

ANNUAL REPORT
2004-2005



GLITTEK GRANITES LIMITED



GLITTEK GRANITES LIMITED

BOARD OF DIRECTORS

- MR. B. K. AGARWAL - *Chairman*
 MR. K. K. AGARWAL - *Managing Director*
 MR. ASHOKE AGARWAL - *Jt. Managing Director*
 MR. A. T. GOWDA - *Director*
 MR. A. VENKATESH - *Director*
 MR. R. S. MATHUR - *(Special Director upto 31.05.2005)*

Report Junction.com

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

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

Share Transfer Agent

M/s. MCS Ltd.
 77/2A. Hazra Road,
 Kolkata - 700 029
Contact person :
 Mrs. B. Biswas, Mr. Prabir Sarkar
 Phone : (033) 2476-7350-54 (5 lines)
 Fax : (033) 2474-7674
 Email : mcscal@cal2vsnl.net.in

**Exchange on which Company's Shares
 are listed :**
 Bangalore and Mumbai.

NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of Glittek Granites Ltd. will be held at its Registered Office 42, K.I.A.D.B. Industrial Area, Hoskote - 562 114 on Tuesday the 27th day of September, 2005 at 11.30 A.M. to transact the following business:-

ORDINARY BUSINESS:

- 1 To consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2005 the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
- 2 To reappoint Sri Ashoke Agarwal who retires by rotation and being eligible offer himself for reappointment.
- 3 To reappoint Sri A.T.Gowda who retires by rotation and being eligible offer himself for reappointment.
- 4 To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

5 Reappointment of Sri Kamal Kumar Agarwal as Managing Director

To consider and if thought fit, to pass with or without modification, the following resolution as Special 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 Sri Kamal Kumar Agarwal as Managing Director of the Company for a period of Three Years with effect from 1st April, 2005 (whose present appointment expire on 30th November, 2005) 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 Sri Kamal Kumar Agarwal, so as not to exceed the remuneration limits as specified to Schedule XIII of the Act or any amendments thereto.

6 Reappointment of Sri Ashoke Agarwal as Joint Managing Director

To consider and if thought fit, to pass with or without modification, the following resolution as Special 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 Sri Ashoke Agarwal as Joint Managing Director of the Company for a period of Three Years with effect from 1st April, 2005 (whose present appointment expire on 30th November, 2005) 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 Sri Ashoke Agarwal, so as not to exceed the remuneration limits as specified to Schedule XIII of the Act or any amendments thereto.

7 Special Resolution :

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

"Resolved That pursuant to the provisions of revised Clause 49(1)(B) of the Listing Agreement with the Stock Exchanges read with applicable provisions of the Companies Act, 1956 or any amendment thereof (Act) and Articles of Association, the consent of the Company be and is hereby accorded to the payment of such sitting fees, to the Directors of the Company [excluding the Managing Director(s) and Whole time Director(s)] for attending any meeting of the Board of Directors or any Committee thereof, as may be determined from time to time by the Board but not exceeding such sum as may from time to time be prescribed by or under the Companies Act, 1956 and the Rules prescribed thereunder or any amendment(s) thereof."

Registered Office :

42, K. I. A. D. B. Industrial Area,
 Hoskote, Karnataka - 562 114
 Date : 30th day of June, 2005

By order of the Board
R. G. Agarwal
 Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED MUST BE RETURNED SO AS TO REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE COMMENCEMENT OF THE AFORESAID MEETING.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act,1956 in respect of Special Business Under Item No.5 to 7 is annexed hereto.
3. Register of Member and Share Transfer Book of the Company will remain closed from 26.09.2005 to 27.09.2005 (both days inclusive) for the Annual General Meeting.
4. Members are requested to notify the 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 Shares fall under the category of compulsory delivery in dematerialised mode by all categories of investors.

Registered Office :

42, K. I. A. D. B. Industrial Area,
 Hoskote, Karnataka - 562 114
 Date : 30th day of June, 2005

By order of the Board

R. G. Agarwal
Company Secretary

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

Item No.5

Sri Kamal Kumar Agarwal was re-appointed as Managing Director of the Company for a period of three years from 30.11.2002 to 30.11.2005. His re-appointment and the remuneration payable to him as Managing Director for the said period was approved by the Shareholders at the 12th Annual General Meeting of the company held on 17.09.2002.

Although the current tenure of Sri Kamal Kumar Agarwal as Managing Director, expires only on 30th November,2005, the Board of Directors, considering his valuable contribution in the robust growth achieved by the Company in the last few years, thought it appropriate to re-appoint him for a fresh term of Three Years with effect from 1st April, 2005 to 31st March, 2008 on revised terms of remuneration. Accordingly, the Board of Directors has determined the remuneration payable to Sri Kamal Kumar Agarwal as Managing Director of the Company. The said re-appointment as Managing Director as well as the remuneration is subject to the approval by the Members in the next General Meeting.

