

# GRATEX INDUSTRIES LIMITED

High-end & Superior Quality PVF - Wallpapers, Floorings, Furnishings, Furniture, Accessories & Allied Products

CIN NO - L21093MH1984PLC032248

## Marshalls Plaza & Stores

A-73, MIDC, Kopar Khairane, Thane Belapur Road,  
Navi Mumbai - 400 703, Tel.: 4070 2323 Fax: 4070 2363

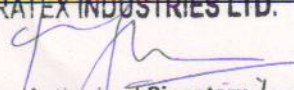
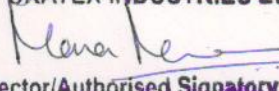
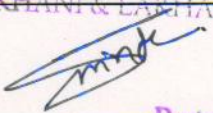
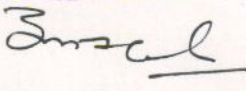
## Corporate Office :

108, Kakad Udyog Bhavan, L. J. Road, Mahim, Mumbai - 400 016  
Tel.: 4070 2121 Fax : 40702161  
Website : www.gratex.in E-mail : info@gratex.in

Reply to this letter may please be addressed at ■ Marshalls Plaza, ■ Corporate Office

FORM A

FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGE

1	Name of the Company	Gratex Industries Limited
2	Annual financial statements for the year ended	31st March, 2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	To be signed by :	
	• CEO / Managing Director	For GRATEX INDUSTRIES LTD.  Director/Authorised Signatory /MD
	• CFO	For GRATEX INDUSTRIES LTD.  Director/Authorised Signatory /CFO
	• Auditor of the Company	For LAKHANI & LAKHANI  Partner
	• Audit Committee Chairman	

Date: 28<sup>th</sup> September, 2015

Place: Mumbai

31ST  
ANNUAL REPORT  
2014 - 2015

**POISED  
FOR GROWTH**

**GRATEX INDUSTRIES LIMITED**

## 31<sup>st</sup> 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 31<sup>st</sup> Annual General Meeting ("AGM") of the members of Gratex Industries Limited will be held on Monday, 28<sup>th</sup> 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](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)

**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](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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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)	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. <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 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](http://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](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.
- (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](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:**

- a. Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- b. 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.
- c. 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 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](http://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 :**

<b>Name of the Director</b>	<b>Mr. Krishna Prakash Bhardwaj</b>	<b>Mrs. Mona Menon</b>
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**

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors have pleasure in presenting their 31st Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

**1. FINANCIAL HIGHLIGHTS:**

The financial performance of the Company, for the year ended 31st March, 2015 as compared to the previous financial year is summarized below:

(Amount in Lacs)

<b>PARTICULARS</b>	<b>CURRENT YEAR 31.03.2015</b>	<b>PREVIOUS YEAR 31.03.2014</b>
Income from Operations	80.45	727.56
Total Expenditure including Depreciation	75.89	678.55
Profit before Tax	(20.44)	13.06
Profit/Loss After Tax	(17.34)	23.77

**2. PERFORMANCE REVIEW:**

The overall income from Franchisee operations for 2014-15 is 38.30 Lakhs as compared to in 38.48 Lakhs in 2013-14 which is same as last year & warehousing income is 86.98 Lakhs. Thus, total income for 2014-15 amounts to 1.25 crores. For the year ended 31.3.2015 company is into overall Net loss of 17.34 Lakhs as compared to Net profit of 24 Lakhs last year.

The major reasons for the loss are:

1. Loan written off of Andhra Pradesh Power Tools Ltd of 25 Lakhs. We had already written off the interest of both the companies ie Andhra Pradesh Power Tools Ltd and Elar Fashion. Now we have written off the principal amount of one company and will write off the other in the current year to clean off our books of all our old liabilities.
2. Old assets written off as per new companies act amounting to 10.40 Lakhs which belong to period prior to 2007.

As can be seen above if these 2 items were excluded we would have been in profits similar to 2013-14.

**3. DIVIDEND:**

In view of the losses suffered by the Company, the Directors regret their inability to recommend dividend for the year under review.

**4. OUTLOOK FOR 2015 - 2016:**

We will be continuing with our Franchisee & warehousing operations and expect to overall grow by at least 25% in the new year. With infrastructure and real estate sector due to grow in the current year with the thrust given by the government the expectation of growth both in franchise and warehouse operations is very high.

We have also been very conscious of our expenses, which will be controlled further to bring the company again into profitability state.

**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:**

Mr. Krishna Prakash Bhardwaj (DIN 00276699) and Ms. Mona Menon (DIN 00117025), Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

During the year, Ms. Rekha Pradeep Nagori (DIN 06945982), has been appointed as an Independent Director for a term of 5 years. Details relating to her appointment is mentioned in the Statement annexed to the Notice under Section 102 of the Companies Act, 2013.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Ms. Mona Menon (DIN 00117025) has been designated as the Chief Financial Officer of the Company as per the definition of Key Managerial Person under section 2(51) and Section 203 of the Act .

**7. DETAILS PERTAINING TO EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013:**

There were no employees covered under provisions under Section 197(12) of the Companies Act, 2013.

**8. MEETINGS:**

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

**9. BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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.

**10. AUDITORS:**

The members of the Company had, at the 30th Annual General Meeting ("AGM") approved the appointment of M/s Lakhani & Lakhani, Chartered Accountants, Mumbai, bearing ICAI Registration No. 115728W for a period of three years. Ratification of the appointment of Statutory Auditors is to be sought from the members of the Company at the ensuing AGM.

In view of the above, the existing appointment of M/s Lakhani & Lakhani, Chartered Accountants, covering the period from the conclusion of the ensuing AGM until the conclusion of the next AGM to be held in the 2016-2017 is being placed for member's ratification.

M/s Lakhani & Lakhani, Chartered Accountants, Mumbai, have confirmed that their appointment, if made, shall be in accordance with the provisions of Section 139(1) of the Act read with Companies (Audit and Auditors) Rules, 2014 and that they satisfy the criteria given under Section 141 of the Act. The Audit Committee and Board of Directors recommend the aforesaid appointment.

**11. AUDITORS' REPORT:**

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

**12. 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**

**13. INTERNAL AUDIT & CONTROLS:**

During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Significant observations and corrective actions thereon are presented to the Audit Committee from time to time.

**14. WHISTLE BLOWER POLICY / VIGIL MECHANISM:**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism Policy to deal with instances of fraud and mismanagement. The Vigil Mechanism Policy has been uploaded on the website of the Company.

**15. RISK MANAGEMENT POLICY:**

Risk management policy of the Company promotes a proactive approach in reporting, evaluating and resolving risks associated with the business. Identified risks are used as one of the key inputs for the development of strategy and business plan.

The risks are assessed on a periodical basis and it assists the Board of Directors in overseeing the Company's risk management processes and controls.

**16. SECRETARIAL AUDIT:**

In terms of Section 204 of the Act and Rules made there under, M/s. JC & Associates, Practicing Company Secretaries have been appointed Secretarial Auditor of the Company. The report of the Secretarial Auditors is enclosed as Annexure II to this report. The report is self-explanatory and do not call for any further comments.

**17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in Form No. AOC-2 as a part of this Annual Report as Annexure III.

**18. CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS :**

The provisions of Section 135 of the Companies Act, 2013 pertaining to Corporate Social Responsibility (CSR) is not applicable to the Company.

**19. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

**20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

In view of the nature of activities which are being carried on by the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, regarding conservation of Energy and Technology absorption respectively, are not applicable.

Value of Imports on CIF basis :

Particulars	2014-2015	2013-2014
Purchase of Goods		
EURO	0	30,704
USD	0	0
GBP	0	0

**21. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The provisions of Section 135 of the Companies Act, 2013 pertaining to Corporate Social Responsibility (CSR) is not applicable to the Company.

**22. DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that-

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. that your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair 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 year;
3. that your Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that your Directors have prepared the annual accounts on a going concern basis.
5. that your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
6. that your Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**23. LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to the Bombay Stock Exchange, where the Company's Shares are listed.

**24. ACKNOWLEDGEMENTS:**

Your Directors record their grateful appreciation for the encouragement, assistance, co-operation and consistent support received from Members, Dealers, Government Authorities, Dealers, Banks, Financial institutions, Business Partners and Customers. The Board wishes to place on record its appreciation to the contribution made by employees of the Company during the year under review. Your Directors are thankful to all the Stakeholders for their continued patronage.

