

ANNUAL REPORT 2001-2002



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GLITTEK GRANITES LIMITED

**GLITTEK GRANITES LIMITED****BOARD OF DIRECTORS**

MR. B. K. AGARWAL	- <i>Chairman</i>
MR. K. K. AGARWAL	- <i>Managing Director</i>
MR. ASHOKE AGARWAL	- <i>Jt. Managing Director</i>
MR. ARUN SINHA	- <i>(Special Director)</i>
MR. A. T. GOWDA	- <i>Director</i>

COMPANY SECRETARY**MR. RAM GOPAL AGARWAL****Registered Office & Works**

42, K. I.A.D.B. Industrial Area
Hoskote, Bangalore
Karnataka - 562 114
Phone : (080) 7971565, 7971566
Fax : (080) 7971567
E-mail : glittek@vsnl.com

AUDITORS

M/S. RUNGTA & RUNGTA
Chartered Accountants

Share Transfer Agent

Computech International Ltd.
77/2A. Hazra Road,
Kolkata - 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 Twelfth 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 Tuesday, the 17th day of September,2002 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,2002, the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To reappoint Sri K.K.Agarwal who retires by rotation and being eligible offers himself 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(s), the following resolutions as Ordinary Resolutions.

4. 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,the Company hereby approves of the reappointment of Mr.Kamal Kumar Agarwal as Managing Director of the Company for a period of Three Years with effect from 1st December,2002 (whose present appointment expires on 30th November,2002) on the remuneration, terms and condition as set out in the explanatory statement annexed hereto, with the liberty and power to the Board of directors to grant increments and to alter and vary from time to time the amount and type of perquisites to be provided to Mr.Kamal Kumar Agarwal,so as not to exceed the remuneration limits as specified in Schedule XIII of the Act or any amendments thereto.

5. 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,the Company hereby approves of the reappointment of Mr.Ashoke Agarwal as Joint Managing Director of the Company for a period of Three Years with effect from 1st December,2002 (whose present appointment expires on 30th November,2002) on the remuneration, terms and condition as set out in the explanatory statement annexed hereto, with the liberty and power to the Board of directors to grant increments and to alter and vary from time to time the amount and type of perquisites to be provided to Mr.Ashoke Agarwal, so as not to exceed the remuneration limits as specified in Schedule XIII of the Act or any amendments thereto.

6. Appointment of Mr.A.T.Gowda as a Director.

"Resolved that Mr.A.T.Gowda, in whose respect notice has been received from a Member under Section 257 of the Companies Act,1956 be and is hereby appointed as a Director of the Company whose term of office shall be liable to retirement by rotation."

Registered Office :
42, K. I. A. D. B. Industrial Area,
Hoskote, Karnataka - 562 114
Date : 27th day of July, 2002

By order of the Board

R. G. Agarwal
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. An explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of Special Business Under Item No.4 to 6 is annexed hereto.
3. Register of Member and Share Transfer Book of the Company will remain closed from 16th September to 17th September, 2002 (both days inclusive) for the Annual General Meeting.
4. Members are requested to notify change of address, if any, promptly to the Company.
5. As per the provisions of the Companies Act, 1956, facility for making nominations is available to the Shareholders in respect of shares held by them. Nomination forms can be obtained from the Share Transfer Agent of the Company.
6. The trading of the Company's Equity Share fall under the category of compulsory delivery in dematerialised mode by all categories of investors.

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Secretary

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

ITEM NO.4.

Appointment of Mr. Kamal Kumar Agarwal as Managing Director will expire on the close of 30th November, 2002. The Board of Directors at its Meeting held on 27th July, 2002 has reappointed him as a Managing Director for a further period of Three years with effect from 1st December, 2002 on remuneration, terms and conditions as mentioned hereunder:

1. Salary : Rs.11,000/- 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 and 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 subject to the limits laid down in schedule XIII including any amendment thereof.

Mr. Kamal Kumar Agarwal is a Commerce graduate having over 10 years of experience in the Granite Industry. The remuneration proposed to be paid to Mr. Kamal Kumar Agarwal is justified having regard to the nature of services required from him and is commensurate with his knowledge and experience in the Industry. He holds the directorship in the following Companies :



- (a) United Sales Agencies (Calcutta) Pvt. Ltd.
- (b) U.S.D. Industries Pvt. Ltd.
- (c) Glittek Infotech Ltd.

The Board recommends adoption of the resolution.

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

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.

As required under Schedule XIII the proposed remuneration will be paid to Mr.Kamal Kumar Agarwal only after it is approved by the Remuneration Committee constituted as per the requirement of the said Schedule.

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

The draft Agreement proposed to be entered into with Mr.Kamal Kumar Agarwal in terms of the Ordinary Resolution under Item No.4 of the notice will be made available for inspection at the Registered Office of the Company on any working day, prior to the date of the Twelfth Annual General Meeting between the hours of 11.00 A.M. and 1.00 P.M. and will also be available for inspection from 2.00 P.M. at the place and date of the Meeting.

ITEM NO.5.

Appointment of Mr.Ashoke Agarwal as Joint Managing Director will expire on the close of 30th November, 2002. The Board of Directors at its Meeting held on 27th July, 2002 has reappointed him as a Joint Managing Director for a further period of three years with effect from 1st December, 2002 on remuneration, terms and conditions as mentioned here under:

1. Salary : Rs.11,000/- 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 and 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. Ashoke Agarwal, be paid remuneration including the perquisites as specified above as minimum remuneration subject to the limits laid down in schedule XIII including any amendment thereof.

