ANNUAL REPORT
2012 - 2013

GLITTEK

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.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) 4072-4051/52/53
Fax : (033) 4072-4050
E-mail : mcskol@rediffmail.com
investorsglittek@rediffmail.com

EXCHANGE ON WHICH COMPANY'S SHARES ARE LISTED

Bombay Stock Exchange Limited

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NOTICE

NOTICE is hereby given that Twenty Third 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 Friday, 27th September 2013 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, 2013 and the Reports of the Directors and Auditors thereon.

2. To reappoint Mr. Kamal Kumar Agarwal who retires by rotation and being eligible offers himself for reappointment.

3. To reappoint Mr. Amit Dhanuka who retires by rotation and being eligible offers himself for reappointment.

4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT subject to the approval of the Shareholders of the Company and pursuant to the provisions of Section 198, 269, 309 and 310 and Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, Sri Kamal Kumar Agarwal be and is hereby re-appointed as Managing Director of the Company for a further period of Five Years with effect from 1st April,2013 to 31st March, 2018, on remuneration as approved by the remuneration committee and on the terms and conditions as embodied in the draft agreement, including the remuneration to be paid in the event of inadequacy of profits in any financial year as appearing in the explanatory Statement annexed to this notice, with liberty to the Board of Directors to alter and vary the terms and conditions of the said agreement .

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT subject to the approval of the Shareholders of the Company and pursuant to the provisions of Section 198, 269, 309 and 310 and Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, Sri Ashoke Agarwal be and is hereby re-appointed as Joint Managing Director of the Company for a further period of Five Years with effect from 1st April,2013 to 31st March, 2018, on remuneration as approved by the remuneration committee and on the terms and conditions as embodied in the draft agreement, including the remuneration to be paid in the event of inadequacy of profits in any financial year as appearing in the explanatory Statement annexed to this notice, with liberty to the Board of Directors to alter and vary the terms and conditions of the said agreement.

Registered Office :
42, K.I.A.D.B. Industrial Area
Hoskote, Karnataka 562 114
Date : 30th day of May, 2013.

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, 2013 (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. Kamal Kumar Agarwal, aged about 52 years, is the Promoter Director of the Company. He has vast experience in Granite Industry over 20 years. He is holding 872100 equity shares of the Company. Members are advised to refer to the corporate Governance section for further details of Mr. Kamal Kumar Agarwal.

   Mr Amit Dhanuka aged about 37 years is a practicing Chartered Accountant having about 12 years experience in Accountacy and Auditing. He does not hold any shares in the Company. Members are advised to refer to the corporate Governance section for further details of Mr. Amit Dhanuka.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5 :

The present term of appointment of Mr. Kamal Kuamr Agarwal, Managing director of the company expired on 31st March, 2013. Mr. Agarwal has been actively involved in the affairs of the company and keeping in view of the valuable services, significant contributions and increased responsibilities due to expanding activities of the company, the Board of directors in its meeting held on 09.02.2013, subject to the approval of the shareholders in the annual general meeting, approved the recommendation of the remuneration committee of re-appointing Mr. Kamal Kumar Agarwal as managing director of the Company for a further period of five years with effect from 01.04.2013 to 31.03.2018 on inter alia, the following terms & conditions :-

1. Remuneration: Salary of Rs.125,000/- (Rupees One Lac Twenty Five Thousands only) per month with an authority to the Board to grant such further increases from time to time as they may deem fit, within the limits specified in Schedule XIII Part II Section II (1A) of the Companies Act,1956 as may be amended from time to time.

Perquisites : Perquisites applicable to the Managing Director are as follows:-

i. Housing : Residential accommodation or House Rent Allowance at the rate of 50% of salary.

ii. Leave : Mr. Kamal Kumar Agarwal will be entitled to leave with full pay or encashment thereof as per the rules of the company. Encashment of the unavailed leave being allowed at the end of tenure.

iii. Leave Travel Concession : Reimbursement of all expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred of self and family during leave travel periods, wherever undertaken, whether in India or abroad.

iv. Company's contribution to Provident Fund and superannuation funds to the extent these not taxable under the Income Tax Act, 1961 which shall not be included in the computation of limits for remuneration or perquisites.

v. Gratuity : Gratuity at the rate of 15 day's salary for each completed year of service.

vi. Personal Accident Insurance : Personal accident insurance policy in accordance with the scheme applicable to senior employees of the Company.

vii. Entertainment Expenses : Reimbursement of entertainment expenses incurred in the course of business of the Company.