**Place : Mumbai**  
**Date : 29.05.2015**

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

**Managing Director**  
**Karan Sharma**  
**(DIN: 00117188)**

**ANNEXURE I TO DIRECTORS REPORT**

**FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN  
FOR THE PERIOD ENDED 31ST MARCH, 2015**

[ Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I REGISTRATION AND OTHER DETAILS:**

- (i) CIN: L21093MH1984PLC032248  
 (ii) Registration date: 23rd February, 1984  
 (iii) Name of the Company: GRATEX INDUSTRIES LIMITED  
 (iv) Category / Sub-Category of the Company: Public Company Limited by Shares  
 (v) Address of the Registered office and contact details

1	0	9		K	A	K	A	D		U	D	Y	O	G	
B	H	A	V	A	N		L	J		R	O	A	D		
M	A	H	I	M											
M	U	M	B	A	I	-		4	0	0	0	1	6		
Telephone:	022	4	0	7	0	2	1	2	1						
Fax Number:	022	4	0	7	0	2	1	6	1						
E-mail Address:	je	ss	y	in	di	a	25	@	g	m	ail	.	com		

- (vi) Whether listed company Yes / No: YES  
 (vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:  
 Adroit Corporate Services Pvt.Ltd.  
 19/20, Jaferbhoy Ind. Estate, Makwana Road,  
 Marol Naka, Marol, Andheri (E),  
 Mumbai- 400059  
 Tel: +91 (0) 22 42270400  
 pratapp@adroitcorporate.com  
 www.adroitcorporate.com

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

SR.No	Name and Description of main Products and Services	NIC CODE	% of total turnover of Company
1	Wallpaper	21096	100%

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL**



**IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
<b>(1) Indian</b>								
a) Individual / H.U.F	0	0	0	0	0	0	0	0
b) Central Government	0	0	0	0	0	0	0	0
c) State Government	0	0	0	0	0	0	0	0
d) Body Corporate	0	0	0	0	0	0	0	0
e) Banks and FI	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0
f) i) Directors	1680742	1000	1681742	55.42	55.42	1732997	1733997	57.14
<b>Sub-Total (A) (1):-</b>	<b>1680742</b>	<b>1000</b>	<b>1681742</b>	<b>55.42</b>	<b>55.42</b>	<b>1732997</b>	<b>1733997</b>	<b>57.14</b>
<b>(2) Foreign</b>								
a) NRIs Individual	0	0	0	0	0	0	0	0
b) other Individual	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0
<b>Sub-Total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of promoter (A)=(A)(1)+(A)(2)</b>	<b>1680742</b>	<b>1000</b>	<b>1681742</b>	<b>55.42</b>	<b>55.42</b>	<b>1732997</b>	<b>1733997</b>	<b>57.14</b>
<b>B) Public Shareholding</b>								
<b>1) Institutions</b>								
a) Mutual Fund	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0
c) Central govt.	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0
i) Other(Specify)	0	0	0	0	0	0	0	0
Sub-total	0	0	0	0	0	0	0	0
<b>(B) (1)</b>								
<b>2) Non-Institutions</b>								
a) Body Corporate								
i) Indian	57468	57468	17900	75368	2.48	53020	70920	2.34
ii) Overseas	0	0	0	0	0	0	0	0
b) Individuals								
i) Individuals Shareholders holding nominal Share Capital Upto Rs.1 lakh	398190	575500	973690	32.08	370983	558900	929883	30.64
ii) Individuals Shareholders holding nominal Share Capital in excess of Rs.1 lakh	155300	40100	195400	6.44	155300	40100	195400	6.44
c) Other(Specify)								
NRIs	1000	107600	108600	3.58	1000	103600	104600	3.45
<b>Sub-total (B) (2)</b>	<b>611958</b>	<b>741100</b>	<b>1353058</b>	<b>44.58</b>	<b>580303</b>	<b>720500</b>	<b>1300803</b>	<b>42.86</b>
<b>Total public Shareholding of (B)=(B)(1)+(B)(2)</b>	<b>611958</b>	<b>741100</b>	<b>1353058</b>	<b>44.58</b>	<b>580303</b>	<b>720500</b>	<b>1300803</b>	<b>42.86</b>
c) Shares held by Custodian for GDRs and ADRs	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>2292700</b>	<b>742100</b>	<b>3034800</b>	<b>100</b>	<b>2313300</b>	<b>721500</b>	<b>3034800</b>	<b>100</b>

**(ii) Shareholding of Promoters**

SR. No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No.of shares	%of Total Shares of the Company	%of shares Pledge/ Encumbered to the total shares	No.of shares	%of Total Shares of the Company	%of shares Pledge/ Encumbered to the total shares	% of change in the shareholding Durint the year
1	Baldev Sharma	1220042	40.2	0	1272297	41.92	0	1.72
2	Karan Sharma	27600	0.91	0	27600	0.91	0	NIL
3	Krishna Prakash Bhardwaj	5300	0.18	0	5300	0.18	0	NIL
4	Mona Pratap Menon	137700	4.54	0	137700	4.54	0	NIL
5	Pratap Ramankutty Menon	1000	0.03	0	1000	0.03	0	NIL
6	Promila Sharma	290100	9.56	0	290100	9.56	0	NIL
	<b>Total</b>	<b>1681742</b>	<b>55.42</b>	<b>0</b>	<b>1733997</b>	<b>57.14</b>	<b>0</b>	

**(iii) Change in promoters Shareholding (please specify if there is no change)**

SR. No		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No.of shares	% of Total Shares of the Company	No.of shares	%of Total Shares of the Company
1	At the Beginning of the year				
1	Baldevkrishan Sharma	1220042	40.2	1220042	40.2
2	Promila Sharma	290100	9.56	290100	9.56
3	Mona Menon	137700	4.54	137700	4.54
4	Karan Sharma	27600	0.91	27600	0.91
5	Krishna Prakash Bhardwaj	5300	0.18	5300	0.18
6	Pratap Menon	1000	0.03	1000	0.03
	Date wise Increase/Decrease in promoters Share holding during the year specifying the reason for increase/decrease (e.g.allotment/ transfer/bonus/ sweat equity etc):			52255 (Acquired from the open market)	1.72
	At the End of the year				
1	Baldevkrishan Sharma	1272297	41.92	1272297	41.92
2	Promila Sharma	290100	9.56	290100	9.56
3	Mona Menon	137700	4.54	137700	4.54
4	Karan Sharma	27600	0.91	27600	0.91
5	Krishna Prakash Bhardwaj	5300	0.18	5300	0.18
6	Pratap Menon	1000	0.03	1000	0.03

(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and holders of GRDs and ADRs)

SR. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of Total Shares of the Company	No. of shares	% of Total Shares of the Company
1.	Surekha Mahendra Khetani	50000	1.65	50000	1.65
2.	Pushpa Sedhmal Gupta	45700	1.51	45700	1.51
3.	Signora Finance Private Limited	45000	1.48	45000	1.48
4.	Kundanlal Wasan	40100	1.32	40100	1.32
5.	Vinita Sunil Patodia	13500	0.44	13500	0.44
6.	Shah Sanjay Satish	12300	0.41	12300	0.41
7.	Shefali Hemantkumar Shah	12200	0.40	12200	0.40
8.	Rajesh K. Bhageria	11400	0.38	11400	0.38
9.	Bharat Kishormal Shah	10200	0.34	10200	0.34
10.	Mahendra Mehta	10000	0.33	10000	0.33
11.	Rangarajan T	10000	0.33	10000	0.33
12.	Shreepal Babulal Bafna	10000	0.33	10000	0.33

(v) Shareholding of Directors and Key Managerial Personnel:

SR. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of Total Shares of the Company	No. of shares	% of Total Shares of the Company
	Karan Sharma	27600	0.91	27600	0.91
	Mona Menon	137700	4.54	137700	4.54

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
<b>Indebtedness at the Beginning of the financial year</b>				
i) Principal Amount	----	1600000	----	1600000
ii) Interest due but not paid	----	----	----	----
iii) Interest accrued but not due	----	----	----	----
Total(i +ii +iii)	----	1600000	----	1600000
<b>Change in Indebtedness during the financial year</b>				
- Addition	----	----	----	
- Reduction	----	1200000	----	1200000
Net Change	----	(1200000)	----	(1200000)
<b>Indebtedness at the End of the financial year</b>				
i) Principal Amount	----	400000	----	400000
ii) Interest due but not paid	----	10000	----	10000
iii) Interest accrued but not due	----	----	----	----
<b>Total(i +ii +iii)</b>		<b>410000</b>		<b>410000</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SR.No.	Particulars of Remuneration	Name of MD/WTD/Manager Karan Baldev Sharma - M.D.
1	<b>Gross Salary</b>	660000
	(a) Salary as per provision contained in section 17(1) of the Income-Tax Act,1961	----
	(b) Value of perquisites u/s 17(2) Income-Tax Act,1961	----
	(c) Profits in lieu of Salary u/s 17(3) Income-Tax Act,1961	----
2	Stock option	----
3	Sweat Equity	----
4	Commision - as% of profit - others,specify	---- ---- ----
5	<b>Others,please specify</b>	
	- Conveyance	60000
<b>Less :</b>	<b>TDS</b>	203940
	<b>Total (A)</b>	516060
	Ceiling as per the Act, 2013	

