



GEE GEE GRANITES LIMITED

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Eleventh Annual Report 2000-2001

**GEE GEE GRANITES LIMITED****REGISTERED OFFICE & FACTORY**

23, NOCHIMEDU VILLAGE,
NEMAM, POONAMALLEE TALUK
TIRUVALLUR DISTRICT - 602 107

ADMINISTRATIVE OFFICE

'GEE GEE MINAR'
23, COLLEGE ROAD,
NUNGAMBAKKAM,
CHENNAI-600 006

ANNUAL GENERAL MEETING

Date : 28th September, 2001
Day : Friday
Time : 4.35 p.m.
Place : 23, Nochimedu Village,
Nemam, Poonamallee Taluk,
Tiruvallur Dist. 602 107.

CONTENTS**PAGE**

Notice	2
Directors' Report	3
Auditors' Report	6
Balance Sheet	8
Profit and Loss Account	9
Schedules	10
Notes on Accounts	14
Cash Flow Statement	18
Part IV of Schedule VI	19

DIRECTORS

G. HARESH CHAND
Managing Director

SHYAM G. DUSEJA

GOPICHAND IDANDAS

GORDHANDAS IDANDAS

T. SHANMUGAM

SUNIL G. DUSEJA
Whole-Time Director

AUDIT COMMITTEE

G. HARESH CHAND
T. SHANMUGAM
GOPICHAND IDANDAS

AUDITORS

M/s B.P. JAIN & CO.,
Chartered Accountants,
23, College Road,
Chennai - 600 006.

BANKERS

STATE BANK OF INDIA
Overseas Branch,
Chennai - 600 001.

PROJECT FINANCE

INDUSTRIAL DEVELOPMENT BANK OF INDIA
115, Anna Salai,
Saidapet,
Chennai - 600 015.

FOR THE ATTENTION OF MEMBERS

Members are requested to quote their Folio in all correspondence and also to bring with them the Attendance slip which may be surrendered at the entrance duly signed.

**NOTICE TO THE MEMBERS**

NOTICE is hereby given that the Eleventh Annual General Meeting of the Company will be held on Friday, the 28th September, 2001 at 4.35 p.m. at the Registered Office of the Company at 23, Nochimedu Village, Nemam, Poonamallee Taluk, Tiruvallur District - 602 107, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2001 and Profit and Loss account for the year ended on that date and the report of Directors and Auditors.
2. To appoint a Director in place of Sri.Gordhandas Idandas, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sri.Shyam G Duseja, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration. The retiring Auditors M/s.B.P.Jain & Co., Chartered Accountants, Chennai being eligible offer themselves for reappointment.

By Order of the Board
for Gee Gee Granites Limited

Place : Chennai
Date : 30.06.2001

G.HARESH CHAND
Managing Director

NOTE:

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 the proxy need not be a member. Proxies to be effective should be deposited at the Administrative office of the Company at 23, College Road, Nungambakkam, Chennai-600 006, not less than 48 hours before the meeting.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 27th September, 2001 to 28th September, 2001 (both days inclusive).
3. Members desirous of obtaining any information on the Annual Accounts to be considered at the meeting are requested to write to the Company at an early date to facilitate the compilation of information.
4. Members are requested to intimate change in their address, if any, immediately to the Company at its registered office quoting their folio numbers.



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Eleventh Annual Report and the Audited Accounts for the financial year ended 31st March 2001.

FINANCIAL RESULTS

	2000-2001	1999-2000
	Rupees in lakhs	
Sales - Export	264.53	357.40
Local	23.19	11.50
Other Income	9.03	11.70
Total income	296.75	380.60
Profit / (Loss) before Depreciation & Tax	26.11	(136.04)
Less : Depreciation	(33.67)	(32.76)
Net Profit / (Loss)	(7.56)	(168.90)
Provision for taxation	Nil	Nil
Profit / (Loss)	(7.56)	(168.90)
Add : Carried forward Surplus / (Deficit) from previous year	(675.92)	(507.02)
Net profit / (Loss) taken to Balance sheet	(683.48)	(675.92)

DIVIDEND

In view of the losses, the Directors do not recommend any dividend for the current year.

REVIEW OF OPERATIONS

Though the Indian Economy which showed some signs of recovery during first half of the year, witnessed marked decline during the later half. The Industrial growth rate dropped to 5% in 2000-01 as compared to 6.6% in the previous year. The devastating Earthquake in Gujarat also had a significant impact on the Economy.

