

CRAVATEX LIMITED

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49TH
Annual
Report &
Accounts
2000-2001

CRAVATEX LIMITED**FINANCIAL HIGHLIGHTS**

	(Rupees in Lacs)									
	2000-01	1999-00	1998-99	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93	1991-92
						(9 months)	(15 months)			
Paid-up Capital	129.21	129.21	67.20	67.20	67.20	67.20	67.20	67.20	42.00	42.00
Reserves and Surplus	1199.19	1156.08	1120.47	1125.18	1129.70	1132.30	1131.42	110.85	130.03	124.47
Net Worth	1328.40	1285.29	1187.67	1192.38	1196.90	1199.50	1198.62	178.05	172.03	166.47
Original Cost of Fixed Assets	1971.47	1557.85	1426.44	1410.47	1362.59	1326.27	1031.22	191.30	156.16	145.72
Depreciation provided upto date	324.88	304.34	215.68	170.45	136.46	99.52	76.84	69.78	57.29	55.73
Net Block	1646.59	1253.51	1210.75	1240.02	1226.13	1226.75	954.38	121.52	98.87	89.99
Secured Loans including deferred payment liability	981.67	362.45	253.17	13.87	16.86	48.19	53.44	52.27	27.56	22.34
Turnover (including export sales) ..	1570.12	626.35	418.22	492.72	939.87	729.29	1112.85	553.49	519.05	472.07
Earnings before taxes	80.07	61.52	32.26	25.46	38.38	25.17	1037.36	30.10	28.45	28.76
Dividend	34.89 (27%)	16.80 (25%)	16.80 (25%)	16.80 (25%)	16.80 (25%)	14.78 (22%)	16.80 (25%)	10.08 (15%)	7.98 (19%)	7.56 (18%)


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Directors

Shri Rajesh Batra — Chairman
Shri N. R. Mahalingam — Executive Director
Shri Arjun Bulchandani
Shri Rajiv Batra
Shri H. K. Vakharia

Bankers

The Saraswat Co-operative Bank Limited
UTI Bank Limited

Secretary

Kuldeep R. Sharma

Auditors

Messrs S. P. Chopra & Co.
Chartered Accountants
15/A, Horniman Circle,
Mumbai-400 001

Registered Office

6, SAHAS, 4th Floor,
414/2, Veer Savarkar Marg,
Prabhadevi, Mumbai-400 025

Registrars & Share Transfer Agents

IIT Corporate Services Limited
IIT House, Near Vazir Glass Works,
Off. M. V. Road, J. B. Nagar,
Andheri (East), Mumbai-400 059

1. Shareholders intending to require information about accounts to be explained in the Meeting are requested to inform the Company at least seven days in advance of the Annual General Meeting.
2. Shareholders are requested to bring their copy of the Annual Report to the Meeting as the practice of handing out copies of the Annual Report at the Annual General Meeting has been discontinued in view of the high cost of paper and printing.
3. Please address all correspondence regarding share transfer work to the Registrars and Share Transfer Agents and not to the Company's Registered Office.

CRAVATEX LIMITED

NOTICE

NOTICE is hereby given that the Forty Ninth Annual General Meeting of the Members of CRAVATEX LIMITED will be held on Friday, August 31, 2001 at 11.00 a.m. at The Orchid Room, Sunville, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018, to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2001 and the Profit and Loss Account for the year ended on that date togetherwith Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Rajesh Batra who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri H. K. Vakharia who retires by rotation and, being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as an Ordinary Resolution:

"RESOLVED THAT the retiring Auditors M/s. S. P. Chopra & Co., Chartered Accountants, being eligible for re-appointment, be and are hereby appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting on such remuneration to be fixed by the Board of Directors."

6. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 228 of the Companies Act, 1956, the accounts of the Company for the year ending March 31, 2002 in respect of the branch of the Company at Bangalore, be audited by M/s. Jayaprakash M. R. & Girish K. Associates, Chartered Accountants, on such terms and conditions as may be decided by the Board of Directors."

