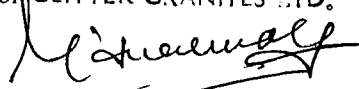


ANNUAL REPORT 2007-2008



For GLITTEK GRANITES LTD.

Company Secretary

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. A. DHANUKA - *Director (w.e.f. 30.06.2008)*

COMPANY SECRETARY

MR. VITHAL DAS MALL

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. Tapas Roy
 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 :

Mumbai and Bangalore.

**NOTICE**

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of GLITTEK GRANITES LTD. will be held at its Registered Office at 42, K.I.A.D.B. Industrial Area, Hoskote - 562 114, Karnataka on Tuesday day the 23rd September 2008 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 31st March, 2008 and the Reports of the Directors and Auditors thereon.
2. To reappoint Mr. Ashoke Agarwal who retires by rotation and being eligible offers himself for reappointment.
3. To reappoint Mr. A. Venkatesh who retires by rotation and being eligible offers himself for reappointment.
4. 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 Resolution:

5. "Resolved that Mr. Amit Dhanuka who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 30.06.2008, and whose term expires at the Annual General Meeting of the Company scheduled to be held on 23.09.2008 and for the appointment of whom the Company has received a notice under section 257 of the Act from a member proposing his candidature for the office of a Director be and is hereby appointed a Director of the Company whose period of office will be liable to determined by rotation."

As special Resolution

6. "Resolved that subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956 and rules framed there under, Listing Agreement, SEBI (De-Listing of Securities) Guidelines, 2003 and such other applicable laws, regulations, and guidelines and subject to such approvals, permission and sanctions, as may be necessary, the Board of directors of the Company be and is hereby authorized to seek voluntary delisting of its equity shares from Bangalore Stock Exchange Limited.

Resolved further that the Equity Shares of the Company shall continue to be listed on Bombay Stock Exchange Limited having nation-wide trading terminals.

Resolved further that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such deeds and documents as may be necessary to give effect to this resolution."

Registered Office :

42, K. I. A. D. B. Industrial Area,
Hoskote, Karnataka - 562 114
Date : 30th day of June, 2008

By order of the Board

V D MALL

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. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto and forms part of this notice.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 15th September, 2008 to 19th September, 2008 (both days inclusive) for the Annual General Meeting.



4. The members holding shares in the dematerialized 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.
5. The shares of the Company are under compulsory demat list and can be traded only in demat form.
6. All documents if any 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.
7. 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 AGM.
8. Details of Directors seeking re-appointment as required under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Ashoke Agarwal, aged about 44 years, is the Promoter Director of the Company. He has vast experience in Granite Industry over 15 years. He is holding 846100 equity shares of the Company. Members are advised to refer to the corporate Governance section for further details of Mr. Ashoke Agarwal.

Mr. A.Venkatesh, FCA, aged about 48 years is a practicing Chartered Accountant having experience in Accounts, Finance and Taxation for more than two decades. He does not hold any share in the Company. Members are advised to refer to the Corporate Governance Section for further details of Mr. A. Venkatesh.

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956

Relating to item No.5

Mr. Amit Dhanuka was appointed as additional director of the Company in the meeting of the Board of Directors of the Company held on 30.06.2008 pursuant to section 260 of the Companies Act, 1956 and Article 140 of the Articles of Association of the Company. He holds office up to the date of the forthcoming annual general meeting. The Company has received a notice under section 257 of the Companies Act, 1956 along with requisite deposits proposing his candidature for the office of a director. Mr. Amit Dhanuka is a Practising Chartered Accountant and has an experience of 10 years in the area of Finance & Accounts. He does not hold any share in the Company. The Company will be benefited from his qualification and experience and the Board recommends his appointment. Members are advised to refer to the corporate Governance section for further details of Mr. Amit Dhanuka.

None of the directors of the Company is interested or concerned in his appointment.

Relating to item No.6

At present the equity Shares of the Company are listed on the Bombay and Bangalore Stock Exchanges. The trading volume for the last several years on the Bangalore Stock Exchange Limited is thin and therefore price discovery is poor and also the depth. Since Bombay Stock Exchange Limited provides nation wide trading terminals, depth and price discovery is good. In the circumstances, there is no particular benefit to the shareholders by continuing listing on the Bangalore Stock Exchange Limited. It is therefore proposed to delist the shares from Bangalore Stock Exchange and an enabling resolution has been proposed which the Board recommends for approval of the members.

All the directors of the company may be deemed to be interested or concerned in the resolution.

Registered Office:

42, K.I.A.D.B. Industrial Area,
Hoskote, Karnataka 562 114
Date: 30th day of June, 2008

By Order of the Board
V D MALL
Company Secretary



DIRECTORS' REPORT TO THE SHAREHOLDERS,

Your Directors have pleasure in presenting the eighteenth Annual Report and Audited Accounts for the year ended 31st March 2008.

1. FINANCIAL RESULTS :

	(Rs. in lacs)	
	31.03.2008	31.03.2007
Sales & Other Income	1159.61	1715.75
Profit before Interest, Depreciation & Tax	159.61	220.55
Less:		
Interest	57.96	76.28
Depreciation	98.03	97.56
Tax	2.08	6.67
Net Profit for the year	1.54	40.04
Balance brought forward from last year	(22.87)	(62.91)
Balance carried forward	(21.33)	(22.87)

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.1,159.61 Lacs in comparison to Rs.1715.75 Lacs and earned a Profit of Rs.1.54 Lacs in comparison to Rs.40.04 Lacs in the previous year.