**B. Remuneration to other directors:**

R. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Promila Sharma	Mona Pratap Menon	Pratap Menon	Gurvinder Fauja Singh	Krishna Prakash Bhardwaj	Bhagwati Prasad Mangal	Rekha Nagori	
3	Independent Directors								
	. Fee for attending board/ committee meetings	20000	25000	25000	37500	12000	50000	30000	199500
	- Commission	----	----	----	----	----	----	----	----
	. Others,Please specify								
	- Remuneration	----	----	----	----	335000	----	----	335000
	- Interest on Loan	----	----	----	----	40000	----	----	40000
	- Conveyance	----	----	----	----	----	----	----	----
	<b>Total (1)</b>	20000	25000	25000	37500	387000	50000	30000	574500
	Other Non-Executive Directors								
	. Fee for attending board committee meetings	----	----	----	----	----	----	----	----
	- Commission	----	----	----	----	----	----	----	----
	. Others,Please specify								
	<b>Total(2)</b>	----	----	----	----				
	<b>Total(B)=(1+2)</b>	20000	25000	25000	37500	387000	50000	30000	574500
	<b>Less : TDS</b>	2000	2000	2000	3000	2000	4000	3000	18000
	<b>Total Managerial Remuneration</b>	18000	23000	23000	34500	385000	46000	27000	556500
	Overall Ceiling as per the Act								

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SR. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mona Pratap Menon CFO	Baldevkrishan Ramratan Sharma (Chairman)	
1	Gross Salary	----	----	
	(a) Salary as per provision contained in section 17(1) of the Income-Tax Act,1961	----	660000	660000
	(b) Value of perquisites u/s 17(2) Income-Tax Act,1961	----	----	
	(c) Profits in lieu of Salary u/s 17(3) Income-Tax Act,1961	----	---	
2	Stock option	----	----	
3	Sweat Equity	----	----	
4	Commision	----	----	
	- as% of profit	----	----	
	- others,specify	----	----	
5	Others,please specify			
	. Fee for attending board meetings	25000		25000
	. Conveyance	60000		60000
<b>Less</b>	<b>: TDS</b>	2000	224334	226334
	<b>Total</b>	23000	495666	518666

**VII. PENALTIES /PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [ RD/ NCLT/ COURT]	Appeal made if any (give Details)
<b>A.</b>	<b>COMPANY</b>	-	-	-	-
	Penalty	-	-	-	-
	Punishment	-	-	-	-
	Compounding	-	-	-	-
<b>B.</b>	<b>DIRECTORS</b>				
	Penalty	-	-	-	-
	Punishment	-	-	-	-
	Compounding	-	-	-	-
<b>C.</b>	<b>OTHERS OFFENCES IN DEFAULT</b>				
	Penalty	-	-	-	-
	Punishment	-	-	-	-
	Compounding	-	-	-	-

**Annexure II**

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

[Pursuant to section 2041(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31.03.2015

To,

The Members,

Gratex Industries Limited

I have conducted the secretarial audit of the compliance of applicable provisions and the adherence to good corporate practices by **Gratex Industries Limited** (hereinafter called the company). Secretarial Audit as required under Companies Act was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **Gratex Industries Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representative during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by **Gratex Industries Limited** for the financial year ended on 31.03.2015 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulation and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - (b) The Company has adopted the prescribed Code of Conduct under The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
- (vi) As informed to me the following other Laws specifically applicable to the Company as under :
  - 1. Income Tax Act and other Indirect Taxes.
  - 2. Shop and Establishment Act.
  - 3. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
  - 4. Employees' State Insurance Act and Professional Tax.
  - 5. Equal Remuneration Act, 1976.
  - 6. The Factories Act, 1948.

7. Industrial Dispute Act, Payment of Bonus Act and other Labour Legislation governing the Company.
8. Information Technology Act, 2000.
9. All applicable Labour Laws and other incidental laws related to labour and employee appointed by the Company either on its payroll or on contractual basis as related to Wages, Gratuity, Provident Fund, ESIC, Compensation etc.
10. The Negotiable Instruments Act, 1881.
11. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

I have also examined compliance with the applicable clauses of the following :

- (i) Secretarial Standards relating to General and Board Meeting Minutes issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited.

To the best of my knowledge and belief, during the period under review, the company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Director that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the board were unanimous and the same was captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has co-operated with us and have produced before me all the required forms, information, clarifications, returns and other documents as required for the purpose of our audit.

For J C & Associates  
Company Secretaries

Jacintha Castelino  
Proprietor

CP No : 12162

ACS : 33081

Mumbai  
29.05.2015

ANNEXURE III

FORM NO.AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis :

Gratex Industries Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2014-2015.

2. Details of material contracts or arrangement or transactions at arm's length basis :

(a) Name(s) of the related party and nature of relationship :	Marshalls Enterprise India Pvt. Ltd. ; Mr. Baldevkrishan Sharma, Mrs. Promila Sharma, Mr. Karan Sharma, Mrs. Mona Menon, Directors in the Company are Directors in the said Body Corporate.
(b) Nature of contracts/arrangements/transactions :	The Contract is to act as Franchisee of Marshalls Enterprise Enterprise India Pvt. Ltd. and also to provide warehousing facility.
(c) Duration of the contracts / arrangements/transactions :	Franchisee - 10 years (From 01.04.2012 to 31.03.2022) Warehousing - 5 years (From 01.01.2014 to 01.01.2019)
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Franchisee Commission - Rs. 1 Crore per annum during the contract period. Warehousing Charges - Rs. 1 Crore per annum during the contract period.
(e) Date(s) of approval by the Board, if any:	29 <sup>th</sup> May, 2015
(f) Amount paid as advances, if any:	NIL

Place : Mumbai  
Date : 29.05.2015

For Gratex Industries Limited

Karan Sharma  
Managing Director  
(DIN: 00117188)



## REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, given below is a report on the Corporate Governance in the Company:

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company has worked with a philosophy and mission of good governance in every field. The Company believes that the Corporate Governance code will enhance the growth of benefits to all the stakeholders. The Company's Governance philosophy enshrines the goal of achieving the highest level of transparency, accountability and equity in all spheres of its operations and in all dealings with the Shareholders, Employees, the Government and other parties. As a responsible corporate citizen our business fosters a culture of ethical behavior and disclosures aimed at building trust and long-term shareholders' value and respect minority rights in all its business decision.

The Company's governance framework is based on the following principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- Timely disclosures of material operational and financial information to the stakeholders;
- The Management is the trustee of the shareholders' capital and not the owner.
- Communicate externally, and truthfully, about how the company is run internally.

### 2. BOARD OF DIRECTORS AND MEETINGS:

The Board of Directors of the Company has an optimum combination of executive, non-executive and independent directors. The present strength of the Board of Directors of the Company is 9 (Nine) Directors. Five Board Meetings were held in 2014-15. The following table shows the detailed composition of Board of Directors as well as their attendance details at the Board Meetings:-

Name of the Director	Category of Directorship	No. of Board meetings attended	Attendance at last AGM	No. of Directorship in other Companies
Mr. Baldevkrishan Sharma	Chairman, Executive	5	Yes	1
Ms. Promila Sharma	Non-Executive, Promoter	4	Yes	1
Mr. K.P. Bharadwaj	Non-Executive, Director	4	No	NIL
Ms. Mona Menon	Non-Executive Promoter	5	Yes	1
Mr. Karan Sharma	Managing Director, Executive	5	Yes	1
Mr. Pratap Menon	Non-Executive Director	5	Yes	--
Mr. Gurvinder Singh Saggi	Non-Executive Independent Director	5	Yes	--
Mr. Bhagwati Prasad Mangal	Non-Executive Independent Director	5	Yes	5
Mrs. Rekha Nagori (Appointed w.e.f. 13.08.2014)	Non-Executive Independent Director	5	Yes	--

#### Code of Conduct:

The Board has laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company. All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct.

The Code of Conduct seeks to ensure that the Directors and the Senior Management Personnel observe a total commitment to their duties and responsibilities while ensuring a complete adherence with the applicable statutes on one hand and values and ethics on the other.

### 3. COMMITTEES OF THE BOARD :

- AUDIT COMMITTEE:**

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's financial reporting process, appointment of external auditors and reviewing with the Management the quarterly and annual financial statements. All the members of the Audit Committee are financially literate and bring in expertise in the field of Finance, Taxation, Economics, Risk and International Finance.

