

# **SOLID GRANITES LIMITED**



**ANNUAL REPORT  
2000 - 2001**

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**ELEVENTH ANNUAL REPORT 2000-2001****BOARD OF DIRECTORS**

Mr. Milan B. Khakhar -

Chairman and  
Managing Director  
Joint Managing Director

Mr. Prakash B. Khakhar -

Mrs. Vasumati B. Khakhar

Mr. K. Natarajan

Ms A. Y. Parekh

**AUDITORS**

M/s. Joshi Poddar &amp; Co.

Chartered Accountants

Mumbai.

**BANKERS**

State Bank of India

Bank of Baroda

Syndicate Bank

**REGISTERED OFFICE**

65/73, C. P. Tank Road,

Corner of 2nd Panjrapole Lane,

Mumbai - 400 004.

**ADMINISTRATIVE OFFICE**

1501, Marker Chambers V,

Nariman Point,

Mumbai - 400 021.

**WORKS**

Plot No. 33/34, S. No. 831/15 &amp; 25,

Village Mahim, chintupada,

Taluka Palghar, Dist. Thane.

**ELEVENTH ANNUAL GENERAL MEETING****AT**

Garware Club House,

Wankhede Stadium, 'D' Road,

Churchgate, Mumbai - 400 020

**On Tuesday, 18th September, 2001**

at 9.15 A. M.

## NOTICE OF MEETING

**NOTICE** is hereby given that the Eleventh Annual General Meeting of the Shareholders of **SOLID GRANITES LIMITED** will be held at the Garware Club House, Wankhede Stadium, "D" Road, Churchgate, Mumbai - 400 020 on Tuesday, 18th September 2001 at 9.15 a.m. to transact, as may be permissible the following business :

1. To receive, consider and adopt Balance Sheet as at 31st March, 2001, Profit and Loss Account for the year ended on that date and the Reports of the Auditors and Directors Thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. K. Natarajan who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the company and to fix their remuneration

### **SPECIAL BUSINESS :**

5. To consider, and if thought fit, to pass the following Resolution, with or without modifications, as an **Ordinary Resolution** :  
 "RESOLVED THAT pursuant to section 310 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), and subject to the overall ceiling specified in Schedule XIII to the Act read with section 198, 309 and other applicable provisions, if any, of the Act or any amendment thereto or re-enactment thereof, consent of the Company be and is hereby accorded to an increase in the remuneration payable to Mr. Milan B. Khakhar, Chairman & Managing Director, with effect from 1st April, 2001 until the expiry of the tenure of his appointment, i.e. 31st July, 2004, on such terms and conditions as are set out in the letter dated 26th July, 2001, between the Company and Mr. Milan B. Khakhar, the copy whereof initialed by the Chairman for the purpose of identification is placed before this Meeting.  
 RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this Resolution"
6. To consider, and if thought fit, to pass the following Resolution, with or without modifications, as an **Ordinary Resolution** :  
 "RESOLVED THAT pursuant to section 310 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), and subject to the overall ceiling specified in Schedule XIII to the Act, read with section 198, 309 and other applicable provisions, if any, of the Act or any amendment thereto or re-enactment thereof, consent of the Company be and is hereby accorded to an increase in the remuneration payable to Mr. Prakash B. Khakhar, Joint Managing Director, w.e.f. 1st April, 2001 until the expiry of the tenure of his appointment, i.e. 31st July, 2004, on such terms and conditions as are set out in the letter dated 26th July, 2001, between the Company and Mr. Prakash B. Khakhar, the copy whereof initialed by the Chairman for the purpose of identification is placed before this Meeting.  
 RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this Resolution."
7. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution** :  
 "RESOLVED THAT subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactments thereof for the time being in force), Securities Contracts (Regulation) Act, 1956, and the Rules framed thereunder, Listing Agreements and all other applicable Laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board"), the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from the Stock Exchange at Ahmedabad."

### **NOTES :**

- A) A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE FOR HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- B) The Register of Members and Share Transfer Books of the Company will be closed from 12th September, 2001 to 19th September, 2001 (both days inclusive) for the purpose of Dividend.
- C) The form of proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- D) Dividend on Equity Shares when declared will be made payable to those members whose names appear on the Company's Register of Members on 12th September, 2001.
- E) Members intending to require information about accounts to be explained in the meeting are requested to inform the Company in writing at least seven days in advance of the Meeting.
- F) Members are requested to :
  - i) Bring their copies of the Annual Report alongwith duly filled in attendance slip to the Meeting.
  - ii) Notify immediately any change in their address, at the Registered office of the Company, quoting their Folio numbers.

### **REGISTERED OFFICE**

65/73, C. P. Tank Road,  
 Corner of 2nd Panjrapole Lane,  
 Mumbai - 400 004  
 Place : Mumbai  
 Date : 17th August, 2001

By Order of the Board of Directors

**Milan. B. Khakhar**  
 Chairman & Managing Director

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 :****Item No. 5 and 6 :**

Mr. Milan B. Khakhar and Mr. Prakash B. Khakhar were re-appointed as Managing Director and Joint Managing Director respectively, of the Company w.e.f. 1st August, 1999 for 5 years. Having regard to their long and rich experience in the industry and their significant contribution to the progress of the Company right from the inception, the Board of Directors of the Company at its meeting held on 26th July, 2001 have proposed to increase the remuneration of Mr. Milan B. Khakhar as Managing Director and Mr. Prakash B. Khakhar as Joint Managing Director of the Company from 1st April, 2001 to 31st July, 2004 as mentioned below, pursuant to provisions of section 198, 269, 309, 310, 311, Schedule XIII and any other applicable provisions of the Companies Act, 1956.

