



AANKIT GRANITES LIMITED

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20th

ANNUAL REPORT
2008 - 2009

GRANITETHE BEAUTY OF NATURE



BOARD OF DIRECTORS : **Dr. ADARSH KUMAR** - *Managing Director*
MRS URMILA RANI - *Director*
Mr. ANUJ KUMAR SINGHAL - *Director*
Mr. K.B. MURUGENDRAPPA - *Director*

AUDITORS : **R. SINGHVI & ASSOCIATES**
Chartered Accountants

BANKERS : **CANARA BANK**
STATE BANK OF MYSORE
AXIS 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

PHONE : **04344 - 276273 / 276275**
FAX : **04344 - 276933**
EMAIL : **aankitagl@vsnl.net**
WEBSITE : **www.aankitstone.com**

AANKIT GRANITES LIMITED



NOTICE TO MEMBERS

Notice is hereby given that the Twentieth Annual General Meeting of the members of the Company will be held at Hotel Pai Vijay, 11th Main, 4th Block, Jayanagar, Bangalore-560 011 on Saturday, the 19th day of September, 2009 at 12.30 pm to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2009 and the Profit and Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anuj Kumar Singhal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board
For AANKIT GRANITES LIMITED

Place: Bangalore
Date: 30th June, 2009

DR. ADARSH KUMAR
MANAGING DIRECTOR

NOTE:-

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and a proxy need not be a member of the Company. Proxies in order to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the time scheduled for commencement of the meeting.
2. Change of address, if any, may kindly be intimated to the Company's Corporate Office and Share Department at 37, Sipcot Industrial Complex, Hosur-635 126, Tamil Nadu.
3. Members are requested to bring the copies of Annual Report to the meeting.
4. The share transfer books and register of members will remain closed on 19th September 2009.
5. Pursuant to SEBI notification no. MED / DOP / Circular / 05 / 2009 dated May 20, 2009, it has become mandatory for the transferee(s) to furnish copy of PAN Card to the Company/to enable/effect transfer of Shares in physical form.

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT :

As required under the Listing Agreement the particulars of Director who is proposed to be re-appointed in given below:

Mr. Anuj Kumar Singhal is 48 years old and has been Director of the Company for quite some time. He is a qualified Chartered Accountant, has good experience in general business aspects and has taken keen interest in these areas. He is also a member of the Audit Committee.

Bio-Data of Director proposed to be appointed / re-appointed.

Name of the Director	Mr. Anuj Kumar Singhal
Qualification	Chartered Accountant
Nature of Expertise	Expertise in Finance
Date of First Appointment	25-04-2004
Name of the other Companies in which he holds Directorship	NIL

AANKIT GRANITES LIMITED



DIRECTORS' REPORT

To

THE AANKIT SHARE OWNERS

Your Directors have pleasure in presenting the Twentieth Annual Report together with the Audited Statement of Accounts for the year ended 31.03.2009.

FINANCIAL RESULTS:

Performance of the Company for the Financial Year 2008-09 is summarized as below.

(Rupees in Lacs)

Particulars	31.03.2009	31.03.2008
Gross Income	1062.31	1084.85
Expenditure Other than Depreciation	1075.43	1056.23
Profit Before Depreciation	(13.12)	28.62
Less Depreciation	(15.13)	15.06
Profit After Depreciation	(28.25)	13.56
Less: Income Tax	2.75	4.19
Fringe Benefit Tax	2.55	5.19
Prior Period Adjustments (Net)	2.12	2.21
Profit after Tax and Prior Period Adjustment	(35.67)	1.97

DIVIDEND:

In view of the carried forward losses, the Board of Directors expresses their inability to recommend any dividend for the year.

MANAGEMENT DISCUSSION & ANALYSIS:

Operations & Performance:

Production/Purchase for the Year: 96,966 Sqm

Dispatches for the year : 97,061 Sqm

Sales Value for the year in Rs.: 1017.13 Lakhs

Despite extreme recessionary trends globally, your Company was able to maintain the revenue level at Rs. 10.62 Crores as compared to Rs. 10.84 Crores of previous year.

However, due to higher depreciation and rise in input costs, your Company incurred a loss of Rs. 28.25 Lakhs as compared to profit of Rs. 13.55 Lakhs in the previous year.

