



**STI GRANITE INDIA LIMITED**

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**14th ANNUAL REPORT  
1998-99**

**DIRECTORS**

Dr. R.B. Baheti - Executive Chairman  
Mr. K.N. Garg  
Mr. C.S. Pani

**AUDITORS**

M/s Brahmayya & Co.  
Chartered Accountants  
Khivraj Mansions  
10/2, Kasturba Road  
Bangalore-560 001

**BANKERS**

State Bank of India  
State Bank of Mysore

**REGISTERED OFFICE**

22-24, Anthrasanahally Indl., Area  
Bangalore-Pune Highway  
Tumkur-572 105

**FACTORY**

22-24, Anthrasanahally Indl., Area  
Bangalore-Pune Highway  
Tumkur-572 105

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**NOTICE**

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of STI Granite India Limited will be held on 29th September, 1999 at 11.00 A.M. at the Regd. Office : 22-24, Anthrasanahally Industrial Area, Bangalore-Pune Highway, Tumkur-572 105 to transact the following business;

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1999 and the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. C.S. Pani who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors of the Company and fix their remuneration.

**SPECIAL BUSINESS :****4. Alteration in the Articles of Association :**

To Consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :-

"Resolved that pursuant of Section 31, 58A, 109A, 109B and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification (s) of reenactment thereof) the Articles of Association of the Company be altered in the following manner

**(A) Insert the following Article as Article 58A after Article 58**

- Nomination of shares 58A. (1) Subject to the provision of Section 109 A every holder of shares in, or holder of debentures of, a company may, at any time, nominate, in the prescribed manner, a person to whom his shares in, or debentures of the company shall vest in the event of his death.
- (2) Where the shares in, or debentures of, a company are held by more than one person jointly, the joint holders may together, nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the company shall vest in the event of death of all the joint holders.
- (3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in, or debentures of, the company, where a nomination made in the prescribed manner purports to confer or any person the right to vest the shares in, or debentures of, the company, nominee shall, on the death of the shareholder or holder of debentures of, the company or, as the case may be, on the death of the joint holders become entitled to all the rights in the shares or debentures of the company or, as the case may be, all the joint holders, in relation to such shares, in or debentures of the company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
- (4) Where the nominee is a minor, it shall be lawful for the holder of shares or holder of debentures, to make the nomination to appoint in the prescribed manner any person to become entitled to shares in or debentures of the company, in the event of his death, during the minority.

**(B) Insert the following Article as Article 58B after Article 58A.****Transmission of shares under nomination**

58B (1) Any person who becomes a nominee by the virtue of the provisions of Section 109A, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect either.

- (a) to be registered himself as holder of share or debenture, as the case may be; or
  - (b) to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debenture holder, as the case may be, could have made.
- (2) If the person being a nominee, so becoming entitled, elects to be registered as holder of the share or debenture, himself as the case may be, he shall deliver or send to the company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debentureholder, as the case may be.
- (3) All the limitation, restrictions and provision of this Act relating to the right to transfer and the registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice of transfer were a transfer signed by that shareholder or debenture holder as the case may be.
- (4) A person, being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not, before being registered a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.

**(c) Insert the following Article as Article 58C after Article 58B.****Nomination under Public Deposit**

58C. A depositor may, at any time, make a nomination and the provisions of Article 58A and the provisions of Article 58A and 58C shall, as far as may be apply to the nomination made under this sub-section.

"Resolved further that the Board of Directors be and is hereby authorised to do all such other acts, deeds and things as may be necessary to implement the resolution".

By order of the Board  
for **STI GRANITE INDIA LIMITED**

Place : Bangalore  
Date : 27-08-1999

(Dr. R.B. BAHETI)  
Executive Chairman

**NOTES :**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The proxy form, in order to be effective, must be duly signed and should reach the Company at the Registered Office atleast 48 hours before the time fixed for the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 21-09-99 to 29-09-99 (both days inclusive).
3. Any change of address of the Members may please be notified to the Company quoting their Registered Folio.
4. Members are requested to send their queries, if any, relating to the Annual Accounts and Reports at least one week prior to the date of meeting.

**ANNEXURE TO THE NOTICE OF FOURTEENTH ANNUAL GENERAL MEETING EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****FOR ITEM NO. 04****Alteration in the Articles of Association to provide for nomination facility to the shareholders :**

The Government of India has vide circular No. 3/1/99-CL-V; General Circular No. 3/99 dated 4th May, 1999 issued by the Ministry of Law, Justice & Company Affairs, Department of Company Affairs, amended the Company's Act, 1956 by insertion of new section 109A and 109B and also amended Section 58A with a view to provide facility for nomination to shareholders, debenture holders and public deposit holders to receive their entitlements in the event of death.

The Articles of Association of the Company do not provide for such facility and therefore it is propose to alter Articles of Association of the company in this regard. As per provisions of Section 31 of the Companies Act, 1956, alteration in the Articles of Association requires approval of shareholders by Special Resolution.

The Board of Directors recommended passing of the resolution. None of the Directors is concerned or interested in the resolution.

**INSTRUCTIONS :**

(Before filling up the form please read the instructions.

