

Gratex Industries Ltd.

15th Annual Report

Gratex

1998-99

*Gearing Up For The New Millennium
.....With A Bang*

Our Mission

To be leaders in the business of Wallcoverings, nationally and globally, through excellence in quality and service, providing the best of product mix to the market. To build up market infrastructure through direct marketing, franchising, I.E.N. [Independent Entrepreneur Network] & I.K.N.

[Independent Karigar Network], so as to provide 'Total Interior Surface Solution' (T I S S) which would provide one stop availability of instant products & services for decorating walls, ceiling, floors and windows.

** [The I.K.N. will be drawn from socially & educationally disadvantaged youth, equipping them with technical skills and helping them earn better & with dignity].*

GRATEX INDUSTRIES LTD**BOARD OF DIRECTORS**

Mr.NANA CHUDASAMA
Mr.BALDEV SHARMA
Mrs.PROMILA SHARMA
Mr.K.P.BHARADWAJ
Ms. MONA SHARMA

CHAIRMAN
MANAGING DIRECTOR

AUDITORS

M/S. B H PATEL & Co.
22,POPAT WADI,
KALBADEVI ROAD,
MUMBAI - 400 002.

BANKERS

BANK OF MAHARASHTRA
GADKARI CHOWK BRANCH,
WORLI, MUMBAI - 400 028.

REGISTERED OFFICE

109,KAKAD UDYOG BHAVAN,
L.J.ROAD, MAHIM,
MUMBAI-400 016.

FACTORY

GRATEX HOUSE,
TTC INDUSTRIAL AREA, KHAIRNE,
THANE-BELAPUR ROAD,
NEW BOMBAY-400 703.

C O N T E N T S

	Page No.
NOTICE	2
DIRECTORS' REPORT	3
AUDITORS' REPORT	5
BALANCE SHEET	8
PROFIT & LOSS ACCOUNT	9
SCHEDULES 'A' TO 'Q'	10
CASH FLOW STATEMENT	19
ABSTRACT TO BALANCE SHEET	20

GRATEX INDUSTRIES Limited

NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of GRATEX INDUSTRIES LIMITED will be held on Wednesday, the 29th September, 1999 at 11.00 A.M at Gaints International, 2nd Floor, Orient Club Buldg No. 9, Chowpatty Seaface, Mumbai - 400 007., to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999 and Profit and Loss Account for the year ended on that date and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mrs. Promila Sharma who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in place of Ms. Mona Sharma who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

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/HERSELF SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxy in the Form annexed hereto must be lodged at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday the 24th September, 1999 to Wednesday the 29th September, 1999 (both days inclusive)
3. Members are requested to bring their copy of the Annual Report to the Meeting.
4. Members are requested to intimate to the Company changes, if any in their postal address immediately.

By Order of the Board of Directors
Sd/-

PLACE : MUMBAI
DATE : 16th August, 1999.

BALDEV SHARMA
MANAGING DIRECTOR

REGD. OFFICE :
109, Kakad Udyog Bhavan,
L.J.Road, Mahim,
MUMBAI - 400 016.

15TH ANNUAL REPORT 1998-99

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure to present the Fifteenth Annual Report of the Company together with Audited Statement of Accounts for the year ended March 31st, 1999.

1. FINANCIAL RESULTS

(Rs. in Lacs)

	1998-99	1997-98
Income from Operations	196.71	234.65
Expenditure	174.54	216.06
Profit before Interest & Depreciation	25.17	18.59
Interest	13.31	-
Depreciation	6.57	6.89
Profit / (Loss) after Tax	5.29	11.70

2. DIVIDEND

To conserve reserves and in view of the nominal profit during the year, the Directors do not recommend any dividend for the year.

3. PERFORMANCE REVIEW

The Company has made an Operational Profit (Profit before Interest & Depreciation) which is 35% more than that of the previous year, even though the turnover has come down by about 15% (due to acute market recession in the Wallpaper Industry). This achievement has been vastly due to control on expenditure and various steps taken to reduce the per unit cost and improve operational efficiency.

4. ACTIVITIES OF THE COMPANY

The Company is venturing into product diversification viz. manufacturing of PVF Rexene of high quality grade, matching the quality of Import equivalent but with a cost benefit to the market. We are thus envisaging an increase in turnover of the Company and entering into a new market segment which would support higher turnover and better margins. The Company continues its Marketing efforts in promoting Wallcovering, but with a greater thrust. A new segment of market is being launched to promote Logo Wallcovering & a market based on (energy conservation) characteristics of PVF Wallpapers.

5. DIRECTORS

Mrs. Promila Sharma and Miss Mona Sharma, Directors of the Company retires at the ensuing Annual General Meeting of the Company, and being eligible, offer themselves for reappointment.

6. PERSONNEL

Relations between the management & employees were Cordial. Your Directors wish to place on record appreciation of services rendered by all the members of staff and workman. No employees are drawing salary in excess of the limits prescribed under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

GRATEX INDUSTRIES LIMITED

The Board wishes to place on record then gratitude for the continued co-operation assistance and guidance extended by Banks, Clients, Stock Exchange Members, Governemnt Department and Associates.

7. AUDITORS

M/s B.H.PATEL & CO, Chartered Accountants, the present Auditors retire at this Annual General Meeting and being eligible offer themselves for re-appointment.

8. FIXED DEPOSIT

During the financial year the company had not accepted nor renewed any deposits from the public within the meaning of Section 58-A of the Companies Act, 1956.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

A. CONSERVATION OF ENERGY :

The Company's operation do not involve substantial consumption of power, incomparision to the cost of production. However there are regulatory measures to ensure that the consumption of power is within the norms.

B. TECHNOLOGY ABSORPTION :

The Company has developed in-house technical know how.

C. FOREIGN EXCHANGE EARNING AND OUTGO :

Foreign Exchange earning of the Company during the year 1998-99 was 65,435, while the outgo was NIL.

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For and on behalf of the Board
Sd/-

NANA CHUDASAMA
CHAIRMAN

PLACE : MUMBAI

DATE : 16th August, 1999.

AUDITORS' REPORT

TO THE MEMBERS OF GRATEX INDUSTRIES LTD.

We have audited the Balance Sheet of GRATEX INDUSTRIES LTD. as on 31st March, 1999 and also Profit and Loss Account of the Company for the year ended on that date and we report that :

1. As required by the manufacturing and other Companies (Auditor Report) Order 1988 issued by the Company Law Board, in terms of Section 227 (4A) of the Companies Act 1956, we give in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraphs (1) above, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company for as it appears from time our examination of the books.
 - (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon given the information required by the Companies Act, 1956 in the manner so required by them and give a true and fair view.
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 1999 and
 - ii) in the case of Profit and Loss Account of the Company for the year ended on that date.

PLACE : MUMBAI

DATE : 18th August, 1999.

For B.H.PATEL & CO.

Chartered Accountants

Sd/-

B.M.DOSHI

Proprietor