

ANNUAL REPORT 2000-2001



GLITTEK GRANITES LIMITED.



GLITTEK GRANITES LIMITED

BOARD OF DIRECTORS

MR. B. K. AGARWALA - *Chairman*

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

MR. ASHOKE AGARWAL - *Jt. Managing Director*

COMPANY SECRETARY

MR. RAM GOPAL AGARWAL

Registered Office & Works

42, K. I.A.D.B. Industrial Area
Hoskote, Bangalore
Karnataka - 562 114
Phone : (08111) 71565, 71566
Fax : (08111) 71567
E-mail : glittek@vsnl.com

AUDITORS

M/S. RUNGTA & RUNGTA
Chartered Accountants

Share Transfer Agent

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

Contact person :

Mrs. B. Biswas, Mr. Prabir Sarkar
Phone : (033) 476-7350-54 (5 lines)
Fax : (033) 474-7674
Email : computec@cal.vsnl.net.in

BANKERS

STATE BANK OF HYDERABAD
CENTRAL BANK OF INDIA
STATE BANK OF INDIA
ANDHRA BANK

Exchange on which Company's Shares are listed :

Ahmedabad, Bangalore, Calcutta and Mumbai.

**NOTICE**

Notice is hereby given that the Eleventh Annual General Meeting of the Members of Glittek Granites Limited will be held at its Registered Office at 42, K.I.A.D.B Industrial Area, Hoskote-562 114 on Friday, 28th day of September, 2001 at 3.30 P.M. to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2001, 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 B.K. Agarwala who retires by rotation and is eligible for reappointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

To Consider and if thought fit, to pass with or without modification, the following resolutions:

4. As an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956 the Authorised Share Capital of the Company be increased from Rs. 10,00,00,000/- (Rupees Ten Crores) to Rs. 11,50,00,000/- (Rupees Eleven Crores Fifty Lacs) and clause V of the Memorandum of Association of the Company be and is hereby substituted by the following clause:-

V "The Authorised Share Capital of the Company is Rs. 11,50,00,000/- (Rupees Eleven Crores Fifty Lacs only) divided into 1,56,00,000 Equity Shares of Rs. 5/- (Rupees Five only) each and 37,000 Preference Shares of Rs. 1,000/- (Rupees One Thousand only) each with the rights, privileges and conditions attaching thereto as are provided by the regulations of the company for the time being with power to increase the share capital of the company and to divide the share capital for the time being into several classes and to attach thereto respectively, such preferential, deferred, qualified or special rights, privileges or conditions in such manner as may, for the time being be provided by the regulations of the company subject to the provisions of Companies Act, 1956."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, all such acts, deeds, matter and things taken by the Board be and are hereby ratified."

Registered Office :
42, K.I.A.D.B Industrial Area,
Hoskote, Karnataka-562 114
Date : 30.06.2001

By order of the Board
For GLITTEK GRANITES LTD.
R.G. Agarwal
Company Secretary

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 Member and Share Transfer Book of the Company will remain closed from 24th September to 28th September, 2001 (both days inclusive) for the Annual General meeting.



3. Members are requested to notify change of address, if any, promptly to the Company.
4. Trading in Company's shares through stock exchanges was made compulsory in dematerialised/ electronic form w.e.f. 26th February, 2001. The equity shares of the Company have been inducted in both National Securities Depository Limited as well as Central Depositories Services (India) Ltd. to enable shareholders to hold and trade the securities in dematerialised/electronic form. In view of the numerous advantages offered by the Depository System, members are requested to avail of the facility of dematerialisation of the Company's shares.
5. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 annexed hereto.

**Explanatory Statement under Section 173(2)
of the Companies Act, 1956.**

ITEM NO.4.

Pursuant to the order dated 2nd May, 2001 of Hon'ble BIFR the Company has to issue fresh equity Capital of Rs.150.00 Lacs to Financial Institutions, Rs.250.00 Lacs to Promoters and 8% Redeemable Optionally Convertible Cumulative preference Shares of Rs.370.00 Lacs to Financial Institutions. Since the present authorised share capital of the Company is inadequate, suitable amendments are now proposed to the capital clause of the Memorandum of Association of the Company.

As required under section 94 of the Companies Act, 1956 this resolution is placed for the approval of the shareholders.

No director is interested or concerned in this resolution.

Copies of the Memorandum of Association of the Company together with the proposed amendment are available for inspection at the registered office of the Company during business hours on any working day.

Registered Office :
42, K.I.A.D.B Industrial Area,
Hoskote, Karnataka-562 114
Date : 30.06.2001

By order of the Board
For GLITTEK GRANITES LTD.
R.G. Agarwal
Company Secretary



**DIRECTORS' REPORT****TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting the Eleventh Annual Report alongwith Audited Statement of Accounts for the year ended 31st March, 2001.

