

31ST
ANNUAL REPORT
2014 - 2015

**POISED
FOR GROWTH**



GRATEX INDUSTRIES LIMITED

31st Annual Report 2014 - 2015

Board Of Directors :

Baldevkrishan Sharma - Chairman
Karan Sharma - Managing Director
Mona Menon - Chief Financial Officer
Promila Sharma (resigned w.e.f. 11.08.2015)
Pratap Menon (resigned w.e.f. 11.08.2015)
K.P. Bharadwaj
Gurvinder Singh Saggu
Bhagwati Prasad Mangal
Rekha Nagori (Appointed w.e.f.13.08.2014)

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

3rd Floor, B wing, Ashar IT park, Road no. 16,
Waghle Estate, Thane (West).
Thane - 400 604

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 :

Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with the Rules framed thereunder, the Notice calling the Annual General Meeting along with the Annual Report is sent by electronic mode to those Members whose e-mail addresses are registered with the Depository or the Company, unless the Members have requested for a physical copy of the same.

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 their e-mail address to the Company at investor@gratex.in OR to the Registrars And Transfer Agents of the Company at info@adroitcorporate.com for Registration

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NOTICE

Notice is hereby given that the 31st Annual General Meeting ("AGM") of the members of Gratex Industries Limited will be held on Monday, 28th September, 2015 at 10.00 a.m. at Kitte Bhandari Hall, Gokhale Road North, Near Shiv Sena Bhavan, Dadar (West), Mumbai - 400 028 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss for the year ended on that date with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Krishna Prakash Bhardwaj (DIN 00276699) who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Ms. Mona Menon (DIN 00117025) who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible, offers herself for re-appointment.
4. To ratify the appointment of M/s Lakhani & Lakhani, Chartered Accountants, (ICAI Registration No. 115728W) as approved by the Members at the 30th Annual General Meeting as Statutory Auditors of the Company, to hold office until the conclusion of the 33rd Annual General Meeting Auditors at a remuneration as may be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

REMUNERATION TO MR. BALDEVKRISHAN SHARMA, CHAIRMAN - EXECUTIVE :

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 along with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and whereas pursuant to the recommendations of the Nomination and Remuneration Committee, Mr. Baldevkrishan Sharma be and is hereby re-appointed as Chairman of the Company for a further period of 5 years with effect from 1 April, 2015 on the modified terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting and for the purpose of identification, initialed by the Managing Director for authentication.

FURTHER RESOLVED THAT consent of the Company be accorded to the Board of Directors (hereinafter referred to as 'the Board' which terms shall be deemed to include any Committee of the Board constituted to exercise its powers including the powers conferred by this Resolution) to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Section 197 read with Schedule V to the Companies Act, 2013 in such form and manner or with such modifications as the Board may deem fit and agreed to by Mr. Baldevkrishan Sharma.

RESOLVED FURTHER THAT Mr. Baldevkrishan Sharma, be and is hereby not entitled to retire by rotation."

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

APPOINTMENT OF REKHA NAGORI AS AN INDEPENDENT DIRECTOR:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Ms. Rekha Pradeep Nagori (DIN 06945982), who was appointed as a Non-Executive Director of the Company by the Board of Directors w.e.f. 13th August 2014 and who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company for five consecutive years upto 12th August, 2019, not liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

SECTION 13 - ALTERATION OF MAIN OBJECTS IN THE MEMORANDUM OF ASSOCIATION :

"**RESOLVED THAT** pursuant to Section 13 of the Companies Act, 2013 and other applicable provisions, if any, and subject to such necessary approvals, consents and permissions of The Registrar of Companies, Maharashtra and /or such other authorities, as may be required consent of the members be and is hereby accorded for altering the Object clause of the Memorandum of Association of the Company by adding the words "warehousing" and "franchising" under the heading : The Main Objects Clause - III A (1), and the aforesaid clause of the Memorandum shall be as under :

- I. The objects for which the Company is established are :

A. THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION :

1. To carry on the business of manufacturing, processing, sub-contracting, liasoning, **warehousing, franchising**, buying, selling, dealership, commission agents, importers, exporters, traders, laminating, embossing, foaming, on papers, boards, plastic, poly-plastics, in roll form, sheet form, panel form, block form, in contours, curves and used wallpapers, posters, pictures for various industrial, non- industrial, to import, assemble, manufacture, trade interior products such as decorative lighting and fittings of all sorts which include CFL, LEDS and others, Ceramic/Vitrified floors or others, wooden flooring/laminate flooring/vinyl flooring and other fabrics, decorative materials, furnishing and others, mattresses, cushions, pillow, pillow covers, bed sheets, bed covers of all sorts and others, artifacts, handicraft products, novelty products and others, to carry on the business of trading, servicing or consumer uses, used directly such as on walls, ceilings, wood or any other surface on which it can be put up or directly such as laminates, gifts wrappings, decorative packings, table mats, laminations of decorative substrates such as decorative papers, fabrics, jutes, silk, cork, other natural , non-natural, processed ,manmade fibre, plastics, poly plastics, or any other decorative material on paper or board or board, or asbestos or hardboard, plywood, fabrics, plastics or poly-plastic or any other surface.

