

# **17<sup>th</sup> ANNUAL REPORT 2001 - 2002**



**STI GRANITE INDIA LIMITED**

<b>DIRECTORS</b>	:	Dr. R.B. Baheti - Chairman Mr. K.N. Garg Mr. Y.C. Gupta Mr. Ajay Jajoo
<b>AUDITORS</b>	:	M/s. Brahmayya & Co. Chartered Accountants Khivraj Mansion, 10/2, Kasturba Road BANGALORE – 560 001
<b>BANKERS</b>	:	State Bank of India State Bank of Mysore
<b>REGISTERED OFFICE &amp; FACTORY :</b>		22-24, Antharasanahally Indl. Area Bangalore – Pune Highway Tumkur – 572 106



**NOTICE**

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of STI Granite India Limited will be held on 28<sup>th</sup> September, 2002 at 11.30 AM at the Registered Office of the Company at No.22-24, Antharasanahally Industrial Area, Bangalore - Pune Highway Tumkur, Karnataka - 572 106 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 31<sup>st</sup> March, 2002 and the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr.K.N.Garg 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:**

To Consider and if thought fit, to pass, with or without modification(s), the following as Ordinary Resolution.

4. "Resolved that Mr. Ajay Jajoo who was appointed as a Director on 30<sup>th</sup> June, 2002 by the Board under Section 260 of the Companies Act, 1956 and who holds office up to the date of next Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company liable to retire by rotation."

**By order of the Board**

Indore  
30th June, 2002

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

**NOTES:**

1. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business under Item No.4 is annexed herewith.
2. 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 at least 48 hours before the time fixed for the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 21.09.2002 to 28.09.2002 (both days inclusive).
4. Any change of address of the Members may please be notified to the Company quoting their Registered Folio.
5. 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.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS TO BE TRANSACTED UNDER ITEM NO.4****ITEM NO. 4**

Mr. Ajay Jajoo was appointed as a Director in the Board Meeting held on 30<sup>th</sup> June, 2002 in accordance with Section 260 of the Companies Act, 1956 and he holds office till the date of next Annual General Meeting. The Company has received a notice in writing from a member signifying his intention to propose his name for the office of Director under Section 257 of the Companies Act, 1956. Mr. Ajay Jajoo has rich experience in the granite business and industry, both domestic and international, and his presence on the Board would be of helpful to the Company.

None of the other Directors except Mr. Ajay Jajoo is concerned or interested in this resolution.

**By order of the Board**

Indore  
30th June, 2002

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



STI GRANITE INDIA LIMITED

**DIRECTORS' REPORT****Dear Shareholders,**

Your Directors have pleasure in presenting the Seventeenth Annual Report of the Company with the Audited Statement of Accounts for the Year ended 31<sup>st</sup> March 2002.

**1. FINANCIAL RESULTS:**

The Financial Results of the Company for the year are as under :

	(Rs. in lakhs)	
	31.03.2002	31.03.2001
Sales and other Income	3027	2012
Interest and Finance Charges	287	277
Profit Before Depreciation and Taxation	(4)	(135)
Depreciation	125	126
Provision for taxation	5	Nil
Profit after Taxation	(134)	(261)
Net Profit / (Loss)	(239)	(251)
Balance b/f from previous year	(1237)	(986)
Balance of profit for appropriation	(1477)	(1237)

**APPROPRIATION:**

Balance carried to Balance Sheet	(1477)	(1237)
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**2. OPERATIONS:**

Your company's operations during the year 2001-2002 though was much better in all spheres of operations as compared to the previous years, still suffered due to world wide recession, International competition etc., On account of Unfavorable Government policies coupled with the continuing recession in the end user industry, the prices could not pick up in the current year also resulting in reduced and poor profitability.

**3. FUTURE PROSPECTUS:**

As could be observed from the operations of your Company, the industry has started showing signs of improvement which has already been reflected in the performance of your Company as well. With the improving trends continuing in the industry, the performance of your Company during this year is expected to be much better as compared to previous year, barring unforeseen circumstances.

**4. DIRECTORS:**

Mr.K.N.Garg, Director of your Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr.Ajay Jajoo was appointed as a Director on the Board w.e.f 30<sup>th</sup> June, 2002. Your Board recommends for the approval of his appointment by the shareholders at the ensuing Annual General Meeting.

