

ANNUAL REPORT 1996-97

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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
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GLITTEK

GLITTEK GRANITES LIMITED



GLITTEK GRANITES LIMITED

BOARD OF DIRECTORS

MR. S.N. AGARWAL - *Chairman*

MR. B.K. AGARWALA

MR. K.K. AGARWAL - *Managing Director*

MR. ASHOKE AGARWAL - *Jt. Managing Director*

MR. S.S. DALMIA

MR. S.K. WARRIOR

COMPANY SECRETARY

MR. RAM GOPAL AGARWAL

AUDITORS

M/S. RUNGTA & RUNGTA

Chartered Accountants

BANKERS

STATE BANK OF HYDERABAD

CENTRAL BANK OF INDIA

STATE BANK OF INDIA

ANDHRA BANK

ALLAHABAD BANK

Registered Office

"KRISHNA" 7th Floor
224, A.J.C. Bose Road
Calcutta-700 017

Works

42, Hoskote Industrial Area
Hoskote, Bangalore
Karnataka-562 114

Share Transfer Agent

Computech International Ltd.
77/2A, Hazra Road,
Calcutta-700 029



NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the members of Glittek Granites Limited will be held at Gorky Sadan, 3, Gorky Terrace, Calcutta-700 017 on Thursday, the 25th September, 1997 at 11.00 A.M. to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 1997, the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Sri S. N. Agarwal who retires by rotation and is eligible for re-appointment.
3. To appoint a director in place of Sri S. K. Warrior who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

5. 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 confirmation of the Company Law Board under Section 17 of the Companies Act, 1956, the clause II of the Memorandum of Association of the Company be substituted by the following clause.

"The Registered Office of the Company will be situated in the State of Karnataka".

RESOLVED FURTHER that the aforesaid resolution becoming effective, the Registered Office of the Company be removed from 224, A.J.C. Bose Road, Calcutta-700 017 in the State of West Bengal to the District of Bangalore or such other place in the State of

Karnataka as may be determined by the Board of Directors of the Company from time to time.

6. Reappointment of Mr. Kamal Kumar Agarwal as Managing Director.

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"Resolved that in accordance with the provisions of schedule XIII of the Companies Act, 1956 read with section 198, 269, 309, 311 and other applicable provisions if any, of the companies Act, 1956 hereby approves of the reappointment of Mr. Kamal Kumar Agarwal as Managing Director of the Company for a period of five years with effect from 1st December, 1997 (whose present appointment expires on 30th November, 1997) on the remuneration, terms and condition as set out in the explanatory statement annexed hereto."

7. Reappointment of Mr. Ashoke Agarwal as Joint Managing Director.

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

"Resolved that in accordance with the provisions of schedule XIII of the Companies Act, 1956 read with section 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 hereby approves of the reappointment of Mr. Ashoke Agarwal as Joint Managing Director of the Company for a period of five years with effect from 1st December, 1997 (whose present appointment expires on 30th November, 1997) on the remuneration, terms and condition as set out on the explanatory statement annexed hereto".

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

"RESOLVED that the erosion of Fifty percent or more of the net worth of the Company as



at the end of the Financial year ended 31st March, 1997 in relation to its peak net worth during the immediately preceding Four Financial Year be and is hereby considered in accordance with the provisions of Section 23(1) (a) (ii) of the Sick Industrial Companies (Special Provisions) Act, 1985".

By order of the Board
For **Glittek Granites Ltd.**

R.G. Agarwal
Secretary

Registered office
224, A.J.C.Bose Road
Calcutta-700 017
Date : 30th June, 1997

NOTES :

- 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 of the company. Proxies in order to be effective, must be received at the company's Registered Office not less than 48 hours before the meeting.
- 2) Register of members and Share Transfer Book of the Company will remain closed from 23rd September to 25th September, 1997 (both days inclusive) for the Annual General Meeting.
- 3) Members are requested to notify change of address, if any, promptly to the Company.

Explanatory Statement

(Pursuant to Section 173 (2) of the Companies Act, 1956)

Item No. 5

The Registered Office of the Company is at present situated at 224, A. J. C. Bose Road,

Calcutta-700 017. The plant is situated at 42 KIADB, Hoskote Industrial Area, Hoskote, Dist. Bangalore, Karnataka. Beside the manufacturing activities all other administrative functions of the Company are at Hoskote. All senior Executives of the Company including Joint Managing Director are operating from this place. The sales activities are being administered and run from the Bangalore because the overseas customers prefers to come Bangalore and also want to see production facilities. In view of the above it is considered desirable to shift the Registered Office of the Company from Calcutta to Hoskote, so as to be able to carry on the business of the Company more efficiently, conveniently and economically.