1. The Nomination can be made by individuals only holding shares on their own behalf, singly or jointly, Non-individuals including Trust, Society, Body Corporate, Partnership firms, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. If the shares are held jointly all joint holders will sign the nomination form.
2. A minor can be nominated by a holder of shares and in that event the name and address of the guardian shall be given by the holder.
3. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a power of attorney holder. A non-resident Indian can be a nominee on repatriable basis, subject to applicable.
4. Nomination stands rescinded upon transfer of share(s).
5. Transfer of shares in favour of nominee shall be a valid discharge by the Company against the legal heir.
6. Shareholders address given here will not be considered for change of address, if any change in the address desired to be recorded, please write a separate letter.

**NOMINATION FACILITY :**

The Companies (Amendment) Ordinance, 1999 has provided for a facility of nomination in the shares of the Company. Your Company is making necessary amendment in the Articles of Association of the Company to provide this facility to its members. The facility would be made available, foliowise. The Nomination facility can be enjoyed for all the share registered in the folio. Members who desire to avail this facility may send their request for nomination in the prescribed form 2B duly filled in and signed. A specimen of the form has been provided in this Annual Report for the convenience of the Members. Alternatively members having shares in their single name, could consider registering their share holdings in joint names upto three names to benefit from many advantages such joint holdings would offer.

**DIRECTOR'S REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the Fourteenth Annual Report of the Company with the Audited statement of accounts for the year ended 31st March, 1999.

**FINANCIAL RESULTS :**

The Company's performance during the year is summarised below :

	Rs. in lacs 31.03.99	Rs. in lacs 31.03.98
Sales and other Income	1023	819
Interest and Finance Charges	305	332
Profit Before Depreciation and Taxation	(291)	(333)
Depreciation	132	126
Provision for taxation	—	—
Profit after taxation	(423)	(459)
Net Profit (+) Loss (-)	(423)	(459)
Miscellaneous Expenditure written off	—	—
Balance B/F from previous year	(314)	145
Balance of profit for appropriation	(696)	(314)

**APPROPRIATION :**

Transfer to General Reserve		
Transfer to Debenture Redemption Reserve		
Balance Carried to Balance Sheet	(696)	(314)

**OPERATIONS**

Your Company's performance during the year 1998-99 suffered due to international competition, continuing recession worldwide in the construction industry etc.. As you all are aware the granite industry has been passing through unprecedented crisis in the last couple of years which has affected almost the entire industry resulting in the collapse of many units. This has affected the performance of your company as well resulting in poor performance in terms of profitability and liquidity. However you would appreciate that your company has been able to operate and continue the operations inspite of these difficult conditions.

On account of un-favourable Governmental policies coupled with the world-wide recession in the end user industry, the volume of business of your Company also got affected in the last couple of years resulted in poor performance and poor profitability.

**FUTURE PROSPECTS :**

The Company has initiated lot of steps for improving the operations not only to make the same self sustaining but also to make reasonable profits. Being a low margin industry, the company decided to have major thrust on the volume of business with guaranteed payments. This has already started yielding results. Baring unforeseen circumstances, the performance of the Company during this year is expected to be better than that of the previous years.

**DIRECTORS :**

Mr. Vijay Kiyawat and Mr. P.T. Thomas, Directors resigned from the Board on account of their pre-occupation. Your Directors wish to place on record their appreciation for valuable guidance and advice rendered during their tenure.

**AUDITORS :**

M/s Brahmayya & Co., Auditors of your Company will retire at the conclusion of the Annual General Meeting and are eligible for re-appointment. As required under Section 224 of the Companies Act, 1956, the present Auditors have furnished the necessary certificate.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Major thrust is laid on saving of electrical energy in the factory continuously in all spheres of operations.

Total energy consumption and energy consumption per unit of production as per the prescribed Form "A" is not given as the company is not covered under the list of specified industries.

**TECHNOLOGY ABSORPTION :**

Though the technology is indigenous, the company has absorbed fully the state-of-art technology installed in all areas of operations.

**RESEARCH AND DEVELOPMENT :**

As a matter of policy, basic thrust of Research and Development is being maintained and steadily developed. It will gain momentum with progressively high utilisation of production capacity in the period to come.

**FOREIGN EXCHANGE EARNINGS AND OUTGO :**

The foreign exchange earnings and outgo during the year under review are as under ;

**Earnings :**

Amount Rs. in lacs

a) FOB value of exports	985.18
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**Outgo :**

a) CIF value of import of consumables	145.24
b) Remittance of interest	45.54
c) Foreign Travel Expenses	4.81
d) Commission on Export Sales	2.59

**PARTICULARS OF EMPLOYEES :**

The Company had no employee of the category mentioned in Section 217(2A) of the Companies Act, 1956

**Y2K COMPLIANCE :**

The Company has taken due steps to assure/secure Y2K compliance of the equipment deployed in the Company's operations. The Management does not perceive any significant additional cost has to be incurred to solve the Y2K problem on account of the regular upgradation of its hardware and software.

**FIXED DEPOSITS :**

The Company has not accepted deposits from the public during the year.

**INDUSTRIAL RELATIONS :**

Your Company follows highly progressive policies in the factory concerning its employees leading to high degree of employee involvement associated with high quality and low rejection rates. Industrial relations during the year under review were cordial.

**ACKNOWLEDGMENT :**

The Directors have pleasure in recording their appreciation of the continued assistance and co-operation extended to the company by the State/Central Government, Banks and Financial Institutions.

The Directors also wish to record their appreciation of the sincere and dedicated services by the employees of the Company at all levels.

for and on behalf of Board of Directors

Place :Bangalore  
Date : 27-08-1999

**(Dr. R.B. BAHETI)**  
Executive Chairman

