

GRATEX INDUSTRIES LIMITED

...progressing towards Growth

29th

ANNUAL REPORT
2012 - 2013

29th Annual Report 2012 - 2013

Board Of Directors :

Baldevkrishan Sharma - Chairman
Karan Sharma - Managing Director
Promila Sharma
Mona Menon
Pratap Menon
K.P. Bharadwaj
Pradeep Nagori
Gurvinder Singh Saggi

Registered Office :

109, Kakad Udyog Bhavan,
L.J.Road, Mahim,
Mumbai - 400 016.
Tel : 022 - 40702120/21
Fax : 022 - 40702161
Website : www.gratex.in

Auditors :

M/s Lakhani & Lakhani
Chartered Accountants
F/ 1, Shanti Bhunvan
Co-Operative Hsg. Soc., S.N. Road,
Mulund (West), Mumbai - 400 080

Registrar And Transfer Agents :

Adroit Corporate Services Pvt. Ltd.,
19, Jaferbhoy Industrial Estate,
Makwana Road, Marol Naka,
Andheri (East), Mumbai. - 400 059.
Email : info@adroitcorporate.com

Bankers :

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

IMPORTANT COMMUNICATION TO MEMBERS :

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in Physical form are requested to send the above information i.e. e-mail address to the Company at investor@gratex.in OR to the Registrars And Transfer Agents of the Company at gratexgogreen@adroitcorporate.com for registration of their e-mail address.

A REQUEST :

As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copy of the Annual Report to the meeting.

CONTENTS :

Notice	1	Abridged Balance Sheet	14
Directors' Report	4	Abridged Profit & Loss Account	15
Report on Corporate Governance	7	Notes to Abridged Financial	
Management Discussion and Analysis	12	Statements	16
Auditors' Report	13	Abridged Cash Flow Statement	18

NOTICE

Notice is hereby given that the 29th Annual General Meeting of the members of Gratex Industries Limited will be held on Saturday, 10th August 2013, at 12.00 p. m., at Giants International, Orient Club Bldg 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 March 31, 2013 the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K. P. Bharadwaj, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Mona Menon, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Pratap Menon, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :

"**RESOLVED THAT** pursuant to section 224 of the Companies Act, 1956, M/s Lakhani & Lakhani, Chartered Accountants, (ICAI Registration No. 115728W), the retiring Auditors of the Company, be re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company at a remuneration as may be fixed by the Board of Directors."

By Order of the Board
For **Gratex Industries Limited**

Karan Sharma
Managing Director

Date : 29.05.2013

Place : Mumbai

Registered Office

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

NOTES :

1. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the company. The instrument appointing a proxy in order to be valid must be duly filled in all respects and should be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.**
2. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing such representative(s) to attend and vote on their behalf at the Meeting.
3. Members / Proxy holders are requested to bring their Attendance slip duly signed along with their copy of Annual Report to the meeting.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 6th August, 2013 to Saturday, 10th August, 2013 (both days inclusive).
5. The equity shares of the Company are compulsorily tradable in electronic form and your Company has established connectivity with both the depositories i.e. NSDL and CDSL. Members are requested to avail the facility of dematerialization of the Company's shares on either of the depositories, as aforesaid.
6. **The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011 has allowed companies to send Annual Report comprising of Balance Sheet, Profit & Loss Account, Director's Report, Auditor's Report and Explanatory Statement etc., through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.**

By Order of the Board

For **Gratex Industries Limited**

Karan Sharma

Managing Director

Date : 29.05.2013

Place : Mumbai

Registered Office

109, Kakad Udyog Bhavan,

L. J. Road, Mahim,

Mumbai - 400 016

APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

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

Particulars	Mr.K.P.Bharadwaj	Mrs. Mona Menon	Mr. Pratap Menon
Date of Birth	July 10, 1933	April 26, 1975	June 12, 1973
Date of Appointment	October 1, 1994	October 1, 1995	August 10, 2004
Qualifications Expertise in specific functional areas	Bachelor of Science degree in D.C.E and Engineering Diploma from City and Guild Institute of London Expertise in Technology & Operations Management and General Management	B.Com + Interior Designer Wide experience in Marketing & Corporate Management.	B.Com + D.M.M. Experience of more than 10 years in Marketing and General Management. He is heading the Dealer Market with Network spread all over India.
Directorships held in other Public Companies (excluding foreign companies)	Nil	Nil	Nil
Memberships/ Chairmanships of committees of other public companies (Includes only Audit and Shareholders / Investors Grievance Committee)	Nil	Nil	Nil
Number of Shares held in the Company	5300	137700	1000

DIRECTORS' REPORT

Your Directors are pleased to present the 29th Annual Report along with the Audited Accounts of the Company for the financial year ended 31st March, 2013.