During the year, three meetings were held. The said meetings were held on 13th August, 2014, 14th November, 2014 and 12th February, 2015. The constitution of the Committee and the attendance of each member of the Committee are given below:

Name	Status	Number of Audit Committee meetings	
		Held	Attended
Mr. Bhagwati Prasad Mangal	Chairman	3	3
Mr. Gurvinder Singh Saggu	Member	3	3
Ms. Mona Menon	Member	4	3

- STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Stakeholders' Relationship Committee was constituted to redress the shareholders' grievances/ complaints relating to transfer & transmission of shares, non-receipt of annual report, dividend, share certificate etc. and to provide the responses to the queries, if any, raised by the investors. The Committee also considers the matters which can aid better investor services and relations.

During the year, the Stakeholders' Relationship Committee met four times. The constitution of the Committee and the details of attendance of each member of the Committee are given below :

Name	Status	Number of Stakeholders' Relationship Committee meetings	
		Held	Attended
Mrs. Rekha Pradeep Nagori	Chairman	3	3
Mr. Bhagwati Prasad Mangal	Member	4	4
Mr. Gurvinder Singh Saggu	Member	4	4

Note : 1. Mr. Bhagwati Prasad Mangal chaired the meeting due to non-composition of the Committee.

Mr. K.P. Bharadwaj attended the meeting on 13.08.2014 due to non-composition of the Committee.

**4. GENERAL BODY MEETINGS:**

Details of the location, date and time of the last three Annual General Meetings (AGM) and the Resolutions passed therein are as under :

Day, Date & Time	Location	Particulars of Special Business
Saturday the 13th September, 2014 at 11.00 a.m	Kohinoor Banquet, Ground Floor, Opp. Siddhivinayak Mandir, Swatantrya Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025	1. Appointment of Mr. Bhagwati Prasad Mangal (DIN 00134847) as Non-Executive Director of the Company. 2. Appointment of Mr. Gurvinder Singh Saggi (DIN 00117386) as Non-Executive Director of the Company. 3. Re-appointment of Mr. Karan Sharma (DIN 00117188) "Managing Director" for a period of five years effective from 1st April, 2014
Saturday, 10th August 2013 at 12.00 p. m.	Giants International, Orient Club Bldg No.9, Chowpatty Seaface, Mumbai - 400 007	NIL
Tuesday, 25th September, 2012 at 11.30 a.m.	Giants International, 2nd Floor, Orient Club Bldg. No. 9, Chowpatty Seaface, Mumbai - 400 007	1. Voluntary Delisting of Shares from Ahmedabad Stock Exchange Limited.

The shareholders passed all the resolutions including the special resolutions set out in the respective Notices. No Postal Ballots were used for voting at these meetings.

The details of Directors seeking appointment / re-appointment are provided in the Notice calling for the Annual General Meeting.

**5. DISCLOSURES:**

- Transaction with related parties have been disclosed vide Notes on Accounts - 20, forming part of the Annual Report.
- There have been no instances of non-compliance by your Company on any matter related to the capital markets, nor have any penalty/stricture been imposed on your Company by the Stock Exchanges or SEBI or any other statutory authority or any matter related to capital markets.
- Your Company has complied with all the mandatory requirements of Corporate Governance as required by the Listing Agreements. The Company has formed a Nomination and Remuneration Committee and the Shareholder's Grievance Committee has been renamed to Stakeholder's Relationship Committee w.e.f. 30th May, 2014
- No personnel have been denied access to the Audit Committee of your Company to discuss any matter of substance.

**6. MEANS OF COMMUNICATION:**

• Publication of Results	The quarterly / annual results of the Company are published in the leading newspapers viz Financial Express in English and Apla Mahanagar in Marathi.
• Designated Email Id for redressal of investor complaints	In terms of Clause 47(f) of the Listing Agreement, investors may use the E-mail ID : investor@gratex.in for redressal of complaints.
• Website of the Company	www.gratex.in

**7. GENERAL SHAREHOLDER'S INFORMATION :**

• AGM : Date, Time and Venue	Monday, 28th September, 2015 at 10.00 a.m. at Kite Bhandari Hall, Gokhale Road North,, Near Shiv Sena Bhavan, Dadar (West), Mumbai - 400 028.
• Date of Book Closure	Thursday, 24th September, 2015 to Monday, 28th September, 2015 (both days inclusive)
• Corporate Identity Number(CIN) allotted by Ministry of Corporate Affairs(MCA)	L21093MH1984PLC032248
• Listing on Stock Exchange	Yes - Bombay Stock Exchange (BSE), Mumbai
• Stock codes: Bombay Stock Exchange Limited ISIN for Dematerialisation	526751 INE915E01013
• Registrar and Transfer Agents	Adroit Corporate Services Pvt. Ltd., 19, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (East), Mumbai. - 400 059
• Share Transfer System	Registrar and Transfer Agents
• Outstanding GDRs /ADRs /Warrants or any convertible instruments conversion date and likely impact on equity	NIL
• Address for correspondence.	109, Kakad Udyog Bhavan, L.J.Road, Mahim, Mumbai - 400 016. Tel No. : 40702120/21

**Financial Calendar 2015- 2016 (tentative)**

Financial reporting for the quarter ending June 30, 2015	Upto August 14, 2015
Financial reporting for the half year ending September 30, 2015	Upto November 14, 2015
Financial reporting for the quarter ending December 31, 2015	Upto February 14, 2016
Financial reporting for the quarter ending March 31, 2016	Upto May 30, 2016
<b>Annual General Meeting for the year ending March 31, 2016</b>	<b>Upto September 30, 2016</b>

**8. THE DISTRIBUTION OF SHAREHOLDERS AS ON 31.03.2015 IS AS FOLLOWS:**

Range of Holding	No. of Shareholders	% to Shareholders	Total Shares	Amount	% to Capital
1-500	3498	92.76	545309	5453090	17.97
501-1000	131	3.47	111200	1112000	3.66
1001-2000	73	1.94	110699	1106990	3.65
2001-3000	16	0.42	40795	407950	1.34
3001-4000	15	0.40	53800	538000	1.77
4001-5000	8	0.21	39600	396000	1.30
5001-10000	13	0.34	99700	997000	3.29
Above 10000	17	0.45	2033697	20336970	67.01
<b>Total</b>	<b>3771</b>	<b>100.00</b>	<b>3034800</b>	<b>30348000</b>	<b>100.00</b>

**9. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2015:**

Category	Sub-category	No. of securities held
Promoter's holding	Indian Promoters	1733997
Foreign Promoters	0	
Persons Acting in Concern	0	
Sub Total	1733997	
Institutional Investors	Mutual Funds & UTI	0
	Banks, FIs, Insurance Co's, Central / State Govt./Non-Govt. Institutions	0
FI	0	
Sub-Total	0	
Others	Private Corporate Bodies	70920
Indian Public	1125283	
Any Other	104600	
Sub Total	1300803	
Grand Total	3034800	

**10. STOCK MARKET PRICE DATA AT BOMBAY STOCK EXCHANGE:**

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	Spread	
								H-L	C-O
Aug-14	10.00	10.90	9.95	10.50	5719	28	57300	0.95	0.50
Sep-14	11.02	11.02	9.49	9.96	903	23	8850	1.53	-1.06
Oct-14	9.50	9.50	9.50	9.50	400	4	3800	0.00	0.00
Nov-14	9.97	10.45	9.00	9.25	3156	47	29456	1.45	-0.72
Dec-14	9.25	10.18	9.25	9.50	5700	40	55071	0.93	0.25
Jan-15	9.50	9.97	9.50	9.50	4300	22	41226	0.47	0.00
Feb-15	9.50	10.00	9.40	9.48	805	16	7685	0.60	-0.02
Mar-15	9.48	10.44	9.48	9.92	1958	19	19483	0.96	0.44
Apr-15	9.43	12.09	9.43	12.09	1776	33	18394	2.66	2.66
May-15	12.69	13.32	12.35	12.35	3190	18	41553	0.97	-0.34
Jun-15	12.00	12.00	10.65	11.17	2000	9	21717	1.35	-0.83
Jul-15	10.62	10.62	9.60	9.60	2312	11	23397	1.02	-1.02

**11. MD AND CFO CERTIFICATION**

As per the requirement of Clause 49 of the Listing Agreement, a Certificate duly signed by Managing Director and the Chief Financial Officer of the Company has been submitted to the Board.

**FOR & ON BEHALF OF THE BOARD**

**Baldevkrishan Sharma**  
Chairman

**Karan Sharma**  
Managing Director

PLACE : Mumbai  
DATE : 29.05.2015

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report has been included in adherence to the spirit enunciated in the code of Corporate Governance approved by the Securities and Exchange Board of India (SEBI) and in compliance with the provisions of the Listing Agreement.

### 1. Industry Overview:

Gratex Industries Limited (GIL), being well known in the Industry as a pioneer, its product commands a strong brand image. GIL has been in the forefront in launch of new designs, which make a life-style statement. Our focus through our retail operations is on the end Consumer which will significantly help us expand our income.

