



A A N K I T
GRANITES
L I M I T E D

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10th

ANNUAL
REPORT
1998-99



BOARD OF DIRECTORS : Mr. ADARSH KUMAR - *Chairman & Managing Director*
Mr. NEERAJ GUPTA - *Commercial Director*
MRS URMILA RANI - *Director*

AUDITORS : MURUGESH & CO
Chartered Accountants

BANKERS : BANK OF BARODA
CANARA BANK

REGISTERED OFFICE : NO.886, 19TH MAIN, 4TH CROSS, B.T.M. LAYOUT,
II STAGE, BANGALORE - 560 076.

CORPORATE OFFICE, : 37, SIPCOT INDUSTRIAL COMPLEX
WORKS & SHARE HOSUR - 635 126
DEPARTMENT TAMILNADU



NOTICE

NOTICE is hereby given that the TENTH Annual General Meeting of the Company will be held on Monday, the 27th September 1999 at 2.30 P.M. at Hotel Pai-Vijay, 11th Main, 4th Block, Jayanagar, Bangalore - 560 011, to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March 1999 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Neeraj Gupta who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to authorise the board to fix their remuneration.

By order of the Board
for AANKIT GRANITES LIMITED

Place : Bangalore
Date: 30th July 1999

ADARSH KUMAR
Chairman & Managing Director

NOTES

- A. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
- B. Change of address, if any, may kindly be intimated to the company's Corporate Office & Share Department at 37, SIPCOT, Industrial Complex, Hosur - 635 126, Tamil Nadu.
- C. Members are requested to bring the copies of the Annual Report to the meeting.
- D. The Register of Members and the Share Transfer Books will remain closed on 27-9-1999.

By order of the Board
for AANKIT GRANITES LIMITED

Place : Bangalore
Date : 30th July 1999

ADARSH KUMAR
Chairman & Managing Director



DIRECTORS' REPORT

Your Directors present their Tenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March 99.

FINANCIAL RESULTS :

The operations of the Company during the year ended resulted in the following :

PARTICULARS	(Rs in lacs)	
	31-3-99	31-3-98
INCOME	851.43	1138.55
EXPENDITURE	742.93	1059.25
FINANCIAL CHARGES	427.68	352.30
DEPRECIATION	91.51	90.10
LOSS	(410.69)	(363.10)

The Company was able to achieve an income of Rs. 8.51 crores during the year under report. The sluggishness in the International market continued having adverse impact on the income, resulting in losses. The competition is more resulting in decrease in the market share. The cost per unit is increased due to decrease in turnover. All these factors have contributed to the reduction of income for the financial year ended 31st March 1999. Efforts are on to revive the Company. The Operating Agency namely ICICI have submitted the Rehabilitation Package to the BIFR which is being pursued.

DIRECTORS :

Mr Neeraj Gupta retires by rotation and is eligible for reappointment

FIXED DEPOSIT :

No Fixed Deposit has been accepted by the Company till date.

AUDITORS :

Messrs. Murugesh and Co, Chartered Accountants retire at the ensuing Annual General Meeting and being eligible, express their willingness to continue, if so appointed.

AUDITORS REPORT :

Attention is drawn to the Auditors Report and the following explanations are furnished :

- 1) Note no. 2(e)(i) : Please refer Item no. I(e) of Schedule N is self explanatory.
- 2) Note no. 2(e)(ii) : Please refer Item no. I(b) of Schedule N, notes to accounts, which is self explanatory.
- 3) Note no. 2(e) (iii) : Please refer Item no. II 5 (a) of Schedule N, notes to accounts, which is self explanatory.
- 4) Note no. 2 (e) (iv) : The Company has proposed waiver of interest on unsecured loans in the package forwarded to Board for Industrial and Financial Reconstruction and the Board hopes that this will be acceded to, by the Board for Industrial and Finance Reconstruction. This assumption is based on discussion with experts.
- 5) Note no. 2(e) (v) : Major portion of reconciliation and confirmation of balances are already received; the remaining ones are not significant.
- 6) Note no. 2(e) (vi) : Asset coverage is insufficient only due to higher interest accrued. With the interest concession expected from the Board for Industrial and Finance Reconstruction, the asset coverage may become adequate.
- 7) Note no. 2(e) (vii) : The Company being a Sick Industrial Undertaking could not remit the insurance charges due to stiff Liquidity Crunch. Efforts are on to have the assets insured at the earliest.