Viii Club Memberships : Subscription or reimbursement of membership fees for clubs in India and/or abroad, including admission and life membership fees.

ix. Medical Reimbursement : Reimbursement of actual medical expenses incurred in India/or abroad and including hospitalization, nursing home and surgical charges for himself and family. In case of any medical treatment abroad, the travelling, boarding and lodging expenses for patient and attendant are also payable.

x. Expenses pertaining to gas, electricity, water, and other utilities will be borne/reimbursed by the Company and Company will provide such furniture and furnishing as may be required by the Managing Director.

xi. Use of company car and telephone for office purpose.

However, in case of absence or inadequacy of net profits in any financial year, the remuneration payable to Mr. Kamal Kumar Agarwal shall be restricted to Part II Section II [1A] of Schedule XIII of the Act. In the event of any amendment made by the Government in the guidelines or ceiling on the managerial remuneration including perquisites during the proposed terms of his appointment, the Board of Directors be and is hereby authorized to alter or vary the remuneration including perquisites within the ceiling as laid down in Schedule XIII of the Companies Act, 1956.

Mr. Kamal Kumar Agarwal is interested or concerned in the resolution as it pertains to his reappointment. Further Mr. Bimal Kumar Agarwal and Mr. Ashoke Agarwal are also deemed to be interested or concerned in this resolution as they are related to each other. No other director is concerned or interested in this resolution.

ITEM NO. 6

The present term of appointment of Mr. Ashoke Agarwal, Joint Managing director of the company expired on 31st March, 2013. Mr. Agarwal has been actively involved in the affairs of the company and keeping in view of the valuable services, significant contributions and increased responsibilities due to expanding activities of the company, the Board of directors in its meeting held on 09.02.2013, subject to the approval of the shareholders in the annual general meeting, approved the recommendation of the remuneration committee of re-appointing Mr. Ashoke Agarwal as Joint managing director of the Company for a further period of five years with effect from 01.04.2013 to 31.03.2018 on inter alia, the foilowing terms & conditions:-

1. Remuneration: Salary of Rs. 125,000/- (Rupees One Lac Twenty Five Thousands only) per month with an authority to the Board to grant such further increases from time to time as they may deem fit, within the limits specified in Schedule XIII Part II Section II (1A) of the Companies Act,1956 as may be amended from time to time.

Perquisites : Perquisites applicable to the Joint Managing Director are as follows:-

i. Housing: Residential accommodation or House Rent Allowance at the rate of 50% of salary.

ii. Leave: Mr. Ashoke Agarwal will be entitled to leave with full pay or encashment thereof as per the rules of the company. Encashment of the unavailed leave being allowed at the end of tenure.

iii. Leave Travel Concession: Reimbursement of all expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred of self and family during leave travel periods, wherever undertaken, whether in India or abroad.

v. Company's contribution to Provident Fund and superannuation funds to the extent these not taxable under the Income Tax Act, 1961 which shall not be included in the computation of limits for remuneration or perquisites.

v. Gratuity : Gratuity at the rate of 15 day's salary for each completed year of service.

vi. Personal Accident Insurance : Personal accident insurance policy in accordance with the scheme applicable to senior employees of the Company.

vii. Entertainment Expenses : Reimbursement of entertainment expenses incurred in the course of business of the Company.

Viii Club Memberships : Subscription or reimbursement of membership fees for clubs in India and/or abroad, including admission and life membership fees.

ix. Medical Reimbursement : Reimbursement of actual medical expenses incurred in India/or abroad and including hospitalization, nursing home and surgical charges for himself and family. In case of any medical treatment abroad, the travelling, boarding and lodging expenses for patient and attendant are also payable.

x. Expenses pertaining to gas, electricity, water, and other utilities will be borne/reimbursed by the Company and Company will provide such furniture and furnishing as may be required by the Joint Managing Director.

xi. Use of Company car and telephone for office purpose.

