

## Company Information

### **Board Of Directors :**

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

### **Registered Office :**

109, Kakad Udyog Bhavan,  
L.J.Road, Mahim, Mumbai - 400 016.  
Tel : 022 - 24392321 Fax : 022 - 40702161  
Website : [www.gratex.in](http://www.gratex.in)

### **Auditors :**

#### **M/s. Lakhani & Lakhani**

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

### **Registrar And Transfer Agents :**

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

### **Bankers :**

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

### **Important Communication to members :**

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

Members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in Physical form are requested to send their e-mail address to the Company at [investor@gratex.in](mailto:investor@gratex.in) OR to the Registrars And Transfer Agents of the Company at [info@adroitcorporate.com](mailto:info@adroitcorporate.com) for Registration

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## NOTICE

Notice is hereby given that the thirty-fourth Annual General Meeting of Gratex Industries Limited will be held on Saturday, 29th September, 2018 at 10.30 a.m. at Kitte Bhandari Hall, Gokhale Road North, Near Shiv Sena Bhavan, Dadar (West), Mumbai - 400 028 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Karan Sharma who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 3. APPOINTMENT OF INDEPENDENT DIRECTOR:

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

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

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

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

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

**"RESOLVED THAT** pursuant to Section 13 of the Companies Act, 2013 and other applicable provisions, if any, and subject to such necessary approvals, consents and permissions of The Registrar of Companies, Maharashtra and/or such other authorities, as may be required consent of the members be and is hereby accorded for replacing the Object Clause No. 1 under the heading III A : THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION with the following new object :

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

jutes, silk, cork, other natural, non-natural, processed ,manmade fibre, plastics, poly plastics, or any other decorative material on paper or board or board, or asbestos or hardboard, plywood, fabrics, plastics or poly-plastic or any other surface.

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

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

**Baldevkrishan Sharma  
Managing Director  
DIN: 00117161**

**Place : Mumbai  
Date : 29.05.2018**

**NOTES:**

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

**A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. Proxies, in order to be effective must be received at the registered office of the Company not less than 48 hours before the commencement of the meeting.**

2. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing such representative(s) to attend and vote on their behalf at the meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 22<sup>nd</sup> September, 2018 to Saturday, 29<sup>th</sup> September, 2018 (both days inclusive).
4. Members / Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
5. With the view to using natural resources responsibly, we request shareholders to update their email address with their Depository Participants to enable the Company to send communications electronically.
6. Copies of the Annual Report 2018 are being sent by electronic mode only to all the members whose e-mail addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies shall be sent only if requested in writing by the member.
7. Electronic copy of the Notice of the thirty-fourth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form is being sent to all members whose e-mail IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same.
8. Members may also note that the Notice of the thirty-fourth Annual General Meeting and the Annual Report will also be available on the Company's website [www.gratex.in](http://www.gratex.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's investor email id : [investor@gratex.in](mailto:investor@gratex.in)

**9. Voting through electronic means :**

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

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

- (i) The E-voting period begins on Wednesday, 26<sup>th</sup> September, 2018 (10.00 a.m.) and ends on Friday, 28<sup>th</sup> September, 2018 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 21<sup>st</sup> September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xii) Click on the EVSN for Gratex Industries Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) **Note for Non - Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

- a. The voting period begins on Wednesday, 26th September, 2018 (10.00 a.m.) and ends on Friday, 28th September, 2018 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 21st September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- C. Ms. Jacintha Castelino (ACS No. 33081) of M/s JC & Associates, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- D. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, and send it to the Chairman of the Company.
- E. The Results shall be declared at or after the Annual General Meeting (AGM) of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.gratex.in](http://www.gratex.in) and on the website of CDSL and shall also communicated to the Bombay Stock Exchange (BSE).

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

**Baldevkrishan Sharma  
Managing Director  
DIN: 00117161**

**Place : Mumbai  
Date : 29.05.2018**

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

**Item No. 3:**

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

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

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

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

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

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

**Item No. 4:**

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

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

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

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

**Baldevkrishan Sharma  
Managing Director  
DIN: 00117161**

**Place : Mumbai  
Date : 29.05.2018**

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

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

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

**Baldevkrishan Sharma  
Managing Director  
DIN: 00117161**

**Place : Mumbai  
Date : 29.05.2018**



## DIRECTORS' REPORT

To,

The Members,

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

### 1. FINANCIAL HIGHLIGHTS:

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

(Amount in Lacs)

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

### 2. PERFORMANCE REVIEW:

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

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

### 3. DIVIDEND:

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

### 4. OUTLOOK FOR 2018-2019:

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

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

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

### 5. FIXED DEPOSITS:

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

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

● **Composition :**

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

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

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

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

● **Appointment of Director :**

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

**7. MEETINGS:**

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

**8. BOARD EVALUATION:**

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

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

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

**10. AUDITORS:**

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

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

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

**11. EXTRACT OF ANNUAL RETURN:**

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

**12. 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.

**13. 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.

**14. 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.

**15. SECRETARIAL AUDIT:**

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. JC & Associates, Practising Company Secretary (Certificate of Practice Number: 12162) to undertake the Secretarial Audit of the Company.

The Company has annexed to this Board Report as Annexure II, a Secretarial Audit Report given by the Secretarial Auditor.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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

Your Company has historically adopted the practice of undertaking related party transactions only in the ordinary and normal course of business and at arm's length as part of its philosophy of adhering to highest ethical standards, transparency and accountability.

All Related Party Transactions are placed on an annual basis before the Audit committee and Board for their approval.

The particulars or contracts or arrangements with related parties referred to in Section 188 and applicable rules of the Companies Act, 2013 in Form AOC-2 is provided as Annexure III to this Report.

**17. PARTICULARS OF LOANS, ADVANCES, GUARANTEES AND INVESTMENTS:**

Pursuant to Section 186 of Companies Act, 2013 and Schedule V of the Listing Regulations, disclosure on particulars relating to loans, advances, guarantees and investments are provided as part of the Financial Statements.

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

As per the requirement of Listing Agreement with the Stock Exchanges, the Company has complied with the requirements of Corporate Governance in all material aspects.

A report on Corporate Governance together with a certificate of its compliance from the Statutory Auditors, forms part of this report.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year Company has not received any complaint of harassment.

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

The information required u/s 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is given below:

Particulars with respect to consumption of Energy, Technology absorption are not applicable to the operations of the Company.

**Value of Imports on CIF basis:**

| Particulars       | 2017-2018 | 2016-2017 |
|-------------------|-----------|-----------|
| Purchase of Goods | NIL       | NIL       |
| EURO              | NIL       | NIL       |
| USD               | NIL       | NIL       |
| GBP               | NIL       | NIL       |

**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. in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards have been followed with no material departures;
2. the 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 as at March 31, 2018 and of the profit of the Company for the year ended on that date;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors have prepared the annual financial statements on a going concern basis;
5. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
6. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**23. LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2017-2018 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 Customers, Business Partners, Dealers, Financial institutions and Government Authorities. The Board thanks the employees of the Company for their continued support. Your Directors are thankful to all the Stakeholders for their continued patronage.

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

Place : Mumbai  
Date : 29.05.2018

**Baldevkrishan Sharma**  
Managing Director  
DIN: 00117161

**Mona Menon**  
Director  
DIN: 00117025

**ANNEXURE II TO DIRECTORS REPORT**

**FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN  
FOR THE PERIOD ENDED 31ST MARCH, 2018**

[ 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 | 2 | 4 | 3 | 9 | 2 | 3 | 2 | 1 |  |  |  |  |  |  |  |
|-----|---|---|---|---|---|---|---|---|--|--|--|--|--|--|--|

Fax Number: 

|     |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|-----|---|---|---|---|---|---|---|---|--|--|--|--|--|--|--|
| 022 | 4 | 0 | 7 | 0 | 2 | 1 | 6 | 1 |  |  |  |  |  |  |  |
|-----|---|---|---|---|---|---|---|---|--|--|--|--|--|--|--|

E-mail Address: 

|       |     |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|-------|-----|---|---|---|---|---|---|---|---|---|---|--|--|--|--|
| inves | tor | @ | g | r | a | t | e | x | . | i | n |  |  |  |  |
|-------|-----|---|---|---|---|---|---|---|---|---|---|--|--|--|--|

- (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  | 17096    | 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>A. Promoters</b>   |   |             |                |                   |   |             |                |                   |
| <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  | 1784211   | 1000        | 1785211        | 58.82             | 1803517                                   | 1000        | 1804517        | 59.46             |
| <b>Sub-Total (A) (1):-</b>  | <b>1784211</b>                                  | <b>1000</b> | <b>1785211</b> | <b>58.82</b>      | <b>1803517</b>                            | <b>1000</b> | <b>1804517</b> | <b>59.46</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</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>(A) (2):-</b>  |   |             |                |                   |   |             |                |                   |
| <b>Total Shareholding of promoter<br/>(A)=(A)(1)+(A)(2)</b>                       | <b>1784211</b>                                  | <b>1000</b> | <b>1785211</b> | <b>58.82</b>      | <b>1803517</b>                            | <b>1000</b> | <b>1804517</b> | <b>59.46</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                 |
| <b>Sub-total</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>(B) (1)</b>  |   |             |                |                   |   |             |                |                   |
| <b>2) Non-Institutions</b>  |   |             |                |                   |   |             |                |                   |
| a) Body Corporate   |   |             |                |                   |   |             |                |                   |
| i) Indian   | 51620   | 17900       | 69520          | 2.29              | 52510                                     | 17900       | 70410          | 2.32              |
| ii) Overseas  | 0   | 0           | 0              | 0                 | 0   | 0           | 0              | 0                 |
| b) Individuals  |   |             |                |                   |   |             |                |                   |
| i) Individuals Shareholders holding nominal Share Capital Upto Rs.2 lakh          | 394769  | 544900      | 939669         | 30.96             | 384273                                    | 535700      | 919973         | 30.31             |
| ii) Individuals Shareholders holding nominal Share Capital in excess of Rs.2 lakh | 95700   | 40100       | 135800         | 4.47              | 95700                                     | 40100       | 135800         | 4.47              |
| c) Other(Specify)   |   |             |                |                   |   |             |                |                   |
| NRI's   | 1500  | 103100      | 104600         | 3.46              | 1500                                      | 102600      | 104100         | 3.44              |

