

**ANNUAL REPORT
2011 - 2012**



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. RUNGTA & RUNGTA
Chartered Accountants
25, R. N. Mukherjee Road
Kolkata - 700001

BANKERS

STATE BANK OF HYDERABAD

REGISTERED OFFICE & WORKS

42, K.I.A.D.3, 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 - 700023

Contact Person

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

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

Bombay Stock Exchange Limited

CONTENTS

| | |
|--|----|
| Notice | 2 |
| Addendum to Notice | 4 |
| Directors' Report | 6 |
| Management Discussion & Analysis Report | 8 |
| Corporate Governance Report | 9 |
| Auditors' Report | 16 |
| Balance Sheet | 19 |
| Profit & Loss Account | 20 |
| Notes to Financial Statements | 21 |
| Cash Flow Statement | 39 |
| Letter to Shareholder | 40 |



GLITTEK GRANITES LIMITED

NOTICE

NOTICE is hereby given that Twenty Second 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 Thursday, 27th September 2012 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, 2012 and the Reports of the Directors and Auditors thereon.
2. To reappoint Mr. B.K. Agarwal who retires by rotation and being eligible offers himself for reappointment.
3. To reappoint Mr. A. T. Gowda 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 : 30th day of May, 2012.

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 24th September to 27th September, 2012 (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. B.K. Agarwal, aged about 55 years, is the Promoter Director of the Company. He has vast experience in Granite Industry over 19 years. He is holding 899300 equity shares of the Company. Members are advised to refer to the corporate Governance section for further details of Mr. B.K. Agarwal.

Mr. A.T. Gowda aged about 76 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 17 years in Granite Industry. He is holding 100 shares in the Company. Members are advised to refer to the corporate Governance section for further details of Mr. A. T. Gowda.

Registered Office :
42, K.I.A.D.E. Industrial Area
Hoskote, Karnataka 562 114
Date : 30th day of May, 2012.

By Order of the Board

LATA DAMANI
Company Secretary



GLITTEK GRANITES LIMITED

ADDENDUM TO NOTICE DATED 30TH MAY 2012, CONVENING 22ND ANNUAL GENERAL MEETING OF GLITTEK GRANITES LIMITED SCHEDULED TO BE HELD ON 27TH SEPTEMBER, 2012 AT 12.30 P.M AT 42, K.I.A.D.B. INDUSTRIAL AREA, HOSKOTE, BANGLORE, KARNATAKA- 562 114.

Attention of the members is invited to the Notice of 22nd Annual General Meeting of the members of the Company dated 27th September, 2012. Notice is further given that the following items of business shall be included in the aforesaid notice as new Item No. 5 and 6 under special business:

SPECIAL BUSINESS:

To consider and, if thought fit, to pass, with or without modification(s), the following Resolutions:

As Special resolution

5. Variation in the Terms of Appointment of Shri Kamal Kumar Agarwal-Managing Director

"RESOLVED THAT pursuant to the recommendation of the Remuneration Committee and in partial modification of the earlier Resolution passed in the Extra Ordinary General Meeting held on 8th April, 2008, the consent of the Company be and is hereby accorded under Sections 198, 269 and 309 read with Schedule- XIII and other applicable provisions, if any, of the Companies Act, 1956 that the remuneration payable to Shri Kamal Kumar Agarwal - Managing Director increased on the basis of the calculation made as per section II Part II of Schedule XIII of the Companies Act, 1956, so as not to exceed the limits specified in the said section II Part II [B] of Schedule XIII with effect from 01.07.2012 for the remaining period of his tenure.

RESOLVED FURTHER THAT the Board of Directors of the Company are hereby authorized to vary, alter or modify the different components of the above stated remuneration as may be agreed to between the Board of the Directors and Shri Kamal Kumar Agarwal.

RESOLVED FURTHER THAT all other terms and conditions of his appointment shall remain unchanged.

RESOLVED FURTHER THAT the aggregate of the remuneration payable to him in any particular Financial Year will be subject to the overall ceiling limit laid down in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956.