**5. AUDITORS:**

M/s. Brahmayya & Co., Auditors of your Company will retire at the conclusion of this 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.

**6. REPORT ON CORPORATE GOVERNANCE:**

The company has already started complying with the requirement of Corporate Governance in terms of listing agreement gradually from the year 2001-2002. A detailed report on compliance of Corporate Governance is annexed as Annexure-I forming part of this report.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

The Companies (Amendment) Act, 2000 requires that the Directors ensure that the financial statements of the Company are prepared in such manner to give a true and fair view of the state of affairs of the Company as at the end of 31<sup>st</sup> March, 2002 and of the profit/loss of the Company for the year to that date. Your Directors confirm compliance in this regard.

Your Directors to the best of their knowledge and belief, state that the Company maintains proper accounting records which disclose with reasonable accuracy, the financial position of the Company.

Further, your Directors state that those accounting records have formed the basis in the preparation of financial Statements of the Company in compliance with the provisions of the Companies Act, 1956, including any amendments thereto.

Your Directors state that in preparing the aforesaid financial statements of the Company, appropriate account policies have been consistently applied and supported by reasonable and prudent judgements and estimates. Your Directors also believe that all accounting standards, which are considered to be applicable have been followed and that these financial statements have been prepared on ongoing concern basis.

Further, your Directors to the best of their knowledge and belief, state that appropriate internal control systems are in place which are reasonably expected to safeguard the assets of the Company and to prevent irregularities.

**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. The 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 operation.

**9. RESEARCH AND DEVELOPMENT:**

As a policy, continuous thrust on Research and Development is being maintained and steadily developed.


**STI GRANITE INDIA LIMITED**
**10. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

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

<b>Earnings:</b>	Amount Rs. in lakhs
a) FOB value of Exports	2992.05
<b>Outgo:</b>	Amount Rs. in lakhs
a) CIF value of import of consumables	340.47
b) Remittance of Interest	8.89
c) Foreign Travel Expenses	13.04
d) Commission on Export Sales	2.83

**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 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**

Indore  
30th June, 2002

(Dr. R.B. BAHETI)  
Chairman

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**ANNEXURE-I TO THE DIRECTORS' REPORT ON CORPORATE GOVERNANCE****INTRODUCTION:**

The Securities and Exchange Board of India has introduced a Code of Corporate Governance (Code) by way of amendment to the listing agreements with the Stock Exchanges. The Company has complied with the mandatory requirements of the Code.

**1. COMPANY'S PHILOSOPHY:**

The fundamental objective of the Company's Corporate Governance is "enhancement of long-term value for share holders and at the same time protecting the interest of other stakeholders and adopting a methodology which enhances effectiveness, better utilization of resources, transparent and harmonious relations between various interest groups".

**2. IMPLEMENTATION:**

Although the applicability of code to STI Granite India Limited is effective financial year 2001-02 onwards, as per the requirement of Listing Agreement with the Stock Exchanges, the Company has already taken necessary steps to comply with the same effective from Financial Year 2000-01. The full code shall be implemented gradually.

**3. BOARD OF DIRECTORS****a) Composition:**

The Board of STI Granite India Limited is comprised of four Directors. None of the Directors of the Company is a Member on more than 10 committees or Chairman of more than 5 committees (as specified in the clause 49 of the Listing Agreement). The Board is primarily responsible for the overall management of the Company's business. The Composition of the Board during the period from 1<sup>st</sup> April, 2001 to 30<sup>th</sup> June, 2002 i.e., up to the date of this report was as under:

Name	Category	Designation	No.of meetings held	No.of meetings attended
Dr.R.B.Baheti	Promoter & Director	Chairman	4	4
Mr. K.N. Garg	Promoter & Director	Director	4	4
Mr. Y.C. Gupta (29.07.2001)	Independent & Non-Executive Director	Director	4	3
Mr.Ajay Jajoo (30.06.2002)	Independent & Non-Executive Director	Director	4	-

**b) Meetings of the Board of Directors**

During the Financial year 2001-2002 the Board of Directors conducted meetings Four times on the dates given hereunder.

June 30, 2001, July 29,2001, October 28, 2001 and January 24, 2002.