During the year, the Company has consolidated in the area of setting up the infrastructure for efficient Warehousing of Imported Stocks and Network Marketing on all India basis.

Significant progress is also made by the Company in installation of wallpapers by up-grading the Adhesives used and providing technical back up support for post sales problems.

### 2. Perceived Business Risks :

Wallpaper industry is a largely unorganized industry with lack of proper infrastructure. The influx of cheap Chinese & Korean wallpapers is creating an impact on the lower end of the market which may be a long term concern as it may damage the industry name due to poor quality standards.

### 3. Risk Management and Environment Policy:

Gratex Industries Ltd has established a Risk Management Framework under which all the risks covering the entire spectrum of operation are listed and categorized into high, medium and low risks. All the risks are discussed in the Senior Management Committee meetings periodically to ensure that the risk mitigation plans are well thought out and implemented and adverse impact of risks is avoided or kept within manageable proportions.

Gratex Industries Ltd is totally committed to save the Environment, uphold Human Safety and Health. Gratex Industries Ltd has declared policies on Environment, Health & Safety. The main excerpts of the above policies are hereunder.

- Compliance with all relevant legislative requirements.
- Stimulate rational use of resources through behavioral and technological improvements.
- Minimise waste and maximise recycling/ reuse.
- Creating Human Awareness in Environment, Safety and Health.
- Promoting comprehensive programs for continual improvement of Environmental performance.

### 4. Internal Control Systems :

GIL has an adequate system of internal control to ensure that all the assets pertaining to the Company are safeguarded and protected. The internal control system is designed to ensure quality and reliability of financial data and safeguarding of assets. The efficacy of internal checks and control systems are validated by self audits, verified during internal audits and reviewed by the Audit Committee.

The scope of internal audit is oriented towards mitigating or eliminating risks in business processes. The Audit Committee

reviews the internal audit plan, significant audit findings and sustainability of measures for corrective actions. The internal audit plan is also aimed at addressing concerns, if any of statutory auditors of the Company.

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of business.

**5. Corporate Social Responsibility :**

GIL is committed to being a socially responsible corporate citizen. GIL's CSR policy aims to protect and nourish the interest of all its stakeholders and contributes for an equitable and sustainable development. Ethics, Values and Transparency are the factors which lies in all its interaction within the community.

GIL has adopted a clearly defined Occupational Health and Safety Policy.

**6. Human Resources Management:**

In the dynamic and competitive environment where every company has access to available resources, the Company believes that upgrading and updating of skill levels of employees are highly important for achieving continuous improvement and to stay ahead in the market. As a company it focuses in effective Human Resource Management.

The company continues to maintain cordial and healthy industrial relations and it takes pride in its record of congenial work atmosphere.

**7. Cautionary Statement:**

The Management Discussion and Analysis Report contains forward looking statements based on the data available with the Company assumptions with regard to global economic conditions, the government policies etc. The Company cannot guarantee the accuracy of assumptions and perceived performance of the Company in future. Therefore, it is cautioned that the actual results may materially differ from those expressed or implied in the report.

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GRATEX INDUSTRIES LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **GRATEX INDUSTRIES LIMITED**, which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required & give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and loss statement and its cash flows for the year ended on that date.



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 & 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) In our opinion the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls are adequate.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations on its financial position in its financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For **LAKHANI & LAKHANI**  
**Chartered Accountants**

SUHAS SHINDE  
Partner  
Membership No. 117107  
ICAI FR No. 115728W  
Place of Signature: MUMBAI  
Date: 29/05/2015

**Annexure to the Auditors' Report**

The Annexure referred to in our report to the members of **Gratex Industries Limited** the Company for the year Ended on 31st March 2015. We report that:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Auditors Remark</b>
(i)	(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  Further We report that For some of the Fixed Assets Date of Acquisition has been Considered as 1st April 2007 as Per the Representation from Management in absence of Documentary Evidence.
	(b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	We are informed that the Company has formulated a programme of physical verification of all the fixed assets in a phased manner. We are also informed that a physical verification of the fixed assets has been carried out by management during the year and there is no material discrepancies observed between assets physically verified and book balances.
(ii)	(a) whether physical verification of inventory has been conducted at reasonable intervals by the management;	The The stock of finished goods of the company has been physically verified by its management during the year.
	(b) are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business. If not, the inadequacies in such procedures should be reported;	In our opinion and based on the information and explanation given to us, the procedures of physical verification of stock followed by the management, are reasonable and adequate in relation to size of the company and nature of its business.
	(c) whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;	The company has maintained proper records of stocks and there were no discrepancies between the physical inventories and book records.
(iii)	(iii) whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. If so,	The Company has not granted any secured or unsecured loan to its director and parties in the register maintained under Section 189 of the Companies Act, 2013.
	(a) whether receipt of the principal amount and interest	N.A.
	(b) if overdue amount is more than rupees one lakh, whether reasonable steps have been taken by the company for recovery of the principal and interest;	N.A.
(iv)	is there an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Whether there is a continuing failure to correct major weaknesses in internal control system.	In In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business, for the purchase and sale of finished stock and fixed assets. During the course of our audit, no major weakness has been noticed in the internal controls.
(v)	in case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with? If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	During the year, the Company has not accepted any deposits from the public.

(vi)	where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, whether such accounts and records have been made and maintained;	The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, in respect of the activities carried on by the Company.
(vii)	(a) is the company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	The Company has been generally regular in depositing undisputed applicable statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax and any Other Statutory Dues with the appropriate authorities during the year. In respect of the said dues, there are no outstanding dues as at 31st March 2015, which have remained unpaid for more than six months from the date they became payable.
(b)	in case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned.	(A mere representation to the concerned Department shall not constitute a dispute). At the end of the financial year, there were no disputed dues of Income Tax, Sales Tax, Wealth Tax, Excise Duty, Customs Duty and Cess, which not have been deposited.
(c)	whether the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.	N.A.
(viii)	whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year;	The Company's accumulated losses at the end of the year are less than fifty percent of its net worth. The Company has incurred cash losses of Rs 3,17,180 during the year.
(ix)	whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;	According to the information and explanations given to us, the Company has not defaulted in repayment of its dues to its financial institution or bank as at balance sheet date.
(x)	whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;	As informed to us and as per the explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
(xi)	whether term loans were applied for the purpose for which the loans were obtained;	The Company has not obtained any term loan.
(xii)	whether any fraud on or by the company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.	To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

**FOR LAKHANI & LAKHANI  
CHARTERED ACCOUNTANTS**

**SUHAS SHINDE  
Partner  
Membership number: 117107**

**Mumbai: 29/5/2015**

## BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	As at 31 <sup>st</sup> March, 2015 ₹	As at 31 <sup>st</sup> March, 2014 ₹
<b>I. EQUITY AND LIABILITIES</b>			
Shareholders' funds			
Share capital	2	30,348,000	30,348,000
Reserves and surplus	3	-4,586,605	-1,813,298
		<b>25,761,395</b>	<b>28,534,702</b>
Non-current liabilities			
Deffered tax liabilities		294,511	759,519
Other Long term liabilities	4	-	106,406
		<b>294,511</b>	<b>865,925</b>
Current liabilities			
Short-term borrowings	5	400,000	3,059,623
Trade payables	6	-	-
Other current liabilities	7	445,764	1,259,527
Short-term provisions	8	408,313	2,521,024
		<b>1,254,077</b>	<b>6,840,174</b>
<b>TOTAL</b>		<b>27,309,983</b>	<b>36,240,801</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
(i) Tangible assets	9	9,254,959	11,452,578
(ii) Capital work-in-progress		-	-
Long-term loans and advances	10	3,396,448	5,871,148
Other non-current assets	11	-	-
		<b>12,651,407</b>	<b>17,323,726</b>
<b>Current assets</b>			
Inventories	12	4,985,224	-
Cash and cash equivalents	13	82,790	102,936
Short-term loans and advances	14	-	-
Other current assets	15	9,590,562	18,814,138
		<b>14,658,576</b>	<b>18,917,074</b>
<b>TOTAL</b>		<b>27,309,983</b>	<b>36,240,801</b>