6. Variation in the Terms of Appointment of Shri Ashoke Agarwal- Joint Managing Director

"RESOLVED THAT pursuant to the recommendation of the Remuneration Committee and in partial modification of the earlier Resolution passed in the Extra Ordinary General Meeting held on 8th April, 2008, the consent of the Company be and is hereby accorded under Sections 198, 269 and 309 read with Schedule- XIII and other applicable provisions, if any, of the Companies Act, 1956 that the remuneration payable to Shri Ashoke Agarwal-Joint Managing Director be increased on the basis of the calculation made as per section II Part II of Schedule XIII of the Companies Act, 1956, so as not to exceed the limits specified in the said section II Part II [B] of Schedule XIII with effect from 01.07.2012 for the remaining period of his tenure.

RESOLVED FURTHER THAT the Board of Directors of the Company are hereby authorized to vary, alter or modify the different components of the above stated remuneration as may be agreed to between the Board of the Directors and Shri Ashoke Agarwal.

RESOLVED FURTHER THAT the aggregate of the remuneration payable to him in any particular Financial Year will be subject to the overall ceiling limit laid down in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956.

Registered Office :
42, K.I.A.D.B. Industrial Area
Hoskote, Karnataka 562 114
Date : 13th day of August, 2012.

By Order of the Board

LATA DAMANI
Company Secretary



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 FOR ITEM NO. 5 AND 6.

ITEM NO. 5:

The Members of the Company at the Extra ordinary General Meeting of the Company held on 8th April, 2008 had accorded their consent to the re-appointment of Shri Kamal Kumar Agarwal as Managing Director for a period of 5 (Five) years with effect from 1st April, 2008 upon the terms and conditions contained in the Agreement between the Company and Shri Kamal Kumar Agarwal.

The Board vide resolution dated 13th August, 2012 approved the recommendation of the remuneration committee, subject to the approval of the Members at this Annual General Meeting, an increase on the basis of the calculation made as per section II Part II of Schedule XIII of the Companies Act, 1956, so as not to exceed the limits specified in the said section II Part II (B) of Schedule XIII with effect from 01.07.2012 for the remaining period of his tenure.

The other terms and conditions of the re-appointment shall remain unchanged, valid and binding.

In compliance with the applicable provisions of the Act, approval of the Members is being sought to the proposed increase in the ceiling on salary granted to Shri Kamal Kumar Agarwal, and ratification of the amount already paid as aforesaid.

The above may be treated as an abstract of the variation in terms of remuneration payable to Shri Kamal Kumar Agarwal pursuant to Section 302 of the Act.

The Board considers that the remuneration to be paid to Shri Kamal Kumar Agarwal is commensurate with his duties and responsibilities as Managing Director and recommends, the resolution set out at Item No. 5 of the Notice.

Shri Kamal Kumar Agarwal is interested in the said resolution at Item No. 5 of the Notice since it relates to the increase in the ceiling on his Salary.

ITEM NO. 6

The Members of the Company at the Extra ordinary General Meeting of the Company held on 8th April, 2008 had accorded their consent to the re-appointment of Shri Ashoke Agarwal as Joint Managing Director for a period of 5 (Five) years with effect from 1st April, 2008 upon the terms and conditions contained in the Agreement between the Company and Shri Ashoke Agarwal.

The Board vide resolution dated 13th August, 2012 approved the recommendation of the remuneration committee, subject to the approval of the Members at this Annual General Meeting an increase on the basis of the calculation made as per section II Part II of Schedule XIII of the Companies Act, 1956, so as not to exceed the limits specified in the said section II Part II (B) of Schedule XIII with effect from 01.07.2012 for the remaining period of his tenure.

The other terms and conditions of the re-appointment shall remain unchanged, valid and binding.

In compliance with the applicable provisions of the Act, approval of the Members is being sought to the proposed increase in the salary granted to Shri Ashoke Agarwal, and ratification of the amount already paid as aforesaid.

The above may be treated as an abstract of the variation in terms of remuneration payable to Shri Ashoke Agarwal pursuant to Section 302 of the Act.