Y2K :

The software/hardware installed by the Company are Y2K compliant and no significant cost/risk is attached to it .

**OTHER STATUTORY DISCLOSURES :**

As required by Section 217(1)(e) of the Companies Act, 1956, information is furnished in Annexure 'A'.

INDUSTRIAL RELATIONS :

Industrial relations remained cordial throughout the year and under review.

PARTICULARS OF EMPLOYEES :

There was no employee drawing remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956. Hence particulars required under Section 217 (2-A) of the Companies (Particulars of Employees) Rules, 1975 are not appended.

ACKNOWLEDGMENTS :

Your Directors record their appreciation to employees, members financial institutions, customers, suppliers, Banks and other Government Departments for the support and co-operation extended during the year.

By the order of Board of Directors

Place : Bangalore
Date : 30th July 1999

Adarsh Kumar
Chairman & Managing Director

(Annexure 'A')

Particulars required under Section 217(1)(e) of the Companies Act, 1956.

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|-------------------------------------|---|---|
| Conservation of energy | : | Continuous efforts are on for better utilisation of energy. |
| Technology absorption | : | The process technology supplied by the machinery suppliers has been successfully absorbed. Products manufactured are well accepted in the International Market. |
| Foreign Exchange earning and out go | : | 1) Foreign Exchange earning : Rs. 8,32,94,909 |
| | : | 2) Foreign Exchange outgo |
| | : | Foreign Travel : Rs. 4,94,612 |
| | : | Consumables Stores and spares : Rs. 1,18,15,438 |

For and on behalf of the Board

Place : Bangalore
Date : 30th July 1999

Adarsh Kumar
Chairman & Managing Director



AUDITOR'S REPORT TO THE MEMBERS OF AANKIT GRANITES LIMITED

We have audited the attached Balance Sheet of AANKIT GRANITES LIMITED as at 31st March, 1999 and Profit and Loss Account for the year ended on that date which have been prepared on a going concern basis and assuming continued existence of the company as detailed in Note I(e) to the accounts and report that :

1. As required by the Manufacturing and Other companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4-A) of the Companies Act, 1956, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
 2. Further to our comments in the Annexure referred to in paragraph 1 above we state that:
 - a) We have obtained all the information and explanations which to be best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the company in so far as appears from our examination of those books;
 - c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet and Profit and Loss account comply with the Accounting Standards referred to in sub-section 3(c) of section 211 of Companies Act 1956 except for point no 2(ii) of this Report regarding valuation of inventory.
 - e) In our opinion and to the best of our information and according the explanations given to us, the said Balance Sheet and Profit and Loss account read with the notes thereon, and subject to :
 - i) Note No. I(e) of schedule 'N' Regarding continued existence of the company as a going concern based on assumptions including sanction of scheme by BIFR
 - ii) Note No. I(b) of Schedule 'N' Regarding valuation of finished goods, work in process and scrap by adding selling, distribution, total administration and finance charges in working out the cost and taking simple average selling price for the year irrespective of the size, colour and thickness of the tile as net realisable value which is not in conformity with recommended guidelines of ICAI for Valuation of Inventories (Accounting Standard - 2), the impact of which on the loss for the year cannot be ascertained, since the agewise analysis of the closing Stock is not available with the Company.
 - iii) Note No. II 5(a) of Schedule 'N' regarding provision of interest on term loans including foreign currency term loan and working capital at agreed/documented rates.
 - iv) Note No. II 5(b) of schedule 'N' regarding non provision of interest on unsecured loans.
 - v) Note No. II 7 of Schedule 'N' regarding Reconciliation and confirmation of balance of creditors, debtors, loans and advances and certain secured/unsecured loans.
 - vi) Note No. II 9 of Schedule 'N' regarding secured loan not fully covered by the assets of the company on historical cost basis.
 - vii) Note No. II 13 of Schedule 'N' regarding insurance coverage on assets of the Company.
- give a true and fair view :**
- I) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 1999.
 - And
 - II) In the case of Profit & Loss Account of the Loss for the year ended on that date.

for **MURUGESH & CO.,**
Chartered Accountants

PLACE: BANGALORE
DATE : 7th MAY 1999

(H.B.M. MURUGESH)
Proprietor