Pursuant to the provisions of Section 269, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Sri Kamal Kumar Agarwal is re-appointed as the Managing Director of the Company for a fresh term of Three Years with effect from 1st April,2005 upon the terms of remuneration given below:

- | | | |
|---------------------------|---|---|
| 1. Salary | : | Rs.25,000/- 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 Sri 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 Sri 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.

Sri Kamal Kumar Agarwal is a Commerce graduate having over 15 years of experience in the Granite Industry. The remuneration proposed to be paid to Sri 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 Sri Kamal Kumar Agarwal, Sri Bimal Kumar Agarwal and Sri 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.

The proposed resolution along with explanatory statement which sets out the material terms and conditions in respect of reappointment of Sri 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 entered into with Sri Kamal Kumar 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 this Fifteenth Annual General Meeting between the hours of 11.00 A.M. and 1.00 P.M. and will also be available for inspection from 10.00 A.M. at the place and date of the Meeting.

ITEM NO.6

Sri Ashoke Agarwal was re-appointed as Joint Managing Director of the Company for a period of three years from 30.11.2002 to 30.11.2005. His re-appointment and the remuneration payable to him as Joint Managing Director for the said period was approved by the Shareholders at the 12th Annual General Meeting of the company held on 17.09.2002.

Although the current tenure of Sri Ashoke Agarwal as Joint Managing Director, expires only on 30th November, 2005, the Board of Directors, considering his valuable contribution in the robust growth achieved by the Company in the last few years, thought it appropriate to re-appoint him for a fresh term of Three Years with effect from 1st April, 2005 to 31st March, 2008 on revised terms of remuneration. Accordingly, the Board of Directors has determined the remuneration payable to Sri Ashoke Agarwal as Joint Managing Director of the Company. The said re-appointment as Joint Managing Director as well as the remuneration is subject to the approval by the Members in the next General Meeting.

Pursuant to the provisions of Section 269, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Sri Ashoke Agarwal is re-appointed as the Joint Managing Director of the Company for a fresh term of Three Years with effect from 1st April, 2005 upon the terms of remuneration given below:

1. Salary : Rs.25,000/- 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 Sri 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 Sri 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.

Sri Ashoke Agarwal is a Commerce graduate having over 13 years of experience in the Granite Industry. The remuneration proposed to be paid to Sri 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 Sri Ashoke Agarwal, Sri Bimal Kumar Agarwal and Sri 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.

The proposed resolution alongwith explanatory statement which sets out the material terms and conditions in respect of reappointment of Sri 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 entered into with Sri Ashoke Agarwal in terms of the Ordinary Resolution under item No.6 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 this Fifteenth Annual General Meeting between the hours of 11.00 A.M. and 1.00 P.M. and will also be available for inspection from 10.00 A.M. at the place and date of the Meeting.

**ITEM NO.7**

Under the provisions of Section 309(2) of the Companies Act, 1956 and Articles of Association of the Company, a director may receive remuneration by way of a fee for each meeting of the Board, or a Committee thereof, attended by him.

The amended provisions of Clause 49(1)(B) of the Listing Agreement with the Stock Exchanges, as notified by SEBI vide Circular Nos. SEBI/CFD/DIL/CGII/2004/12/10 dated October 29, 2004 and SEBI/CFD/DIL/CG/1/2005/29/3 dated March 29, 2005 and compulsorily coming into effect on & from 31st December, 2005, now requires that all fees/compensation paid to the non-executive Directors, shall be fixed by the Board of Directors and shall require previous approval of the shareholders in the General Meeting. Accordingly, approval of the shareholders is sought for payment of such increased fees to the Directors for attending any Board meeting or any Committee thereof, as may be fixed by the Board in future within such limits as may from time to time be prescribed under the Companies Act, 1956 and Rules framed thereunder or any amendment(s) thereof.

The Board of Directors recommend passing of the above resolution.

All the Directors except the Managing / Wholetime Directors are interested in the above resolution.

Registered Office :

42, K. I. A. D. B. Industrial Area,
Hoskote, Karnataka - 562 114
Date : 30th day of June, 2005

By order of the Board

R. G. Agarwal

Company Secretary

Report  junction.com

DIRECTORS' REPORT

TO THE SHAREHOLDERS,

Your Directors have pleasure in presenting the Fifteenth Annual Report and Audited Accounts for the year ended 31st March 2005.

1.FINANCIAL RESULTS :

	(Rs. in lacs)	
	31.03.2005	31.03.2004
Sales & Other Income	1712.54	1483.92
Profit before Interest & Depreciation	209.36	201.98
Less: Interest	77.25	96.57
Depreciation	98.68	95.70
Net Profit for the year	33.43	9.71
Balance brought forward from last year	(100.62)	(110.33)
Balance Carried forward	(67.19)	(100.62)

2.DIVIDEND :

In view of non-availability of sufficient profit, your Directors express their inability to recommend payment of dividend in respect of the year under review.