Significant Accounting Policies 1  
Notes on Financial Statements 2 to 26

As per attached report of even date

**FOR LAKHANI & LAKHANI**  
**CHARTERED ACCOUNTANTS**

**FOR AND ON BEHALF OF THE BOARD**

**SUHAS SHINDE**  
**PARTNER**  
Membership No. : 117107  
Mumbai: 29/5/2015

**BALDEVKRISHAN SHARMA**  
**CHAIRMAN**

**KARAN SHARMA**  
**MANAGING DIRECTOR**

**PROFIT AND LOSS STATEMENT  
FOR THE YEAR ENDED 31ST MARCH, 2015**

Particulars	Note No.	Year Ended 31 <sup>st</sup> March, 2015 ₹	Year Ended 31 <sup>st</sup> March, 2014 ₹
<b>I. INCOMES</b>			
Revenue From Operations		13,030,996	72,755,560
Sales Return		-4,985,224	
<b>TOTAL</b>		<b>8,045,772</b>	<b>72,755,560</b>
<b>II. EXPENSES</b>			
Purchases of Material		21,600	2,939,914
(Increase) / Decrease in Inventory	16	-4,985,224	49,147,971
Employee benefits expense	17	6,431,640	6,922,691
Finance costs	18	48,407	278,821
Depreciation and amortization expense	9	1,416,908	941,708
Other expenses	19	4,656,609	7,623,442
<b>TOTAL</b>		<b>7,589,940</b>	<b>67,854,547</b>
<b>Profit before Extraordinary and Exceptional items and tax</b>		<b>455,832</b>	<b>4,901,013</b>
Extraordinary / Exceptional Items	*	2,500,000	3,594,627
<b>Profit before tax</b>		<b>-2,044,168</b>	<b>1,306,386</b>
Prior Period Expense		154,928	-
Tax expense:			
Current tax			403,673
Deferred tax		465,008	-1,474,432
<b>Profit / (Loss) for the period</b>		<b>-1,734,088</b>	<b>2,377,145</b>
<b>* Exceptional Items represent Loans W/off on the basis of representation from Management</b>			
Earning per equity share of Face Value of ₹ 10 /- each:			
Basic and Diluted		(0.57)	0.78
Weighted average number of shares outstanding		3,034,800	3,034,800
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 26		

As per attached report of even date  
**FOR LAKHANI & LAKHANI**  
**CHARTERED ACCOUNTANTS**

**FOR AND ON BEHALF OF THE BOARD**

**SUHAS SHINDE**  
**PARTNER**  
Membership No. : 117107

**BALDEVKRISHAN SHARMA**  
**CHAIRMAN**

**KARAN SHARMA**  
**MANAGING DIRECTOR**

Mumbai: 29/5/2015

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015**

Particulars	Amount
<b>I. Cash flow from operating activities:</b>	
Net Profit / (Loss) before tax as per Profit and Loss Account	<b>(17,34,089)</b>
<b>Add/(Deduct):</b>	
Depreciation and Amortisation	14,16,908
<b>Changes in Working Capital</b>	
Decrease in Duties & Taxes	(9,94,380)
Increase in Provisions	(14,95,899)
Increase in Creditors	5,98,869
Decrease in Deferred tax	(4,65,008)
Decrease in Outstanding expenses	(2,00,952)
Decrease in Loan and advances	37,38,692
Decrease in Sundry Debtors	73,40,159
Increase in Deposits	(25,300)
TDS deducted during the period	(5,93,773)
TDS RECEIVABLE (F.Y. 2012-13)	3,91,119
TDS RECEIVABLE (F.Y. 2013-14)	4,32,376
(Increase)/ Decrease in Inventory	(49,85,224)
Decrease in Retention Money	(1,06,406)
Provision For Taxation	(4,03,673)
Decrease in Bank OD	(14,59,623)
Increase in Prepaid expenses	(15,436)
<b>Net Cash Flow in the course of Operating activities</b>	<b>14,38,360</b>
<b>II. Cash flow from Investing activities:</b>	
<b>Inflow/ (Outflow) on account of:</b>	
Sale of Fixed Assets	
Purchase of Fixed Asset	(2,58,508)
<b>Net Cash flow in the course of Investing activities</b>	<b>(2,58,508)</b>
<b>III. Cash flow from Financing activities:</b>	
<b>Inflow/ (Outflow) on account of:</b>	
Increase/ (Decrease) in Unsecured Loans	
Interest and Finance Charges	
<b>Net Cash flow in the course of Financing activities</b>	<b>(12,00,000)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III)</b>	<b>(20,148)</b>
<b>Add: Balance at the beginning of the year</b>	<b>1,02,937</b>
<b>Cash and Cash Equivalents at the close of the year</b>	<b>82,789</b>

As per attached report of even date

**FOR LAKHANI & LAKHANI**  
**CHARTERED ACCOUNTANTS**

**FOR AND ON BEHALF OF THE BOARD**

**SUHAS SHINDE**  
**PARTNER**  
Membership No. : 117107

**BALDEVKRISHAN SHARMA**  
**CHAIRMAN**

**KARAN SHARMA**  
**MANAGING DIRECTOR**

Mumbai: 29/5/2015

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### Note - 1

#### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

##### 1 Corporate Information

Gratex Industries Limited is a listed public limited Company domiciled in India, incorporated under the Companies Act, 2013. The Company is a trader, reseller and a wholeseller of wall papers and related products.

##### 2 Significant Accounting Policies

###### I. Basis Of Preparation Of Financial Statements

The financial statements have been prepared and presented under the historical cost convention using the accrual basis of accounting in accordance with the accounting principles generally accepted in India and are in accordance with the applicable Accounting Standards, Guidance Notes and the relevant provisions of the Companies Act, 2013.

###### II. Use Of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialized

###### III. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will accrue to the Company and the revenue can be reliably measured.

###### A Income from Operating / Trading Activities:

Revenue from sale of trading materials is recognized on transfer of significant risks and rewards of ownership to the buyer. Revenue recognition is postponed to the extent of significant uncertainty.

###### B Interest:

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

###### C Others:

Other Revenues / Incomes and Costs / Expenditure are generally accounted on accrual, as they are earned or incurred.

###### IV. Tangible Assets and Depreciation / Amortisation

A. Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation / amortisation and accumulated impairment losses, if any.

B. Depreciation is provided on the Written down value Method at the rates and in the manner specified in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the date of such addition, or upto the date of such sale/disposal, as the case may be.

C. Leasehold Land, being held under a very long lease and in the nature of a perpetual asset has not been amortised.

D. The Company has not been maintaining proper records to show full particulars including quantitative details and situation of the fixed assets and has also not maintained Fixed Assets Register Item Wise .

**V. Inventories**

Inventories are stated at Cost or Net Realizable Value, whichever is lower.

Cost of Inventory includes Invoice rate as increased by related government duties and charges and other related direct costs.

Method of valuation is first in first out (FIFO) basis.

**VI. Employee Benefits**

Employee benefits in the nature of short term employee benefits as well as post term employee benefits are recognised as an expense in the statement of Profit & Loss for the year in which they are incurred.

**VII. Borrowing Costs**

Interests and other borrowing costs attributable to qualifying assets are allocated as part of the cost of development of such assets. Such allocation is suspended during extended periods in which active development is interrupted. Other borrowing costs are charged to the Profit and Loss Statement.

**VIII. Foreign Currency Transactions**

A. All transaction in foreign currency are recorded in the reporting currency, at the rates of exchange prevailing on the dates the relevant transactions take place.

B. Monetary Assets and Liabilities in foreign currency, outstanding at the close of the year are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss is accounted during the year.

**IX. Segment Reporting**

The company is engaged in the business of Trading of Wall Papers and Related Products, which as per Accounting Standards AS-17-'Segment Reporting' is considered to be the only reportable business segment. The Company is also operating within the same geographical segment. Hence, disclosures under AS-17 are not applicable.

**X. Taxations**

Income tax expense comprises Current Tax and Deferred Tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amounts of deferred tax assets are reviewed to reassure realization.

**XI. Impairment of Assets**

The carrying amount of assets is reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, i.e. when the carrying amount of the assets exceeds the recoverable amount, an impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed or reduced if there has been a favourable change in the estimate of the recoverable amount.

**XII. Provisions, Contingent Liability and Contingent Assets**

Provisions involving a substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and its probable there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the financial statement. Contingent assets are neither recognised not disclosed in the financial statements.



**NOTE - 2**

<b>SHARE CAPITAL</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
<b>AUTHORISED</b>		
40,00,000 (P.Y. 40,00,000) Equity Shares of ₹ 10/- each	40,000,000	40,000,000
	<u><b>40,000,000</b></u>	<u><b>40,000,000</b></u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
30,34,800 (P.Y. 30,34,800) Equity Shares of ₹ 10/- each fully paid up	30,348,000	30,348,000
<b>TOTAL</b>	<u><b>30,348,000</b></u>	<u><b>30,348,000</b></u>

**1.1 Reconciliation of the number of shares outstanding at the beginning and at the end of reporting period:**

	<b>No. of equity shares</b>	
	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
Number of Shares at the Beginning	3,034,800	3,034,800
Add/(Less) :		
Issue during the period	-	-
Buyback during the period	-	-
Redemption / Conversion during the period	-	-
<b>At the end of the reporting period (Nos)</b>	<u><b>3,034,800</b></u>	<u><b>3,034,800</b></u>

**1.2 Equity shareholders holding more than five percent shares in the company:**

Name of Shareholder	<b>Equity Shares</b>			
	<b>As at 31 March 2015</b>		<b>As at 31 March 2014</b>	
	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
Baldevkrishan Sharma	1,272,297	41.92%	1,220,042	40.20%
Promila Sharma	290,100	9.56%	290,100	9.56%
Others	1,472,403	48.52%	1,524,658	50.24%
	<u><b>3,034,800</b></u>	<u><b>100%</b></u>	<u><b>3,034,800</b></u>	<u><b>100</b></u>

**1.3 Terms / Right attached to Ordinary Equity Shares:**

The company has a single class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing annual general meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company in proportion to the number of equity shares held by each shareholder, after the settlement of all preferential obligations.