|  |                |               |                |               |                |               |                |               |
|--|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
| Sub-total (B) (2)                              | 543589         | 706000        | 1249589        | 41.18         | 533983         | 696300        | 1230283        | 40.54         |
| Total public Shareholding of (B)=(B)(1)+(B)(2) | 543589         | 706000        | 1249589        | 41.18         | 533983         | 696300        | 1230283        | 40.54         |
| 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>2327800</b> | <b>707000</b> | <b>3034800</b> | <b>100.00</b> | <b>2337500</b> | <b>697300</b> | <b>3034800</b> | <b>100.00</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      | Baldevkrishan Sharma     | 1323511                                   | 43.61                            | 0  | 1342817                             | 44.25                            | 0  | 0.64  |
| 2      | Karan Sharma             | 27600                                     | 0.91                             | 0  | 27600                               | 0.91                             | 0  | NIL   |
| 3      | Krishna Prakash Bhardwaj | 5300                                      | 0.17                             | 0  | 5300                                | 0.17                             | 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>1785211</b>                            | <b>58.82</b>                     | <b>0</b>   | <b>1804517</b>                      | <b>59.46</b>                     | <b>0</b>   | <b>0.64</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 |
|        | <b>At the Beginning of the year</b>   |   |                                  |  |                                  |
| 1      | Baldevkrishan Sharma  | 1323511                                   | 43.61                            | 1323511                                  | 43.61                            |
| 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                                      | 0.17                             | 5300                                     | 0.17                             |
| 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): |   |                                  | 19306<br>(Acquired from the open market) | 0.64                             |
|        | <b>At the End of the year</b>   |   |                                  |  |                                  |
| 1      | Baldevkrishan Sharma  | 1342817                                   | 44.25                            | 1342817                                  | 44.25                            |
| 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                                      | 0.17                             | 5300                                     | 0.17                             |
| 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 |
|        | <b>At the Beginning of the year</b>   |   |                                  |   |                                  |
| 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      | Pallvi Hitenkumar Raja  | 20000                                     | 0.66                             | 20000                                   | 0.66                             |
| 6      | Hitenkumar Amritlal Raja  | 20000                                     | 0.66                             | 20000                                   | 0.66                             |
| 7      | Lalitaben Amritlal Shah   | 15000                                     | 0.49                             | 15000                                   | 0.49                             |
| 8      | Vinita Sunil Patodia  | 13500                                     | 0.44                             | 13500                                   | 0.44                             |
| 9      | Shah Sanjay Satish  | 12300                                     | 0.41                             | 12300                                   | 0.41                             |
| 10     | Shefali Hemantkumar Shah  | 12200                                     | 0.40                             | 12200                                   | 0.40                             |
|        | <b>At the End of the year (or on the date of separation, if separated during the year):</b> |   |                                  |   |                                  |
| 1      | Surekha Mahendra Khetani  | 50000                                     | 1.65                             | 50000                                   | 1.65                             |
| 2      | Pushpa Sedhmal Gupta  | 45700                                     | 1.51                             | 45700                                   | 1.51                             |
| 3      | Chartered Capital Research Limited  | 45000                                     | 1.48                             | 45000                                   | 1.48                             |
| 4      | Kundanlal Wasan   | 40100                                     | 1.32                             | 40100                                   | 1.32                             |
| 5      | Shreepal Babulal Bafna  | 14600                                     | 0.48                             | 14600                                   | 0.48                             |
| 6      | Vinita Sunil Patodia  | 13500                                     | 0.44                             | 13500                                   | 0.44                             |
| 7      | Shah Sanjay Satish  | 12300                                     | 0.41                             | 12300                                   | 0.41                             |
| 8      | Rajesh Kumar Bhageria   | 11400                                     | 0.38                             | 11400                                   | 0.38                             |
| 9      | Bharat Kishormal Shah   | 10200                                     | 0.34                             | 10200                                   | 0.34                             |
| 10     | Shefali Hemantkumar Shah  | 10199                                     | 0.34                             | 10199                                   | 0.34                             |



(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 |
|        | Baldevkrishan Sharma              | 1323511                                   | 43.61                            | 1342817                                 | 44.25                            |
|        | Karan Sharma                      | 27600                                     | 0.91                             | 27600                                   | 0.91                             |
|        | Mona Menon                        | 137700                                    | 4.54                             | 137700                                  | 4.54                             |
|        | Krishna Prakash Bhardwaj          | 5300                                      | 0.17                             | 5300                                    | 0.17                             |

**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  | 242897                           | 400000          | ----        | 642897             |
| ii) Intesrest due but not paid   | ----                             | ----            | ----        | 0                  |
| iii) Interest accrued but not due  | ----                             | ----            | ----        | 0                  |
| <b>Total(i +ii +iii)</b>   | <b>242897</b>                    | <b>400000</b>   | <b>----</b> | <b>642897</b>      |
| <b>Change in Indebtness during the financial year</b>                                      |                                  |                 |             |                    |
| Addition   | 1577838.5                        | 2406500         | ----        | 3984338.5          |
| <b>Indebtedness at the End of the financial year</b>                                       |                                  |                 |             |                    |
| i) Principal Amount  | 1820735.5                        | 2806500         | ----        | 4627235.5          |
| ii) Interest due but not paid  | —                                | —               | —           | 0                  |
| iii) Interest accrued but not due  | —                                | —               | —           | 0                  |
| <b>Total(i +ii +iii)</b>   | <b>1820735.5</b>                 | <b>2806500</b>  | <b>—</b>    | <b>4627235.5</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    |  |                                |
|---------|---|---------------------------|--|--------------------------------|
|         |   | Baldevkrishan Sharma M.D. | Karan Baldev Sharma M.D. till 07.08.2017 | Krishna Prakash Bhardwaj - WTD |
| 1       | Gross Salary  | 660000                    | 263250                                   | 381000                         |
|         | (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                            | —                         | —  |                                |

|              |  |               |               |               |
|--------------|--|---------------|---------------|---------------|
|              | <b>(c) Profits in lieu of Salary u/s 17(3) Income-Tax Act,1961</b> | ----          | ----          | ----          |
| 2            | Stock option   | ----          | ----          | ----          |
| 3            | Sweat Equity   | ----          | ----          | ----          |
| 4            | Commision  | ----          | ----          | ----          |
|              | - as% of profit  | ----          | ----          | ----          |
|              | - others,specify   | ----          | ----          | ----          |
| <b>5</b>     | <b>Others,please specify</b>                                       |               |               |               |
|              | - Conveyance   | 60000         | 36750         | 0             |
|              | - Interest on Loan   | 14795         | 0             | 14104         |
|              | - Sitting fees   | 0             | 15000         | 12000         |
| <b>Less:</b> | <b>TDS</b>   | 208512        | 86000         | 0             |
|              | <b>Total (A)</b>   | <b>526283</b> | <b>229000</b> | <b>407104</b> |
|              | Ceiling as per the Act, 2013                                       |               |               |               |

**B. Remuneration to other directors:**

| SR. No.      | Particulars of Remuneration                   | Name of Directors      |                   |                       |          |          | Total Amount  |
|--------------|---|------------------------|-------------------|-----------------------|----------|----------|---------------|
|              |   | Bhagwati Prasad Mangal | Mona Pratap Menon | Gurvinder Fauja Singh | Karan    | ----     |               |
|              | <b>Independent Directors</b>                  |                        |                   |                       |          |          |               |
|              | • Fee for attending board/ committee meetings | 100000                 | 25000             | 0                     |          |          | 125000        |
|              | • Commission                                  | —                      | —                 | —                     |          |          | 0             |
|              | • Others,Please specify                       | —                      | —                 | —                     |          |          | 0             |
|              | - Remuneration                                | —                      | —                 | —                     |          |          | 0             |
|              | - Interest on Loan                            | —                      | 9312              | —                     |          |          | 9312          |
|              | - Conveyance                                  | —                      | —                 | —                     | —        | —        | —             |
|              | <b>Total (1)</b>                              | <b>100000</b>          | <b>34312</b>      | <b>0</b>              | <b>0</b> | <b>0</b> | <b>134312</b> |
|              | <b>Other Non-Executive Directors</b>          |                        |                   |                       |          |          |               |
|              | • Fee for attending board committee meetings  |                        |                   |                       |          |          |               |
|              | • Commission                                  |                        |                   |                       |          |          |               |
|              | • Others,Please specify                       |                        |                   |                       |          |          |               |
|              | - Remuneration                                |                        |                   |                       |          |          |               |
|              | - Conveyance                                  |                        |                   |                       |          |          |               |
|              | - Sitting Fees                                |                        |                   |                       |          |          |               |
|              | <b>Total(2)</b>                               | <b>0</b>               | <b>0</b>          | <b>0</b>              |          |          | <b>0</b>      |
|              | <b>Total(B)=(1+2)</b>                         | <b>100000</b>          | <b>34312</b>      | <b>0</b>              |          |          | <b>134312</b> |
| <b>Less:</b> | <b>TDS</b>                                    | 10000                  | 3432              | 0                     |          |          | 13432         |
|              | <b>Total Managerial Remuneration</b>          | <b>90000</b>           | <b>30880</b>      | <b>0</b>              |          |          | <b>120880</b> |
|              | 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 |
|---------|--|--------------------------------|---|--------|
|         |  |                                |   |        |
| 1       | Gross Salary   | —                              | — | —      |
|         | (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       | Others,please specify  | —                              | — | —      |
|         | • Fee for attending board meetings   | —                              | — | —      |
|         | • Conveyance   | —                              | — | —      |
|         | <b>Less : TDS</b>  | —                              | — | —      |
|         | <b>Total</b>   | 0                              | 0 | 0      |

**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 FOR THE FINANCIAL YEAR ENDED 31.03.2018**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members of 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 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 the Company'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 31st March, 2018 complied with the statutory provisions listed hereunder. 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 the Company for the financial year ended 31st March, 2018 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 Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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 Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) As informed to me the following other Laws specifically applicable to the Company as under:
  - 1. Income Tax Act, 1961 and Rules.
  - 2. State Shops and Establishment Act.
  - 3. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
  - 4. Employees' State Insurance Act, 1948.
  - 5. Payment of Bonus Act, 1965

6. The Factories Act, 1948.
7. Industrial Dispute Act, 1948
8. Payment of Wages Act, 1956
9. Minimum Wages Act, 1948
10. Industrial Employment (Standing Orders) Act, 1946
11. Payment of Gratuity Act, 1972
12. Goods and Service Tax Act, 2017
13. Employees Compensation Act, 1923
14. Contract Labour (Regulation and Abolition) Act, 1970

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and the Listing Obligations and Disclosure Requirements, Regulations 2015.

