

## **Company Information**

### **Board Of Directors :**

Baldevkrishan Sharma - Managing Director  
Mona Menon - Director & CFO  
Karan Sharma - Director  
Bhagwati Prasad Mangal - Independent Director  
Rekha Pradeep Nagori - Independent Director  
w.e.f. 14.08.2018

### **Registered Office :**

109, Kakad Udyog Bhavan,  
L.J.Road, Mahim, Mumbai - 400 016.  
Tel : 022 - 24392321 Fax : 022 - 40702161  
Website : [www.gratex.in](http://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](mailto: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](mailto:investor@gratex.in) OR to the Registrars And Transfer Agents of the Company at [info@adroitcorporate.com](mailto:info@adroitcorporate.com) for Registration

### **CONTENTS :**

Notice .....	2	MD and CFO certification .....	28
Directors' Report .....	9	Auditors' Report & Annexure .....	31
Annexure to Directors' Report .....	13	Balance Sheet .....	36
Report on Corporate Governance .....	22	Profit & Loss Statement .....	37
Management Discussion and Analysis .....	27	Notes To The Financial Statements .....	40
		Proxy Form & Attendance Slip .....	53

## NOTICE

Notice is hereby given that the thirty-fourth Annual General Meeting of Gratex Industries Limited will be held on Saturday, 29th September, 2018 at 10.30 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 Financial Statements of the Company for the Financial year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Karan Sharma who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 3. APPOINTMENT OF INDEPENDENT DIRECTOR:

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

**"RESOLVED THAT** pursuant to the provisions of sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, subject to the approval of the shareholders at the Annual General Meeting, Mrs. Rekha Pradeep Nagori (DIN: 06945982) who meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term of five years with effect from August 14, 2018 up to 13<sup>th</sup> August, 2023.

**FURTHER RESOLVED THAT** the Managing Director be and is hereby authorized to sign and submit the letter of appointment to Mrs. Rekha Pradeep Nagori and be authorized to sign and submit the FORM DIR-12 to the ROC, Mumbai."

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

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

**"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 replacing the Object Clause No. 1 under the heading III A: THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION with the following new object :

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 **Modular Furniture, Profiles for all interior products, manufacture catalogues**, 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 Computerized Digital Printing and lamination of all interior products**, 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. Baldevkrishan 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."

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

**Baldevkrishan Sharma  
Managing Director  
DIN: 00117161**

**Place : Mumbai  
Date : 29.05.2018**

**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. 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. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 22<sup>nd</sup> September, 2018 to Saturday, 29<sup>th</sup> September, 2018 (both days inclusive).
4. Members / Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
5. With the view to using natural resources responsibly, we request shareholders to update their email address with their Depository Participants to enable the Company to send communications electronically.
6. Copies of the Annual Report 2018 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.
7. Electronic copy of the Notice of the thirty-fourth 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.
8. Members may also note that the Notice of the thirty-fourth Annual General Meeting and the Annual Report will also be available on the Company's website [www.gratex.in](http://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](mailto:investor@gratex.in)

## 9. 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 thirty-fourth Annual General meeting by electronic means and the business may be transacted through e-voting system provided by Central Depository Services (India) Limited (CDSL):

### A. The instructions for members for voting electronically are as under:-

- (i) The E-voting period begins on Wednesday, 26<sup>th</sup> September, 2018 (10.00 a.m.) and ends on Friday, 28<sup>th</sup> September, 2018 (5.00 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, 21<sup>st</sup> September, 2018 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](http://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](http://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"> <li>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.</li> <li>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.</li> </ul>
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"> <li>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).</li> </ul>

- (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 Gratex Industries Limited 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) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) **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](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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.
- (xi) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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.

- a. The voting period begins on Wednesday, 26th September, 2018 (10.00 a.m.) and ends on Friday, 28th September, 2018 (5.00 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, 21st September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b. 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](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- C. Ms. Jacintha Castelino (ACS No. 33081) of M/s JC & Associates, Practising Company Secretary 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](http://www.gratex.in) and on the website of CDSL and shall also communicated to the Bombay Stock Exchange (BSE).

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

**Baldevkrishan Sharma  
Managing Director  
DIN: 00117161**

**Place : Mumbai  
Date : 29.05.2018**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 3:**

Mrs. Rekha Pradeep Nagori (DIN: 06945982) aged about 60 years is a Non-Executive Independent Director of the Company. She Joined the Board of Directors of the company w.e.f. 14.08.2018.

Mrs. Rekha Pradeep Nagori does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

Mrs. Rekha Pradeep Nagori being eligible and offering herself for appointment is proposed to be appointed as an Independent Director for Five consecutive years from August 14, 2018 upto August 13, 2023.

The Company has obtained a declaration for her independency from Mrs. Rekha Pradeep Nagori and in the opinion of the Board, Mrs. Rekha Pradeep Nagori fulfills the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as an Independent Director of the Company and is Independent of the Management.

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

None of the Directors are concerned or interested in the above said resolution except as a member of the company.