Hence the proposed resolution is submitted for the approval of the shareholders.

Under section 17 of the Companies Act, 1956 the change in place of Registered Office of the Company from one State to another State requires the approval of the Shareholders by means of Special Resolution and confirmation of the Company Law Board.

A copy of Memorandum of Association of the Company is available for inspection on all working days during working hours at the Registered Office of the Company.

None of the Directors of the Company is concerned or interested in the aforesaid resolution except as a Shareholder.

Item No. 6

Appointment of Mr. Kamal Kumar Agarwal as Managing Director will expire on the close of 30th November, 1997. The Board of Directors at its Meeting held on 30th June, 1997 has reappointed him as Managing Director for a further period of five years with effect from 1st December, 1997 on the remuneration, terms and conditions as mentioned here under :

1. Salary : Rs. 10,000/- per month.
2. Housing : Expenditure on hiring Furnished Accommodation / house Rent Allowance subject



to limit of 60% of the Salary.

3. Perquisites / benefits : In addition to the aforesaid Mr. Kamal Kumar Agarwal Shall also be entitled to perquisites like medical reimbursement and leave travel concession for self and family, club fees, personal accident insurance etc. in accordance with rules of the Company.

(i) Perquisites shall be evaluated as per Income Tax Rules, wherever applicable, in the absence of any such Rule, perquisites shall be evaluated at actual cost, and

(ii) Use of Company car and telephone at residence for official purpose.

(iii) Company's contribution to Provident Fund and Superannuation Funds to the extent these are not taxable under the Income Tax Act, 1961 shall not be included in the computation of limits for perquisites.

(iv) Minimum Remuneration : In the event of loss or inadequacy of Profits of the Company in any Financial year, during the period of his appointment Mr. Kamal Kumar Agarwal, be paid remuneration including the perquisites as specified above as minimum remuneration.

In compliance with the provisions of Section 309 of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the Members in General Meeting for their approval.

The proposed resolution alongwith explanatory statement which set out the material terms and conditions in respect of reappointment of Sri Kamal Kumar Agarwal as Managing Director of the Company be treated as an abstract and Memorandum of interest under section 302 of the Companies Act, 1956.

Apart from Mr. Kamal Kumar Agarwal, Sri Bimal Kumar Agarwala and Mr. Ashoke Agarwal, may be intersted or concerned in the said resolution. None of the other directors are concerned or interested in the aforesaid resolution.

Item No. 7

Appointment of Mr. Ashoke Agarwal as Joint Managing Director will expire on the close of 30th November, 1997. The Board of Directors at its Meeting held on 30th June, 1997 has reappointed him as joint Managing Director for a further period of five years with effect from 1st December, 1997 on the remuneration, terms and conditions as mentioned here under :

1. Salary : Rs. 10,000/- per month.

2. Housing : Expenditure on hiring Furnished Accommodation / House Rent Allowance subject to limit of 60% of the Salary.

3. Perquisites / benefits : In addition to the aforesaid Mr. Ashoke Agarwal shall also be entitled to perquisites like medical reimbursement and leave travel concession for self and family, club fees, personal accident insurance etc. in accordance with rules of the Company.

(i) Perquisites shall be evaluated as per Income Tax Rules, wherever applicable, in the absence of any such Rule, perquisites shall be evaluated at actual cost, and

(ii) Use of Company Car and telephone at residence for official purpose.

(iii) Company's contribution to Provident Fund and Superannuation fund to the extent these are not taxable under the Income Tax Act, 1961 shall not be included in the computation of limits for perquisites.

(iv) Minimum Remuneration : In the event of loss or inadequacy of Profits of the Company in any Financial year, during the period of his appointment Mr. Ashoke Agarwal, be paid remuneration including the perquisites as specified above as minimum remuneration.

In compliance with the provisions of Section 309 of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the Members in General Meeting for their approval.



GLITTEK GRANITES LIMITED

The proposed resolution alongwith explanatory statement which set out the material terms and conditions in respect of reappointment of Sri Ashoke Agarwal as Joint Managing Director of the Company be treated as an abstract and Memorandum of interest under section 302 of the Companies Act, 1956.

Apart from Mr. Ashoke Agarwal, Mr. Bimal Kumar Agarwal and Mr. Kamal Kumar Agarwal may be interested or concerned in the said resolution. None of the other directors are concerned or interested in the aforesaid resolution.