The Company continued to focus on its export business in the European Continent. Needless to add, the prices were under pressure continuously.

As reported in the past, cheaper supplies from China continued to take away your Company's business share.

OUTLOOK:

Continued economic slowdown globally had its direct impact on the infrastructure programs. Slowdowns on projects, cancellation of infrastructure business by some of the committed customers have placed your Company on a tough roadmap. Input costs continued to rise. Quality of the Raw Material also has been fluctuating leading to additional redundant costs, thereby cutting the margins. Apart from this, lower quality of Raw Material also results in higher wastage.

This however, does not prevent your Board of Directors from taking precautionary measures by arresting all possible costs in order to revert back to profitability level. Furthermore, your Company having its presence in the European market desires that all possible advantages will be derived.

INTERNAL CONTROL SYSTEMS:

The Company has got adequate systems of Internal Controls which commensurate with the size of its operation and it is properly designed to protect and safeguard the assets of the Company. There is a proper system for recording the transactions, which ensures that each transaction is properly authorized and executed according to the norms.

INDUSTRIAL RELATIONS:

As always, the Industrial relations during the year has been very cordial and contributed to mutual development. Training programmes at various levels were conducted to utilise and enhance the quality of Manpower available, thereby increasing the efficiency of the personnel.

STANDARDISATION - ISO 9001:

The Company has been accredited with ISO 9001-2000 certification with due implementation of Quality Management System in order to meet International Standards.

PUBLIC DEPOSITS:

The Company has not accepted any fixed deposits.

DIRECTORS:

Mr. Anuj Kumar Singhal, Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

AUDIT COMMITTEE:

Audit Committee constituted by the Board of Directors with requisite composition to fall in line with the prevailing laws continued to discharge its functions during the year under report.

**CORPORATE GOVERNANCE:**

As per the provisions of the Listing Agreement with the Stock Exchange, a Report on Corporate Governance has been given in the Annexure I hereto.

AUDITORS:

Messrs R Singhvi & Associates, Chartered Accountants, Bangalore, the retiring Auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

AUDITORS' REPORT : Attention is drawn to the Auditors' Report and the following explanation is furnished:

1. Note No. 4 :**Regarding appointment of full time Company Secretary.**

The explanation provided under Schedule 'O' II (18) regarding the aforesaid item is self-explanatory.

PARTICULARS OF EMPLOYEES:

A Statement of particulars of employees as required under Section 217(2A) of the Companies Act, 1956 is given as Annexure II and forms part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) That in the preparation of the accounts for the financial year ended 31st March, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have followed such accounting policies, standards as prescribed by ICAI applied them consistently and made judgments and estimates that were 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 year under review;
- 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 have prepared the accounts for the financial year ended 31st March, 2009 on a "going concern" basis.

OTHER STATUTORY DISCLOSURES :

In terms of Section 217(1)(e) of the Companies Act, 1956 following particulars are furnished:

Energy Conservation/ Technology Absorption :

Your Company continues to put in the best efforts to conserve and efficiently utilize energy wherever possible.

Technology Absorption, Adaptation and Innovation :

The machinery being sophisticated with built-in technology, the quality of the products manufactured is on par with the international standards. From time to time, the core technical personnel are imparted the latest technology.

Foreign Exchange Transactions :

Foreign Exchange Earnings	Rs. 928.39 Lakhs
Foreign Exchange Outgo	Rs. 14.87 Lakhs

ACKNOWLEDGEMENT :

The Board of Directors wish to thank all the Shareholders, Government Authorities, Financial Institutions, Bankers, Suppliers, Customers and all the Employees for their continued assistance, support, cooperation and direction to the company during the year under review.

By order of the Board
For AANKIT GRANITES LIMITED

Place: Bangalore
Date: 30-06-2009

DR. ADARSH KUMAR
MANAGING DIRECTOR

URMILA RANI
DIRECTOR

ANNEXURE I TO DIRECTORS' REPORT – CONTD.**REPORT ON CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT.****1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE :**

Your Company believes that good Corporate Governance is essential to achieve long-term corporate goals and to enhance stakeholders' value. The Company's philosophy on Corporate Governance envisages attainment of high level transparency, accountability and integrity in the functioning of the Company and the conduct of its business, its relationship with employees, stakeholders, creditors, customers and institutional and other lenders. The Company places due emphasis on regulatory compliance.

