

ANNUAL REPORT 2008-2009

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GLITTEK

For GLITTEK GRANITES LTD.

Secretary

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

AUDITORS

M/s. RUNGTA & RUNGTA
Chartered Accountants
25, R. N. Mukherjee Road
Kolkata - 700 001

BANKERS

STATE BANK OF HYDERABAD

REGISTERED OFFICE & WORKS

42, K.I.A.D.B. Industrial Area
Hoskote, Bangalore, Karnataka - 562 114
Phone : (080) 27971565, 27971566
Fax : (080) 27971567
E-Mail : glittek@vsnl.com

SHARE TRANSFER AGENT

M/s. MCS Limited
77/2A, Hazra Road, Kolkata - 700 029

Contact Person

Mr. Tapas Roy
Phone : (033) 2476-7350-54 (5-Lines)
Fax : (033) 2474-7674
Email : mcscal@cal2vsnl.net.in
investorglittek@rediffmail.com

**EXCHANGE ON WHICH COMPANY'S
SHARES ARE LISTED**

Bombay Stock Exchange Limited

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GLITTEK GLITTEK GRANITES LIMITED

NOTICE

NOTICE is hereby given that the Nineteenth 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 Wednesday the 16th September, 2009 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, 2009 and the Reports of the Directors and Auditors thereon.
2. To re-appoint Mr. Bimal Kumar Agarwal who retires by rotation and being eligible offers himself for re-appointment.
3. To re-appoint Mr. A T Gowda who retires by rotation and being eligible offers himself for re-appointment.
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, 2009

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, if required, 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 10th September, 2009 to 16th September, 2009 (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 & 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. Bimal Kumar Agarwal, aged about 52 years, is the Promoter Director of the Company. He has vast experience in Granite Industry over 16 years. He is holding 8,18,100 equity shares of the Company. Members are advised to refer to the corporate Governance section for further details of Mr. Bimal Kumar Agarwal.

Mr. A. T. Gowda aged about 73 years is a Mechanical Engineer and a retired Air Force Officer of Technical Branch of IAF. He retired as wing commander in 1992. After retirement he has worked more than 14 years in Granite Industry.



DIRECTORS REPORT

To the Shareholders

Your Directors have pleasure in presenting the nineteenth Annual Report and Audited Accounts for the year ended 31st March 2009.

1. FINANCIAL RESULTS	(Rs. in Lacs)	
Particulars	31.03.2009	31.03.2008
Sales & Other Income	1024.78	1158.88
Profit before Interest, Depreciation & Tax	233.19	159.61
Less : Interest	96.12	57.96
Depreciation	122.35	98.03
Tax	3.27	2.08
Net Profit for the year	11.45	1.54
Balance brought forward from last year	(21.33)	(22.87)
Balance carried forward	(9.88)	(21.33)

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.1024.78 Lacs in comparison to previous year Rs.1158.88 Lacs and earned a Profit of Rs.11.45 Lacs in comparison to Rs.1.54 Lacs in the previous year.

4. CAPITAL EXPENDITURE

The Capital expenditure programme for a projected amount of Rs. 930 lakhs as stated in the last report has been successfully completed with the support of the banker of the Company. The Commercial production with new capacity commenced in September, 2008 but at the same time the world wide recession set in. Your company is hopeful to combat the recession with its good reputation with the clients for quality products and timely deliveries. Besides, your company has increased marketing efforts by exploring new markets, participation in international trade fairs and frequent visits to the customers.

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. 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, 2009 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.

6. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, 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.

7. LISTING INFORMATION

The Securities of the Company are listed with and traded in dematerialized form on Bombay Stock Exchange Limited (BSE).

The Company's shares have been delisted from Bangalore Stock Exchange Limited.

The Listing Fee has been paid to the Stock Exchanges for the year 2009-2010. The ISIN No. of the Company is INE 741B01027.

8. RISK MANAGEMENT

As per listing requirement, the Company has adopted a risk management policy as approved in the Meeting of Board of Directors of the Company.

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. Bimal Kumar Agarwal and Mr. A T Gowda will retire from the Board by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

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.



GLITTEK GLITTEK GRANITES LIMITED

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

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.

By order of the Board

Kamal Kumar Agarwal
Managing Director

Ashoke Agarwal
Jt. Managing Director

Place: Hoskote

Date : 30th June, 2009

ANNEXURE TO THE DIRECTORS 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.

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	910.83	747.77
Outgo	285.12	167.99

By order of the Board

Kamal Kumar Agarwal*Managing Director***Ashoke Agarwal***Jt. Managing Director*

Place: Hoskote

Date : 30th June, 2009

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 expects to be benefitted from its current expansion programme and the world economy recovers.

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.



GLITTEK GLITTEK GRANITES LIMITED

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 the Director	Category	Attendance Particulars		No. of other Directorships and Committee Memberships, Chairmanships (including Glittek Granites Limited)		
		Board Meetings	Last AGM	* Other Directorship	Committee Membership	Committee Chairman
Sri B. K. Agarwal	Chairman	4	Yes	1	3	—
Sri K. K. Agarwal	Managing Director	5	Yes	2	1	—
Sri A. Agarwal	Jt. Managing Director	4	No	2	—	—
Sri A.T. Gowda	Independent Non-Executive Director	5	Yes	—	3	2
Sri A. Venkatesh	Independent Non-Executive Director	5	Yes	—	2	1
Sri Amit Dhanuka**	Independent Director	4	Yes	—	—	—

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

** Appointed with effect from 30.06.2008.

During the Financial Year ended 31st March, 2009 five Board meetings were held as per statutory requirements on 14th May 2008, 30th June 2008, 31st July 2008, 31st October 2008, and 31st January 2009.

