

ANNUAL REPORT  
2006-2007



Report Junction.com

**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*

**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**

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  
investorglittek@rediffmail.com

**BANKERS**

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

**Exchange on which Company's Shares  
are listed :**

Bangalore and Mumbai.

**NOTICE**

NOTICE is hereby given that the Seventeenth 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 Friday the 28<sup>th</sup> day of September, 2007 at 12.30 P.M. to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited accounts of the Company for the year ended 31<sup>st</sup> March, 2007 and the Reports of the directors and auditors thereon.
2. To reappoint Sri Kamal Kumar 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.

**Registered Office :**

42, K. I. A. D. B. Industrial Area,  
Hoskote, Karnataka - 562 114  
Date : 30th day of June, 2007

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 TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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 SCHEDULED TIME OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 24<sup>th</sup> September, 2007 to 28<sup>th</sup> September, 2007 (both days inclusive) for the Annual General Meeting.
3. The members holding shares in the dematerialised mode are requested to intimate all changes with respect to their mandate, nomination, power of attorney, change of address, change in name etc. to their depository participant (DP), which would be changed automatically in the company's record which will help the company to provide efficient and better service to the members.
4. The shares of the Company are under compulsory demat list & can be traded only in demat form.
5. All documents referred to in the notice are open for inspection at the registered office of the Company between 11.00 a.m. to 1.00 p.m. on any working day prior to the date of the meeting and also at the meeting venue.
6. Members intending to require information about accounts to be explained at the meeting are requested to write to the Company at least seven days in advance of the Annual General Meeting.
7. Details of Directors seeking re-appointment as required under Clause 49 of the Listing Agreement with the Stock Exchanges.

Sri Kamal Kumar Agarwal, aged about 47 years, is the Promoter Director of the Company. He has vast experience in Granite Industry over 14 yrs. He is holding 811100 equity shares of the Company.

Sri A.T.Gowda aged about 67 years, was a Mechanical Engineer. Retired Air Force Officer of Technical Branch of IAF. He retired as wing commander in 1992. After retirement he has worked for more than 12 years in Granite Industry.

**Registered Office :**

42, K. I. A. D. B. Industrial Area,  
Hoskote, Karnataka - 562 114  
Date : 30th day of June, 2007

By order of the Board

**R. G. Agarwal**

*Company Secretary*



## DIRECTORS' REPORT TO THE SHAREHOLDERS,

Your Directors have pleasure in presenting the Seventeenth Annual Report and Audited Accounts for the year ended 31<sup>st</sup> March 2007.

### 1. FINANCIAL RESULTS :

	(Rs. in lacs)	
	31.03.2007	31.03.2006
Sales & Other Income	1715.75	1152.52
Profit before Interest, Depreciation &		
Exceptional Items	213.88	112.52
Less: Interest	76.28	63.55
Depreciation	97.56	96.10
Net Profit for the year	40.04	4.28
Balance brought forward from last year	(62.91)	(67.19)
Balance Carried forward	(22.87)	(62.91)

### 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.1,713.91 Lacs in comparison to Rs.1,146.24 Lacs and earned a Profit of Rs.40.04 Lacs in comparison to Rs.4.28 Lacs in the previous year.

### 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. The Applicable Accounting Standards have been followed in the preparation of Annual Accounts.
- B. 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 31<sup>st</sup> March, 2007, and the Profit & Loss Account for the year ended on that date.
- C. 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. 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 Bombay Stock Exchange Ltd. (BSE), and the Bangalore Stock Exchange Ltd.

The Listing Fee is paid to the Stock Exchange for the year 2007-2008. 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. Kamal Kumar 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.

### 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 in the Auditors' Report are self explanatory and therefore do not call for any further comments.

### 9. FIXED DEPOSITS

The Company has not accepted any fixed deposits during the year under review.

### 10. PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS 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, are Provided in the Annexure to this 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.

rendered by the shareholders, customers, suppliers, Bankers, Financial Institutions, the Central Government and the State Government agencies for their cooperation extended to the Company.

**13. ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation of the continued support

On behalf of the Board

Place: Hoskote

Date : 30th day of June, 2007

**Bimal Kumar Agarwal**

Chairman

**ANNEXURE TO THE DIRECTOR'S REPORT**

Particulars required under the Companies (Disclosure of Board of Directors) Rules, 1988.