1. FINANCIAL HIGHLIGHTS:

The financial performance of the Company, for the year ended 31st March, 2013 is summarized below:

(Amount in Lacs)

	CURRENT YEAR 31.03.2013	PREVIOUS YEAR 31.03.2012
Income from Operations	496.37	528.02
Total Expenditure including Depreciation	432.53	498.09
Profit before Tax	23.78	29.92
Profit/Loss After Tax	(9.24)	5.72

2. PERFORMANCE REVIEW:

During the year under review, your Company achieved an operational Profit before Tax of Rs.63.83 lacs. However it went ahead with its decision to adjust prior period expenses of difference in depreciation of Rs.16.07 lacs and write off 3 of its old bad debts amounting to Rs.40.04 lacs, thus posting a loss of Rs.9.24 lacs in the current year.

In the year 2012-13, your Company launched a new product line of Furniture through the Retail Showroom and the target set by the Company is Rs.50 lacs for the year 2013-14.

Your Company is determined to wipe out the carry forward losses and bad debts in the current year and thereafter start an era of sustained profits.

3. DIVIDEND:

Owing to the loss incurred by the Company, your Directors do not recommend any Dividend for the financial year ended March 31, 2013.

4. OUTLOOK FOR 2013 - 2014:

This year the Company is targeting an additional commission income from Marshalls Franchise Showroom. Further the Company is also focusing on enhancing the profitability by providing warehousing, packing and forwarding facility to Marshalls.

The Company is focused to wipe out the carry forward losses and bad debts thus transforming the Company into a profitable organization.

5. FIXED DEPOSITS:

During the period under review, the Company has not accepted/ renewed and deposit within the meaning of Section 58A of the Companies Act, 1956 and as such, no amount of principal / interest was outstanding as on the balance sheet date.

6. DIRECTORS:

- Composition

The Board comprises eight Directors, four of whom are Non-Executive & Independent Directors, two non-executive Directors, one Executive Director & one Managing Director.

- Retirement by Rotation

In accordance with the relevant provisions of the Companies Act, 1956, Mr. K. P. Bharadwaj, Mr. Pratap Menon and Mrs. Mona Menon, Directors of the Company are liable to retire by rotation at the ensuing Annual General

Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment at the ensuing Annual General Meeting.

The Board recommends re-appointment of the Directors retiring by rotation at the ensuing Annual General Meeting.

The brief resume and other details relating to the Directors, who are to be re-appointed as stipulated under clause 49 (IV) (G) of the Listing Agreement, is furnished in the Notice forming part of the Annual Report.

7. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 ("Act"), and based on the representations received from the operating management, the Directors hereby confirm that:

- (i) in the preparation of the Annual Accounts for the year 2012-13, the applicable Accounting Standards have been followed and there are no material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a fair & true view of the state of affairs of the Company at the end of the Financial year and of the loss of the Company for the financial year.
- (iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls 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.

8. CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As per Clause 49 of Listing Agreement with the Stock Exchanges, a report on Corporate Governance is attached to this Report along with the Management Discussion and Analysis statement.

9. STATEMENT PURSUANT TO LISTING AGREEMENT:

The Company's Securities are listed at the Bombay Stock Exchange Limited. The Company has paid the Annual Listing for the year 2013-2014.

10. DELISTING OF COMPANIES SECURITIES FROM AHMEDABAD STOCK EXCHANGE LIMITED :

The Company has received Order vide Letter Ref : ASEL/2012-2013/1039 dated February 20, 2013 from Ahmedabad Stock Exchange Limited stating that the Securities of the Company are removed from the list of the exchange w.e.f. 21.02.2013. Therefore pursuant to the undertaking given by your Company, the fact of delisting is disclosed in the First Annual Report, subsequent to delisting, in compliance to clause 7 (1) (d) of SEBI (Delisting of Equity Shares) Regulations, 2009.

11. AUDITORS AND AUDITORS' REPORT:

M/s Lakhani & Lakhani, Chartered Accountants, holds office until the conclusion of the ensuing Annual General Meeting of the shareholders of the Company, and are eligible for re-appointment. They have confirmed their eligibility as Auditors of a Listed Company.

The Company has received a confirmation from them to be effect about their eligibility under section 224(1B) of the Companies Act, 1956.

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

12. PARTICULARS OF EMPLOYEES:

Information in accordance with the provision of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particular of Employees) Rules 1975, as amended, regarding employees to the Directors Report is as follows.