3.PERFORMANCE:

During the year under review, your Company has achieved turnover of Rs.1,708.27 Lacs in comparison to Rs.1,482.48 Lacs and earned Profit of Rs.33.43 Lacs in comparison to Rs.9.71 Lacs in the previous year. The Company will continuously strive towards further improvement in efficiency in operation focusing towards cost control.

Your Company is undergoing a significant turnaround and the business prospects are expected to improve substantially. The Company is also looking for capacity expansion. The Company has been discharged from the purview SICA w.e.f.31.05.2005.

During the year the Company has negotiated for pre payment of Term Liability of ICICI Bank Ltd. and IDBI Ltd. In terms of the Pre - Closure Scheme, the Company has allotted 10,00,000 equity shares of Rs.5/- each at par to ICICI Bank

Ltd. on 21.03.05 and 20,00,000 equity shares of Rs.5/- each at par to IDBI Ltd. on 04.04.2005.

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:

- That the Applicable Accounting Standards have been followed in the preparation of annual Accounts.
- That the accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2005, and the Profit & Loss Account for the year ended on that date.
- 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.
- That the Annual Accounts have been prepared on a going concern basis.

5. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance with Auditors' Certificate on Compliance with conditions of Corporate Governance and a Management Discussion & Analysis Report have been attached as part of the Annual Report.

6. LISTING INFORMATION

The Securities of the Company are listed with and traded in dematerialized form at the Stock Exchange at Mumbai and Bangalore. The Company's Securities are voluntarily delisted from Ahmedabad Stock Exchange w.e.f.28.01.05. The Company has also filed application for voluntarily delisting of its securities from the

Calcutta Stock Exchange Association Ltd. approval is awaited.

The Listing Fee is paid to the Stock Exchanges for the year 2005-06. The ISIN No. of the company is INE 741B01027.

7. DIRECTORS

In accordance with Article 149 of the Articles of Association of the Company and the applicable provisions of the Companies Act, 1956, Mr. Ashoke Agarwal and Mr. A.T. Gowda will retire from the Board by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Sri Kamal Kumar Agarwal has been reappointed as Managing Director w.e.f. 01.04.05 for a period of Three Years subject to the approval of the Shareholders in General Meeting.

Sri Ashoke Agarwal has been reappointed as Joint Managing Director w.e.f. 01.04.05 for a period of Three Years subject to the approval of the Shareholders in General Meeting.

8. AUDITORS & AUDITORS' REPORT

M/s. Rungta & Rungta, Chartered Accountants, statutory auditors of the company hold office until the conclusion of the ensuing Annual General meeting and being eligible offer themselves for re-appointment. The Company has received a certificate from them that their re-appointment, if made, would be within the limits laid down under Section 224(1)(B) of the Companies Act.

The notes on accounts referred to the Auditors' Report are self explanatory and therefore, do not call for any further explanation.

9. FIXED DEPOSITS

The Company has not accepted any deposit from the public within the meaning of Section 58-A of the Companies Act, 1956, during the year 2004-05.

10. PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The particulars as prescribed under sub-section 1(e) of Section 217 of the Act, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed hereto and form part of the report.

11. INDUSTRIAL RELATIONS

The Company continued to maintain cordial relation with the employees. The Directors express their appreciation for the very good co-operation received from all sections of all Associates/Officers of the Company.

12. PARTICULARS OF EMPLOYEES

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.

13. ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the continued support rendered by the shareholders, customers, suppliers, Bankers, Financial Institutions, the Central Government and the State Government agencies for their cooperation extended to the Company.

Place: Hoskote
Date : 30th day of June, 2005

On behalf of the Board

Bimal Kumar Agarwal
Chairman

ANNEXURE TO THE DIRECTOR'S REPORT

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, 2005.

A) CONSERVATION OF ENERGY

- Your company accords highest priority for conservation of energy and necessary measures for optimising energy consumption have been taken.
- Additional Investment & proposal, if any, being implemented for reduction of consumption energy.
- NIL -
- 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	13,37,368	13,06,158
Total Amount (Rs.)	64,96,704	60,96,519
Rate/Unit (Rs.)	4.86	4.67
b) Own Generation (thru Diesel Generator)		
Units	4,96,152	4,77,338
Units Per Ltr. of Diesel Oil	3.18	2.87
Cost per unit (Rs.)	6.45	5.26
2. Consumption per unit of production:		
Production of Tiles & Slabs (Sq.mtr)	82,255.101	94,835.011
Consumption per Sq.Mtr.	22.29	18.81

B) TECHNOLOGY ABSORPTION

a) Research and Development

- 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 other benefit accrued from it.

2. Future plan of action

The Company financial problem has kept in abeyance its plan on research & development.

- 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	1,678.43	1,457.42
Outgo	111.16	109.86

On behalf of the Board

Place: Hoskote
Date : 30th day of June, 2005

Bimal Kumar Agarwal
Chairman