

**ANNUAL REPORT**  
**2010 - 2011**



**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

**COMPANY SECRETARY**

LATA DAMANI

**AUDITORS**

M/s. RUNGA & RUNGTA  
Chartered Accountants  
25, R. N. Mukherjee Road  
Kolkata - 700001

**BANKERS**

STATE BANK OF HYDERABAD

**REGISTERED OFFICE & WORKS**

42, K.I.A.D.B. Industrial Area  
Hoskote, Bangalore, Karnataka - 562114  
Phone : (080) 27971565, 27971566  
Fax : (080) 27971567  
E-mail : glittek@vsnl.com

**HEAD OFFICE**

224, A. J. C Bose Road  
Krishna - 711  
Kolkata - 700 017  
Phone : (033) 2290-7902, 2287-7892, 2287-7622  
Fax : (033) 2287-8577

**SHARE TRANSFER AGENT**

M/s. MCS Limited  
77/2A, Hazra Road, Kolkata - 700029

**Contact Person**

Mr. Tapas Roy  
Phone : (033) 2484-1892 / 93  
Fax : (033) 2474-7674  
E-mail : mcskoi@rediffmail.com  
investorglittek@rediffmail.com

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

Bombay Stock Exchange Limited

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GLITTEK GRANITES LIMITED

## NOTICE

NOTICE is hereby given that the Twenty First 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 - 562114, Karnataka on Thursday, the 29<sup>th</sup> September 2011 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, 2011 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.

### Registered Office :

42, K.I.A.D.B. Industrial Area  
Hoskote, Karnataka 562 114  
Date : 30<sup>th</sup> day of May, 2011.

By Order of the Board

**LATA DAMANI**  
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 26<sup>th</sup> September, 2011 to 29<sup>th</sup> September, 2011 (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. Ashoke Agarwal, aged about 47 years, is the Promoter Director of the Company. He has vast experience in Granite Industry for over 18 years. He is holding 899200 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, aged about 51 years is a practicing Chartered Accountant having more than two decades experience in Accountancy and Auditing. 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.

**DIRECTORS' REPORT**

To the Shareholders

Your Directors have pleasure in presenting the Twenty First Annual Report and Audited Accounts for the year ended 31<sup>st</sup> March 2011.

**1. FINANCIAL RESULTS**

Particulars	Rs. Lakhs	
	31.03.2011	31.03.2010
Sales & Other Income	1936.70	1735.39
Profit before Interest,		
Depreciation & Tax	319.93	330.03
Less : Interest	144.56	158.11
Depreciation	141.27	140.68
Tax	6.32	4.83
Net Profit for the year	27.78	26.41
Balance brought forward	.	
from last year	16.53	(9.88)
Balance carried forward	44.31	16.53

**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.1936.70 Lacs in comparison to previous year Rs. 1735.39 Lacs and earned a Profit of Rs 27.78 Lacs in comparison to Rs. 26.41 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. That in the preparation of the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures.
- B. 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 at the end of the financial year as on 31<sup>st</sup> March, 2011 and the Profit & Loss Account for that period.

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 Bombay 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.

**6. LISTING INFORMATION**

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

The Listing Fee has been paid to the Stock Exchange for the year 2011-2012. The ISIN No. of the company is INE 741B01027.

**7. 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.

**8. 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 forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

**9. 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.



**10 FIXED DEPOSITS**

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

**11. 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.

**12. INDUSTRIAL RELATIONS**

The Company continued to maintain cordal 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.

**13. 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.

**14. 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 day of May, 2011.

**ANNEXURE TO THE DIRECTOR'S REPORT**

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

**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 in consumption of 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.

**B) TECHNOLOGY ABSORPTION**

- 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.
  - Future plan of action  
The Company's 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 to achieve cost reduction, product improvement etc.



## C) Foreign Exchange earnings and outgo:

Rs. In lakhs

Particulars	Current Year	Previous year
Earnings	1419.37	1317.72
Outgo	171.83	175.09

On behalf of the Board  
**Kamal Kumar Agarwal**  
*Managing Director*  
**Ashoke Agarwal**  
*Jt. Managing Director*

Place : Hoskote

Date : 30th day of May, 2011.

**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, South Africa, U.K, UAE, Canada 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 as 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 55 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" identified by words like 'plans', 'expects', 'believes', 'seen to be' and so on. All statements that address expectations or projection about the future, but not limited to the company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of futures events, the company cannot guarantee that they are accurate or will realized. The Company's actual results, performance or achievements could thus differ from those projected in any forward looking statements. The company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.



## 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, independence, integrity, accountability and transparency.

### 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 and 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 Glittek Granites Limited)		
		Board Meetings	Last AGM	Other Director-ship	Committee Membership	Committee Chairmanship
Sri B.K. Agarwal	Chairman	4	No	None	3	—
Sri K.K. Agarwal	Managing Director	4	Yes	1	1	—
Sri A. Agarwal	Jt. Managing Director	3	Yes	1	—	—
Sri A.T. Gowda	Independent Non-Executive Director	4	Yes	None	3	2
Sri A. Venkatesh	Independent Non-Executive Director	4	No	None	2	1
Sri Amit Dhanuka	Independent Non-Executive Director	4	No	None	—	—

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

- ii) None of the Directors of the Board is a member of more than 10 Committee and Chairman more than 5 Committee (As per Clause 49) across all Companies in which he is a director.

