

# CRAVATEX LIMITED

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

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**46<sup>TH</sup>**  
**Annual**  
**Report &**  
**Accounts**  
**1997-98**

**CRAVATEX LIMITED****FINANCIAL HIGHLIGHTS**

(Rupees in Lacs)

	1997-98	1996-97	1995-96 (9 months)	1994-95 (15 months)	1993-94	1992-93	1991-92	1990-91	1989-90	1988-89
Paid-up Capital .....	<b>67.20</b>	67.20	67.20	67.20	67.20	42.00	42.00	42.00	42.00	42.00
Reserves and Surplus .....	<b>1125.18</b>	1129.70	1132.30	1131.42	110.85	130.03	124.47	118.77	108.94	103.19
Net Worth .....	<b>1192.38</b>	1196.90	1199.50	1198.62	178.05	172.03	166.47	160.77	150.94	145.19
Original Cost of Fixed Assets .....	<b>1410.47</b>	1362.59	1326.27	1031.22	191.30	156.16	145.72	151.10	174.92	193.43
Depreciation provided upto date .....	<b>170.45</b>	136.46	99.52	76.84	69.78	57.29	55.73	48.56	61.70	81.38
Net Block .....	<b>1240.02</b>	1226.13	1226.75	954.38	121.52	98.87	89.99	102.54	113.22	112.05
Secured Loans including deferred payment liability .....	<b>13.87</b>	16.86	48.19	53.44	52.27	27.56	22.34	20.66	17.48	18.57
Turnover (including export sales) .....	<b>492.72</b>	939.87	729.29	1112.85	553.49	519.05	472.07	369.70	389.41	318.84
Earnings before taxes .....	<b>25.46</b>	38.38	25.17	1037.36	30.10	28.45	28.76	20.33	23.98	14.19
Dividend .....	<b>16.80</b> <b>(25%)</b>	16.80 <b>(25%)</b>	14.78 <b>(22%)</b>	16.80 <b>(25%)</b>	10.08 <b>(15%)</b>	7.98 <b>(19%)</b>	7.56 <b>(18%)</b>	7.14 <b>(17%)</b>	6.30 <b>(15%)</b>	5.67 <b>(13.5%)</b>

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**NOTICE**

NOTICE is hereby given that the Forty Sixth Annual General Meeting of the Members of CRAVATEX LIMITED will be held at Patkar Hall, S.N.D.T. Women's University, 1, Nathibai Thackersey Road, Mumbai - 400 020 on Wednesday, September 9, 1998 at 11.00 a.m. to transact the following business :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 1998 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Rajiv Batra who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Arjun Bulchandani who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and authorise the Board of Directors to fix their remuneration.

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By Order of the Board of Directors

KULDEEP R. SHARMA  
Company Secretary

Mumbai, Dated: June 26, 1998

## **CRAVATEX LIMITED**

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### **NOTES :**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- b) The Register of members and Share Transfer Books of the Company will be closed from Tuesday, September 1, 1998 to Wednesday, September 9, 1998 (both days inclusive).
- c) Members are requested to notify immediately any change in their addresses to the Registrars and Share Transfer Agents of the Company quoting their folio numbers.
- d) Dividend, if declared, will be paid to those members whose names appear on the Register of Members of the Company on September 9, 1998.
- e) Those members who have so far not encashed the dividend(s) for the years ending June 30, 1995, March 31, 1996 and March 31, 1997 are requested to approach the Registrars and Share Transfer Agents of the Company for payment.
- f) All unclaimed dividends upto financial year ended March 31, 1994 have been transferred to the General Revenue Account of the Central Government in terms of Section 205A of the Companies Act, 1956. Shareholders, who have not encashed the dividend warrants for the aforesaid years are requested to claim the amount from the Registrar of Companies, Maharashtra, Mumbai.

**46TH ANNUAL REPORT****DIRECTORS' REPORT  
to the Members of Cravatex Limited**

Your Directors present the Audited Balance Sheet and Profit and Loss Account of the Company together with their Report for the year ended March 31, 1998.

