

**ANNUAL REPORT
1999 - 2000**

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STI GRANITE, INDIA LIMITED



STI GRANITE INDIA LIMITED

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

AUDITORS : M/s Brahmayya & Co.
Chartered Accountants
Khivraj Mansion
10/2, Kasturba Road
BANGALORE - 560001

BANKERS : State Bank of India
State Bank of Mysore

REGISTERED OFFICE : 22-24, Antharasanahally Indl., Area
Bangalore-Pune Highway
Tumkur-572106

FACTORY : 22-24, Antharasanahally Indl., Area
Bangalore-Pune Highway
Tumkur-572106

NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of STI Granite India Limited will be held on 29th September, 2000, at 11.30 AM. at the Registered Office of the Company at No.22-24, Antharasanahally, Industrial Area, Tumkur, Karnataka 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, 2000 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 re-appointment.
3. To appoint Auditors of the Company and fix their remuneration.

SPECIAL BUSINESS:

4. Delisting of Company's Shares from Stock Exchanges:

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

"RESOLVED THAT the equity Shares of the company be delisted from Madras Stock Exchange, Ahmedabad Stock Exchange and MP Stock Exchange in accordance with the provisions of the Listing Agreement and all other relevant Laws, Rules, Regulations and Guidelines (including any statutory modifications (s) or re-enactment thereof for the time being in force) and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions"

"RESOLVED FURTHER THAT the Board of Directors of the Company (to include any Committee of Directors of the Company by the Board of Directors) be and is hereby authorised to agree such terms and conditions which they may consider appropriate and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, Proper or desirable and to settle any question, difficulty, doubt that may arise in regard to the delisting of the Equity Shares from Madras Stock Exchange, Ahmedabad Stock Exchange and and MP Stock Exchange.

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

Bangalore
September 2, 2000

(Dr. R.B. BAHETI)
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 16.09.2000 to 29.09.2000 (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 FIFTEENTH ANNUAL GENERAL MEETING EXPLANATORY STATEMENT
PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.**

For Item No. 04

Presently the company's equity shares are listed on the following five stock exchanges:

1. Bangalore Stock Exchange, Bangalore
2. The Stock Exchange, Mumbai
3. Madras Stock Exchange, Chennai
4. The Stock Exchange, Ahmedabad
5. The Madhya Pradesh Stock Exchange, Indore

With the computerisation of Mumbai Stock Exchange, the investors can easily access to on line dealings in the company's equity shares across the country. For last few years, there were no trading or negligible trading in the company's equity shares at the (a) Madras Stock Exchange, Chennai (b) The Stock Exchange, Ahmedabad (c) The Madhya Pradesh Stock Exchange, Indore do not justify. Thus the listing fees paid for above stock exchange do not have any cost benefit for the shareholders.

Therefore a special resolution is proposed at Item No. 4 for delisting of its equity shares from (a) Madras Stock Exchange, Chennai (b) The Stock Exchange, Ahmedabad (c) The Madhya Pradesh Stock Exchange, Indore.

In view of the above, the Board recommends the resolution for your approval.

None of the Directors is concerned or interested in the resolution.

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15th ANNUAL REPORT 1999-2000**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the Fifteenth Annual Report of the Company with the Audited Statement of accounts for the year ended 31st March, 2000.

1. FINANCIAL RESULTS

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

	(Rs. in lakhs)	
	31.03.2000	31.03.1999
Sales and other Income	1237	1023
Interest and Finance Charges	288	305
Profit Before Depreciation and Taxation	(163)	(291)
Depreciation	131	132
Provision for taxation	--	--
Profit after taxation	(293)	(423)
Depreciation Written back	--	--
Net Profit (+) Loss (-)	(290)	(432)
Miscellaneous Expenditure written off	--	--
Balance B/F from previous year	(696)	(314)
Balance of profit for appropriation	(986)	(696)
APPROPRIATION :		
Transfer to General Reserve	--	--
Transfer to Debenture	--	--
Redemption Reserve	--	--
Balance Carried to Balance Sheet	(986)	(696)

2. OPERATIONS :

Your Company's performance during the year 1999-2000 though much better in all spheres of operations, still suffered due to international competition, continuing recession etc., On account of un-favorable Governmental policies coupled with the world-wide recession in the end user industry the volume of business of your Company could not pick up in the current year also resulting in reduced poor profitability.

As you 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. You would appreciate that the company has been able to operate and continue the operations inspite of these difficult conditions. It is however worth mentioning that the performance of the company has been improving from the third quarter of the last financial year with significant improving trends in the industry by way of better availability of raw materials, firmed up international prices etc.,

3. Y2K COMPLIANCE :

The Company has become Y2k complaint.

4. DELISTING OF COMPANY'S SHARES FROM STOCK EXCHANGES:

The shares of your company are presently listed on the stock exchange at Bangalore, Mumbai, Chennai, Ahmedabad and Indore. The transactions in some of the stock exchange are negligible and with the computerisation of Mumbai Stock Exchange it is proposed for delisting of company's equity shares from Madras Stock Exchange, Chennai, The Stock Exchange, Ahmedabad, Madhya Pradesh Stock Exchange, Indore.

5. FUTURE PROSPECTS:

As informed earlier the industry has started showing sign of improvement from the third quarter of the last financial year which has already been reflected in the performance of your company. With the improving trend continuing in the industry the performance of your company during this year is expected to be much better than that of the previous year.



6. 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.

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

Continuous thrust is laid by the company on saving of electrical energy in the factory continuously. Total energy consumption and energy consumption per unit of production as per prescribed form "A" is not given as the company is not covered under the list of specified industries.

8. TECHNOLOGY ABSORPTION:

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

9. RESEARCH AND DEVELOPMENT:

As a policy, continuous thrust on Research and Development is being maintained and steadily developed. It will gain momentum with progressively high utilisation of production capacity.

10. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

Earnings:		Amount Rs. in lakhs
a)	FOB value of exports	1199.10
Outgo:		
a)	CIF value of import of consumables	164.29
b)	Remittance of interest	31.63
c)	Foreign Travel Expenses	4.94
d)	Commission on Export Sales	2.46

PARTICULARS OF EMPLOYEES:

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

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.

ACKNOWLEDGEMENT:

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.

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

(Dr. R.B. BAHETI)
Chairman