**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 consumption energy. - 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	14,30,814	13,63,565
Total Amount (Rs.)	68,32,503	66,47,761
Rate/Unit (Rs.)	4.77	4.87
b) Own Generation (thru' Diesel Generator)		
Units	3,06,548	2,69,172
Units Per Ltr. of Diesel Oil	3.19	2.79
Cost per unit (Rs.)	8.89	9.30
2. Consumption per unit of production:		
Production of Tiles & Slabs (Sq.mtr)	74,806.878	64,692.554
Consumption per Sq.Mtr.	23.22	25.24

**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 other benefit accrued from it.

2. Future plan of action

The Company's 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	1692.87	1126.80
Outgo	101.07	78.28

On behalf of the Board

Place: Hoskote

Date : 30th day of June, 2007

**Bimal Kumar Agarwal**

Chairman



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per the requirement of Clause 49 of the Listing Agreements with the Stock Exchanges, the Management Discussion and Analysis of the events that have taken place and conditions prevailing during the period under review are elucidated.

### a) INDUSTRY STRUCTURE & DEVELOPMENT

The Company is engaged in manufacturing of Granite Tiles & Slabs. The main market for the company's product is USA and Europe.

### b) OPPORTUNITY AND THREATS

The company has established its very good brand image in the international market particularly in the USA. The Company is benefiting by the revival of international natural stone market.

The perceived threats for the Company are acute competition from Italy and China, ever increasing material cost, unremunerative prices and availability of good quality raw materials due to export of the same in raw form.

### c) RISKS & CONCERNS

Rough Granite Blocks are raw material in the manufacture of products of the Company. As such the export of Rough Blocks may affect the profitability of the Company. Exports of the company are in US Dollar and imports are in EURO. Hence any adverse exchange Fluctuation may affect the performance of the Company.

### d) INTERNAL CONTROL SYSTEM

Through the long years of experience in its line of business, the Company has developed and implemented internal control systems in the various functional areas of its operation. Your Directors are satisfied about the adequacy of the same.

### e) HUMAN RESOURCES

The Company has a total man power of 98 as on 31<sup>st</sup> March, 2007. The Employer-Employee relations were cordial throughout the year.

### f) CAUTIONARY STATEMENT

Statement in this Report particularly those which relate to Management Discussion and Analysis describing the Company's objectives, projections estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulation. Actual results might differ materially from those either expressed or implied.

**REPORT ON CORPORATE GOVERNANCE**

(Pursuant to Clause 49 of the Listing Agreement)

In compliance with clause 49 of the listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said clause and the practices followed by the Company.

**1. Company's Philosophy on Code of Governance:**

Your Company's philosophy is to enhance customers' satisfaction and shareholder value by practicing the principles of good corporate governance.

**2. Board of Directors:**

- i) Particulars of composition of Board of Directors, attendance of each Director at Board Meetings & the last Annual General Meeting, and number of other Board of Directors or Board Committees of which Directors are Member/Chairman, are as under:

Name of Director	Category	Attendance Particulars		No. of other Directorships and Committee memberships/ Chairmanships		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanships
Mr. Bimal Kumar Agarwal	Chairman	5	Yes	1	3	—
Mr. Kamal Kumar Agarwal	Managing Director	5	Yes	2	1	—
Mr. Ashoke Agarwal	Joint Managing Director	5	Yes	2	—	—
Mr. A. T. Gowda	Independent Non-Executive Director	5	Yes	1	3	2
Mr. A. Venkatesh	Independent Non-Executive Director	5	Yes	—	2	1

# This includes directorships held in public limited companies and excludes directorship held in private limited companies.

During the Financial Year ended 31st March, 2007 Five Board Meeting were held as per statutory requirements on 25th May, 2006, 30th June, 2006, 29th July, 2006, 23rd October, 2006 & 31st January, 2007.



## ii) Particulars of Directors proposed to be reappointed are as follows :

Name of the Director	Mr.Kamal Kumar Agarwal	Mr.A.T.Gowda
Age	46 Years.	65 Years.
Qualifications	B.Com.	Mech. Engr.
Experience	Promoter director of the Company having experience in Granite Industry over 14 years.	Mechanical Engineer retired, Air Force Officer of Technical Branch of IAF.During his carrier of about 40 years. He served 29 years. In various capacities of IAF and retired as Wing Commander in 1992. After retirement he has worked for more than 12 years in Granite Industry.
Other Directorships	Granite Mart Ltd. United Sales Agencies (Cal) Pvt.Ltd. U.S.D.Industries Pvt.Ltd. Glittek Infotech Ltd. Glittek Infrastructure Pvt. Ltd. Kshitish Marketing Pvt.Ltd.	Hotriya Technologies Services Ltd.
Shareholding in the Co.	811100 Equity Shares	100 Equity Shares

## iii) Shareholding of Non-Executive Directors in the Company :

Name	No. of Equity Shares
Sri A. T. Gowda	100

**3. Code of Conduct for Members of the Board and Senior Management Personnel:**

The Board of Directors has already adopted Code of conduct for the Directors and senior Management Personnel.

