



**36TH
ANNUAL REPORT
2019-2020**

GRATEX INDUSTRIES LIMITED

Company Information

Board of Directors:

Mr. Baldevkrishan Sharma – Chairman & Director
Mr. Karan Sharma – Managing Director
Mrs. Mona Menon – Director & CFO
Mrs. Rekha Pradeep Nagori – Independent Director
Mr. Prashant Sawant– Independent Director

Company Secretary :

Mr. Swapnil Chari

Registered Office :

109, Kakad Udyog Bhavan,
L.J.Road, Mahim,
Mumbai – 400 016.
Tel : 022 – 24392321
Fax : 022 – 40702161
Website : www.gratex.in

Auditors :

M/s. Jayesh R. Shah & Co.

C-36, Ground Floor,
The New Vasant Villa Co-op HSG Society,
Amrut Nagar, Ghatkopar (West).
Mumbai – 400 086

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 thirty-sixth Annual General Meeting of Gratex Industries Limited will be held on Wednesday, 30th September, 2020 at 1.00 p.m. via Video Conferencing OR OAVM 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, 2020 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Baldevkrishan Sharma (DIN: 00117161) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Appointment of Managing 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 sections 117(3), 196, 197, 198, 203 of the Companies Act, 2013, read with Schedule V of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactments thereof, for the time being in force) the consent of the Members be and is hereby accorded to appoint **Mr. Karan Baldevkrishan Sharma (DIN : 00117188) as the Managing Director** of the Company, designated as Executive Director of the Company, for a period of 3 (Three) years with effect from 30th July, 2020, as per the recommendation of the Nomination and Remuneration Committee, on such terms and conditions of appointment including remuneration payable as may be agreed between the Board of Directors and Mr. Karan Baldevkrishan Sharma, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013, or any statutory modification(s) or re-enactments thereof.

RESOLVED FURTHER THAT the total remuneration payable in any financial year by way of salary, perquisites, commission and other allowances shall not exceed the overall limit of Five percent (5%) of the Net Profits of the Company as applicable to each of the Managing/ Whole Time Directors of the Company and /or Ten Percent (10%) of the Net Profits of the Company for all Managing/Whole-time Directors in accordance with the provisions, if any, of the Companies Act, 2013 read with schedule V including any statutory amendments, modifications or re-enactments thereof, as may be made thereto for the time being in force OR if the Remuneration exceeds the limits as prescribed in the provisions of Sections 197, 198 of the Companies Act, 2013, the remuneration payable shall be within the maximum permissible limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 without obtaining the approval of the Central Government in case of No Profit/ Inadequate Profit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or such document(s), as the Board may in its absolute discretion consider necessary, expedient or desirable including power to sub-delegate in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit.”

4. Approval for Related Party Transaction

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

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions, if any, read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, and the Companies policy on related party transactions, approval of the Shareholders be and is hereby accorded to the Board of Directors of the Company to enter in contracts or arrangements or transactions with Marshalls Enterprise India Private Limited., a related party, within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing

Regulations, for selling Wallpapers, Catalogues, Profiles, Furniture and Digital posters to related party i.e. M/s Marshalls Enterprise India Private Limited, a Body Corporate, at MRP+Taxes As Applicable up to a maximum aggregate value of Rs. 5 Crore (Rs. Five Crore only) Plus Taxes as applicable for the financial year 2020-2021, provided that the said arrangements or transactions shall be at arm's length basis and in the ordinary course of business"

FURTHER RESOLVED THAT the agreement for Warehousing Charges be enhanced from 1 Crore (Rs. One Crore) to Rs. 1.50 Crore (Rs. One Crore Fifty Lakh) Plus Taxes, for the Financial Year 2020-2021 with related party i.e. M/s Marshalls Enterprises India Private Limited, a body corporate, provided that the said arrangements or transactions shall be at arm's length basis and in the ordinary course of business"

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

SD/-

Karan Sharma

Managing Director

DIN: 00117188

**Place : Mumbai
Date : 08.09.2020**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporate is entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.gratex.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read

with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Sunday 27th September, 2020 at 09:00 A.M. and ends on 29th September, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to _____ **<Please mention the e-mail ID of Scrutinizer>** with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@gratex.in

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@gratex.in

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE

EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH

VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of

Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.