During the year, the Company complied with most of the items as per Clause 49 of the Listing Agreement with Stock Exchange and the Companies Act, 1956.

The Company believes that its systems and actions must be integrated for enhancement of corporate performance resulting in the maximization of stakeholders' value in long run.



2. BOARD OF DIRECTORS

The Board of Directors consists of Four Directors, out of which Two are Independent Directors and One Non-executive Director. The composition of the Board and Category is as follows:

Sl.No.	Name of the Director	Category
1.	Dr. Adarsh Kumar	Promoter / Executive Director
2.	Smt. Urmila Rani	Non-Executive Director
3.	Mr. Anuj Kumar Singhal	Independent Director/Non Executive
4.	Mr. K. B. Murugendrappa	Independent Director/Non Executive

None of the Non-Executive Directors of the Company has any pecuniary relationship or transaction with the Company.

3. BOARD MEETINGS AND PROCEDURES:

a. Scheduling and selection of Agenda Items for Board Meetings.

- i. The Company holds minimum of four Board Meetings in each year, which are pre-scheduled after the end of each financial quarter. Apart from the four prescheduled Board Meetings, additional Board Meetings are convened by giving appropriate notice at any time to address the specific needs of the Company. The Board may also approve/permit urgent matters by passing resolutions by circulation. The Managing Director would give an overview of the performance of the Industry, in general and the Company, in particular. The Board of Directors generally reviewed the following:

- Annual operating plans.
- Compliance with statutory and legal requirements.
- Adoption of quarterly un-audited financial results.
- Funding requirements and patterns of the Company.
- Transaction of Capital nature.
- Proceedings of the Committee Meetings.
- Technical Aspects of Production & Maintenance.

The Board invites the concerned Managers / Functional Heads / Others for detailed discussion.

The Meetings are held at Company's Registered Office at # 886, 19th Main, 4th Cross, BTM Layout, II Stage, Bangalore-560 076.

- iii. All Divisions/Departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion / approval / decision in the Board. All such matters are communicated to the Company Secretary / Company Secretary Consultant in advance so that the same could be included in the agenda for the Board Meetings.
- iv. The Board is given presentation covering Finance, Sales and Marketing and the major business Operations of the Company, before taking on record the results of the Company for preceding financial quarter at each of the pre-scheduled Board Meetings. The Board's annual agenda includes recommending and determining Directors who shall retire by rotation and recommending appointment of Directors/Auditors, authentication of Annual Accounts and approving Directors' Report, long-term strategic plan for the Company and the principal issues that the Company expects to face in the future.
- v. The Chairman of the Board and the Company Secretary / Company Secretary Consultant in consultation with other concerned persons in the senior management, finalise the agenda papers for the Board Meetings.

b. Distribution of Board Meeting material in advance

- i. Agenda papers are circulated to the Directors in advance. All material information is incorporated in the agenda papers for facilitating focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is placed on the table at the meeting with specific reference to this effect in the agenda.
- ii. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance or at the meeting.

c. Recording minutes of proceedings at Board Meetings

The minutes of the proceedings of each Board Meeting is recorded. Draft minutes are circulated to all the members of the Board for their comments. The minutes of proceedings of the meeting is entered in the Minutes Book within 30 days from the conclusion of the Meeting.

d. Compliance

The Finance Manager / Company Secretary / Company Secretary Consultant while preparing the agenda, notes on agenda, minutes etc., of the meeting(s), is responsible for and is required to ensure adherence to all the applicable provisions of law including the Companies Act, 1956 and the Secretarial Standards recommended by the Institute of Company Secretaries of India, New Delhi.



4. ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS, LAST ANNUAL GENERAL MEETING AND NUMBER OF OTHER DIRECTORSHIP AND CHAIRMAN-SHIP OF COMMITTEE OF EACH DIRECTOR IN VARIOUS COMPANIES:

Sl. No.	Name of the Director	No. of Board Meetings Attended	AGM Attended	No. Boards / Committees (Other than Aankit Granites Limited) in which Chairman / Member			
				Boards		Committees	
				Chairman	Member	Chairman	Member
1.	Dr. Adarsh Kumar	7	1	Nil	Nil	Nil	Nil
2.	Smt. Urmila Rani	7	1	Nil	Nil	Nil	Nil
3.	Mr. K. B. Murugendrappa	6	1	Nil	Nil	Nil	Nil
4.	Mr. Anuj Kumar Singhal	3	---	Nil	Nil	Nil	Nil

Note : Directorship in Private Limited Companies not exhibited.

Number of Board Meetings held and date on which held

The Company convened 7 (Seven) Board Meetings during the Financial Year 2008-2009 as against minimum requirements of 4 meetings. The dates on which the meetings held are 20.04.2008, 30.6.2008, 31.7.2008, 16.9.2008, 31.10.2008, 31.1.2009 and 16.3.2009. None of the Directors of the Company was a member of more than ten Committees nor was the Chairman of more than five committees across all Companies in which he / she was a Director.

5. BOARD COMMITTEES:

I. Audit Committee:

The Board of Directors of the Company has constituted an Audit Committee comprising of One Non-Executive Director, Mrs. Urmila Rani and Two Non-Executive Independent Directors i.e. Mr. K. B. Murugendrappa and Mr. Anuj Kumar Singhal. The composition of the Audit Committee also meets the requirements of Clause 49 of the Listing Agreement as well as Under Section 292A of the Companies Act, 1956, The Scope of the Committee, *inter alia*, includes:

- Review of Company's Financial Statements, before submission to the Board.
- Review of adequacy of internal control systems and functioning on internal control systems.
- Reviewing the quarterly and Annual Financial Statements with primary focus on accounting policies and practices, compliance with accounting standards and legal requirements concerning Financial Statements.

Apart from the Members of the Committee, Senior Executives, General Manager-Finance and Auditors are invitees to the Meeting of the Committee. During the year, the Committee met 4 times, as against the minimum requirement of 4 Meetings. Audit Committee held the meetings on 30.6.2008, 31.7.2008, 31.10.2008 and 16.3.2009.

One Audit Committee Meeting was scheduled to be held on 30.1.2009 to consider Un-audited Results for the Quarter ended 31.12.2008, but due to the system failure the Audit Committee Meeting was postponed to 16.3.2009. The Stock Exchange was informed about this.

II. Remuneration Committee:

Aankit Granites Limited has constituted Remuneration Committee comprising of three Non Executive Directors namely Mr. Anuj Kumar Singhal (Chairman), Mrs. Urmila Rani and Mr. K.B. Murugendrappa. No Remuneration other than sitting fee is payable to any Directors other than the Managing Director.

Remuneration of employees largely consists of basic remuneration, perquisites and performance incentives. The components of the total remuneration vary from different cadres and are governed by industry pattern, qualification and experience of the employee, responsibilities handled by him, individual performance etc. and the objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, retain talent in the organization and reward merit.

Details of Remuneration for the year 2008-09 (in Rs.)

Name of Director	Remuneration	Sitting Fees
Dr. Adarsh Kumar	Rs.1,773,620/-	NIL
Mr. K. B. Murugendrappa	NIL	Rs.33,000/-

III. Shareholders' / Investors' Grievance Committee :

Shareholders/Investment Grievances Committee was constituted in terms of provision of listing agreement. The Committee Comprises of the following :

Mr. Anuj Kumar Singhal (Non- Executive Director)
Mr. Arun Kumar Garg (Compliance Officer)

Contact Number of Compliance Officer is : 04344 - 276273, email ID : aankitagl@vsnl.net

IV. Share Transfer Committee:

Share Transfer Committee was constituted to deal with the cases like transfer, transmission and transposition of Shares in physical mode. Presently, it comprises of the following members:

Mr. Anuj Kumar Singhal (Non- Executive Director - Chairman)
Mr. Arun Kumar Garg
Mr. K. Mehaboob



6. GENERAL BODY MEETINGS :

The date, location and time of the last three Annual General Meetings of the Company are given below.