During the period under review, the Company has 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.

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.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes. **All the decisions at the Board Meetings were passed unanimously and with requisite majority in General Meeting.**

**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, no specific event has taken place which has major bearing on the Company's affairs.

**For JC & Associates  
Company Secretaries**

**Jacintha Castelino  
Proprietor  
CP No : 12162  
ACS : 33081**

**Place : Mumbai  
Date : 29.05.2018**

## REPORT ON CORPORATE GOVERNANCE

Pursuant to Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 5 (Five) Directors. Four Board Meetings were held in 2017-18. The said meetings were held on May 29, 2017, August 07, 2017, November 07, 2017 and February 8, 2018. 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   | Managing Director, Executive       | 3                              | No                     | 2                                      |
| Mr. K.P. Bharadwaj         | Executive, Director                | 3                              | No                     | NIL                                    |
| Mrs. Mona Menon            | CFO-Executive Promoter             | 4                              | Yes                    | 1                                      |
| Mr. Karan Sharma           | Executive Director                 | 3                              | Yes                    | 1                                      |
| Mr. Gurvinder Singh Saggu  | Non-Executive Independent Director | 0                              | No                     | 1                                      |
| Mr. Bhagwati Prasad Mangal | Non-Executive Independent Director | 4                              | Yes                    | 4                                      |

#### 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, four meetings were held. The said meetings were held on May 29, 2017, August 07, 2017, November 07, 2017 and February 8, 2018. 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 ( <i>Chairman</i> ) | Independent<br>Non-Executive     | 4                                  | 4        |
| Mr. Gurvinder Singh Saggi                      | Independent<br>Non-Executive     | 4                                  | 0        |
| Mrs. Mona Menon                                | Non-Independent<br>Non-Executive | 4                                  | 4        |

- 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 said meetings were held on May 29, 2017, August 07, 2017, November 07, 2017 and February 8, 2018. The constitution of the Committee and the details of attendance of each member of the Committee are given below:

| Name  | Category                     | Number of Stakeholders' Relationship Committee meetings |          |
|---|------------------------------|---|----------|
|   |                              | Held  | Attended |
| Mr. Gurvinder Singh Saggi ( <i>Chairman</i> ) | Independent<br>Non-Executive | 4   | 0        |
| Mr. Bhagwati Prasad Mangal                    | Independent<br>Non-Executive | 4   | 4        |
| Mrs. Mona Menon                               | Non-Independent<br>Executive | 4   | 3        |

- NOMINATION & REMUNERATION COMMITTEE:**

During the year, the Nomination & Remuneration Committee met one time. The said meetings were held on August 07, 2017.

#### 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  |
|---|---|--|
| Tuesday, September 19, 2017 at 10.00 a.m. | Kitte Bhandari Hall, Gokhale Road North, Near Shiv Sena Bhavan, Dadar (West), Mumbai - 400 028. | NIL  |
| Tuesday, September 27, 2016 at 10.00 a.m. | Kitte Bhandari Hall, Gokhale Road North, Near Shiv Sena Bhavan, Dadar (West), Mumbai - 400 028. | 1. Re-appointment of Mr. Krishna Prakash Bhardwaj (DIN-00276699), "Whole-Time Director" of the Company.  |
| Monday, September 28, 2015 at 10.00 a.m.  | Kitte Bhandari Hall, Gokhale Road North, Near Shiv Sena Bhavan, Dadar (West), Mumbai - 400 028. | 1. Remuneration to Mr. Baldevkrishan Sharma, Chairman - Executive.<br>2. Appointment of Mrs. Rekha Nagori as an Independent Director.<br>3. Alteration of Main Objects in the Memorandum of Association.<br>4. Approval of Related Party Transactions. |

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:

- Transactions with related parties have been disclosed vide Notes on Accounts - 21, 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. The Company has received a letter from Bombay Stock Exchange dated 15th June, 2018 regarding non submission of Auditors Report within the stipulated time. The Company made representation on the letter and simultaneously uploaded the Auditors Report on the website which had inadvertently left to be uploaded.
- Your Company has complied with all the mandatory requirements of Corporate Governance as required by the Listing Agreements.
- 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 (d) of sub regulation (2) of Regulation 6 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, investors may use the E-mail ID: <a href="mailto:investor@gratex.in">investor@gratex.in</a> for redressal of complaints. |
| • Website of the Company                                   | <a href="http://www.gratex.in">www.gratex.in</a>   |



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

|   |  |
|---|--|
| • AGM: Date, Time and Venue   | Tuesday, 29 <sup>th</sup> September, 2018 at 10.30 a.m. at Kitte Bhandari Hall, Gokhale Road North, Near Shiv Sena Bhavan, Dadar (West), Mumbai - 400 028. |
| • Date of Book Closure  | Saturday, 22 <sup>nd</sup> September, 2018 to Saturday, 29 <sup>th</sup> September, 2018 (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:<br>Bombay Stock Exchange Limited<br>ISIN for Dematerialisation                                 | 526751<br>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. : 24392321  |

**Financial Calendar 2018- 2019 (Tentative)**

|  |                                |
|--|--------------------------------|
| Financial reporting for the quarter ending June 30, 2018           | Upto August 14, 2018           |
| Financial reporting for the half year ending September 30, 2018    | Upto November 14, 2018         |
| Financial reporting for the quarter ending December 31, 2018       | Upto February 14, 2019         |
| Financial reporting for the quarter and year ending March 31, 2019 | Upto May 30, 2019              |
| <b>Annual General Meeting for the year ending March 31, 2019</b>   | <b>Upto September 30, 2019</b> |

**8. THE DISTRIBUTION OF SHAREHOLDERS AS ON 31.03.2018 IS AS FOLLOWS:**

| Range of Holding | No. of Shareholders | % to Shareholders | Total Shares   | Amount          | % to Capital |
|------------------|---------------------|-------------------|----------------|-----------------|--------------|
| 1-500            | 3381                | 93.09             | 524262         | 5242620         | 17.28        |
| 501-1000         | 119                 | 3.28              | 101400         | 1014000         | 3.34         |
| 1001-2000        | 66                  | 1.82              | 98137          | 981370          | 3.23         |
| 2001-3000        | 17                  | 0.47              | 42585          | 425850          | 1.40         |
| 3001-4000        | 15                  | 0.41              | 52900          | 529000          | 1.74         |
| 4001-5000        | 7                   | 0.19              | 35000          | 350000          | 1.15         |
| 5001-10000       | 9                   | 0.25              | 63700          | 637000          | 2.10         |
| Above 10000      | 18                  | 0.50              | 2116816        | 21168160        | 69.75        |
| <b>Total</b>     | <b>3632</b>         | <b>100</b>        | <b>3034800</b> | <b>30348000</b> | <b>100</b>   |

**9. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2018:**

| Category                | Sub-category   | No. of securities held |
|-------------------------|--|------------------------|
| Promoter's holding      | Indian Promoters   | 1804517                |
|                         | Foreign Promoters  | 0                      |
|                         | Persons Acting in Concern  | 0                      |
|                         | Sub Total  | 1804517                |
| Institutional Investors | Mutual Funds & UTI   | 0                      |
|                         | Banks, FIs, Insurance Co's, Central / State Govt./Non-Govt. Institutions | 0                      |
|                         | FII  | 0                      |
|                         | Sub-Total  | 0                      |
| Others                  | Private Corporate Bodies   | 70410                  |
|                         | Indian Public  | 1055773                |
|                         | Any Other  | 104100                 |
|                         |  | 1230283                |
|                         | 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   |
| Jun-17 | NIL   | NIL   | NIL   | NIL   | NIL           | NIL           | NIL            | NIL    | NIL   |
| Jul-17 | 10.00 | 10.50 | 10.00 | 10.00 | 700           | 4             | 7005           | 0.50   | 0.00  |
| Aug-17 | 10.00 | 10.00 | 9.03  | 9.10  | 912           | 11            | 8499           | 0.97   | -0.90 |
| Sep-17 | 9.10  | 9.10  | 9.10  | 9.10  | 1600          | 1             | 14560          | 0.00   | 0.00  |
| Oct-17 | NIL   | NIL   | NIL   | NIL   | NIL           | NIL           | NIL            | NIL    | NIL   |
| Nov-17 | 9.25  | 14.29 | 9.25  | 14.28 | 6363          | 36            | 70121          | 5.04   | 5.03  |
| Dec-17 | 13.60 | 14.28 | 11.50 | 11.50 | 3440          | 25            | 44288          | 2.78   | -2.10 |
| Jan-18 | 10.93 | 15.36 | 10.93 | 13.87 | 11561         | 58            | 156536         | 4.43   | 2.94  |
| Feb-18 | 14.00 | 14.60 | 11.26 | 11.80 | 10816         | 31            | 152587         | 3.34   | -2.20 |
| Mar-18 | 11.80 | 12.25 | 11.21 | 12.25 | 1200          | 4             | 14087          | 1.04   | 0.45  |
| Apr-18 | 12.25 | 12.25 | 11.64 | 11.64 | 200           | 3             | 2389           | 0.61   | -0.61 |
| May-18 | 11.06 | 11.06 | 11.06 | 11.06 | 101           | 2             | 1117           | 0.00   | 0.00  |

**11. MD AND CFO CERTIFICATION**

As per the requirement of sub-regulation (8) of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 of  
Gratex Industries Limited**

**Baldevkrishan Sharma**  
 Managing Director  
 DIN: 00117161

**Mona Menon**  
 Director  
 DIN: 00117025

PLACE : Mumbai  
 DATE : 29.05.2018

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report have 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 from a manufacturing company, also ventured into activities in the area of Modular Furniture & Profile Manufacturing, Catalogue Manufacturing and Repacking, Computerized Digital Printing and Lamination, which makes it an innovative organization and a leader in the Industry.

