

Substanzlos und ohne mein !!



Gratex Industries Limited

**19th Annual Report
2002-2003**

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 a single window "Total Interior Surface Solution" [TISS] to the Customer.*

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

Gratex Industries Limited

Board of Directors :

Baldev Sharma
Promila Sharma
K.P.Bharadwaj
Mona Menon
Karan Sharma

Registered Office :

109, Kakad Udyog Bhavan,
L.J.Road, Mahim,
Mumbai – 400 016.

Factory :

Gratex House,
TTI Industrial Area, Khairne,
Thane – Belapur Road,
New Bombay – 400 703.

Auditors :

B.H.Patel & Co.
22, Popat Wadi, Kalbadevi Road,
Mumbai – 400 002.

Bankers :

Bank of Maharashtra,
Gadkari Chowk Branch,
Dadar, Mumbai – 400 028.

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GRATEX INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of Gratex Industries Limited will be held on Monday, 29th September, 2003 at Orient Club Buldg., 2nd Floor, 9, Chowpatty Seaface, Mumbai – 400 007., at 11.30 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as on 31st March, 2003 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To appoint Director in place of Mrs. Promila Sharma, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Director in place of Mr. Karan Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s B. H. Patel & Co., Chartered Accountants to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting, 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 and the proxy need not be a member. Proxies, in order to be effective, should be duly completed, stamped, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company shall remain closed for 5 days from Wednesday the 24th September, 2003 to Monday the 29th September, 2003 both days inclusive, for the purpose of AGM.
3. Members are requested to bring their copies of the Annual Report at the meeting.
4. Members are requested to intimate to the Registrars of the Company changes, if any in their postal address immediately.

By Order of the Board.,
For Gratex Industries Limited.,

Place : Mumbai.

Date : 24th July, 2003.

Registered Office :

109, Kakad Udyog Bhavan,

L.J.Road, Mahim, Mumbai – 400 016.

Baldev Sharma
Managing Director

The Following Information is being furnished in terms of Clause 49 of the Listing Agreement in respect of Directors retiring by rotation and proposed to be reappointed.

Particulars	Mrs. Promila Sharma	Mr. Karan Sharma
Date of Birth & Age	March 2, 1949 – 54 years	July 4, 1979 – 24 years
Appointed on	4 th August, 2000	27 th September, 2000
Qualifications	B.A	B.Com
Expertise in specific Functional areas	Mrs. Promila Sharma is the Chief Operating Officer of M/s Marshalls Group, an Apex Body of the Group since 1975. She has 28 years of experience in Wallcovering Business, and is actively involved with the Company.	Mr. Karan Sharma is the Executive Director heading the Production & Marketing Division of the Factory. He has 9 years of wide experience in Business and Industry.

Other companies (including Foreign companies)

Memberships / Chairmanships of Committees across Public Companies

DIRECTORS' REPORT

TO THE MEMBERS OF GRATEX INDUSTRIES LIMITED

Your Directors present the Nineteenth Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2003.

1. FINANCIAL RESULTS :

(Rs. in lacs)

	2002-03	2001-02
i. Income from Operations	230.54	201.92
ii. Total Expenditure	216.38	182.36
iii. Profit before Interest & Depreciation	14.16	19.56
iv. Interest	7.11	9.41
v. Depreciation	5.94	6.02
vi. (Loss)/Profit After Tax	1.11	4.13

2. DIVIDEND :

No dividend is recommended during the year under the Companies Act, in view of the marginal profit earned for the year.

3. PERFORMANCE REVIEW :

During the year 2002-03 under review your Company has posted a 15% increase in the Sales. But the profit is very marginal at Rs 1.11 lacs. Your Company has been making all out efforts by launching innovative schemes and ideas to promote Wallpapers as a utility product and lay its emphasis and focus on Institutional & Government Sector.

Your Company has undertaken development of scratch-proof solid-vinyl wallpapers, which is expected to give the Company a big boost in its sales, as it will find its applications in panel-boards at OEM level. Your Company focuses on future business expansion by educating, spreading awareness and promoting the advantages of PVF-Wallpapers among the masses.

Your Directors wish to place on record that considering Industry as an opportunity to social service, the Company has build good rapport with staff and workers and have been providing humane benefits to them. Though your Company is waiting for the right opportune time to take-off to high-profits and dividends for the investors, but has build up a strong motivated and united work-force, to respond to any opportunity for mass production at any time.

4. DIRECTORS :

Mrs. Promila Sharma, Director and Mr. Karan Sharma, Director retire by rotation and being eligible, offer themselves for re-appointment.