1. FINANCIAL RESULTS:

	Rs.in lacs	
	2000-01	1999-00
Sales & Other Income	1659.71	1601.59
Profit before Interest & Depreciation	267.15	186.72
Less: Interest	163.98	433.50
Depreciation	94.20	89.17
Net Profit/(Loss) for the year	8.97	(335.95)
Waiver of Interest for earlier years	882.00	—
Excess Provision of Interest on Term Loan written back	163.64	—
Net Profit/(Loss) carried to Balance Sheet	(412.11)	(1466.72)

2. FINANCE

The Rehabilitation Package submitted to Board for Industrial & Financial Reconstruction was sanctioned on 2nd May, 2001. The rehabilitation package includes, inter-alia, writing off existing equity capital by 50%, infusion of fresh equity capital of Rs.250.00 lacs and unsecured loan Rs.45.00 lacs to be brought in by the Promoters, to convert Rs.150.00 lacs due to Financial Institutions being simple interest into equity at par, to convert Rs.370.00 lacs due to Financial Institutions into 8% Redeemable Optionally Convertible Cumulative Preference Shares, balance principal of Rs.741.00 lacs to be paid in 20 quarterly instalments beginning July 1st, 2001 carrying simple interest @ 13.5% P.A., waiver of balance amount of unpaid interest on loans and rescheduling repayment of the remaining outstanding principal. Interest amounting to Rs.882.00 lacs has been waived. In the earlier years, pending consideration of the rehabilitation package, the Company had provided

excess interest on Term Loan Rs.163.64 lacs which has been written back in view of the aforesaid scheme. Accounting adjustments emanating out of the sanctioned scheme have been carried out in the Financial Results, as reflected hereinabove.

During the year under review your Company has achieved an export Sales turnover of Rs.1629.65 lacs in comparison to Rs.1595.58 lacs in the previous year. However, general slow down in the economy impacted the Company's operations and the sales.

Due to restructuring of debts by Financial Institutions, the interest burden has come down as such the company has earned a net profit of Rs.8.97 lacs during the year under review. To further improve the profitability of the Company constant efforts are being made.

3. DIVIDEND

Due to accumulated losses for earlier years, the Directors regret their inability to recommend dividend to the Shareholders.

4. DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000, your Directors state that:

A. That the applicable Accounting Standards have been followed in the preparation of Annual Accounts excepting the valuation of finished goods which are on estimated realisable value instead of valuing the same at cost or net realisable value, whichever is lower. Pursuant to the Accounting Standard 2 issued by The Institute of Chartered Accountants of India, which is mandatory, finished goods are required to be valued at cost or net realisable value, whichever is lower. Your Directors would like to mention that since its inception your company has consistently followed the practice of valuing finished goods at realisable value which is arrived at after deducting applicable discounts and adjusting therefrom cost incurred/to be incurred to complete the sales. The Company has also



followed the practice of provision for diminution in the value of slow and non-moving stocks as considered adequate. Your Directors would like to further mention that considering the nature of business, the practice of valuing the stock at realisable value has been continued.

- B. That the accounting policies have been selected and applied consistently and the judgements and estimates made are reasonable and prudent so as to give a true and fair value of the state of affairs of the Company as on 31st March, 2001, and the Profit & Loss Account for the year ended on that date.
- C. That proper and sufficient care has been taken for maintenance of adequate accounting records in accordance of the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- D. That the Annual Accounts have been prepared on a going concern basis.

5. DIRECTORS

Mr. S.K. Warrior, a director of the Company had expired on 19th February, 2001. The Board has placed on record their appreciation for the contributions made by him during his tenure as Director of the Company.

Shri B.K. Agarwal, Director of the Company retires by rotation and being eligible, offer himself for re-appointment.

6. 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.

7. 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.

8. INDUSTRIAL RELATIONS

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

9. PERSONNEL

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

10. STOCK EXCHANGE REQUIREMENTS

The Equity Shares of the Company are listed on Bangalore, Mumbai, Calcutta and Ahmedabad Stock Exchanges. The Listing fees for the year 2001-2002 have been paid to the Stock Exchanges.

11. ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the support and co-operation extended by the Financial Institutions, Banks and various Government Authorities for their valuable assistance and co-operation and for the trust and confidence reposed in the Company by the Shareholders.

Place: Hoskote

Date : 30th June, 2001

for and on behalf of the Board

B.K. Agarwal
Chairman

**ANNEXURE**

INFORMATION PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES, 1988 FORMING PART OF DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2001.

A) CONSERVATION OF ENERGY

- a) Your company accords highest priority for conservation of energy and necessary measures for optimising energy consumption have been taken.
- b) Additional Investment & proposal, if any, being implemented for reduction of energy consumption.
—NIL—
- c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

The above measures have resulted in saving of energy.

d) Form - A

	Current Year	Previous year
1. Power & Fuel Consumption:		
Electricity		
a) Purchase Units	7,98,288	7,01,390
Total Amount(Rs.)	36,74,152	32,98,906
Rate/Unit(Rs.)	4.60	4.70
b) Own Generation(thru' Diesel Generator)		
Units	10,03,292	10,20,848
Units Per Ltr. of Diesel Oil	3.17	3.05
Cost Per Unit(Rs.)	4.87	3.51
2. Consumption per unit of production:		
Processing of Tiles & Slabs(Sq.Mtr.)	85,385.079	74,758.272
Consumption per Sq.Mtr.	94.49	92.03

B) TECHNOLOGY ABSORPTION

- a) Research and Development
 1. Specific areas in which Research & Development carried out by the Company, expenditure incurred on the same and benefits derived as a result of above efforts.
No Research and Development work has been carried out by the Company and therefore, there is no expenditure on the head or any
 2. Future plan of action
The Company being a sick Company with financial problem has kept in abeyance its plan on research & development.
- b) Technology absorption, adaptation and innovation
Technical Innovations/modifications are being made on regular basis in the process to achieve cost reduction, product improvement etc.

C. Foreign Exchange earnings and outgo:

	(Rs. in lacs)	
	Current Year	Previous Year
Earnings	1574.82	1555.48
Outgo	22.91	12.94