**Item No. 4:**

Your Company is being well known in the Industry as a pioneer, its product commands a strong brand image. Gratex being a manufacturing company, proposed to venture into activities in the area of Modular Furniture & Profile Manufacturing, Catalogue Manufacturing and Repacking, Computerized Digital Printing and Lamination, which makes it an innovative organization and a leader in the Industry and thus adding to its turnover and profitability for the Company. 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.

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

**Baldevkrishan Sharma  
Managing Director  
DIN: 00117161**

**Place : Mumbai  
Date : 29.05.2018**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT  
AS REQUIRED UNDER REGULATION 17 OF SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), 2015**

<b>Name of the Director</b>	<b>Mr. Karan Sharma</b>
Date of Birth	4th July, 1979
Date of Appointment	27th September, 2000
	B.Com (Hons) Graduate from Mumbai University
Expertise in specific functional areas	Manufacturing , Sales and Marketing Areas
Directorships held in other Public Companies (excluding foreign companies)	Nil
Memberships/ Chairmanships of committees of other public companies (Includes only Audit and Shareholders / Investors Grievance Committee)	Nil
Number of Shares held in the Company	27600

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

**Baldevkrishan Sharma  
Managing Director  
DIN: 00117161**

**Place : Mumbai  
Date : 29.05.2018**



## DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their thirty-fourth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

### 1. FINANCIAL HIGHLIGHTS:

The financial performance of the Company, for the year ended March 31, 2018 as compared to the previous financial year is summarized below:

(Amount in Lacs)

PARTICULARS	CURRENT YEAR 31.03.2018	PREVIOUS YEAR 31.03.2017
Revenue from Operations	198.99	121.06
Total Expenditure including Depreciation	170.59	103.10
Profit before Tax	29.69	18.63
Tax Expenses	7.34	(0.47)
Profit/Loss After Tax	22.35	19.10

### 2. PERFORMANCE REVIEW:

The overall income from Franchisee operations for 2017-18 stood at Rs. 26.71 Lakhs as compared to Rs.24.93 Lakhs in 2016-17 & Warehousing Income for 2017-18 stood at Rs.80.98 Lakhs as compared to Rs.87.19 Lakhs in 2016-17. Thus total income for 2017-18 amounted to Rs.1.98 Crores as compared to Rs.1.21 Crores in 2016-17.

For the year ended 31.3.2018 the company has achieved an overall Net Profit of Rs. 22.35 Lakhs as compared to Net Profit of Rs. 19.10 Lakhs in previous year.

### 3. DIVIDEND:

The Directors have not recommended any dividend for the year under review.

### 4. OUTLOOK FOR 2018-2019:

Your Company intends to establish the full fledged unit of Modular Furniture and Profile manufacturing Unit, Catalogue Manufacturing and Repacking Unit and Computerized digital Printing & Lamination Unit.

Your company have placed order on Imported Profiles from Orac décor, Belgium considered as world's best brand in profile manufacturing. During the year, the Company apart from consolidating in the area of Warehousing and Franchise, has modernized and inducted latest technology to make its products more quality based and attractive in looks.

The prospectus of the Company is to double the turnover from the present turnover, add more operators-skilled and semi skilled persons to enhance the capacity, add more marketing & managerial staff.

### 5. FIXED DEPOSITS:

Your Company has not accepted any deposits from the public or its employees during the year under review.

**6. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

• **Composition :**

The Board comprises of Five Directors, two of whom are Non-Executive Independent Directors, one Managing Director, one Chief Financial Officer & one Executive Director.

• **Resignation of Director During the Year :**

Mr. Gurvinder Singh Saggi, Independent Director of the Company and Mr. Krishna Prakash Bhardwaj, Whole-time Director of the Company resigned from their post of Directorship w.e.f. 29.05.2018 and 14.08.2018 respectively.

The Board appreciates their significant contribution to the company throughout their tenure and also the valuable advices they made to the Board from time to time.

• **Appointment of Director :**

Pursuant to the provisions of section 149 of the Companies Act, 2013, Mrs. Rekha Pradeep Nagori has been appointed as an Independent director to fulfill the criteria of Composition of Board.

**7. MEETINGS:**

This information has been furnished under Report on Corporate Governance, which is annexed.

**8. BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**9. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR:**

Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board has adopted the Remuneration Policy for Directors, KMPs and other Employees. NRC has formulated the criteria for the determining qualifications, positive attributes and independence of an Independent Director and also the criteria for Performance evaluation of individual Directors, the Board as a whole and the Committees.

**10. AUDITORS:**

M/s Lakhani & Lakhani, Chartered Accountants, (ICAI Registration No. 115728W), were re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of the thirtieth Annual General Meeting ("AGM") of the Company held on September 13, 2014 until the conclusion of the thirty-fifth AGM of the Company to be held in the year 2019. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Notes on Financial Statement referred to in the Auditor's Report are self explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.

Pursuant to the Amendment Act, 2017 there is no requirement of annual ratification of the auditor of the Company vide Notification dated 07.05.2018. The provision with respect to the annual ratification has been removed from Companies (Audit and Auditors) Rules 2014.

**11. EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form No. MGT-9 as a part of this Annual Report as Annexure I.