During the Financial Year ended 31st March, 2011 four Board meetings were held as per statutory requirement on 14th May 2010, 30th July 2010, 10th November 2010 and 9th February 2011.

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

Particulars	Shri Ashoke Agarwal	Shri A. Venkatesh
Age	47 years	51 years
Qualification	B. Com	F.C.A.
Experience	Promoter Director of the Company having an experience of over 18 years in Granite Industry	More than two decades Experience in Accounts, Finance and Taxation.
Other Directorships	Granite Mart Limited Auto Sales Agencies Pvt. Ltd. United Sales Agencies (Calcutta) Pvt. Ltd.	—
Shareholding in the Company	899200	—
Relationship with Other directors	Brother of Shri B K Agarwal and Shri Kamal Kumar Agarwal	Not related to any director



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	899300
Sri A. T. Gowda	100

3. SUBSIDIARY COMPANIES.

The Company does not have any subsidiary Company.

4. 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:

COMMITTEES OF THE BOARD

5. AUDIT COMMITTEE :

5.1 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.

5.2 The Audit Committee of the Board of Directors comprises of following non-executive Directors and held four meetings in the financial year ended 31.03.2011 on 14.05.2010, 30.07.2010, 10.11.2010 and 09.02.2011. Details as to attendance of members and the meeting are as follows :

Sl.No.	Name of the Director	Position	No of Meetings Attended
a)	Sri A.Venkatesh, FCA.	Chairman	4
b)	Sri A.T.Gowda,Mech Engineer.	Member	4
c)	Sri B.K.Agarwal,B. Com	Member	4





## 6 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.

Name of the Director	Independent/Non-Executive	Chairman/Member
Sri A.Venkatesh,FCA,	Independant	Chairman
Sri A.T.Gowda,Mech Engineer.	Independant	Member
Sri B.K.Agarwa B. Com	Non-Executive	Member

No Remuneration Committee Meeting was held during the year

Details of remuneration paid or payable to Directors for the financial year ended 31<sup>st</sup> March,2011, 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.

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	-	340000	36000	117600	993600
Mr. Ashoke Agarwal	-	340000	36000	117600	993600
Mr. A. T. Gowda	2000	-	-	-	-
Mr. A. Venkatesh	2000	-	-	-	-
Mr. Amit Dhanuka	2000	-	-	-	-

- Note :
- Presently, the Company does not have a scheme for grant of Stock option.
  - 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 whole time Directors upon termination of his employment.
  - No commission is paid to any director

Shareholding of the Directors of the Company as on 31.03.2011.

Sl.No	Name of the Director	No. of shares held
1	Mr. Bimal Kumar Agarwal	899300
4	Mr. Kamal Kumar Agarwal	872100
5	Mr. Ashoke Agarwal	899200
6	Mr. A. T. Gowda	100
7	Mr. A. Venkatesh	-
8	Mr. Amit Dhanuka	-

## 7. 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. Agarwa	Member	Executive

Mrs. Lata Damani, 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 no complaints were received from the Shareholders.

**8. 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
2007-08	42, K I A D B Industrial Area, Hoskote-562 114	23.09.2008	12.30 P.M
2008-09	42, K I A D B Industrial Area, Hoskote-562 114	16.09.2009	12.30 P.M
2009-10	42, K I A D B Industrial Area, Hoskote-562 114	10.09.2010	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. No Extra-Ordinary General Meeting was held during the financial year 2010-2011.

**9. 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.

- ii) 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.
- iii) Company has followed the Accounting Standards as prescribed by Central Government under the Companies (Accounting Standards) Rules, 2006, in the preparation of financial statements.
- iv) The Company did not raise funds through Public/Rights/Preferential issue during the financial year.
- v) The Company has strengthened its risk management system and has further 'aid down procedures to inform Board members about risk assessment and minimization procedures. These procedures are being periodically reviewed to ensure that executive management controls risk through means of properly defined frame work

**10. SECRETARIAL AUDIT**

In line with the requirement of SEBI, secretarial audit is carried out on a quarterly basis by a firm of practicing Company Secretary to confirm that the aggregate number of equity shares of the company held in NSDL & CDSL and in physical form tally with the total number of issued/paid-up listed and admitted Capital of the Company.

**11. CEO/CFO CERTIFICATE**

The Managing Director has certified to the Board in accordance with clause 49(V) of the Listing agreement in respect of CEO/CFO certification for the financial year 2010-2011.

**12. 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, 2011 form part of the Annual Report and is given under the section so captioned.

**13. GENERAL SHAREHOLDERS INFORMATION**

- i) Annual General Meeting is proposed to be held on Thursday the 29<sup>th</sup> September, 2011 at 12.30 P.M. at 42,K.I.A.D.B.Industrial Area, Hoskote - 562114, Bangalore, Karnataka.
- ii) Financial Calendar (tentative)  
Financial Year 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2012.  
Unaudited results for the  
quarter ending 30th June, 2011 : 14th August, 2011  
21st Annual General Meeting : 29th September, 2011  
Unaudited results for the quarter/half  
year ending 30<sup>th</sup> September, 2011 : 14th November, 2011  
Unaudited results for the quarter/nine  
months ending 31st December, 2011 : 14th February, 2012  
Audited results for the year ending  
31<sup>st</sup> March, 2012 : 30th May, 2012.
- iii) Date of Book Closure : 26th September to 29th September, 2011 (Both days inclusive)