	Current Year Rupees	Previous Year Rupees
<b>FINANCIAL RESULTS</b>		
Gross Profit .....	75,10,292	89,15,668
Less: Interest .....	9,88,349	13,84,372
Less: Depreciation .....	39,75,581	36,93,629
Leaving a Profit before taxation .....	25,46,362	38,37,667
Less: Provision for taxation .....	11,50,000	22,50,000
Net Profit .....	13,96,362	15,87,667
Adding thereto:		
Brought forward from previous year .....	37,30,305	41,90,638
Available for appropriation .....	51,26,667	57,78,305
Less: Appropriations:		
General Reserve .....	1,50,000	2,00,000
Proposed Dividend .....	16,80,000	16,80,000
Provision for tax on proposed dividend .....	1,68,000	1,68,000
Balance to be carried forward .....	31,28,667	37,30,305

**OPERATIONS**

The turnover for the year under review is Rs.492.72 lacs compared to previous year's Rs.951.87 lacs. During the year under review, the Company discontinued the business activity relating to computers and office automation products as the same was becoming uneconomical due to severe competition in that market. This is indicated by the lower turnover in the year under review. The other operations of the Company, though affected by the general downtrend in the business, continued to be satisfactory.

**DIVIDEND**

The Directors are pleased to maintain the dividend @ 25% for the year ended March 31, 1998. The dividend, if approved by the shareholders at the Annual General Meeting, will absorb Rs.16,80,000/-.

**DEPOSITS**

The total unsecured loan and deposits stood at Rs.66,000/- as on March 31, 1998 and there are no unclaimed deposits as on that date.

**ASSETS**

The fixed assets of the Company have been adequately insured.

## **CRAVATEX LIMITED**

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### **SUBSIDIARY**

During the year, M/s Business Link Automation (I) Limited ceased to be Company's subsidiary. Accordingly, the Directors' Report and Accounts of that Company are not annexed.

### **DIRECTORS**

Shri Rajiv Batra and Shri Arjun Bulchandani are retiring by rotation and being eligible offer themselves for re-appointment.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information required pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given in the Annexure to this Report.

### **PARTICULARS OF EMPLOYEES**

Information in accordance with the requirements of Section 217(2A) of the Companies Act, 1956 and the Rules made thereunder is given in the Annexure forming part of this Report.

### **AUDITORS' REPORT**

The remarks made by the Auditors are self explanatory and do not call for any clarification under Section 217 of the Companies Act, 1956.

### **AUDITORS**

M/s S.P. Chopra & Co., Chartered Accountants, will retire at the conclusion of this Annual General meeting and are eligible for re-appointment.

### **EMPLOYEES**

The Directors place on record their appreciation for the efforts put by employees at all levels.

For and on behalf of the Board of Directors

Mumbai, Dated: June 26, 1998

RAJESH BATRA  
Chairman

Registered office:  
152, Maker Chambers IV  
222, Nariman Point,  
Mumbai - 400 021

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## Annexure I to the Directors' Report

Additional information as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

## A. CONSERVATION OF ENERGY

## (a) Energy Conservation measures taken:

Compared to total turnover of the Company the turnover on account of textile processing is quite small and volumewise also this activity is quite small. Hence the energy consumption is also small. However, regular watch is kept to detect leaks and insulation condition and corrective measures are taken immediately.

## (b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:

None presently as the consumption of energy is quite small.

## (c) Impact of measures (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods:

Because of smallness of consumption of energy any reduction would be very negligible.

## (d) Total energy consumption and energy consumptions per unit of production in prescribed Form 'A':

## POWER AND FUEL CONSUMPTION

	Current Year		Previous Year	
	Processing	Embroidery	Processing	Embroidery
1. Electricity				
(a) Purchased units	8,757	4,243	3,406	14,274
Total amount (Rs.)	23,534	74,987	9,764	45,576
Rate per unit (Rs.)	2.69	3.53	2.86	3.19
(b) Own Generation (through Diesel generator)	—	—	—	—
2. Furnace oil	—	—	—	—
3. Coal	—	—	—	—

## CONSUMPTION PER UNIT OF PRODUCTION

1. Electricity	72 units	56 units	42 units	35 units
	per 1000	per 1000	per 1000	per 1000
	metres	metres	metres	metres
2. Furnace oil	—	—	—	—
3. Coal	—	—	—	—

## B. TECHNOLOGY ABSORPTION

Research & Development (R & D):

The scope for Research and Development is very limited as our manufacturing activity continues on a very restricted scale.

Technology Absorption, Adaptation and Innovation:

No technology is imported.

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

NIL

## Annexure II to the Directors' Report

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report.

Name and Age	Designation	Remuneration (Rupees)	Qualification and exp.in years	Date of commencement of employment	Previous employment & Designation
Shri N.R. Mahalingam (56)	Executive Director	3,78,192	Matriculate CAIIB (I) (38)	01.05.1979	Vysya Bank Ltd. Sr.Branch Manager

## Notes:

- The nature of employment is contractual and terminable by six months' notice on either side.
- Remuneration shown under column 3 includes Salary, Company's Contribution to Provident Fund, Gratuity and Superannuation funds.
- The above Employee is not related to any Director.