Mr.Ashoke Agarwal is a Commerce graduate having over 10 years of experience in the Granite Industry. The remuneration proposed to be paid to Mr.Ashoke Agarwal is justified having regard to the nature of services required from him and is commensurate with his knowledge and experience in the Industry. He holds the directorship in the following Companies:

- (a) United Sales Agencies (Calcutta) Pvt. Ltd.
- (b) U.S.D. Industries Pvt. Ltd.
- (c) Glittek Infotech Ltd.
- (d) Auto Sales Agencies Pvt. Ltd.



The Board recommends adoption of the resolution.

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

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.

As required under Schedule XIII the proposed remuneration will be paid to Mr. Ashoke Agarwal only after it is approved by the Remuneration Committee constituted as per the requirement of the said Schedule.

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

The draft Agreement proposed to be entered into with Mr. Ashoke Agarwal in terms of the ordinary Resolution under Item No. 5 of the notice will be made available for inspection at the Registered office of the Company on any working day, prior to the date of the Twelfth Annual General meeting between the hours of 11.00 A.M. and 1.00 P.M. and will also be available for inspection from 2.00 P.M. at the place and date of the Meeting.

ITEM No. 6

Mr. A. T. Gowda was appointed as an Additional Director of the Company under the provisions of Section 260 of the Companies Act, 1956 with effect from 14.03.2002 by virtue of resolution passed by circulation and pursuant to clause 140 of the Articles of Association of the company. Mr. A. T. Gowda is a Mechanical Engineer, retired Air Force Officer of Technical Branch of IAF. During his career of about 40 years, he served 29 years in various capacities to IAF and retired as Wing Commander in 1992. After retirement he has worked for more than 10 years in Granite Industry. He does not hold any other directorship. Notice has been received from a member of the Company pursuant to the provisions of Section 257 of the Companies Act, 1956 proposing the appointment of Mr. A. T. Gowda as a Director of the Company. The Board recommends that the resolution relating to his appointment as a director of the Company be passed.

Except Mr. A. T. Gowda, no other director is concerned or interested in the resolution set out under Item No. 6

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Date : 27th day of July, 2002

By order of the Board

R. G. Agarwal
Secretary

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

Your Directors have pleasure in presenting the Twelfth Annual Report alongwith Audited Statement of Accounts for the year ended 31st March, 2002.

1. FINANCIAL RESULTS:

	Rs.in lacs	
	2001-02	2000-01
Sales & Other Income	1558.59	1659.71
Profit before Interest & Depreciation	223.36	267.15
Less: Interest	152.40	163.98
Depreciation	96.01	94.20
Net Profit/(Loss) for the year	(25.05)	8.97

2. FINANCE

During the year under review the Company has allotted Equity Shares worth Rs.250.00 Lacs to promoters and Rs.150.00 Lacs to Financial Institutions towards settlement of their Simple Interest dues. The Company has also allotted 8% Optionally Convertible Cumulative Preference Shares of Rs.370.00 Lacs to Financial Institutions towards settlement of outstanding principal loan amount.

3. OPERATION

During the year under review your Company has achieved an export Sales turnover of Rs.1515.19 Lacs in comparison to Rs.1629.65 Lacs in the previous year. The sales has been adversely affected due to the terrorist attack on World Trade Centre (USA).

Further to information in the last report the Rehabilitation Scheme sanctioned by the Hon'ble BIFR is under implementation by the Company.

4. DIVIDEND

Due to losses suffered by the Company, the Directors regret their inability to recommend dividend to the Shareholders.

5. 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, 2002, 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 with 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.

6. CORPORATE GOVERNANCE

The Company is implementing the requirements of the clause 49 of the Listing Agreement with the Stock Exchanges in the current year and hence the report on Corporate Governance will be published in the next Annual Report for the year ended 31st March, 2003.

7. DIRECTORS

Mr. Arun Sinha has been appointed as special



Director of the Company with effect from 07.08.2001 by the Hon'ble Board for Industrial & Financial Reconstruction.

Mr. A.T.Gowda has been appointed by the Board as an Additional Director of the Company with effect from 14.03.2002.

In terms of the relevant provisions of the Companies Act, 1956 ("the Act"), Mr.A.T.Gowda holds office as an Additional Director of the Company only upto the date of the next Annual General Meeting. The Company has received a Notice from a Member in terms of Section 257 of the Act signifying his intention to propose Mr.A.T.Gowda for the office of Director of the Company. Accordingly, the appointment of Mr.A.T.Gowda as a Director of the Company has been proposed as Ordinary Resolution at the Twelfth Annual General Meeting.

Shri K.K.Agarwal, Director of the Company retires by rotation and being eligible, offers himself for reappointment.

8. 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.

9. 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.

10. INDUSTRIAL RELATIONS

The Company continued to maintain cordial relations with the employees. The performance of the Company during the year as reflected in the attached accounts could be made possible only with the positive response from all the Associates. The Directors express their appreciation for the very good co-operation received from all sections of the Associates/ Officers of the Company.

11. 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.

12. LISTING OF EQUITY SHARES

The Equity Shares of the Company are listed on Bangalore, Mumbai, Calcutta and Ahmedabad Stock Exchanges. The Listing fees for the year 2002-2003 have been paid to the Stock Exchanges.

13. 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.

For and on behalf of the Board

Place: Hoskote
Date : 29th June, 2002

K. K. Agarwal
Managing Director

A. T. Gowda
Director