**Remuneration Payable to each of them :**

Remuneration, by way of salary, dearness allowance and other allowances payable to Mr. Milan B. Khakhar (Chairman and Managing Director) and Mr. Prakash B. Khakhar (Joint Managing Director), subject to the approval of the members, be increased from Rs. 30,000/- (Rupees Thirty Thousand only) per month or Rs. 3,60,000/- (Rupees Three Lakh Sixty Thousand only) per annum to Rs. 42,500/- (Rupees Forty two thousand Five hundred only) per month or Rs. 5,10,000/- (Rupees Five Lakh Ten Thousand only) per annum, until the expiry of the tenure of appointment i.e. upto 31st July, 2004. The perquisites which are computed with reference to salary, shall consequently be computed with reference to revised salary with effect from 1st April, 2001. The aforesaid remuneration shall be payable to them as minimum remuneration in case of inadequate or no profits.

The other terms and conditions for appointment and remuneration of Mr. Milan B. Khakhar (Chairman and Managing Director) and Mr. Prakash B. Khakhar (Joint Managing Director) remain unaltered.

Copies of Letters dated 26th July, 2001 are open for inspection of the Members at the Registered office of the Company on working days of the Company between 10.30 a.m. and 12.30 noon upto and including the date of the Annual General Meeting or any adjournments thereof.

The Board of Directors recommends the passing of the resolution.

Apart from Mr. Milan B. Khakhar, Mr. Prakash B. Khakhar, Mrs. Vasumati B. Khakhar who is relative of Mr. Milan B. Khakhar and Mr. Prakash B. Khakhar, no other Director is interested in the above resolutions.

This Explanation, together with the accompanying Notice is and shall be treated as an abstract under section 302 of the Companies Act, 1956.

**Item No. 7 :**

Presently, the Company's securities are listed at the following Stock Exchanges :

- i The Stock Exchange, Mumbai (the Regional Stock Exchange)
- ii The Stock Exchange, Ahmedabad

With the extensive networking of the Stock Exchange, Mumbai (BSE) and the extension of the BSE terminals to other cities as well, investors have access to online dealings in the Company's securities across the country. The bulk of the trading in the Company's equity shares in any case takes place on the BSE and there is practically no trading on the Stock Exchange, Ahmedabad.

As a part of its cost reduction measure and for administrative convenience, the Company has proposed this resolution, which will enable it to delist its equity shares from the Stock Exchange, Ahmedabad at an appropriate time in the future. The actual timing of such a move will depend upon future developments. In line with the SEBI regulations and approval, if any, required, Member's approval is being sought by a Special Resolution for enabling voluntary delisting of its securities from the Stock Exchange, Ahmedabad.

Your Directors recommend the Special Resolution for approval of members.

None of the Directors of the Company are, in any way, concerned or interested in the resolution.

**REGISTERED OFFICE**

65/73, C. P. Tank Road,  
Corner of 2nd Panjrapole Lane,  
Mumbai - 400 004

Place : Mumbai

Date : 17th August, 2001

By Order of the Board of Directors

**Milan. B. Khakhar**  
Chairman & Managing Director

## DIRECTOR'S REPORT

To

The Members,

Your Directors have pleasure in presenting their Eleventh Annual Report of the Company for the year ended on 31st March, 2001.

### FINANCIAL RESULTS:

	Year Ended 31st March, 2001 Rs. in '000s	Year Ended 31st March, 2000 Rs. in '000s
Gross Income	65,078	77,917
Profit before Depreciation and Tax	3,734	7,992
Profit after Tax	3,069	7,451
Balance brought forward from Previous year	15,550	11,027
Amount available for Appropriation	18,620	18,478
Appropriation :		
Proposed Dividend	2,400	2,400
Additional Tax on Dividend	245	528
Surplus carried to Balance Sheet	15,975	15,550

### DIVIDEND:

Your Directors are pleased to recommend a Dividend at the rate of 8 % for the year ended 31st March, 2001 on the paid up Equity Share Capital, despite recessionary business trends.

### OPERATIONS:

During the year under review, due to recession in the overseas market, especially in the U.S.A., which is the major export area for our Company, and due to a general slack in the economy, the construction/housing activities in particular, were adversely affected, which has contributed to lower sales and profitability. The Company has, besides maintaining its traditional exports of marble slabs, established relationship with the new overseas parties which would boost the exports.

Your company has established itself in the global market as a reputed supplier of granite, marble and allied products, and has in fact exported 75% of its total turnover during the year 2000-2001.

### DIRECTORATE:

Mr. K. Natarajan, Director of the company shall retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

### PARTICULARS OF EMPLOYEES:

The information as per section 217(2A) of the Companies Act 1956 read with Companies(Particulars of Employees) Rules, 1975 is not attached to this report, since the company did not employ during the year under review, any employee drawing remuneration exceeding the limits specified in the said section.

### Director's Responsibility Statement under Section 217(2AA) is as follows :

We the Board of Directors, of Solid Granites Limited, confirm :

1. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.