on 30.03.2002. He is on the committees of the Board mentioned hereunder.

| Name of the Company | Name of the Committee | Position held |
|--------------------------|-----------------------|---------------|
| Ramsons Projects Limited | Audit Committee | Members |

4. AUDIT COMMITTEE:

A. Composition , name of Members and Chairman:

The Audit Committee comprises of Sh. R.P. Sharma, Chairman of the committee and Mr. Krishan Kumar and Mr. Shiv Prasad Sati as Members of the Audit Committee. All members are Non Executive and Independent Directors of the company.

B. Meeting and the attendance during the year :

Four meetings of the Audit Committee were held during the year on 28.06.2005, 30.07.2005, 30.10.2005 and 30th January, 2006, The attendance of each member of the Audit Committee is given below:

| Name | Category | Meetings attended |
|----------------------|----------|-------------------|
| Sh. R.P.Sharma | Chairman | 4 |
| Sh. Krishan Kumar | Member | 4 |
| Sh. Shiv Prasad Sati | Member | 4 |

The chairman of the Audit committee was present at the Annual General Meeting held on 12th September, 2005.

Mr. R.S.Bedi, Secretary was the Secretary of the Committee.

C. Brief Description of terms of reference :

The terms of reference of Audit Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292 of the Companies Act, 1956. The role of Audit committee is as prescribed under Clause 49 (II) (C) of the Listing Agreement .

5. REMUNERATION TO DIRECTORS:

No Sitting Fees was paid to any of the Directors of the company during the F.Y. 2005-2006. However remuneration was paid to Mr. Vinod Madan who was appointed as the Whole Time Director of the Company. His remuneration was fixed at Rs. 25000/- p.m

6. INVESTOR'S GRIEVANCE AND SHAREHOLDER'S COMMITTEE:

The Company has constituted an Investor's Grievance committee in accordance with the requirements of Clause 49 of the Listing Agreements. The Committee's objective is to keep watch on the complaints of the investors / shareholders and to see whether they are properly replied in time or not.

The Shareholders Grievance Committee comprises of Mr. Yogesh Sachdeva as its Chairman and Mr. Ram Lal Sachdeva and Mr. Vinod Madan as its members. Seven Meetings of the Shareholder And Investor Grievance Committee held during the year to transact the Transfer and Investor Complaints viz. : 17th April 2005, 17th June 2005, 24th August 2005, 27th September 2005, 28th December 2005, 17th January 2006 & 29th March 2006.