During the year, the Company apart from consolidating in the area of Warehousing and Franchise, has modernized and inducted latest technology to make its products more quality based and attractive in looks.

### 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 Compliance:

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.

An internal check process is in place to prevent and limit risk of non compliance. The Company ensures compliance of all applicable laws including those relating to establishment, Taxation, Export controls, health, safety, Environment and Company laws.

### 4. Internal Control Systems :

The Internal Control is intended to increase transparency and accountability in an organisation's process of designing and implementing a system of internal control. The framework requires a company to identify and analyse risks and manage appropriate responses. The Company has successfully laid down the framework and ensured its effectiveness.

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's internal controls are commensurate with its size and the nature of its operations.

### 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 lie 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:

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to the Company's operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, natural calamities over which the Company does not have any direct control.

## MD and CFO Certification

To,

The Board of Directors  
Gratex Industries Limited  
Mumbai

We, Baldevkrishan Sharma, Managing Director and Mona Menon, Chief Financial Officer of Gratex Industries Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement and all the notes on accounts and the Directors' report.
2. Based on our knowledge and information, these statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct and Ethics.
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have:
  - a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company is made known to us, particularly during the period in which this report is being prepared.
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Indian Accounting Standard (Ind AS).
  - c. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
  - d. Disclosed in this report changes, if any, in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
6. We have disclosed, based on our most recent evaluation of the Company's internal control over financial reporting, wherever applicable, to the Company's auditors and the audit committee of the Company's Board of Directors (and persons performing the equivalent functions):
  - a. There were no deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
  - b. There were no significant changes in internal controls during the year covered by this report.
  - c. All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
  - d. There were no instances of fraud of which we are aware that involve the Management or other employees who have a significant role in the Company's internal control system.
7. We affirm that we have not denied any personnel, access to the audit committee of the Company (in respect of matters

involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.

8. We further declare that all Board members and senior managerial personnel have affirmed compliance with the Code of Conduct and Ethics for the current year.

**Baldevkrishan Sharma**  
**Managing Director**  
**DIN: 00117161**

**Mona Menon**  
**Chief Financial Officer**  
**DIN: 00117025**

**Place : Mumbai**  
**Date : 29.05.2018**

**ANNEXURE III TO DIRECTORS'S REPORT**

**FORM 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 of Disclosure of particulars of contracts/ arrangements entered into by the company with related parties refers to in sub-section(1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions at arm's length basis:

| (a)(1) Name(s) of the related party and (Nature of Relationship)   | (b) Nature of contracts/ arrangements/ transactions | (c) Duration of the contracts/ arrangements / transactions | (d) Salient terms of the contracts or arrangements or transactions including the value, if any | (e) Justification for entering into such contracts or arrangements or transactions  | (f) Dates of approval by the Board if any: | (g) Amount paid as advances if any: | (h) Date on which the Special Resolution was passed |
|--|---|--|--|---|--|-------------------------------------|---|
| Marshalls Enterprise India Private Limited - Mr. Baldevkrishan Sharma – Managing Director, Mr. Karan Sharma – Director, Mrs. Mona Menon – C.F.O. are Directors in the said Body Corporate. | Franchisee Services                                 | From 1st April, 2012 to 31st March, 2022                   | Franchisee Commission - Rs. 1 Crore per annum during the contract period.                      | 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. | 29.05.2015                                 |                                     | 28.09.2015  |
| Marshalls Enterprise India Private Limited- Mr. Baldevkrishan Sharma – Managing Director, Mr. Karan Sharma – Director, Mrs. Mona Menon – C.F.O. are Directors in the said Body Corporate.  | Warehousing Services                                | From 1st January, 2014 to 31st December, 2018              | Warehousing Charges - Rs. 1 Crore per annum during the contract period.                        | 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. | 29.05.2015                                 |                                     | 28.09.2015  |

For Gratex Industries Limited

**Baldevkrishan Sharma**  
Managing Director  
DIN: 00117161

**Mona Menon**  
Director  
DIN: 00117025

**PLACE : Mumbai**  
**DATE : 29.05.2018**

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GRATEX INDUSTRIES LIMITED

#### Report on the Financial Statements

We have audited the accompanying standalone IND AS financial statements of **GRATEX INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at **31st March, 2018** and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

#### Management's Responsibility for the 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 IND AS financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the Indian Accounting Standards (IND AS). This responsibility also includes 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 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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone IND AS 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 of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 IND AS financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and 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 March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2016 ('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" 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, Statement of Other Comprehensive Income, Statement of Changes in Equity 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 IND AS 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (e) In our opinion the Internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
  - (f) 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 required to be transferred to the Investor's Education and Protection fund.

**For LAKHANI & LAKHANI**  
**CHARTERED ACCOUNTANTS**

**DEEPAK M MOJIDRA**  
**Partner**  
**Membership No. 129704**  
**ICAI FR No. 115728W**

**Place: Mumbai**  
**Date: 29/05/2018**



## "ANNEXURE A" TO INDEPENDENT AUDITOR'S REPORT

1. a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets of the company have been physically verified by the Management during the year and no material discrepancies were noticed on such verification. In our opinion the verification is reasonable having regard to the size of the company and the nature of its assets.
- c. As per the information and explanations provided to us, there are no immovable fixed assets in the name of the Company.
2. a. The stock of finished goods of the company has been physically verified by its management during the year.  
The value of stock held as on 31st March, 2017 has been re- certified by the management for the current year.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
5. During the year under audit, the company has not accepted any deposits from the public to which the directives issued by Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under apply.
6. We have been informed that Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013, in respect of any activities carried on by the company.
7. According to the information and explanations given to us, the company has been regular in depositing Employees Provident Fund dues and has also been regular in depositing undisputed income tax and other applicable statutory dues with appropriate authorities.
8. On the basis of records examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
9. According to the information and explanations given to us, the company has not raised any moneys by way of initial public offer or further public offer or any term loans during the year under review
10. To the best of our knowledge and belief and according to the information and explanations given to us we have not come across any fraud by the company or any fraud on the Company by its officers or employees during the course of our audit of the period under review.
11. Managerial Remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197.
12. In our opinion and according to information and explanations given to us, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable and hence not commented upon.
13. According to the information and explanations given to us and the records examined by us, the transaction with the related parties are in compliance with the provisions of section 177 and section 188 of the Companies Act, 2013 and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and the records examined by us, the company has not made any preferential allotment and private placement of shares during the year. Accordingly, paragraph 3(xiv) of the order is not applicable and hence not commented upon.
15. According to the information and explanations given to us and the records examined by us, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For LAKHANI & LAKHANI**  
**CHARTERED ACCOUNTANTS**

**DEEPAK M MOJIDRA**  
**Partner**

**Membership No. 129704**  
**ICAI FR No. 115728W**

**Place: Thane**  
**Date: 29/05/2018**

## "ANNEXURE B" TO INDEPENDENT AUDITOR'S REPORT

**Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the companies act, 2013 ("the act")**

**To the members of Gratex Industries Limited**

We have audited the internal financial controls over financial reporting of **GRATEX INDUSTRIES LIMITED** ("the Company") as of **31st March, 2018** in conjunction with our audit of the standalone IND AS financial statements of the Company for the year ended on that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

## **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **OPINION**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India..