**Note - 3**

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>RESERVES AND SURPLUS</b>		
<b>Capital Reserves</b>		
Opening Balance / Closing Balance	1,046,026	1,046,026
<b>General reserve</b>		
Opening Balance / Closing Balance	806,783	806,783
<b>Profit &amp; Loss Account</b>		
Opening Balance	(3,666,107)	(6,043,252)
Add/(Less) : Current Year Transaction	-1,734,088	2,377,145
Less Assets Written/off	-1,039,219	-
	(6,439,414)	(3,666,107)
<b>Grand Total</b>	<b>(4,586,605)</b>	<b>(1,813,298)</b>

**Note - 4**

	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>OTHER LONG TERM LIABILITIES</b>		
Unsecured Loans		
Trade Payables	-	106,406
<b>Total</b>	<b>-</b>	<b>106,406</b>

**Note - 5**

	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>SHORT TERM BORROWINGS</b>		
Repayable on Demand		
<b>Secured</b>		
- from banks (secured against Bookdebts)	-	1,459,623
<b>Unsecured</b>		
- from directors / related parties	400,000	1,600,000
<b>Total</b>	<b>400,000</b>	<b>1,600,000</b>

**Note - 6**

	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>TRADE PAYABLES</b>		
<b>Trade payables</b>		
Micro, small & Medium enterprises*	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Foot Note:**

\* In the absence of necessary information with the company relating to registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said Act, could not be compiled and disclosed.

Note - 7

As at  
31<sup>st</sup> March 2015

As at  
31<sup>st</sup> March 2014

OTHER CURRENT LIABILITIES

Advance from customers

Other payables :

- statutory dues

- others

235,734

1,228,027

210,030

31,500

**Total**

**445,764**

**1,259,527**

Note - 8

As at  
31<sup>st</sup> March 2015

As at  
31<sup>st</sup> March 2014

SHORT TERM PROVISIONS

Provision for Expenses

408,313

609,265

Provision for Income Tax

-

1,911,759

**Total**

**408,313**

**2,521,024**

NOTE - 9

FIXED ASSETS as at 31 March, 2015

Fixed Assets	GROSS BLOCK				DEPRECIATION / AMORTISATION				IMPAIRMENT	NET BLOCK	
	Balance as at 1 April 2014	Additions/ (Disposals)	Deduction / Adjustments	Balance as at 31 March 2015	Balance as at 1 April 2014	Provided during the year	Deduction / Adjustments	Balance as at 31 March 2015	Provided during the year	Balance as at 31 March 2015	Balance as at 31 March 2014
<b>Tangible Assets</b>											
Leasehold Land @	2,40,000	-	-	2,40,000	-	-	-	-	-	2,40,000	2,40,000
Buildings	1,09,61,651	96,170		1,10,57,821	27,85,270	5,78,195		33,63,465	-	76,94,356	81,76,381
Plant and Equipment	69,67,524			69,67,524	55,39,368	4,97,088		60,36,456	-	9,31,068	14,28,156
Furniture and Fixtures	16,54,473	18,000		16,72,473	11,70,025	2,04,940		13,74,965	-	2,97,508	4,84,448
Office equipment	17,52,901	1,44,338	10,26,701	8,70,538	6,51,578	1,28,493		7,80,071	-	90,467	11,01,323
Computers	9,56,461		12,518	9,43,943	9,34,191	8,192		9,42,383	-	1,560	22,270
<b>Total</b>	<b>2,25,33,010</b>	<b>2,58,508</b>	<b>10,39,219</b>	<b>2,17,52,299</b>	<b>1,10,80,432</b>	<b>14,16,908</b>	<b>-</b>	<b>1,24,97,340</b>	<b>-</b>	<b>92,54,959</b>	<b>1,14,52,578</b>

**NOTE -10**

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>Long Term Loans and Advances</b>		
<b>Security Deposits</b>		
Unsecured, considered good	180,958	155,658
<b>Other loans and advances</b>		
Unsecured, considered good		
<b>Total</b>	<b>180,958</b>	<b>155,658</b>

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>Name of the party</b>		
Elar Fashions Limited	3,215,490	3,215,490
Andhra Pradesh Power Tools Limited	-	2,500,000
<b>Total</b>	<b>3,215,490</b>	<b>5,715,490</b>

**NOTE -11**

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>OTHER NON CURRENT ASSETS</b>		
Unsecured, considered good	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTE -12**

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>INVENTORIES</b>		
Stock in hand	4,985,224	-
<b>Total</b>	<b>4,985,224</b>	<b>-</b>

**NOTE -13**

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>CASH AND CASH EQUIVALENTS</b>		
Cash on hand	63,698	102,936
Balances with Bank in Current Accounts	19,092	-
<b>Total</b>	<b>82,790</b>	<b>102,936</b>

**NOTE -14**

**SHORT TERM LOANS AND ADVANCES**

Advances recoverable in cash or kind or for value to be received:  
Unsecured, considered good

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
	-	-
	-	-
	-	-

**NOTE -15**

**OTHER CURRENT ASSETS**

Other Advances  
Advance to creditors  
Advance Tax  
Sundry Debtors

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
	772,856	913,584
	32,274	462,713
	-	1,312,250
	8,785,432	16,125,591
	<b>9,590,562</b>	<b>18,814,138</b>

**NOTE - 16**

**(INCREASE)/ DECREASE IN INVENTORY**

Opening Stock of Inventory  
Less : Closing stock of Inventory

**Total**

	Year Ended 31 <sup>st</sup> March 2015	Year Ended 31 <sup>st</sup> March 2014
	-	49,147,971
	49,85,224	-
	<b>49,85,224</b>	<b>49,147,971</b>

**Foot note :**

**Particulars**

Material sold during the year:

- Wall papers & Related Products

**Total**

	Year Ended 31 <sup>st</sup> March 2015	Year Ended 31 <sup>st</sup> March 2014
	-	6,89,03,920
	-	<b>6,89,03,920</b>

**Inventory as at 31st March:**

- Wall papers & Related Products

**Total**

	49,85,224	-
	<b>49,85,224</b>	-

**NOTE -17**

**EMPLOYEE COST**

Salaries, wages, bonus, & others  
Employer's contribution to PF, ESIC etc.  
Gratuity  
Staff welfare expense

**Total**

	Year Ended 31 <sup>st</sup> March 2015	Year Ended 31 <sup>st</sup> March 2014
	6,143,680	6,370,745
	230,567	164,918
	-	-
	57,393	387,028
	<b>6,431,640</b>	<b>6,922,691</b>

**NOTE - 18**

**FINANCE COST**

Interest on borrowings

**Total**

**Year Ended  
31<sup>st</sup> March 2015**

**Year Ended  
31<sup>st</sup> March 2014**

48,407

278,821

**48,407**

**278,821**

**NOTE 19**

**OTHER EXPENSES**

Repairs and maintenance

Rent rates & taxes

Printing & stationary

Foreign exchange gain/ loss

Auditor's remuneration

- as an auditor

- other certification fees

Director's Sitting fees

Electricity chrges

Professional charges

Delivery van expenses

Professional tax (Company)

Security charges

Advertising and sales promotion

Conveyance

Insurance

Telephone charges

Membership and Subscription

Other expenses

**Total**

**Year Ended  
31<sup>st</sup> March 2015**

**Year Ended  
31<sup>st</sup> March 2014**

769,072

1,782,722

138,500

209,032

55,446

132,866

-

100,000

112,360

-

199,500

101,500

590,513

1,852,118

362,487

464,285

398,556

835,248

2,500

2,500

273,803

117,143

216,169

190,732

189,408

124,131

143,283

20,764

118,992

138,005

62,027

1,449,260

1,127,129

**4,656,609**

**7,623,442**

**20. RELATED PARTY DISCLOSURES**

A. Nature of Relationship :

**1. Company's under same management, where control exists:**

Marshalls Enterprises India Private Limited (MEIPL)

**2. (a) Key Management Personnel (KMP)**

Mr. Baldevkrishan Sharma

Mr. Karan Sharma

**(b) Relatives of KMP and their enterprises, where transactions have taken place**

Mrs. Promila Sharma

Note: Related party relationships are as identified by the company and relied upon by the Auditors.