Financial Year	Location	Date	Time
2005 – 2006 AGM	Hotel Pai Comfort, #1319, 100ft Road, J.P. Nagar, II Phase, Bangalore-560 078	27th September, 2006	11.45 A.M.
2006 – 2007 AGM	Hotel Pai Vijay, 11th Main, 4th Block, Jayanagar, Bangalore-560 011	18th September, 2007	12.30 P.M.
2007 – 2008 AGM	Hotel Pai Vijay, 11th Main, 4th Block, Jayanagar, Bangalore-560 011	16th September, 2008	12.30 P.M.
EGM	No.37, Sipcot Industrial Complex, Hosur - 635 126	9th May, 2009	12.30 P.M.

There was no requirement of passing resolutions by way of Postal Ballot in the above said three Annual General Meetings.

7. DISCLOSURES REGARDING SUSPENSE ACCOUNT PURSUANT TO SEBI CIRCULAR NO. SEBI / CFD / DIL / LA / 1/2009 / 24 / 04 DATED APRIL 24, 2009 :

As per the above mentioned Circular, Clause 5A stands for shares issued pursuant to the public issues or any other issue which remain unclaimed and are lying in the escrow account and any unclaimed benefits like Dividend, Bonus shares etc., which are to be credited to the Demat Suspense Account. This being the first year after the circular coming into force from April 2009, your Company is taking steps to streamline all the requirements.

8. DISCLOSURES :

1. There are no transactions of materials nature with the Promoters, Directors or the management or their subsidiaries or relatives, etc., potentially conflicting with Company's interest at large, during the year.
2. There were no instances of non-compliances or imposition of any penalty / strictures on the Company by the SEBI / Stock Exchange/ any Statutory Authority, on any matter relating to capital markets, during the last three years.

9. MEANS OF COMMUNICATION :

1. Half – yearly report is not being sent to each Shareholder. However, the same was published in News Paper - Financial Chronicle and are forwarded to Stock Exchange.
2. The Quarterly Financial Results for the Financial Year 2008-09 were published in Financial Chronicle and were also sent to Stock Exchange.

10. GENERAL SHAREHOLDER INFORMATION:

a) Date, time and Venue of the Annual General Meeting	Date : 19th September, 2009 Time : 12.30 P.M. Venue: Hotel Pai-Vijay, 11th Main, 4th Block, Jayanagar, Bangalore - 560 011																							
b) Financial Calendar	Financial year: 1st April 2008 to 31st March 2009 Unaudited Financial Results: Quarter Ending 30th June '08 — Last Week of July '08 Quarter Ending 30th Sept '08 — Last Week of Oct '08 Quarter Ending 31st Dec '08 — Third Week of March 2009																							
c) Date of Book Closure	19th September 2009																							
d) Dividend Payment date	Not Applicable																							
e) Listing on Stock Exchange	Mumbai Stock Exchange																							
f) Stock Code	AGR																							
g) Market Price Date : High, Low during each month in last Financial Year 2008-09	During the year, there were no transactions in the Company's shares.																							
h) Registrars and Transfer Agents	In House Share Transfer SECRETARIAL DEPARTMENT AANKIT GRANITES LIMITED NO.37, SIPCOT INDUSTRIAL COMPLEX, HOSUR - 635 126. TAMIL NADU.																							
i) Share Transfer System	The Share Transfer Committee meets on monthly basis for approval of share transfer in physical form. The processing activities with respect to request received from share transfers are complied within 10-15 days from the date of their receipt at the Corporate Office, provided the necessary documents are in order.																							
j) Shareholding pattern	<table><tr><th>Category</th><th>Holding</th><th>% of Total Holding</th></tr><tr><td>Promoter Holding</td><td>2076071</td><td>25.435 %</td></tr><tr><td>Institutional Investment</td><td>100</td><td>0.001%</td></tr><tr><td>Private Corporate Bodies</td><td>623336</td><td>7.636 %</td></tr><tr><td>Indian Public</td><td>5458093</td><td>66.866 %</td></tr><tr><td>NRI</td><td>5100</td><td>0.062 %</td></tr><tr><td>Total</td><td>8162700</td><td>100.000 %</td></tr></table>			Category	Holding	% of Total Holding	Promoter Holding	2076071	25.435 %	Institutional Investment	100	0.001%	Private Corporate Bodies	623336	7.636 %	Indian Public	5458093	66.866 %	NRI	5100	0.062 %	Total	8162700	100.000 %
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