5. PERSONNEL :

Your Directors wish to place on record their appreciation for the contribution made by the employees at all levels for the continued growth of the Company.

6. AUDITORS :

M/s B.H.Patel & Co., Chartered Accountants of the Company, would be retiring at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

7. 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.

GRATEX INDUSTRIES LIMITED

8. PARTICULARS OF EMPLOYEES :

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.

9. DIRECTORS' RESPONSIBILITY STATEMENT :

The Company is in compliance with various accounting and financial reporting requirements in respect of the financial statements for the period under review. Pursuant to Section 217 (2AA) of the Companies Act, 1956, and in respect of the annual accounts for the period under review, the Directors hereby confirm that :

- i. In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- ii. Appropriate accounting policies have been selected and applied consistently and judgement and estimates that are reasonable and prudent have been made 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 loss of the Company for that period.
- iii. Proper and sufficient care 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 frauds and other irregularities have been taken to the best of their knowledge and ability.
- iv. The Annual Accounts have been prepared on a "going concern basis".

10. CORPORATE GOVERNANCE :

A separate section on Corporate Governance is included in the Annual Report and the Certificate from the Company's auditors confirming the compliance of conditions on Corporate Governance as stipulated in the clause 49 of the listing agreement with the Stock Exchanges is annexed thereto.

11. 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, in comparison 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 2002-03 was NIL while the outgo was also NIL.

12. ACKNOWLEDGEMENTS :

The Directors wish to convey their appreciation to all of the Company's employees for their enormous personal efforts as well as their collective contribution during this year. The Directors would also like to thank the Employee Unions, Shareholders, Customers, Dealers, Suppliers, Bankers and all the other Business Associates for the continuous support given by them to the Company and their confidence in its management.

On behalf of the Board of Directors

Place : Mumbai
Date : July, 24, 2003

BALDEV SHARMA
MANAGING DIRECTOR

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Gratex Industries Limited (GIL) believe that good corporate governance is essential to achieve long term corporate goals and to enhance stakeholder value. There is no one universal model of a Corporate Governance Code. Different environments need specific solutions to meet the demands of legal compliances and regulations. In this pursuit, for Gratex Industries Ltd, good Corporate Governance implies :

- a. Commitment to values.
- b. A high degree of transparency.
- c. Ethical business conduct.
- d. Uncompromising emphasis on integrity and regulatory compliances.
- e. Unlocking the intellectual capabilities and moral authority of the Board to help in enhancing shareholder value while being sensitive to the legitimate needs of other stakeholders.

2. BOARD OF DIRECTORS :

The Management of your Company is entrusted to the Chairman and Managing Director and two Whole-time Directors of the Company. Your Board of Directors monitor the Company's activities, closely watches the performance of the Management, approves review strategy and evaluates Management decisions.

Your Board ensures legal and ethical conduct and accurate financial reporting. It holds itself accountable not only to the Shareholders but also other Stakeholders for the long term health of the Company.

During the financial year 2002-2003, the Board met on seven occasions i.e on 16.04.2002, 27.04.2002, 02.08.2002, 10.08.2002, 06.11.2002, 21.01.2003, 31.01.2003 Names & Categories of Directors and details of meetings attended by them are given below :

<u>Name of the Director</u>	<u>Category</u>	<u>No. of Meetings attended</u>
Mr. Baldev Sharma	Managing Director	
	Promoter	6
Mrs. Promila Sharma	Non-Executive	
	Promoter	4
Mr. K.P.Bhardwaj	Whole-time Director	6
Mrs. Mona Menon	Director	6
Mr. Karan Sharma	Whole-time Director	6

The last Annual General Meeting of the members was held on 27th September, 2002 which was attended by all the above Directors.

Directors seeking appointment / re-appointment :

Mrs. Promila Sharma, who was appointed as Additional Director on 04.09.2000 holds office upto the date of the ensuing Annual General Meeting. A notice has been duly received from a member proposing the candidature of Mrs. Promila Sharma for the office of Director at the said meeting.

Mr. Karan Sharma, who was appointed as Additional Director on 27.09.2000 holds office upto the date of the ensuing Annual General Meeting. A notice has been duly received from a member proposing the candidature of Mr. Karan Sharma for the office of Director at the said meeting.

3. COMMITTEES OF THE BOARD :

a. Executive Committee of the Board :

Members :

Mr. Baldev Sharma, Mrs. Mona Menon, Mr. Karan Sharma