FURTHER RESOLVED THAT Mr. Karan Sharma, Managing Director of the Company be and is hereby authorised to file the necessary forms with the Registrar of Companies, Maharashtra and /or such other authorities as is necessary and do all acts deeds matters and things to give effect to this resolution."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :

SECTION 188 - APPROVAL OF RELATED PARTY TRANSACTIONS :

"**RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) (subject to any modification and re-enactment thereof) consent of the members be and is hereby accorded to continue with the existing contract or arrangements for a period of 10 years from 1st April, 2012 to 31st March, 2022 as Franchisee and for a period of 5 years from 1st January, 2014 to 1st January, 2019 for Warehousing respectively with related party i.e. M/s Marshalls Enterprise India Private Limited, a Body Corporate.

RESOLVED FURTHER THAT the Board of directors be and is hereby authorized to vary or renegotiate the terms of the arrangement as may be necessary or expedient from time to time provided that the total contract amount exclusive of applicable taxes over the contract period shall not exceed Rs. 1 Crore (Rupees One Crore) for both the arrangements per annum during the Contract.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution."

By Order of the Board
For Gratex Industries Limited

Managing Director
Karan Sharma
(DIN: 00117188)

Place : Mumbai
Date : 29.05.2015

NOTES :

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies to attend and vote instead of himself/herself and such proxy/proxies need not be a member of the company.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. Proxies, in order to be effective must be received 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 from Thursday, 24th September, 2015 to Monday, 28th September, 2015 (both days inclusive).
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. Members / Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
5. 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.
6. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declaration for their appointment / reappointment.
7. Members holding shares in electronic form should get their e-mail id's updated with their respective Depository Participants so that they can get the copies of correspondence etc. sent by the Company via e-mail.
8. Copies of the Annual Report 2015 are being sent by electronic mode only to all the members whose e-mail addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies shall be sent only if requested in writing by the member.
9. Electronic copy of the Notice of the 31st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form is being sent to all members whose e-mail IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same.
10. Members may also note that the Notice of the 31st Annual General Meeting and the Annual Report will also be available on the Company's website www.gratex.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's investor email id : investor@gratex.in

11. Voting through electronic means :

In Compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 31st Annual General meeting by electronic means and the business may be transacted through e-voting system provided by Central Depository Services (India) Limited (CDSL):

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on Tuesday 22nd September, 2015 (10.00 a.m.) and ends on Thursday, 24th September, 2015 (6.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 25th September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

B. In case of members receiving the physical copy upon request made to the Company:

- Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
 - The voting period begins on Tuesday 22nd September, 2015 (10.00 a.m.) and ends on Thursday, 24th September, 2015 (6.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 25th September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- C. Ms. Jacintha Castelino (ACS No. 33081) of M/s JC & Associates, practising Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- D. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, and send it to the Chairman of the Company.
- E. The Results shall be declared at or after the Annual General Meeting (AGM) of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.gratex.in and on the website of CDSL and shall also communicated to the Bombay Stock Exchange (BSE).

Place : Mumbai
Date : 29.05.2015

By Order of the Board
For Gratex Industries Limited

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

Karan Sharma
Managing Director
DIN: 00117188

DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AS REQUIRED UNDER

CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE :

Name of the Director	Mr. Krishna Prakash Bhardwaj	Mrs. Mona Menon
Date of Birth	10th July, 1933	26th April, 1975
Date of Appointment	01st October, 1994	01st October, 1995
Qualifications	Bachelor of Science degree in D.C.E and Engineering Diploma from City and Guild Institute of London	B.Com + Interior Designer
Expertise in specific functional areas	Expertise in Technology & Operations Management and General Management	Wide experience in Marketing & Corporate Management.
Directorships held in other Public Companies (excluding foreign companies)	Nil	Nil
Memberships/ Chairmanships of committees of other public companies (Includes only Audit and Shareholders / Investors Grievance Committee)	Nil	Nil
Number of Shares held in the Company	5300	137200

Place : Mumbai
Date : 29.05.2015

For Gratex Industries Limited

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

Karan Sharma
Managing Director
DIN: 00117188

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 5 :

The Board proposes to appoint Mr. Baldevkrishan Sharma, as Chairman of the Company for a further period of 5 years w.e.f April 1, 2015.

Mr. Baldevkrishan Sharma has done his BSC (Hons) from Mumbai University. He is a visionary, a First Generation Entrepreneur and the Promoter of Gratex Industries Limited.