By Order of the Board of Directors

KULDEEP R. SHARMA
Company Secretary

Place: Mumbai
Dated: May 28, 2001

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NOTES:

1. 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.
2. The Register of Members and Share Transfer Books of the Company will be closed from Friday, August 24, 2001 to Friday, August 31, 2001 (both days inclusive).
3. Members are requested to notify immediately any change in their Registered Addresses to the Registrars and Share Transfer Agents of the Company quoting their folio numbers.
4. Pursuant to the provisions of sub-section (5) of Section 205A of the Companies Act, 1956, any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government.
5. Those members who have so far not encashed the dividend(s) for the years ending June 30, 1995, March 31, 1996, March 31, 1997, March 31, 1998, March 31, 1999 and March 31, 2000 are requested to approach the Registrars and Share Transfer Agents of the Company for payment.
6. 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.
7. Members desiring any specific information as regards the Accounts are requested to write to the Company sufficiently in advance enabling the management to keep the information ready.

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CRAVATEX LIMITED**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, 2001.

	Current Year Rupees	Previous Year Rupees
FINANCIAL RESULTS		
Gross Profit	2,33,87,189	1,76,31,327
Less: Interest	92,62,241	53,52,280
Less: Depreciation	61,18,169	61,27,158
Leaving a Profit before taxation	80,06,779	61,51,889
Less: Provision for taxation	2,50,000	7,50,000
Net Profit	77,56,779	54,01,889
Adding thereto:		
Brought forward from previous year	37,01,409	55,60,403
Excess Tax Provision	3,98,226	1,03,917
Available for appropriation	1,18,56,414	1,10,66,209
Less: Appropriations:		
General Reserve	35,00,000	55,00,000
Proposed Dividend	34,88,616	16,80,000
Provision for tax on proposed dividend	3,55,840	1,84,800
Balance to be carried forward	45,11,958	37,01,409

PURCHASE OF BUSINESS

The Directors are pleased to inform that during the year under review, the Company purchased from Proline India Limited, the business undertaking 'PROLINE SPORTSYSTEM' carrying on the business of Sports Equipment, Health Equipment, Footwear and Accessories. Pursuant to this purchase, the Company will have the exclusive distributorship rights in India for a number of International Brands including 'FILA', 'K-SWISS', 'SLAZENGER', 'PRINCE', 'HORIZON', 'NEWFORM', 'PRO-SUPRA', 'BODY-SOLID', 'JOHNSON' etc.

The Directors are sure that this activity, together with Company's Apparel Export Division, 'PRO APPARELS', would result in improved working in years to come.

OPERATIONS

In view of the above, the turnover of the Company for the year under review has increased from Rs. 626 lacs to Rs. 1,570 lacs. The net profit has also increased from Rs. 54 lacs to Rs. 77 lacs. The balance carried forward to Balance Sheet is Rs. 45 lacs as compared to Rs. 37 lacs in the previous year.

DIVIDEND

In view of the performance of the Company for the year under review, the Directors recommend the payment of increased dividend of 27% for the year. The dividend, if approved by the shareholders at the Annual General Meeting, will absorb Rs. 34,88,616/-.

DEPOSITS

The total unsecured loans and deposits stood at Rs. 75,38,500/- as on March 31, 2001 and there are no unclaimed deposits as on that date.

ASSETS

The fixed assets of the Company have been adequately insured.

DIRECTORS

Shri Rajesh Batra and Shri H. K. Vakharia are retiring by rotation and, being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 2000 (the Act), the Directors state that:

- (i) in preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that 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 and of the profit or loss of the Company for the period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the Annual Accounts on a going concern basis.

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 THE EMPLOYEES

There are no employees in respect of whom information in accordance with the requirements of Section 217(2A) of the Companies Act, 1956 and rules made thereunder can be given.

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.

CRAVATEX LIMITED

AUDITORS & BRANCH 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. The members are also required to appoint Branch Auditors for Company's operations at Bangalore.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

RAJESH BATRA
Chairman

Place: Mumbai

Dated: May 28, 2001

Registered office:

6, SAHAS, 4th floor,

414/2, Veer Savarkar Marg,

Prabhadevi, Mumbai - 400 025