However, in case of absence or inadequacy of net profits in any financial year, the remuneration payable to Mr. Ashoke Agarwal shall be restricted to Part II Section II [1A] of Schedule XIII of the Act. In the event of any amendment made by the Government in the guidelines or ceiling on the managerial remuneration including perquisites during the proposed terms of his appointment, the Board of Directors be and is hereby authorized to alter or vary the remuneration including perquisites within the ceiling as laid down in Schedule XIII of the Companies Act, 1956.

Mr. Ashoke Agarwal is interested or concerned in the resolution as it pertains to his reappointment. Further Mr. Bimal Kumar Agarwal and Mr. Kamal kumar Agarwal are also deemed to be interested or concerned in this resolution as they are related to each other. No other director is concerned or interested in this resolution.

Registered Office :
42, K.I.A.D.B. Industrial Area
Hoskote, Karnataka 562 114
Date : 30th day of May, 2013.

By Order of the Board

LATA DAMANI
Company Secretary

DIRECTORS' REPORT

To the Shareholders

Your Directors have pleasure in presenting the Twenty Third Annual Report and Audited Accounts for the year ended 31st March 2013.

1. FINANCIAL RESULTS

Rs. in Lakhs

Particulars	31.03.2013	31.03.2012
Sales & Other Income	3196.16	2382.19
Profit before Interest, Depreciation & Tax	421.94	350.52
Less : Interest	185.43	156.84
Depreciation	146.21	142.41
Tax	17.21	9.77
Net Profit for the year	73.09	41.50
Balance brought forward from last year	85.81	44.31
Balance carried forward	158.90	85.81

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. 3196.16 Lacs in comparison to previous year Rs. 2382.19 Lacs and earned a Profit of Rs. 73.09 Lacs in comparison to Rs. 41.50 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,2000 your Directors state :

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 such 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, 2013 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 demateriaiized form on Bombay Stock Exchange Ltd. (BSE).

The Listing Fee has been paid to the Stock Exchange for the year 2013-2014. 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, Shri Kamal Kumar Agarwal and Shri Amit Dhanuka 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 cordial relation with the employees. The Directors express their appreciation for the 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, 2013.

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 in consumption of 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 to achieve cost reduction, product improvement etc.

C) Foreign Exchange earnings and outgo:

Rs. In lakhs

Particulars	**Current Year**	Previous year
Earnings	2599.19	1514.94
Outgo	220.47	231.31

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

Place : Hoskote
Date : 30th day of May, 2013.

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 71 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" identifies 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 assume 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 :**
   The 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 Glittek Granites Limited)		
		Board Meetings	Last AGM	Other Director-ship*	Committee Membership	Committee Chairman-ships
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	4	Yes	1	–	–
Sri A.T. Gowda	Independent Non-Executive Director	4	No	None	3	1
Sri A. Venkatesh	Independent Non-Executive Director	4	No	None	2	2
Sri Amit Dhanuka	Independent Non-Executive Director	4	No	None	1	–

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

ii) None of the Directors on 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 director.

During the Financial Year ended 31st March, 2013, four Board meetings were held as per statutory requirements on 30th May 2012, 13th August 2012, 10th November 2012 and 9th February 2013.

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

Particulars	Shri Kamal Kumar Agarwal	Shri Amit Dhanuka
Age	52 years	37 years
Qualification	B. Com	B.Com., FCA, CS, (Graduate), DISA
Experience	Promoter Director of the Company having an experience of over 20 years in Granite Industry	Shri Amit Dhanuka, aged about 37 years is a practicing Chartered Accountant having about 12 years experience in Accounting and auditing.
Other Directorships	Granite Mart Ltd. Glittek Infrastructure Pvt. Ltd. United Sales Agencies (Calcutta) Pvt. Ltd.	KHS Tradefin Pvt. Ltd.