**For LAKHANI & LAKHANI**  
**CHARTERED ACCOUNTANTS**

**DEEPAK M MOJIDRA**

**Partner**

**Membership No. 129704**

**ICAI FR No. 115728W**

**Place: Mumbai**

**Date:29/05/2018**

**BALANCE SHEET AS AT 31ST MARCH, 2018**

| PARTICULARS                                    | NOTES | Rupees in lakhs |               |               |
|--|-------|-----------------|---------------|---------------|
|  |       | 31-Mar-18       | 31-Mar-17     | 31-Mar-16     |
| <b>(1) ASSETS</b>                              |       |                 |               |               |
| <b>Non-Current Assets</b>                      |       |                 |               |               |
| (a) Property, Plant and Equipment              | 3     | 123.52          | 83.21         | 87.46         |
| (b) Capital work-in-progress                   |       |                 |               |               |
| (c) Investment Property                        |       |                 |               |               |
| (d) Goodwill                                   |       |                 |               |               |
| (e) Other Intangible assets                    |       |                 |               |               |
| (f) Intangible assets under development        |       |                 |               |               |
| (g) Biological Assets other than bearer plants |       |                 |               |               |
| (h) Financial Assets                           |       |                 |               |               |
| (i) Investments                                |       |                 |               |               |
| (ii) Trade receivables                         |       |                 |               |               |
| (iii) Loans                                    |       |                 |               |               |
| (iv) Others (to be specified)                  |       |                 |               |               |
| (i) Deferred tax assets (net)                  |       |                 |               |               |
| (j) Other non-current assets                   | 4     | 1.81            | 1.81          | 1.81          |
| <b>(2) Current Assets</b>                      |       |                 |               |               |
| (a) Inventories                                |       | 78.81           | 40.91         | 49.85         |
| (b) Financial Assets                           |       |                 |               |               |
| (i) Investments                                |       |                 |               |               |
| (ii) Trade receivables                         | 5     | 159.00          | 155.45        | 110.36        |
| (iii) Cash and cash equivalents                | 6     | (3.25)          | (0.46)        | 0.41          |
| (iv) Bank balances other than (iii) above      |       | -               | -             | 0.86          |
| (v) Loans                                      |       | -               | -             | -             |
| (vi) Others (to be specified)                  |       |                 |               |               |
| (c) Current Tax Assets (Net)                   |       |                 |               |               |
| (d) Other current assets                       | 7     | 8.78            | 4.16          | 13.22         |
| <b>TOTAL</b>                                   |       | <b>368.67</b>   | <b>285.08</b> | <b>263.98</b> |
| <b>EQUITY AND LIABILITIES</b>                  |       |                 |               |               |
| <b>Equity</b>                                  |       |                 |               |               |
| (a) Equity Share capital                       | 8     | 303.48          | 303.48        | 303.48        |
| (b) Other Equity                               | 9     | (11.36)         | (33.70)       | (52.84)       |
| <b>Liabilities</b>                             |       |                 |               |               |
| <b>(1) Non-current liabilities</b>             |       |                 |               |               |
| (a) Financial Liabilities                      |       |                 |               |               |
| (i) Borrowings                                 |       |                 |               |               |
| (ii) Trade payables                            |       |                 |               |               |
| (iii) Other financial liabilities              |       |                 |               |               |
| (b) Provisions                                 |       |                 |               |               |
| (c) Deferred tax liabilities (Net)             |       | 2.50            | 2.27          | 2.74          |
| (d) Other non-current liabilities              |       |                 |               |               |
| <b>(2) Current liabilities</b>                 |       |                 |               |               |
| (a) Financial Liabilities                      |       |                 |               |               |
| (i) Borrowings                                 | 10    | 46.27           | 6.43          | 4.00          |
| (ii) Trade payables                            | 11    | 13.67           | 0.30          | 0.76          |
| (iii) Other financial liabilities              |       | -               | -             | -             |
| (b) Other current liabilities                  | 12    | 0.90            | 1.19          | 1.41          |
| (c) Provisions                                 | 13    | 13.20           | 5.11          | 4.42          |
| (d) Current Tax Liabilities (Net)              |       |                 |               |               |
| <b>TOTAL</b>                                   |       | <b>368.67</b>   | <b>285.08</b> | <b>263.98</b> |

See accompanying notes forming part of the financial statements-Note 1 & 2

For Lakhani & Lakhani  
Chartered Accountants  
Firm Registration No. 115728W

FOR AND ON THE BEHALF OF BOARD

Deepak Mojdra  
Partner  
M. No. 129704  
Place: Mumbai  
Date: 29-05-2018

BALDEVKRISHAN SHARMA  
CHAIRMAN & MANAGING DIRECTOR  
(DIN:00117161)

MONA MENON  
DIRECTOR  
(DIN:0017025)

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

| PARTICULARS  | NOTES | Rupees in Lakhs |               |
|--|-------|-----------------|---------------|
|  |       | 31-Mar-18       | 31-Mar-17     |
| I Revenue From Operations  | 14    | 198.99          | 121.06        |
| II Other Income  | 15    | 1.57            | 0.67          |
| <b>III Total Income (I+II)</b>   |       | <b>200.56</b>   | <b>121.73</b> |
| <b>IV EXPENSES</b>   |       |                 |               |
| Cost of materials consumed   |       | -               | -             |
| Purchases of Stock-in-Trade  |       | 92.06           | -             |
| Changes in inventories of finished goods,<br>Stock-in -Trade and work-in-progress                    | 16    | (37.90)         | 8.94          |
| Employee benefits expense  | 17    | 53.23           | 49.74         |
| Finance costs  | 18    | 1.09            | 0.78          |
| Depreciation and amortization expense  |       | 9.63            | 10.20         |
| Other expenses   | 19    | 52.48           | 33.44         |
| <b>Total expenses</b>  |       | <b>170.59</b>   | <b>103.10</b> |
| <b>V Profit/(loss) before exceptional items and tax (I- IV)</b>                                      |       | <b>29.97</b>    | <b>18.63</b>  |
| VI Exceptional Items   |       | 0.28            | -             |
| <b>VII Profit/(loss) before tax</b>  |       | <b>29.69</b>    | <b>18.63</b>  |
| <b>VIII Tax expense:</b>   |       |                 |               |
| (1) Current tax  |       | 7.11            | -             |
| (2) Deferred tax   |       | 0.23            | (0.47)        |
| <b>IX Profit (Loss) for the period from continuing operations (VII-VIII)</b>                         |       | <b>22.35</b>    | <b>19.10</b>  |
| <b>X Profit/(loss) from discontinued operations</b>  |       |                 |               |
| <b>XI Tax expense of discontinued operations</b>   |       |                 |               |
| <b>XII Profit/(loss) from Discontinued operations (after tax) (X-XI)</b>                             |       |                 |               |
| <b>XIII Profit/(loss) for the period (IX+XII)</b>  |       | <b>22.35</b>    | <b>19.10</b>  |
| <b>XIV Other Comprehensive Income</b>  |       |                 |               |
| (A) (i) Items that will not be reclassified to profit or loss<br>Unrealised Gain on Financial Assets |       |                 |               |
| (ii) Income tax relating to items that will not be reclassified to profit or loss                    |       |                 |               |
| (B) (i) Items that will be reclassified to profit or loss  |       |                 |               |
| (ii) Income tax relating to items that will be reclassified to profit or loss                        |       |                 |               |
| <b>XV Total Comprehensive Income for the period</b>  |       | <b>22.35</b>    | <b>19.10</b>  |
| <b>XVI Earnings per equity share (for continuing operation):</b>                                     |       |                 |               |
| (1) Basic  |       | 0.74            | 0.63          |
| (2) Diluted  |       | 0.74            | 0.63          |
| <b>XVII Earnings per equity share (for discontinued operation):</b>                                  |       |                 |               |
| (1) Basic  |       | 0.00            | 0.00          |
| (2) Diluted  |       | 0.00            | 0.00          |
| <b>XVIII Earnings per equity share(for discontinued &amp; continuing operations)</b>                 |       |                 |               |
| (1) Basic  |       | 0.74            | 0.63          |
| (2) Diluted  |       | 0.74            | 0.63          |

See accompanying notes forming part of the financial statements

As per our attached  
For Lakhani & Lakhani  
Chartered Accountants  
Firm Registration No. 115728W

FOR AND ON THE BEHALF OF BOARD

Deepak Mojdra  
Partner  
M. No. 129704  
Place: Mumbai  
Date: 29-05-2018

BALDEVKRISHAN SHARMA  
CHAIRMAN & MANAGING DIRECTOR  
(DIN:00117161)

MONA MENON  
DIRECTOR  
(DIN:0017025)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018**

| Particulars   | Figures as at the end of current reporting period (2017-18)<br>Amount (Rs.) | Figures as at the end of previous reporting period (2016-17)<br>Amount (Rs.) |
|---|---|--|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                 |   |  |
| Net Profit / (Loss) before taxation                           | 29.69   | 18.63  |
| Add : Adjustments for:  |   |  |
| Depreciation  | 9.63  | 10.20  |
| Operating profit before working capital changes               | <b>39.32</b>  | <b>28.83</b>   |
| Working Capital Changes                                       |   |  |
| Decrease / (Increase) in Trade receivables                    | (3.56)  | (45.09)  |
| Decrease / (Increase) in Other current assets                 | (4.62)  | 9.06   |
| Decrease / (Increase) in Inventories                          | (37.90)   | 8.94   |
| Increase / (Decrease) in Trade payables                       | 13.37   | (0.46)   |
| Increase / (Decrease) in Other current liabilities            | 7.80  | 0.47   |
| Cash Flow from Operating Activities Before Tax                | <b>14.41</b>  | <b>1.75</b>  |
| Less :- Income Tax  | 7.11  | -  |
| Net cash Flow from Operating Activities After Tax             | <b>7.30</b>   | <b>1.75</b>  |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                 |   |  |
| Fixed Asset Purchased   | (49.94)   | (5.95)   |
| Net cash used in Investing Activities                         | <b>(49.94)</b>  | <b>(5.95)</b>  |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                 |   |  |
| Long Term Borrowings  | 39.84   | 2.43   |
| Security Deposit  | -   | -  |
| Net cash used from Financing Activities                       | <b>39.84</b>  | <b>2.43</b>  |
| Net (Decrease) / Increase in cash & cash equivalents (A+B+C)  | <b>(2.81)</b>   | <b>(1.76)</b>  |
| Cash & Cash equivalent at the beginning of the financial year | <b>(0.50)</b>   | <b>1.27</b>  |
| Cash & Cash equivalent at the end of the financial year       | <b>(3.30)</b>   | <b>(0.50)</b>  |

As per our attached  
For Lakhani & Lakhani  
Chartered Accountants  
Firm Registration No. 115728W

FOR AND ON THE BEHALF OF BOARD

Deepak Mojindra  
Partner  
M. No. 129704

BALDEVKRISHAN SHARMA  
CHAIRMAN & MANAGING DIRECTOR  
(DIN:00117161)

MONA MENON  
DIRECTOR  
(DIN:0017025)

Place: Mumbai  
Date: 29-05-2018

**Statement of Changes in Equity for the year ended as on 31.03.2018**

| OTHER EQUITY                         | Reserves And Suplus |                   |                 |  |                |
|--------------------------------------|---------------------|-------------------|-----------------|--|----------------|
|                                      | Capital Reserve     | Retained Earnings | General Reserve | Other Item of other comprehensive income | Total          |
| <b>Balance as on 1st April 2016</b>  | 10.46               | (71.37)           | 8.07            | -  | (52.84)        |
| Profit for the year                  | -                   | 18.96             |                 |  | 18.96          |
| Transfer to/from Retained Earnings   | -                   | 0.19              |                 |  | 0.19           |
| <b>Balance as on 31st March 2017</b> | <b>10.46</b>        | <b>(52.23)</b>    | <b>8.07</b>     | <b>-</b>                                 | <b>(33.70)</b> |
| <b>Balance as on 1st April 2017</b>  | 10.46               | (52.23)           | 8.07            | -  | (33.70)        |
| Profit for the year                  |                     | 22.36             |                 |  | 22.36          |
| Transfer to/from Retained Earnings   |                     | -                 |                 |  |                |
| <b>Balance as on 31st March 2018</b> | <b>10.46</b>        | <b>(29.87)</b>    | <b>8.07</b>     | <b>-</b>                                 | <b>(11.34)</b> |

