

GRATEX INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. HOMI J. H. TALEYARKHAN
(Padmashree)
 Mr. NANA CHUDASAMA
 Mr. BALDEV SHARMA
 Mrs. PROMILA SHARMA
 Mr. K. P. BHARADWAJ
 Ms. MONA SHARMA
 Mr. PARS RAM PUNJ

Chairman

Vice 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.

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13TH ANNUAL REPORT 1996-97**NOTICE**

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Members of GRATEX INDUSTRIES LIMITED will be held on Tuesday, the 30th September, 1997 at 4.00 p.m. at A.I.M.O. Hall, M. R. Morarka Committee Room, Jeevan Sahakar, 4th Floor, Sir P. M. Road, Fort, Mumbai 400 001 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 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 Miss Mona Sharma who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATION THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION.

"RESOLVED THAT pursuant to Section 309 of the Companies Act, 1956, the remuneration of Miss Mona Sharma, Director of the Company be and is hereby modified from Rs. 7,500/- to Rs. 8,500/- within the overall ceiling provided per month".

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By order of the Board
For GRATEX INDUSTRIES LTD.

BALDEV SHARMA
Managing Director

Place : Mumbai
Date : 18th August, 1997

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

GRATEX INDUSTRIES LIMITED

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 Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item No. 5 is enclosed and forms part of this Notice.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday the 27th September, 1997 to Tuesday the 30th September, 1997 (Both days inclusive).
4. Members are requested to bring their copy of the Annual Report to the Meeting.
5. Members are requested to intimate to the Company changes, if any in their registered address immediately.

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

ITEM NO. 5

Miss Mona Sharma was appointed as an Additional Director by the Board of Directors on 1st October, 1995 for the period of five years. Looking into her expertise knowledge in the field and the responsibility accomplished in the day to day Marketing activities of the Company it is felt that the Director's remuneration should be increased to commensurate with the responsibility undertaken.

None of the Directors except Mr. Baldev Sharma, Managing Director, Mrs. Promila Sharma, Directors of the Company are directly or indirectly interested in the resolution.

By order of the Board
For GRATEX INDUSTRIES LTD.

BALDEV SHARMA
Managing Director

Place : Mumbai
Date : 18th August, 1997

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

13TH ANNUAL REPORT 1996-97**DIRECTORS' REPORT**

To,

The Members,

Your Directors have pleasure in presenting the Thirteenth Annual Report of the Company together with the Audited Accounts for the year ended March 31, 1997.

1. FINANCIAL RESULTS

The Financial results for the year ended 31st March, 1997 as compared to the previous year ended 31st March, 1996 are summarised below:

| (Rs. in lacs) | | |
|---------------|---------|---------|
| PARTICULARS | 1996-97 | 1995-96 |
| Income/Sales | 219.43 | 198.78 |
| Expenditure | 211.04 | 257.24 |
| Interest | 0.06 | 3.10 |
| Depreciation | 6.88 | 6.50 |
| Net Profit | 1.45 | (68.06) |

2. DIVIDEND

Your Company has earned a nominal profit for the year ended and your Directors propose to Transfer the same to reserves.

3. PERFORMANCE REVIEW

During the year under review, the Company has made a Nominal Net Profit for the current year, inspite of the heavy losses suffered by the Company in the previous year which had a backlash in the current year also. The Sales of the Company has increased from Rs. 160 lacs to Rs. 194 lacs amounting to 21.25% in the current year. The Turnover increase has been mainly due to the innovative and popular schemes launched by the Company, one of them being the Installment Scheme. We have also made thrust into the Corporate Sectors and the response is consolidating and building up.

During the current year the Company has discontinued conversions and marketing of Thermal Paper due to some practical difficulty and unethical competition from unorganised sector.

In the current year, the Company has initiated discussions with World Leaders of Wallcovering Manufacturing Companies for entering into Joint Venture Proposals.

4. FUTURE PLANS

The Company will pursue vigorously marketing schemes to increase the turnover and make its presence felt in the market. The Company will also aim at increasing the turnover by atleast 50%.

The Company will also aim at entering into joint venture proposals for technical up-gradation of Plant and Machinery and Marketing of Wallcoverings.

5. DIRECTORS

Mrs. Promila Sharma and Miss Mona Sharma, Directors of the Company retire by rotation at the forthcoming Annual Meeting of the Company and being eligible, offer themselves for re-appointment.

GRATEX INDUSTRIES LIMITED

6. PERSONNEL

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

7. AUDITORS

M/s B. H. PATEL & CO. Mumbai, Auditors of the Company shall retire at the forthcoming Annual General Meeting and are eligible 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. PARTICULARS OF EMPLOYEES

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 forms part of this report.

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.

10. 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 knowhow.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

Foreign Exchange earning of the Company during the year 1996-97 was NIL, while the outgo was Rs. 55,754.93.

11. ACKNOWLEDGEMENTS

Your Directors wish to place on record their thanks and appreciation for the valuable support and cooperation of the various agencies and departments of the Central and State Government, the Financial Institutions, Banks, Customers, the Suppliers, Business Associates and Shareholders and acknowledge their continued confidence, and patronage which has always been a source of strength for the Company.

By order of the Board
For GRATEX INDUSTRIES LTD.

HOMI J. H. TALEYARKHAN
Chairman

Place : Mumbai
Date : 18th August, 1997

13TH ANNUAL REPORT 1996-97**AUDITORS' REPORT**

To,
The Members,
GRATED INDUSTRIES LTD.

We have audited the Balance Sheet of GRATEX INDUSTRIES LTD. as on 31st March, 1997 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 (Auditors' Report) Order 1988 issued by the Company Law Board, 1988 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, 1997
and
 - ii) in the case of Profit and Loss Account of the Company for the year ended on that date.

For B. H. PATEL & CO.
Chartered Accountants

B. M. DOSHI
Proprietor

Place : Mumbai
Date : 11th August, 1997