All the Board members have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director and CEO in this regard is given below:

As provided under clauses 49 of the Listing Agreement with Stock Exchange(s), it is hereby declared that all the board members and senior Management Personnel of the Company have confirmed Compliance with the Code of Conduct for the year ended 31.03.07.



**ANNUAL DECLARATION BY MANAGING DIRECTOR (CEO) PURSUANT TO CLAUSE 49(I)(D)(ii) OF STOCK EXCHANGE LISTING AGREEMENT**

As the Managing Director (Chief Executive Officer) of Glittek Granites Ltd. and as required by clause 49(I)(D)(ii) of the Stock Exchange Listing Agreement. I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Business conduct and Ethics for the Financial year ending 31<sup>st</sup> March, 2007.

Kolkata  
30<sup>th</sup> June, 2007

**Kamal Kumar Agarwal**  
Managing Director

**COMMITTEES OF THE BOARD**

**4. Audit Committee:**

4.1 The audit committee is to oversee the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of their fees, to review and discuss with the auditors about internal control systems, the scope of audit including the observation of the Audits, adequacy of the internal control system, major accounting policies, practices and entries, compliances with accounting standards and listing agreement entered into with the Stock Exchanges and other legal requirements concerning financial statements and related party transactions, if any, to review the Company's financial and risk management policies and discuss with the Internal Auditors any significant findings for follow up thereon, to review the Quarterly, Half Yearly and Annual financial statements before they are submitted to the Board of Directors.

4.2 The Audit Committee of the Board of Directors comprises of following non-executive Directors held four meetings in the financial year 2006-07. Details as to attendance of members and the meeting are as follows:

		No. of meetings attended
a)	Sri A.Venkatesh Chairman	4
b)	Sri A.T.Gowda Member	4
c)	Sri B.K.Agarwal Member	4

**5. Remuneration Committee:**

Remuneration Committee determines on behalf of the Board of Directors and shareholders, the Company's policy on specific remuneration packages for executive director including pension rights and any compensation payments. The following are the members of the committee.

a)	Mr.A.T.Gowda Independent	Chairman
b)	Mr.A.Venkatesh Independent	Member
c)	Mr.B.K.Agarwal Non-Executive	Member

Details of remuneration paid or payable to Directors for the financial year ended 31<sup>st</sup> March,2007, are set out below:

Name of the Director	Sitting fees (Rs.)	Salary & Perquisites (Rs.)	Contribution to Provident Fund (Rs.)	Total (Rs.)
Mr.Kamal Kumar Agarwal	—	4,80,000/-	36,000/-	5,16,000/-
Mr.Ashoke Agarwal	—	4,80,000/-	36,000/-	5,16,000/-
Mr.A.T.Gowda	2,500/-	—	—	2,500/-
Mr.A.Venkatesh	2,500/-	—	—	2,500/-

**Note:**

- i) Presently, the Company does not have a scheme for grant of Stock option.
- ii) The employment of both the whole-time Directors are contractual in nature by necessary implications and is terminable by either side on three months' Notice or pay in lieu thereof. No servance fee is payable to any of the whole-time Directors upon termination of his employment.

**6. Shareholders/Investors Grievance Committee:**

The Shareholders/Investors Grievance Committee was constituted on 30.01.2003. The Committee looks into Shareholders & Investors grievance. The following are the members of the committee.

Name	Designation	Nature
Mr.A.T.Gowda	Chairman	Independent
Mr.B.K.Agarwal	Member	Non-Executive
Mr.K.K.Agarwal	Member	Executive

Mr.R.G.Agarwal, the Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations,1992 and the Listing Agreements with the Stock Exchange of India.

During the year 37 complaints were received from the Shareholders and all of which have been resolved to date and there were no outstanding complaints as on 31<sup>st</sup> March, 2007.

**7. General Body Meetings:**

Location and time where last three Annual General Meetings were held is given below:

Financial Year	Location of the Meeting	Date	Time
2003 - 2004	42,K.I.A.D.B.Industrial Area, Hoskote 562 114	24.09.2004	11.30 A.M.
2004 - 2005	42,K.I.A.D.B.Industrial Area, Hoskote 562 114	27.09.2005	11.30 A.M.
2005 - 2006	42,K.I.A.D.B.Industrial Area, Hoskote 562 114	22.09.2006	12.30 P.M.

All resolutions including the special resolutions are generally passed by way of show of hands. No postal ballots, were used for voting at these meetings.

**8. Disclosures:**

- i) There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large.