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

Item No. 3:

As per the requirement of sections 196, 197, 203 and Schedule V of the Companies Act, 2013 read with the prescribed rules of the Companies Rules, 2014, the Board has upon the recommendation of the Nomination & Remuneration Committee appointed **Mr. Karan Baldevkrishan Sharma (DIN: 00117188)** as a Managing Director at the Board Meeting held on the 30th July, 2020.

The company has received:

- (i) the consent in writing from Mr. Karan Baldevkrishan Sharma in form DIR-2 pursuant to the Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules 2014;
- (ii) intimation in Form DIR-8 pursuant to the Rule 14 of the Companies (Appointment & Qualifications of Directors) Rules 2014 that he is not disqualified under section 164 sub-section (2) of the Companies Act, 2013.

The director shall follow the code of conduct of the company and perform the duties as prescribed by the directors from time to time subject to the provisions of section 166 of the Companies act, 2013.

The terms and conditions regarding the appointment and remuneration are mentioned below:

- (i) Term: 3 years commencing from 30/07/2020 till 29/07/2023
- (ii) Basic salary: As provided in the resolution
- (iii) Allowance & Perquisites: As provided in the resolution

The company also seeks the approval of the shareholders by way of ordinary resolution as per the provisions of sections 196, 197 and schedule V of the companies act, 2013 read with the companies rules, 2014 (including any statutory modifications or re-enactment thereof) and other applicable provisions if any, for the appointment of **Mr. Karan Baldevkrishan Sharma** as the Managing Director from **30/07/2020 till 29/07/2023** and the fixation of remuneration in case of having profit or no profit or inadequacy of profit.

No directors, key managerial personnel, manager or their relatives is interested or concerned in the above resolution except Mr. Karan Baldevkrishan Sharma.

Item No. 4:

Under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Related Party Transactions shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the Shareholders through resolution. The said Regulation further provides a definition of the term 'Material' as follows:

"A transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

As part of its regular business the Company is in selling of Wallpapers, Catalogue, Profiles and Digital Posters.

The Members are apprised that the Company in addition to its regular business with outside parties is also selling the same to Marshalls Enterprise India Private Limited, a related party. Approval of the members is sought for entering into agreement for selling these products with Marshalls Enterprise India Private Limited, a related party

| | |
|---|---|
| (A) Name of the Related Party | Marshalls Enterprise India Private Limited |
| (B) Nature of Relationship | Directors in the said Body Corporate i.e. Marshalls Enterprise India Private Limited are Directors of Gratex Industries Limited. |
| (C.) Nature, Duration of the Contract and particulars of the contract or arrangement | The agreement for selling Wallpapers, catalogue, Profiles, Furniture and Digital Posters is valid for One year from 1 st April, 2020 to 31 st March, 2021. |
| (D.) Material terms, monetary value and of the contract. | <p><u>For selling Wallpapers, catalogue, Profiles, Furniture and Digital Posters MRP+Taxes As Applicable:</u></p> <p>Maximum Aggregate value is Rs. 5 Crore Plus Taxes as applicable. Terms of Arrangement: If only the production is done by Gratex then Profit is 32 % to 50% above cost.If the product is customized then Profit is 50% to 100% of the Cost price depending upon the cost and time taken.</p> <p><u>For Warehousing :</u></p> <p>Maximum aggregate value of the Contract: Warehousing Charges - Rs. 1 Crore Fifty Lakhs per annum plus taxes as applicable during the contract period.</p> |
| (E.) Any advance paid or received for the contract or arrangement, if any. | NIL. |
| (F) The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract. | The pricing is commensurate with the general trend in the industry and at the rates prevalent in the market for such services. |
| (G.) Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors. | YES. |

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
SD/-
Karan Sharma
Managing Director
DIN: 00117188**

**Place : Mumbai
Date : 08.09.2020**

DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AS REQUIRED UNDER

| | |
|---|--|
| Name of the Director | Mrs. BALDEVKRISHAN RAMRATTAN SHARMA |
| Date of Birth | 21st April, 1947 |
| Date of Appointment | 1st October, 1992. |
| Educational Qualification | B.Sc |
| Expertise in specific functional areas | Marketing and Corporate Management. |
| 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 | 1419531 |

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

SD/-

**Karan Sharma
Managing Director**

DIN: 00117188

**Place : Mumbai
Date : 30.07.2020**