As per our attached  
For Lakhani & Lakhani  
Chartered Accountants  
Firm Registration No. 115728W

FOR AND ON THE BEHALF OF BOARD

Deepak Mojdra  
Partner  
M. No. 129704

BALDEVKRISHAN SHARMA  
CHAIRMAN & MANAGING DIRECTOR  
(DIN:00117161)

MONA MENON  
DIRECTOR  
(DIN:0017025)

Place: Mumbai  
Date: 29-05-2018

**NOTE -3**

**PROPERTY, PLANT AND EQUIPMENTS**

| Particulars                                      | Furniture | Office Equipment | Electric Equipment | Computer | Motor Vehicle | Building   | Plant and Machinery | Land    | Total      |
|--|-----------|------------------|--------------------|----------|---------------|------------|---------------------|---------|------------|
| <b>Gross Carrying Value as at 01-04-2016</b>     | 657,867   | 211,839          | 212,900            | 35,575   | -             | 9,966,056  | 2,538,982           | 240,000 | 13,863,219 |
| Additions  | -         | -                | -                  | -        | 509,965       | 85,000     | -                   | -       | 594,965    |
| Deletions  | -         | -                | -                  | -        | -             | -          | -                   | -       | -          |
| <b>Gross Carrying Value as at 31-03-2017</b>     | 657,867   | 211,839          | 212,900            | 35,575   | 509,965       | 10,051,056 | 2,538,982           | 240,000 | 14,458,184 |
| <b>Accumulated Depreciation as at 01-04-2016</b> | 525,523   | 163,732          | 201,862            | 20,827   | -             | 2,520,985  | 1,683,841           | -       | 5,116,770  |
| Deletions  | -         | -                | -                  | -        | -             | -          | -                   | -       | -          |
| Depreciation                                     | 48,206    | 26,269           | 6,780              | 10,555   | 197,235       | 531,536    | 199,548             | -       | 1,020,129  |
| <b>Accumulated Depreciation as at 31-03-2017</b> | 573,729   | 190,001          | 208,642            | 31,382   | 197,235       | 3,052,521  | 1,883,389           | -       | 6,136,899  |
| <b>Net Carrying Value as at 31-03-2017</b>       | 84,138    | 21,838           | 4,258              | 4,193    | 312,730       | 6,998,535  | 655,593             | 240,000 | 8,321,285  |
| <b>Gross Carrying Value as at 01-04-2017</b>     | 657,867   | 211,839          | 212,900            | 35,575   | 509,965       | 10,051,056 | 2,538,982           | 240,000 | 14,458,184 |
| Additions  | -         | 20,650           | 149,464            | 113,517  | -             | 221,045    | 4,489,450           | -       | 4,994,126  |
| Deletions  | -         | -                | -                  | -        | -             | -          | -                   | -       | -          |
| <b>Gross Carrying Value as at 31-03-2018</b>     | 657,867   | 232,489          | 362,364            | 149,092  | 509,965       | 10,272,101 | 7,028,432           | 240,000 | 19,452,310 |
| <b>Accumulated depreciation as at 01-04-2017</b> | 573,729   | 190,001          | 208,642            | 31,382   | 197,235       | 3,052,521  | 1,883,389           | -       | 6,136,899  |
| Depreciation                                     | 24,855    | 16,391           | 7,289              | 5,545    | 120,952       | 498,696    | 289,258             | -       | 962,986    |
| <b>Accumulated depreciation as at 31-03-2018</b> | 598,584   | 206,392          | 215,931            | 36,927   | 318,187       | 3,551,217  | 2,172,647           | -       | 7,099,885  |
| <b>Net carrying value as at 31-03-2018</b>       | 59,283    | 26,097           | 146,433            | 112,165  | 191,778       | 6,720,884  | 4,855,785           | 240,000 | 12,352,425 |

**NOTE-4**

| OTHER NON CURRENT ASSETS | Rupees in lakhs |           |           |
|--------------------------|-----------------|-----------|-----------|
|                          | 31-Mar-18       | 31-Mar-17 | 31-Mar-16 |
| Deposits                 | 1.81            | 1.81      | 1.81      |
|                          | 1.81            | 1.81      | 1.81      |

**NOTE-5**

| TRADE RECEIVABLES  | Rupees in lakhs |           |           |
|--|-----------------|-----------|-----------|
|  | 31-Mar-18       | 31-Mar-17 | 31-Mar-16 |
| <b>Sundry debtors</b>                                      |                 |           |           |
| Unsecured considered good outstanding less than six months | -               | -         | -         |
| Unsecured considered good outstanding more than six months | 159.00          | 155.45    | 110.36    |
|  | 159.00          | 155.45    | 110.36    |



**NOTE-6**

| CASH AND BANK BALANCES                                 | Rupees in lakhs |               |             |
|--|-----------------|---------------|-------------|
|  | 31-Mar-18       | 31-Mar-17     | 31-Mar-16   |
| <b>Cash and cash Equivalents</b>                       |                 |               |             |
| Cash on hand   | 0.23            | 0.25          | 0.41        |
| Balance in current accounts with scheduled banks       | (3.48)          | (0.71)        | -           |
| Balance in unpaid dividend account                     | -               | -             | -           |
| Balance in fixed deposit accounts with scheduled banks | -               | -             | -           |
|  | <b>(3.25)</b>   | <b>(0.46)</b> | <b>0.41</b> |

**NOTE-7**

| OTHER CURRENT ASSETS     | Rupees in lakhs |             |              |
|--------------------------|-----------------|-------------|--------------|
|                          | 31-Mar-18       | 31-Mar-17   | 31-Mar-16    |
| Prepaid Expenses         | 0.76            | 1.10        | 1.30         |
| Advance to Creditors     | -               | -           | 1.53         |
| TDS Receivable (2014-15) | -               | -           | 5.94         |
| TDS Receivable (2015-16) | -               | -           | 4.45         |
| TDS Receivable (2016-17) | 0.14            | 3.06        | -            |
| TDS Receivable (2017-18) | 2.96            | -           | -            |
| MAT Credit               | 2.92            | -           | -            |
| GST Credit               | 2.00            | -           | -            |
|                          | <b>8.78</b>     | <b>4.16</b> | <b>13.22</b> |

**NOTE-8**

| OTHER CURRENT ASSETS                    | Rupees in lakhs |               |               |
|---|-----------------|---------------|---------------|
|   | 31-Mar-18       | 31-Mar-17     | 31-Mar-16     |
| <b>Authorised capital</b>               |                 |               |               |
| 40,00,000 equity shares of Rs.10/-each  | 400.00          | 400.00        | 400.00        |
|   | <b>400.00</b>   | <b>400.00</b> | <b>400.00</b> |
| <b>Issued, subscribed and paid up</b>   |                 |               |               |
| 30,34,800 equity shares of Rs.10/- each | 303.48          | 303.48        | 303.48        |
|   | <b>303.48</b>   | <b>303.48</b> | <b>303.48</b> |

**Disclosure:**

**1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.**

| Equity shares                        | 31-03-2018       |               | 31-03-2017       |               | 31-03-2016       |               |
|--------------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|
|                                      | Qty              | Rs. In lacs   | Qty              | Rs. In lacs   | Qty              | Rs. In lacs   |
| At the beginning of the period       | 3,034,800        | 303.48        | 3,034,800        | 303.48        | 3,034,800        | 303.48        |
| Issued during the period             | Nil              | Nil           | Nil              | Nil           | Nil              | Nil           |
| Outstanding at the end of the period | <b>3,034,800</b> | <b>303.48</b> | <b>3,034,800</b> | <b>303.48</b> | <b>3,034,800</b> | <b>303.48</b> |

**2. Details of Shareholders holding more than 5% shares in the company.**

| Equity shares of Rs. 10/- each fully paid up |                  |             |                  |             |                  |             |
|--|------------------|-------------|------------------|-------------|------------------|-------------|
| Name   | 31-03-2018       |             | 31-03-2017       |             | 31-03-2016       |             |
|  | Qty              | Rs. In lacs | Qty              | Rs. In lacs | Qty              | Rs. In lacs |
| Baldevkrishan Sharma                         | 1,342,817        | 44.25       | 1,323,511        | 43.61%      | 1,293,593        | 43%         |
| Promila Sharma                               | 290,100          | 9.56        | 290,100          | 9.56%       | 290,100          | 10%         |
| Others                                       | 1,401,883        | 46.19       | 1,421,189        | 46.83%      | 1,451,107        | 48%         |
|  | <b>3,034,800</b> | <b>100%</b> | <b>3,034,800</b> | <b>100%</b> | <b>3,034,800</b> | <b>100%</b> |

**NOTE-9**

| OTHER EQUITY                                 | Reserves And Suplus |                   |                 |  |                |
|--|---------------------|-------------------|-----------------|--|----------------|
|  | Capital Reserve     | Retained Earnings | General Reserve | Other Item of other comprehensive income | Total          |
| <b>Balance as on 1st April 2016</b>          | 10.46               | (71.37)           | 8.07            | -  | (52.84)        |
| Profit for the year                          | -                   | 18.96             | -               | -  | 18.96          |
| Net Restrospective Restatement as per Ind AS | -                   | 0.19              | -               | -  | 0.19           |
| <b>Balance as on 31st March 2017</b>         | <b>10.46</b>        | <b>(52.23)</b>    | <b>8.07</b>     | <b>-</b>                                 | <b>(33.70)</b> |
| <b>Balance as on 1st April 2017</b>          | 10.46               | (52.23)           | 8.07            | -  | (33.70)        |
| Profit for the year                          | -                   | 22.35             | -               | -  | 22.35          |
| Net Restrospective Restatement as per Ind AS |                     |                   |                 |  |                |
| Proposed dividend                            |                     |                   |                 |  |                |
| Tax on Proposed Dividend                     |                     |                   |                 |  |                |
| <b>Balance as on 31st March 2018</b>         | <b>10.46</b>        | <b>(29.88)</b>    | <b>8.07</b>     | <b>-</b>                                 | <b>(11.36)</b> |