4. Capital

During the year the Company has raised equity capital of Rs.44999500/- by way of preferential issue of 7826000 equity shares of Rs.5/- each at a premium of Rs. 0.75 per share and the money so raised has been utilized for the stated objective and purpose.

5. Capital Expenditure

During the year the Company envisaged a capital expenditure programme of Rs. 930 lakhs to raise the granite slabs and tiles processing capacity from 18000 and 75000 Sq Mts to 126000 and 225000 sq Mts respectively and financial closure for the same has been achieved by sanction of a term loan of Rs. 620 lakhs with supporting working capital facilities for the enhanced capacity from State Bank of Hyderabad, Industrial Finance Branch, Bangalore. Civil work for the project has already been completed and machines are in the process of installations. The full benefit of the expansion project will be available from current year 2008-09.

6. 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 31st March, 2008 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.

7. 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.

8. LISTING INFORMATION

The Securities of the Company are listed with and traded in dematerialized form on Bombay Stock Exchange Ltd. (BSE), and Bangalore Stock Exchange Ltd. In view of the very thin trading on Bangalore Stock Exchange Limited and nation wide trading terminals available through Bombay Stock Exchange Limited, delisting from Bangalore Stock Exchange Limited is deemed desirable and a resolution to this effect has been proposed in the forthcoming AGM notice for approval of the members.

The Listing Fee has been paid to the Stock Exchanges for the year 2008-2009 except to Bangalore Stock Exchange Limited for the additional capital listing arising out of the preferential issue. The ISIN No. of the company is INE 741B01027.

9. 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. Venkatesh will retire from the Board by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

In view of the Stock Exchange listing requirement to make the Board members



independent directors compliant. Shri Amit Dhanuka, Chartered Accountant, has been inducted on the Board as an independent director with effect from 30.06.2008. He holds office up to the date of the forthcoming AGM and a resolution for his appointment has been proposed in the forthcoming AGM notice.

10. 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, 1956.

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

11. FIXED DEPOSITS

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

12. PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Place: Hoskote

Date: 30th day of June, 2008

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.

13. 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.

14. 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.

15. 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.

On behalf of the Board

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.

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.

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'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	1125.78	1692.87
Outgo	167.99	101.07

On behalf of the Board

Place: Hoskote

Date : 30th day of June, 2008

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 for 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 adequate 96 qualified and experienced human resources commensurate with its size and industrial relations continue to be cordial as the company continues to lay emphasis on development at all levels.

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.

**CORPORATE GOVERNANCE REPORT**

(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 (including Glitek Granites Limited)		
		Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Bimal Kumar Agarwal	Chairman	6	Yes	1	3	—
Mr. Kamal Kumar Agarwal	Managing Director	6	Yes	2	1	—
Mr. Ashoke Agarwal	Joint Managing Director	6	Yes	2	—	—
Mr. A. T. Gowda	Independent Non-Executive Director	6	Yes	—	3	2
Mr. A. Venkatesh	Independent Non-Executive Director	6	Yes	—	2	1
Mr. Amit. Dhanuka**	Independent Director	NA	NA	NA	NA	NA

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

** Appointed with effect from 30.06.2008.

SEBI has recently by its circular dated 8th April, 2008 modified the existing requirements whereby if the Non-Executive Chairman is a promoter of the Company or is related to any promoter, at least one-half of the Board shall consist of Independent Directors. The Company has accordingly reconstituted the composition of the Board to make the same independent directors compliant.

During the Financial Year ended 31st March, 2008 Six Board Meetings were held as per statutory requirements on 26th May, 2007, 30th June, 2007, 31st July, 2007, 31st October, 2007, 30th January, 2008 and 9th March 2008.



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

Particulars	Mr. Ashoke Agarwal	Mr A Venkatesh	Mr Amit Dhanuka
Age	44 years	48 years	32 Years
Qualification	B. Com	F C A	B.Com., FCA, CS (graduate), DISA
Experience	Promoter director of the Company having an experience of over 15 years in Granite Industry.	More than two decades Experience in Accounts, Finance and Taxation	10 years Experience in Accounts, Finance & Taxation
Other Directorships	Granite Mart Limited Glittek Infotech Limited USD Industries Pvt Ltd United Sales Agencies (Calcutta) Private Limited Auto Sales agencies Private Limited		KHS Tradefin Private Limited
Shareholding in the Company	864200 equity shares	—	—
Relationship with Other directors	Brother of Mr. B K Agarwal and Mr. K K Agarwal	Not related to any director.	Not related to any director.

Mr. Bimal Kumar Agarwal, Mr. Kamal Kumar Agarwal and Mr. Ashoke Agarwal, Directors of the Company are brothers and none other directors are related inter-se.

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

Name	No. of Equity Shares
Mr. 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 clause 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 31.03.08.



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

As 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 ended 31st March, 2008.

Hoskote

30th June, 2008

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 2007-08. Details as to attendance of members and the meeting are as follows:

			No.of meetings attended
a)	Mr. A.Venkatesh	Chairman	4
b)	Mr. A.T.Gowda	Member	4
c)	Mr. 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