Your Company's turn-over for the current financial year just ended has decreased to Rs.287.72 lakhs from Rs.368.90 lakhs which is nearly a decrease of 22 %. This is purely on account of the strike in our Factory for 40 days which had resulted in this loss and it took nearly another 30 days for the factory to return to its normal production levels. The demands of the workers were met after protracted negotiations and the management was able to extract a workable settlement for 3 years. The loss for the year ended 31.03.2001 is pegged at Rs.7.56 lakhs. The loss appears to be significantly lower since interest amounting to Rs.170.20 lakhs has been transferred to Memorandum of Interest Account in anticipation of waiver of interest from IDBI and SBI since the talks are in advanced stage and likely to be finalised shortly.

FUTURE PROSPECTS

The company has already commenced its extensive marketing drive in the United States and is also on the verge of finalising, marketing and selling agents for the East Coast and West Coast of USA. The prospects are extremely bright with substantial income being generated from the US markets alone. In spite of recession in USA the home market has not been affected since our products are used mostly for the homes in USA.



We have also finalised the third Gangsaw for our Factory which will yield an additional production of 21000 sq. mtrs. The consideration for the Gangsaw is payable over a period of one year.

The Sick industrial companies (Special Provisions) Act, 1985.

The company had prepared a revival package and submitted the same to IDBI for its consideration. The IDBI which was appointed as an operating agency (OA) sought a revision of the package and suggested to come forward with a one time settlement scheme. The Company after much deliberations and negotiations with IDBI and State Bank of India finally offered a one time settlement scheme with repayment spread over two years to IDBI and three years to SBI. The scheme is under active consideration by them.

We are quite confident that the one time settlement scheme seeking interest reliefs and other concessions as sought and if granted by the Honourable BIFR the Company would make a dramatic turn around and all its accumulated losses would be wiped off by the financial year 2003-04 and the Company would emerge much healthier and stronger.

DEPOSITS

Your company has not accepted any deposits from the public.

DIRECTORS

The Directors Sri. Gordhandas Idandas and Sri. Shyam G. Duseja, retire by rotation and being eligible offer themselves for reappointment.

AUDITORS

M/s B.P. Jain & Co., Chartered Accountants, Chennai retire at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

The Company has received a Certificate from the Auditors stating that if reappointed, it will be within the limits specified under Section 224 (1B) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

There is no employee during the year under review whose particulars are required to be given as per the provisions of Section 217 (2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & RESEARCH AND DEVELOPMENT

Information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. Conservation of Energy

Through strict control and by monitoring and restricting the usage of energy substantial saving has been achieved.

Running hours of the 640 KVA genset was closely monitored so that whenever loads for lighting and power were less, the smaller generator (55 KVA) was put into use, effecting a saving of about 20 to 30 ltrs. of diesel per hour.

Apart from the above we have installed an automatic level controller for the overhead tank, which controls the running hours of the pump which is just enough for the requirements.

B. Not applicable since the Company has adopted the latest state of the art plant and machinery and these machineries are currently available all over the world.



C. Foreign Exchange earnings and outgo

1. Your Company being a 100% Export Oriented Unit, the production has been exported to highly quality conscious countries such as Hongkong, Singapore, Australia and U.S.A.
2. **The total foreign exchange used and earned :**
 Earning in foreign currency : Rs.264.53 lakhs
 Outgo in foreign currency : Rs.76.82 lakhs

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors Confirm

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2001 and of the Loss of the Company for that year;
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision 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 annual accounts on a going concern basis.

CORPORATE GOVERNANCE

As per the amended Listing Agreements with the Stock Exchanges, your Company is required to comply with the requirements of Corporate Governance by 31st March 2003. Your company has already commenced the process of implementation of the required provisions of Corporate Governance and will ensure that all mandatory provisions are fully complied with well before the last date prescribed by the Stock Exchange.

AUDIT COMMITTEE

During the year the company constituted the audit committee comprised of two non-executive Directors viz Sri T. Shanmugam and Sri. Gopichand Idandas with the Managing Director Sri. G. Haresh Chand as the Chairman of the committee.

LISTING OF EQUITY SHARES

The Company's equity shares are listed on the Chennai and Mumbai stock exchanges and the Company has paid the annual listing fee to the stock exchanges.

ACKNOWLEDGMENTS

Your Directors take this opportunity to thank M/s Industrial Development Bank of India, Chennai and our Bankers State Bank of India, Overseas Branch, Chennai for extending their maximum co-operation and timely financial assistance. Your Directors also wish to place on record their appreciation for the co-operation received from Central and State Government organisations and also from the dedicated management team and the employees of the Company.

for and on behalf of the Board,

Chennai.
30.6.2001.

G. HARESH CHAND
Chairman