**NOTE-10**

| BORROWINGS                          | Rupees in lakhs |             |             |
|-------------------------------------|-----------------|-------------|-------------|
|                                     | 31-Mar-18       | 31-Mar-17   | 31-Mar-16   |
| Loan from ICICI Bank                | 1.22            | 2.43        | -           |
| Loan from YES BANK                  | 14.16           | -           | -           |
| Loan from YES BANK                  | 2.83            | -           | -           |
| Loan from Directors/Related Parties | 28.07           | 4.00        | 4.00        |
|                                     | <b>46.27</b>    | <b>6.43</b> | <b>4.00</b> |

**Disclosure:**

Above borrowings are secured by way of collateral security of Fixed Assets i.e. Printer

**NOTE-11**

| TRADE PAYABLES   | Rupees in lakhs |             |             |
|--|-----------------|-------------|-------------|
|  | 31-Mar-18       | 31-Mar-17   | 31-Mar-16   |
| For Trading Activity-Companies in which directors are interested | -               | -           | -           |
| For Trading Activity-Others                                      | 13.67           | 0.30        | 0.76        |
|  | <b>13.67</b>    | <b>0.30</b> | <b>0.76</b> |

**NOTE-12**

| OTHER CURRENT LIABILITIES | Rupees in lakhs |             |             |
|---------------------------|-----------------|-------------|-------------|
|                           | 31-Mar-18       | 31-Mar-17   | 31-Mar-16   |
| - Statutory dues          | 0.65            | 0.97        | 1.19        |
| - Others                  | 0.25            | 0.22        | 0.22        |
|                           | <b>0.90</b>     | <b>1.19</b> | <b>1.41</b> |

**NOTE-13**

| SHORT TERM PROVISIONS           | Rupees in lakhs |             |             |
|---------------------------------|-----------------|-------------|-------------|
|                                 | 31-Mar-18       | 31-Mar-17   | 31-Mar-16   |
| Provision for Expenses          |                 |             |             |
| Employee benefits expense       | 3.86            | 5.11        | 4.42        |
| Directors Remuneration          | 0.67            | -           | -           |
| Statutory Audit Fees            | 0.99            | -           | -           |
| Other Expenses                  | 0.15            | -           | -           |
| Professional Fees               | 0.42            | -           | -           |
| Provision for Tax (A.Y.2018-19) | 7.11            | -           | -           |
|                                 | <b>13.20</b>    | <b>5.11</b> | <b>4.42</b> |

**Disclosure:**

1. Previous year figures have been regrouped wherever necessary.

**NOTE-14**

| REVENUE FROM OPERATIONS | Rupees in lakhs |           |
|-------------------------|-----------------|-----------|
|                         | 31-Mar-18       | 31-Mar-17 |
| Sales of Goods          | 91.30           | 8.94      |
| Warehousing Charges     | 80.98           | 87.19     |
| Commission Received     | 26.71           | 24.93     |
|                         | 198.99          | 121.06    |

**NOTE-15**

| OTHER INCOME          | Rupees in lakhs |           |
|-----------------------|-----------------|-----------|
|                       | 31-Mar-18       | 31-Mar-17 |
| Forex Difference Gain | 1.57            | -         |
| Interest on IT Refund | -               | 0.68      |
| Discount Received     | -               | 0.04      |
|                       | -               | -         |
|                       | 1.57            | 0.67      |

**NOTE-16**

| Changes in Inventory             | Rupees in lakhs |           |
|----------------------------------|-----------------|-----------|
|                                  | 31-Mar-18       | 31-Mar-17 |
| Opening Stock of Inventory       | 40.91           | 49.85     |
| Less: Closing Stock of Inventory | 78.81           | 40.91     |
|                                  | -               | -         |
|                                  | 37.90           | (8.94)    |

**NOTE-17**

| Changes in Inventory                     | Rupees in lakhs |           |
|--|-----------------|-----------|
|  | 31-Mar-18       | 31-Mar-17 |
| Salaries, wages, bonus, & others         | 34.05           | 26.24     |
| Employer's contribution to PF, ESIC etc. | 2.25            | 1.79      |
| Gratuity fund contribution               | 0.22            | -         |
| Directors Remuneration                   | 12.53           | 16.50     |
| Staff welfare expenses                   | 4.18            | 5.21      |
|  | 53.23           | 49.74     |

**NOTE-18**

| FINANCE COST                   | Rupees in lakhs |             |
|--------------------------------|-----------------|-------------|
|                                | 31-Mar-18       | 31-Mar-17   |
| Bank charges                   | 0.26            | 0.07        |
| Interest on Loan               | 0.20            | 0.31        |
| Interest on Loan-Related Party | 0.38            | 0.40        |
| Loan Processing Charges        | 0.24            | -           |
|                                | -               | -           |
|                                | <b>1.09</b>     | <b>0.78</b> |

**NOTE-19**

| OTHER EXPENSES                | Rupees in lakhs |              |
|-------------------------------|-----------------|--------------|
|                               | 31-Mar-18       | 31-Mar-17    |
| Advertisement                 | 1.83            | 0.36         |
| Audit fees                    | 1.10            | 1.10         |
| Communication expenses        | 0.79            | 0.77         |
| Catalogue Charges             | 1.27            | -            |
| Clearance Charges             | 0.69            | -            |
| Directors sitting fees        | 1.52            | 1.48         |
| ROC Filing Fees               | 0.02            | 0.08         |
| Insurance charges             | 1.19            | 1.36         |
| Electricity                   | 10.42           | 5.35         |
| Issuer charges                | -               | -            |
| Legal fees                    | 0.21            | -            |
| Office Expenses               | 0.87            | -            |
| Membership and Subscription   | 3.06            | 2.66         |
| Other expenses                | 0.73            | 0.68         |
| Freight                       | 1.66            | -            |
| Loading and Unloading Charges | 0.10            | -            |
| Motor car Expenses            | 2.58            | 2.30         |
| Packing Charges               | 1.60            | -            |
| Printing & stationary         | 0.18            | 0.43         |
| Shipping Charges              | 0.24            | -            |
| Storage Charges               | 0.26            | -            |
| Sales Promotion Expenses      | 0.14            | -            |
| Logo Charges                  | 0.03            | -            |
| Professional fees             | 10.10           | 10.52        |
| Security Charges              | 0.52            | -            |
| Repairs & maintenance         | 7.44            | 3.17         |
| Rent,Rates and Taxes          | 1.46            | 1.74         |
| Website Development Charges   | 0.97            | -            |
| Training Charges              | 0.12            | -            |
| Transport Charges             | 0.10            | -            |
| Travelling & conveyance       | 1.29            | 1.44         |
|                               | <b>52.48</b>    | <b>33.44</b> |

**STANDALONE STATEMENT OF ASSETS & LIABILITIES AS ON 31ST MARCH 2018**

| PARTICULARS                                    | Rupees in lakhs |
|--|-----------------|
|  | 31-Mar-18       |
| <b>(1) ASSETS</b>                              |                 |
| <b>Non-Current Assets</b>                      |                 |
| (a) Property, Plant and Equipment              | 123.52          |
| (b) Capital work-in-progress                   |                 |
| (c) Investment Property                        |                 |
| (d) Goodwill                                   |                 |
| (e) Other Intangible assets                    |                 |
| (f) Intangible assets under development        |                 |
| (g) Biological Assets other than bearer plants |                 |
| (h) Financial Assets                           |                 |
| (i) Investments                                |                 |
| (ii) Trade receivables                         |                 |
| (iii) Loans                                    |                 |
| (iv) Others (to be specified)                  |                 |
| (i) Deferred tax assets (net)                  |                 |
| (j) Other non-current assets                   | 1.81            |
| <b>(2) Current Assets</b>                      |                 |
| (a) Inventories                                | 78.81           |
| (b) Financial Assets                           |                 |
| (i) Investments                                |                 |
| (ii) Trade receivables                         | 159.00          |
| (iii) Cash and cash equivalents                | (3.25)          |
| (iv) Bank balances other than (iii) above      |                 |
| (v) Loans                                      |                 |
| (vi) Others (to be specified)                  |                 |
| (c) Current Tax Assets (Net)                   |                 |
| (d) Other current assets                       | 8.78            |
| <b>TOTAL</b>                                   | <b>368.67</b>   |
| <b>EQUITY AND LIABILITIES</b>                  |                 |
| <b>Equity</b>                                  |                 |
| (a) Equity Share capital                       | 303.48          |
| (b) Other Equity                               | (11.36)         |
| <b>Liabilities</b>                             |                 |
| <b>(1) Non-current liabilities</b>             |                 |
| (a) Financial Liabilities                      |                 |
| (i) Borrowings                                 |                 |
| (ii) Trade payables                            |                 |
| (iii) Other financial liabilities              |                 |
| (b) Provisions                                 |                 |
| (c) Deferred tax liabilities (Net)             | 2.50            |
| (d) Other non-current liabilities              |                 |
| <b>(2) Current liabilities</b>                 |                 |
| (a) Financial Liabilities                      |                 |
| (i) Borrowings                                 | 46.27           |
| (ii) Trade payables                            | 13.67           |
| (iii) Other financial liabilities              |                 |
| (b) Other current liabilities                  | 0.90            |
| (c) Provisions                                 | 13.20           |
| (d) Current Tax Liabilities (Net)              |                 |
| <b>TOTAL</b>                                   | <b>368.67</b>   |

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018.

### A. CORPORATE INFORMATION

Gratex Industries Limited is a listed public 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.

### B. Significant Accounting Policies

#### 1. 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.

The Financial statements of the companies have been prepared to comply with the Indian Accounting Standards ("Ind AS"), including the rules notified under the relevant provisions of the Companies Act, 2013.

Upto the year Ended 31st march, 2017, the company has prepared its financial statements in accordance with the requirement of the Indian GAAP (Generally Accepted Accounting Principles), which includes standards notified under the Companies (Accounting standards) Rules, 2006 and considered as "Previous GAAP".