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

Particulars	Shri B. K. Agarwal	Shri A. T. Gowda
Age	52	73
Qualification	B. Com	Mech. Engineer
Experience	Promoter Director of the Company having an experience of over 16 years in Granite Industry.	Mechanical Engineer and retired Air Force Officer of Technical Branch of IAF. During his Career 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 14 years in Granite Industry.
Other Directorships	U.S.D. Industries Pvt. Ltd. Glittek Infotech Ltd. Rubiks Agencies & Resorts Pvt. Ltd. U.S.D. Tea Industries Pvt. Ltd. United Sales Agencies (Calcutta) Pvt. Ltd. Auto Sales Agencies Pvt. Ltd.	Hotriya Technologies Services Limited Building Block Infrastructure Private Limited



Particulars	Shri B. K. Agarwal	Shri A. T. Gowda
Shareholding in the Company	8,18,100	100
Relationship with Other Directors	Brother of Shri K. K. Agarwal and Shri A. Agarwal	None

Shri Bimal Kumar Agarwal, Shri Kamal Kumar Agarwal and Shri 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
Sri B. K. Agarwal	8,18,100
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 and the same has been posted on the website of the Company.

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 31.03.09.

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, 2009.

Place : Hoskote

Date : 30th June, 2009

Kamal Kumar Agarwal

Managing Director

4. COMMITTEES OF THE BOARD

4.1 AUDIT COMMITTEE

- 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.
- The Audit Committee of the Board of Directors comprises of following Non-Executive Directors held four meetings in the financial year 2008-09 on 30/06/2008, 31/07/2008, 31/10/2008 and 31/01/2009. Details as to attendance of members and the meeting are as follows :



GLITTEK GRANITES LIMITED

Sl. No.	Members	Position	No. of meetings attended
a)	Sri A.Venkatesh, <i>FCA</i>	Chairman	4
b)	Sri A.T.Gowda, <i>Mech Engineer</i>	Member	4
c)	Sri B.K.Agarwal, <i>B. Com</i>	Member	4

4.2 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 31st March, 2009, are set out below :

No remuneration is paid to Non-Executive Directors except sitting fees for attending the meeting of the Board and committee thereof.

(Amount in Rs.)

Name of the Director	Sitting Fees	Salary & Perquisites	Contribution to Provident Funds	Contribution to Superannuation Fund	Total
Mr. Bimal Kumar Agarwal	-	-	-	-	-
Mr. Kamal Kumar Agarwal	-	6,00,000	36,000	84,000	7,20,000
Mr. Ashoke Agarwal	-	6,00,000	36,000	84,000	7,20,000
Mr. A. T. Gowda	2,500	-	-	-	-
Mr. A. Venkatesh	2,000	-	-	-	-
Mr. Amit Dhanuka	2,000	-	-	-	-

Notes : i) Presently, the Company does not have a scheme for grant of Stock option.

ii) The employment of both Managing Director and Joint Managing Director are contractual in nature by necessary implications and is terminable by either side on three months Notice or pay in lieu thereof. No severance fee is payable to any of the wholetime 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. V. D. Mall, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations, 1992 and the Listing Agreements with the Stock Exchange.

During the year, 4 complaints were received from the Shareholders and all of which have been resolved to date and there were no outstanding complaints as on 31st March, 2009.



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
2005-06	42, K I A D B Industrial Area, Hoskote - 562 114	22/09/2006	12.30 P.M.
2006-07	42, K I A D B Industrial Area, Hoskote - 562 114	28/09/2007	12.30 P.M.
2007-08	42, K I A D B Industrial Area, Hoskote - 562 114	23/09/2008	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.

Note : Schedule 19 of the Annual Accounts contains the details of related party transactions as required by the Accounting Standard - 18 (As-18) on 'Related Party Disclosures' issued by The Institute of Chartered Accountants of India.

No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to Capital markets during the last three years.

9. MEANS OF COMMUNICATION

The annual, half yearly and quarterly results are submitted to the Stock Exchanges and also published in leading English and Vernacular (Kannad) newspapers in accordance with the Listing Agreement.

Your Company's Management Discussion & Analysis of operations for the year ended 31st March, 2009 form part of the Annual Report and is given under the section so captioned.

10. GENERAL SHAREHOLDERS INFORMATION

- i) Annual General Meeting is proposed to be held on Wednesday, the 16th September, 2009 at 12.30 P.M. at 42, K.I.A.D.B. Industrial Area, Hoskote - 562 114, Bangalore, Karnataka.

- ii) Financial Calendar (tentative)
Financial Year 1st April, 2009 to 31st March, 2010

Unaudited results for the
quarter ending 30th June, 2009 : End July, 2009
19th Annual General Meeting : 16th September, 2009

Unaudited results for the quarter/half
year ending 30th September, 2009 : End October, 2009

Unaudited results for the quarter/nine
months ending 31st December, 2009 : End January, 2010

Audited results for the year ending
31st March, 2010 : End June, 2010

- iii) Date of Book Closure : 10.09.2009 to 16.09.2009 (Both days inclusive)
iv) Dividend Payment : No Dividend is being recommended
v) Listing on Stock Exchanges : The Bombay Stock Exchange Limited
vi) Stock Code : 513528 (The Bombay Stock Exchange Ltd.)
vii) Demat ISIN No. for NSDL & CDSL : INE 741B01027
viii) Registrar and Transfer Agent : **M/s. MCS Limited**
77/2A, Hazra Road, Kolkata - 700 029
Phone : 2476 7350-54, Fax : 2474 7674/2454 1961
E-mail : mcsca1@cal2vsnl.net.in
ix) Plant Location : 42, K.I.A.D.B. Industrial Area, Hoskote - 562 114
Karnataka.