The following are the terms of appointment and remuneration :-

- i. Tenure : For a period of 5 years commencing from April 1, 2015.
- ii. Nature of Duties : Mr. Baldevkrishan Sharma ("the Appointee") shall act as an Advisor to the Board. The Appointee shall be a guide and play an increasingly significant role in assisting the Company through economic uncertainty, regulatory change and intense global competition.
- iii. Remuneration : Salary in the scale of Rs.50,000/- to Rs.75,000/- per month inclusive of Rs.5000/- as conveyance and all perks.
- iv. Minimum Remuneration : Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Appointee, the Company has no profits, or its profits are inadequate, the Company will pay remuneration by way of salary, as specified above.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as stipulated under sections 197 and all other applicable provisions, if any, of the Act read with Part II of Schedule V of the Companies Act, 2013.

- v. The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, within the maximum amounts payable to the Appointee, in accordance with the provision of the Act or any amendments made hereafter in this regard and subject to such approvals as may be required.

In compliance with the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the terms of appointment and remuneration specified above are now being placed before the members for their approval.

Except Mr. Baldevkrishan Sharma, no other Director has any interest or concern in the resolution.

Item No. 6 :

Ms. Rekha Pradeep Nagori (DIN 06945982) was appointed as the Non-Executive Director of the Company w.e.f. 13th August, 2014. She has been working as a Lecturer in various colleges across Mumbai upto 1994.

She is the Chairman of the Stakeholder's Relationship Committee of the Board of Directors of the Company. She does not hold any equity shares in the Company. She is not a Director in any other Company.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Ms. Rekha Pradeep Nagori (DIN 06945982) being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for five consecutive years term upto 12th August, 2019. As required under section 160 of the Companies Act, 2013, a notice has been received by the Company from a member proposing Ms. Rekha Pradeep Nagori as a candidate for the office of Director of the Company.

In the opinion of the Board, Ms. Rekha Pradeep Nagori fulfils the condition specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director and is independent of the Company's management. Copy of the draft letter for appointment of Ms. Rekha Pradeep Nagori as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue avail services of Ms. Rekha Pradeep Nagori as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Rekha Pradeep Nagori as an Independent Director, for the approval by the shareholders of the Company.

Except Ms. Rekha Pradeep Nagori, being an appointee herself, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Item No. 7:

Your Company's experience and expertise in the wallpaper industry is tremendous. And looking at the response from the market and customers it is of the opinion that expanding and bringing within its fold the business activities of warehousing and franchising would be very lucrative and encouraging for the Company. The stated new business will under the existing circumstances be carried on conveniently and advantageously. Therefore it is proposed to amend the main objects clause in the Memorandum of Association of the Company as provided in the resolution.

The proposed amendment under the heading Clause III A in the Main Object of the Memorandum of Association of the Company will reflect all the activities of the Company intended to be carried on in clear words and will be advantageous for the Company.

The Directors recommend the resolution for approval of the shareholders and state that its adoption is in the interest of the Company. None of the Directors of the Company have any interest in the proposed resolutions except as Shareholders of the Company.

Item No. 8 :

Your Company proposes that in order to make optimum utilization of the available premises and infrastructure, it would be advisable to continue with the existing arrangement of Franchisee and Warehousing Services from Marshalls Enterprise India Private Limited. The Board of Directors of your Company in their meeting held on 29.05.2015, have approved to continue with the existing contract or arrangements for a period of 10 years from 1st April, 2012 to 31st March, 2022 as Franchisee and for a period of 5 years from 1st April, 2014 to 1st January, 2019 for Warehousing respectively with related party i.e. M/s Marshalls Enterprise India Private Limited, a Body Corporate, provided that the total contract amount exclusive of applicable taxes over the contract period shall not exceed Rs. 1 Crore (Rupees One Crore) respectively per annum during the Contract.

Particulars of the Contract pursuant to clause (3) of Explanation to Rule 15 (3) of Meetings of Board and its Powers Rules, 2014 and Section 134(3)(h) of the Act Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed to the Directors Report in Form AOC-2.

Having such arrangement with an entity in which Directors of the Company exercise influence offers additional advantages by way of greater operational flexibility & efficiency, confidentiality and certainty. The members are further informed that no member/s of the Company being a related party or having any interest in the resolution as set out at item No. 8 shall be entitled to vote on this special resolution.

The Board of Directors recommends the resolution set forth in item No. 8 for approval of the Members. Except Promoter Directors and their relatives (to the extent of their shareholding interest in the Company), no other director or Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in passing of this resolution.

Place : Mumbai
Date : 29.05.2015

By Order of the Board
For Gratex Industries Limited

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

Karan Sharma
Managing Director
DIN: 00117188