The Board considers that the remuneration to be paid to Shri Ashoke Agarwal is commensurate with his duties and responsibilities as Joint Managing Director and recommends, the resolution set out at Item No. 6 of the Notice.

Shri Ashoke Agarwal is interested in the said resolution at Item No. 6 of the Notice since it relates to the increase in the ceiling on his Salary.

Registered Office :

42, K.I.A.D.B. Industrial Area

Hoskote, Karnataka 562 114

Date : 13th day of August, 2012.

By Order of the Board

LATA DAMANI

Company Secretary



BLITTEK GRANITES LIMITED

DIRECTORS' REPORT

To the Shareholders

Your Directors have pleasure in presenting the Twenty Second Annual Report and Audited Accounts for the year ended 31st March 2012.

1. FINANCIAL RESULTS

| Particulars | 31.03.2012 | Rs. Lakhs 31.03.2011 |
|--|------------|-------------------------|
| Sales & Other Income | 2382.19 | 1936.70 |
| Profit before Interest, Depreciation & Tax | | |
| Less : Interest | 350.52 | 319.93 |
| Depreciation | 156.84 | 144.56 |
| Tax | 142.41 | 141.27 |
| Net Profit for the year | 9.77 | 6.32 |
| Balance brought forward from last year | 41.50 | 27.78 |
| Balance carried forward | 44.31 | 16.53 |
| | 85.81 | 44.31 |

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.2382.19 Lacs in comparison to previous year Rs. 1936.70 Lacs and earned a Profit of Rs. 41.50 Lacs in comparison to Rs. 27.78 Lacs in the previous year.

The increase in production capacity resulted from capital expenditure has stabilized and the export market seems to be picking up. Your company has requested its bankers to provide need based working capital which when sanctioned will give major boost to the company and with that support, your company is presently confident of achieving good performance in the current year.

4. DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2008 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 them 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 31st March, 2012 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 2012-2013. 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. B.K. 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.

9. AUDITORS & AUDITORS' REPORT

M/s. Rungla & Rungla, 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.

Place : Hoskote

Date : 30th day of May, 2012.

12. 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.

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

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.



GLITTEK GRANITE LIMITED

C) Foreign Exchange earnings and outgo:

Rs. In lakhs

| Particulars | Current Year | Previous year |
|-------------|--------------|---------------|
| Earnings | 1514.94 | 1419.37 |
| Outgo | 231.31 | 171.83 |

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

Place : Hoskote

Date : 30th day of May, 2012.

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 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 68 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', 'intends', '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 Exchange, 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 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 Glitex Granites Limited) | | |
|------------------|------------------------------------|------------------------|----------|---|----------------------|-------------------------|
| | | Board Meetings | Last AGM | Other Director-ship* | Committee Membership | Committee Chairmanships |
| Sri B.K. Agarwal | Chairman | 4 | No | None | 3 | - |
| Sri K.K. Agarwal | Managing Director | 2 | Yes | 1 | 1 | - |
| Sri A. Agarwal | Jt. Managing Director | 4 | Yes | 1 | - | - |
| Sri A.T. Gowda | Independent Non-Executive Director | 4 | No | 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 | 1 | - |

* 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, 2012 four Board meetings were held as per statutory requirements on 30th May 2011, 11th August 2011, 12th November 2011 and 13th February 2012.

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

| Particulars | Shri B.K.Agarwal | Shri A. T. Gowda |
|---------------------|---|--|
| Age | 55 years | 76 years |
| Qualification | B. Com | Mech. Engineer |
| Experience | Promoter Director of the Company having an experience of over 19 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 1982. After retirement he has worked for more than 17 years in Granite industry |
| Other Directorships | Rubiks Agencies & Resorts Pvt. Ltd. U.S.D. Tea Industries Pvt. Ltd. Auto Sales Agencies Pvt. Ltd. United Sales Agencies (Calcutta) Pvt. Ltd. | Kotriya Resources Management Pvt. Ltd. |