These financial statements are the Company's first Ind AS compliant financial statements.

Companies financial statements are presented in Indian Rupees (₹), which is also the functional currency.

#### 2. Shareholding Pattern:

Details of Shareholders holding more than 5% shares in the company.

| Name                 | Equity shares of Rs.10 each |              |                  |              |                  |              |
|----------------------|-----------------------------|--------------|------------------|--------------|------------------|--------------|
|                      | 31.03.2018                  |              | 31.03.2017       |              | 31.03.2016       |              |
|                      | Qty                         | % of holding | Qty              | % of holding | Qty              | % of holding |
| Baldevkrishan Sharma | 13,42,817                   | 44.25        | 13,23,511        | 43.61        | 12,93,593        | 42.63        |
| Promila Sharma       | 2,90,100                    | 9.56         | 2,90,100         | 9.56         | 2,90,100         | 9.56         |
| Others               | 14,01,883                   | 46.19        | 14,21,189        | 46.83        | 14,51,107        | 47.82        |
|                      | <b>30,34,800</b>            | <b>100</b>   | <b>30,34,800</b> | <b>100</b>   | <b>30,34,800</b> | <b>100</b>   |

#### 3) Use of Estimates

The preparation of financial statements 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 amount of revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ. Differences between the actual results and estimates are recognized in the period in which the results are known or materialized.

#### 4) Revenue recognition

Revenue is recognized 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 uncertainty.

**B. Interest:**

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

**C. Others:**

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

**5) Property, plant & equipment**

Property, plant & equipment are stated at cost, net of recoverable taxes, trade discounts and rebate less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the asset into its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

**6) Depreciation:**

Depreciation on property, plant and equipment is provided using written down value method and by using the useful life of assets as prescribed in schedule II to the Companies Act, 2013.

**7) Leases**

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of the ownership to the lessee.

Leased assets: Assets held under finance leases are initially recognized as assets of the company at their fair value at the inception of the lease.

Leasehold land being held under a very long lease and in the nature of a perpetual asset has not been amortized.

**8) 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 change and other direct costs.

Method of valuation is First in First Out (FIFO) basis.

**9) Employee Benefits**

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

**Short Term Obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**Post-employment Obligations**

The Company operates the following post-employment schemes: Defined Benefit Plans such as Gratuity and defined contribution plans such as provident fund.

Defined Benefit Plans like Gratuity: The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides a lump sum payment to the vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment with the company. The Company has a policy to recognize Gratuity as an expense when it is actually incurred rather than by creating a provision as required by "IND-AS 24".



Defined Contribution Plans like Provident Fund: The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**10) Borrowing Costs**

Interest 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.

**11) Foreign currency transactions**

- A. All transactions 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.

**12) Segment Reporting**

The company is engaged in the business of trading of wallpapers and related products, which as per "Ind-AS 108" is considered to be only reportable business segment. The company is also operating within the same geographical segment. Hence, disclosures as per "Ind-As108" are not applicable.

**13) Tax Expenses**

The tax expense for the period comprises current and deferred tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the comprehensive income or in equity. In which case, the tax is also recognized in other comprehensive income or equity.

**Current Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

**Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

**14) Impairment of Assets**

The carrying amount of assets is reviewed at each balance sheet date. If there is any indication of impairment on internal/ external factors, i.e. when the carrying amount of the assets exceeds the recoverable amount, an impairment loss is charged to profit and loss account in the year in which an asset is identified as impaired. An impairment loss recognized in prior periods is reversed or reduced if there has been a favorable change in the estimate of the recoverable amount.

**15) Provisions, Contingent assets and contingent liabilities.**

Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for contingent liability is made when there is a possible obligation or present obligation that may, but probably will not require an outflow of resources. No provision is recognized or disclosure for contingent liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote.

## 16) First Time Adoption of IND AS

These are the company's first financial statements prepared in accordance with IND AS.

The accounting policies set out in note 2 (a) have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening IND AS balance sheet at 1 April 2016 (the Company's date of transition). In preparing its opening IND AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

### Deemed cost

IND AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by IND AS 38 Intangible Assets and investment property covered by IND AS 40 Investment Properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

## 17. Reconciliation of Net Profit / Other Equity as per Previous GAAP vs IND AS

| Nature of Adjustments                               | Net Profit / Other Equity     |                              |
|---|-------------------------------|------------------------------|
|   | Year Ended<br>31st March 2017 | Year Ended<br>1st April 2016 |
| Net Profit/Other Equity as per Previous Indian GAAP | -33.89                        | -54.08                       |
| Rectification of errors as per IND AS-8             | 0.19                          | 1.24                         |
| Net Profit/Other Equity as per IND AS               | -33.70                        | -52.84                       |

## 18. Audit Fees

(Rs. in Lacs)

| Particulars     | 31-03-2018      | 31-03-2017      |
|-----------------|-----------------|-----------------|
| Statutory Audit | 1,10,000        | 1,10,000        |
| <b>TOTAL</b>    | <b>1,10,000</b> | <b>1,10,000</b> |

## 19. Deferred tax Liability of Rs. (0.23)lacs has been created for difference in written down value of fixed assets between books and tax accounts, detailed as under:

(Rs. in Lacs)

| Particulars   | 31-03-2018 | 31-03-2017 |
|---|------------|------------|
| On timing differences on depreciation on fixed assets | 9.72       | 7.59       |
| Deferred tax thereon                                  | 2.50       | 2.27       |

**20. Earnings Per Share**

(Rs. In lacs)

| Particulars   | 31-03-2018 | 31-03-2017 |
|---|------------|------------|
| Net profit/(Loss) After Tax (Rs. In Lacs)               | 22.35      | 19.10      |
| Weighted average number of outstanding shares (In Lacs) | 303.48     | 303.48     |
| Basic/Diluted EPS (Face Value of Rs. 10 each)           | 0.74       | 0.63       |

**21. 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  
Mr. K.P.Bhardwaj  
Mrs. Mona Menon

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

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                                    | -<br>(-)                     | 31,60,000<br>(-)       | -<br>(-)         |
| 2  | Loans and Advances Given / Repaid / Adjusted                               | -<br>(-)                     | 7,53,500<br>(-)        | -<br>(-)         |
| 3  | Interest Paid  | -<br>(-)                     | 38,211<br>(-)          | -<br>(-)         |
| 4  | Reimbursement of Expenses  | 33,25,980<br>(5,48,031)      | 1,29,237<br>(-)        | -<br>(-)         |
| 5  | Sale of Goods /Material  | 90,65,153<br>(-)             | -<br>(-)               | -<br>(-)         |
| 6  | Warehousing Charges & Franchisee Commission Paid                           | 1,07,69,094<br>(1,25,59,455) | -<br>(-)               | -<br>(-)         |
| 7  | Director Remuneration, Perks and Sitting fees paid<br>Baldevkrishan Sharma | -<br>(-)                     | 4,73,500<br>(6,60,000) | -<br>(-)         |
|    | K.P.Bhardwaj   |                              | 3,65,500<br>(3,65,500) |                  |
|    | Mrs.MonaMenon  |                              | 29,500<br>(29,500)     |                  |
|    | Karan Sharma   | -<br>(-)                     | 2,30,000<br>(6,60,000) | -                |
|    | Mr. Bhagwati Prasad Mangal   | -<br>(-)                     | 1,00,000<br>(1,00,000) | (-)              |
| 8  | Balance Outstanding  |                              |                        |                  |
|    | - Payable  | -<br>(-)                     | 66,968<br>1,10,000     | -<br>-           |
|    | - Receivable   | 1,59,00,061<br>(1,55,45,247) | -<br>(-)               | -<br>(-)         |

Foot note: Previous year figures are given in brackets.

22. Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October, 2 2006, certain disclosure are required to be made relating to Micro, Small & Medium Enterprises. There have been no reported cases of delays in payments to Micro and Small Enterprises or of interest payments due to delays in such payments.

**For LAKHANI & LAKHANI  
CHARTERED ACCOUNTANTS**

**DEEPAK M MOJIDRA  
Partner  
Membership No. 129704  
ICAI FR No. 115728W**

**Place: Mumbai  
Date:29-05-2018**



## GRATEX INDUSTRIES LIMITED

CIN : L21093MH1984PLC032248

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

Tel : 022 - 24392321. Fax : 022 - 40702161

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

### ATTENDANCE SLIP

I/We hereby record my/our presence at the thirty-fourth **ANNUAL GENERAL MEETING** of the Company held on Saturday, September 29, 2018 at 10.30 a.m. at Kitte Bhandari Hall, Gokhale Road North, Near Shiv Sena Bhavan, Dadar (West), Mumbai - 400 028 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

# GRATEX INDUSTRIES LIMITED

CIN : L21093MH1984PLC032248

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

Tel : 022 - 24392321. Fax : 022 - 40702161 Website : [www.gratex.in](http://www.gratex.in) E-mail id : [investor@gratex.in](mailto: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 : \_\_\_\_\_ or failing him;

As my/our Proxy to attend and vote (on a poll) for me/us and on my /our behalf at the thirty-fourth **ANNUAL GENERAL MEETING** to be held on Saturday, September 29, 2018 at 10.30 a.m. at Kite Bhandari Hall, Gokhale Road North, Near Shiv Sena Bhavan, Dadar (West), Mumbai-400 028 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sr.No                      | Description of Resolution   | For | Against |
|----------------------------|---|-----|---------|
| <b>Ordinary Business :</b> |   |     |         |
| 1.                         | Adoption of the Audited Financial Statements of the Company for the year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon.                                       |     |         |
| 2.                         | To appoint a Director in place of Mr. Karan Sharma, (DIN 00117188) who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible, offers himself for re-appointment. |     |         |
| <b>Special Business:</b>   |   |     |         |
| 3.                         | Appointment of Mrs. Rekha Nagori as an Independent Director of the Company.   |     |         |
| 4.                         | Alteration of Main Object in the Memorandum of Association.   |     |         |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

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 thirty-fourth Annual General Meeting..