**B. Transaction with Related Parties**

SN	Nature of Transaction	MEIPL	KMP	Relatives of KMP
1	Loans and Advances Received / Recovered	- (-)	- (-)	- (-)
2	Loans and Advances Given / Repaid / Adjusted	- (-)	- (-)	- (-)
3	Interest Paid	- (-)	- (-)	- (1,20,000)
4	Reimbursement of Expenses	14,09,172 (18,20,595)	- (-)	- (-)
5	Sale of Goods /Material	- (6,82,60,543)	- (-)	- (-)
6	Warehousing Charges & Franchisee Commission Paid	1,34,78,420 (-)	- (-)	- (-)
7	Director Remuneration, Perks and Sitting fees paid			
	Baldevkrishan Sharma	- (-)	6,60,000 (6,60,000)	- (-)
	Karan Sharma	(-) (-)	6,60,000 (6,60,000)	- (-)
	Mrs. Promila Sharma	- (-)	- (-)	25,000 (20,000)
8	Balance Outstanding			
	- Payable	- (-)	1,10,000 (1,10,000)	- (12,10,000)
	- Receivable	87,85,432 (1,61,15,635)	- (-)	- (-)

Foot note: Previous year figures are given in brackets.

**21. DISCLOSURE OF DERIVATIVES**

- No Derivative Instruments were Outstanding at close of the year.
- Uncovered risks in foreign currency transactions disclosed as at March, 2014:

**22 . Loans and advance in the loans disclosed under note - 10 includes :**

Loans to Others :

Sr	Name of the Loanee	As at 31-3-2015	Maximum balance 2014-15	As at 31.03.2014	Maximum balance 2013-14
1	Andhra Pradesh power tools limited	0	25,00,000	25,00,000	57,20,514
2	Elar Fashions Limited	32,15,490	32,15,490	32,15,490	68,10,117

Foot Note:

- None of the directors of the above entity's are directors in the company.
  - Interest has not been provided, on account of litigation and on conservative basis, on the above loans.
  - The company has written off loan given to Andhra Pradesh Power Tools Limited on the basis of representation from management.
- Debtors, creditors and loans and advance are subjects to confirmation, reconciliations and adjustment and are considered payable / realizable, as the case may be.
  - In the opinion of Board of directors of the company, all items of current and noncurrent Assets, current and non current Liabilities and loans and advance continue to have a realizable value of least the amount at which they are stated in the balance sheets.

**25. CONTINGENT LIABILITY (not provided for)**

In the opinion of the company it does not have any liabilities, which have not been provided for.

**26. EARNING PER SHARE**

PARTICULARS		2014-15	2013-14
Net profit as per profit and loss account available for equity shareholders	Rs.	(17,34,088)	23,77,145
Number of share At 31 March,	Nos.	30,34,800	30,34,800
Weighted average number of equity shares outstanding during the year	Nos.	30,34,800	30,34,800
Earnings per Shares of. 10/- (Basic and Diluted)	Rs.	(0 .57)	0 .78

As Per Our Report Annexed

**FOR LAKHANI & LAKHANI**  
CHARTERED ACCOUNTANTS  
FRN-115728W

FOR AND ON BEHALF OF THE BOARD

**SUHAS SHINDE**  
PARTNER  
Membership No. : 117107

**BALDEVKRISHAN SHARMA**  
CHAIRMAN

**KARAN SHARMA**  
MANAGING DIRECTOR

Place: Mumbai

Date: 29/5/2015



**GRATEX INDUSTRIES LIMITED**

CIN : L21093MH1984PLC032248

Regd office: 109, Kakad Udyog Bhavan, off. L J Road, Mahim, Mumbai - 400016.  
Tel : 022 - 40702120/21. Fax : 022 - 40702161 Website : www.gratex.in E-mail id : investor@gratex.in

**PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : _____
Registered address : _____
E-mail Id : _____
Folio No./Client ID No. : _____ DP ID No. _____

I/We being the member(s) of Gratex Industries Limited, holding \_\_\_\_\_ share hereby appoint :

1. Name : \_\_\_\_\_ E-mail id : \_\_\_\_\_

Address : \_\_\_\_\_

Signature : \_\_\_\_\_ or failing him;

2. Name : \_\_\_\_\_ E-mail id : \_\_\_\_\_

Address : \_\_\_\_\_

Signature : \_\_\_\_\_ or failing him;

3. Name : \_\_\_\_\_ E-mail id : \_\_\_\_\_

Address : \_\_\_\_\_

Signature : \_\_\_\_\_

As my/our Proxy to attend and vote (on a poll) for me/us and on my /our behalf at the **31<sup>st</sup> ANNUAL GENERAL MEETING** to be held at Kitte Bhandari Hall, Gokhale Road North, Near Shiv Sena Bhavan, Dadar (West), Mumbai - 400 028 on Monday, 28<sup>th</sup> September, 2015 at 10.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below :

Sr.No	Description of Resolution	For	Against
1.	Adoption of Statement of Profit & Loss, Balance Sheet, Reports of Board of Directors and Auditors for the year ended 31.03.2015		
2.	Reappointment of Mr. Krishna Prakash Bhardwaj (DIN 00276699) who retires by rotation		
3.	Reappointment of Ms. Mona Menon (DIN 00117025) who retires by rotation		
4.	Appoint Auditors and fix their remuneration		
5.	Remuneration To Mr. Baldevkrishan Sharma, Chairman - Executive		
6.	Appointment Of Rekha Nagori As An Independent Director		
7.	Section 13 - Alteration Of Main Objects In The Memorandum Of Association		
8.	Section 188 - Approval Of Related Party Transactions		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Signature of the shareholder \_\_\_\_\_

Signature of proxyholder(s) \_\_\_\_\_

Affix Re.1/-  
Revenue  
Stamp

Note : 1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

2. A proxy need not be a member of the Company.

3. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 31<sup>st</sup> Annual General Meeting.

**GRATEX**

**GRATEX INDUSTRIES LIMITED**

CIN : L21093MH1984PLC032248

Regd office: 109, Kakad Udyog Bhavan, off. L J Road, Mahim, Mumbai - 400016.

Tel : 022 - 40702120/21. Fax : 022 - 40702161 Website : www.gratex.in E-mail id : investor@gratex.in

**ATTENDANCE SLIP**

I/We hereby record my/our presence at the **31<sup>st</sup> ANNUAL GENERAL MEETING** of the Company at Kittle Bhandari Hall, Gokhale Road North, Near Shiv Sena Bhavan, Dadar (West), Mumbai - 400 028. on Monday, 28<sup>th</sup> September, 2015 at 10.00 a.m. and at any adjournment thereof.

Folio No.	DP ID No.	Client ID No.
Name of the Member(s) :		Signature :
Name of the Proxyholder :		Signature :

Notes : 1. Only Member/Proxyholder can attend the Meeting

2. Please complete the Folio No./DP ID No., Client ID No. and Name of the Member/Proxyholder, sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.

3. A Member/Proxyholder attending the meeting should bring copy of the Annual Report for reference at the meeting

**Book Post**

To.

If undelivered, please return to :

**GRATEX INDUSTRIES LIMITED**

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

# GRATEX INDUSTRIES LIMITED

High-end & Superior Quality PVF - Wallpapers, Floorings, Furnishings, Furniture, Accessories & Allied Products

CIN NO - L21093MH1984PLC032248

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**Marshall's Plaza & Stores**

A-73, MIDC, Kopar Khairane, Thane Belapur Road,  
Navi Mumbai - 400 703, Tel.: 4070 2323 Fax: 4070 2363

**Corporate Office :**

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

Tel.: 4070 2121 Fax : 40702161

Website : [www.gratex.in](http://www.gratex.in) E-mail : [info@gratex.in](mailto:info@gratex.in)

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Reply to this letter may please be addressed at ■ Marshall's Plaza, ■ Corporate Office

## CORRIGENDUM TO NOTICE DATED 7<sup>TH</sup> SEPTEMBER, 2015 CONVENING THE 31<sup>ST</sup> ANNUAL GENERAL MEETING OF GRATEX INDUSTRIES LIMITED


Dear Shareholders,

In Clause 11(i) of the Notes to the aforesaid Notice, the E-Voting period for determining voting rights of Shareholders of the Company to be read as –

(i) The voting period begins on Friday, 25<sup>th</sup> September, 2015 (10.00 a.m.) and ends on Sunday, 27<sup>th</sup> September, 2015 (5.00 p.m.). During this period the shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, 22<sup>nd</sup> September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Other details of the Notice remain unchanged.

For Gratex Industries Limited

  
Karan B. Sharma  
Managing Director