Item No. 8

Section 23(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 provides that if the accumulated losses of an Industrial Company, as at the end of any Financial Year have resulted in erosion of Fifty percent of more of its peak net worth during the immediately preceding four financial years.

a) The Company shall, within a period of sixty days from the date of finalisation of the duly audited accounts of the Company for the relevant Financial Year :

(i) Report the facts of such erosion to the Board, and

(ii) Hold a general meeting of the Shareholders of the Company for considering such erosion.

As per the audited Annual Accounts of the Company for the year ended 31st March, 1997 the accumulated losses as on 31st March, 1997 amounted to Rs. 564.94 Lacs which is more than 50% of the peak net worth of the Company. Therefore, the members of the Company are requested to consider such erosion. The ordinary resolution set out in the covering notice is intended for this purpose. In terms of Section 23(1) (a) (i) of the Act, the Company is taking necessary steps to report the fact of such erosion to the Board for Industrial and Financial Reconstruction.

None of the Director is interested in the proposed resolution.

By order of the Board
For **Glittek Granites Ltd.**

R.G. Agarwal
Secretary

Registered office
224, A.J.C. Bose Road
Calcutta-700 017

Date : 30th June, 1997

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DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Seventh Annual Report alongwith Audited Statement of Accounts for the year ended 31st March, 1997.

1. FINANCIAL RESULTS :

	(Rs. in lacs)	
	1996-97	1995-96
Sales & Other Income	495.80	647.58
Profit before Interest & Depreciation	1.78	57.12
Less : Interest	222.90	189.61
Depreciation	79.45	77.95
Loss for the year	300.57	210.44
Loss carried to		
Balance Sheet	564.94	264.37

2. OPERATIONS REVIEW :

During the year under review your company has achieved an export sales turnover of Rs. 494.16 lacs in comparison to Rs. 643.82 lacs in the previous year. The working of the Company continues to be adversely effected by the recessionary trend prevailing in the International Market. To improve the overall profitability of the company necessary steps have been implemented.

3. DIVIDEND :

Due to losses suffered by the company in the year under review, the directors regret their inability to recommend dividend to the shareholders.

4. DIRECTORS :

Shri S.N. Agarwal and Shri S.K. Warrior, Directors of the company retire by rotation and being eligible, offer themselves for re-appointment.

5. AUDITORS & AUDITORS' REPORT :

M/s Rungta & Rungta, Chartered Accountants, the Auditors of the company will retire at the forthcoming Annual General Meeting and are eligible for reappointment. The notes on Accounts referred to in the Auditors' Report are self explanatory and, therefore do not call for any further explanation.

6. TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

In accordance with the requirement of section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, a statement showing particulars with respect to Conservation of

energy, Technology Absorption and Foreign Exchange Earnings and Outgo is annexed hereto and forms part of this report

7. INDUSTRIAL RELATIONS :

The Board wishes to place on record its appreciation of the excellent efforts put in by all the employees of the Company.

8. PERSONNEL :

No employee of the Company is covered under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 as amended.

9. ACKNOWLEDGEMENT

Your directors wish to place on record their appreciation for the support and co-operation extended by the Financial Institutions and Banks who have financially assisted and guided the Company from time to time.

10. EROSION OF 50% OR MORE NET WORTH OF THE COMPANY

As per the Audited Accounts of the Company for the year ended 31st March, 1997, the accumulated losses of the Company were Rs. 564.94 Lacs as against the peak net worth of the Company in the year ended 31st March, 1997 ie. Rs. 764.38 (Share Capital Rs. 744.38 Lacs and Capital reserves Rs. 20.00 Lacs). This has lead to erosion of more than 50% of the peak net worth of the Company.

REASONS OF EROSION :

1. Due to machinery problem, only 35% capacity was utilised. Hence, under capacity utilisation of plant resulated in huge losses.
2. Due to non availability of good quality Rough Blocks, rejection were very high.
3. The selling prices came under severe pressure due to forced sales.
4. In the case of D. M. Loan, the amount of interest has gone up because of repee devaluation.
5. As a result of the forgoing factors, the working results were unsatisfactory. Repayment of Loans and Payment of Interest could not be made. The incidence of interest has consequently multiplied.

REMEDIAL MEASURES

1. The entire plant was overhauled and reset.
2. Constant efforts are being made to develop new markets to increase volumes and improve realisation

For and on behalf of the Board
Place : Calcutta K.K. Agarwal
Date : 30th June, 1997 Managing Director