



**35TH  
ANNUAL REPORT  
2018-2019**

**GRATEX INDUSTRIES LIMITED**

## **Company Information**

### **Board Of Directors :**

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

### **Company Secretary :**

Mr. Swapnil Chari

### **Registered Office :**

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

### **Auditors :**

**M/s. Jayesh R. Shah & Co.**  
C-36, Ground Floor,  
The New Vasant Villa Co-op HSG Society,  
Amrut Nagar, Ghatkopar (West).  
Mumbai - 400 086

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

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

### **Bankers :**

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

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

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

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

### **CONTENTS :**

<i>Notice</i> .....	2	<i>Auditors' Report &amp; Annexure</i> .....	38
<i>Directors' Report</i> .....	10	<i>Balance Sheet</i> .....	44
<i>Annexure to Directors' Report</i> .....	16	<i>Profit &amp; Loss Statement</i> .....	45
<i>Report on Corporate Governance</i> .....	27	<i>Notes To The Financial Statements</i> .....	48
<i>Management Discussion and Analysis</i> .....	33	<i>Proxy Form &amp; Attendance Slip</i> .....	78-79
<i>MD and CFO certification</i> .....	35	<i>Route Map</i> .....	81

## NOTICE

Notice is hereby given that the thirty-fifth Annual General Meeting of Gratex Industries Limited will be held on Monday, 30<sup>th</sup> September, 2019 at 10.00 a.m. at Kitte Bhandari Hall, Gokhale Road North, Near Shiv Sena Bhavan, Dadar (West), Mumbai - 400 028 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Mona Menon who retires by rotation and being eligible, offers herself for re-appointment.

### 3. Appointment Of Statutory Auditor :

"**RESOLVED THAT** pursuant to the provisions of Section 139 (8) (i) and other applicable provisions of the Companies Act, 2013, if any and approval of the Shareholders of the Company be and hereby accorded for appointment of M/s Jayesh R. Shah & Co., Chartered Accountants (Firm Registration No. 104182W) as Statutory Auditors of the Company, to hold the office from the conclusion of this Annual General Meeting to be held on 30<sup>th</sup> September, 2019 till the conclusion of the Annual General Meeting to be held in the year 2025 at a remuneration to be fixed by the Board of Directors of the Company."

**FURTHER RESOLVED THAT** any of the Directors of the Company be and is hereby authorized to sign and submit the letter to the Auditor and be authorized to sign and submit the Form ADT - 1 to the ROC, Mumbai."

### SPECIAL BUSINESS:

### 4. 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, Mr. Prashant Sawant (DIN: 08503935) 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 9th July 2019 up to 8th July, 2024.

**FURTHER RESOLVED THAT** the Chairman and Managing Director be and is hereby authorized to sign and submit the letter of appointment to Mr. Prashant Sawant and be authorized to sign and submit the FORM DIR-12 to the ROC, Mumbai."

### 5. Approval for Related Party Transaction

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

"**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions, if any, read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, and the Companies policy on related party transactions, approval of the Shareholders be and is hereby accorded to the Board of Directors of the Company to enter in contracts or arrangements or transactions with Marshalls Enterprise India Private Limited., a related party, within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for selling Wallpapers, Catalogues, Profiles, Furniture and Digital posters to related party i.e. M/s Marshalls Enterprise India Private Limited, a Body Corporate, at MRP+ Taxes As Applicable up to a maximum aggregate value of Rs. 4 Crore (Rs. Four Crore only) Plus Taxes as applicable for the financial year 2019-20, provided that the said arrangements or transactions shall be at arm's length basis and in the ordinary course of business"

**FURTHER RESOLVED THAT** the agreement for Warehousing be renewed for a period of 5 Years from 1st January, 2019 to 31st December 2023 respectively with related party i.e. M/s Marshalls Enterprises India Private Limited, a body corporate provided that the total contract amount exclusive of applicable taxes each year over the contract period shall not exceed Rs. 1 Crore (Rs. One Crore ) Plus Taxes as applicable, provided that the said arrangements or transactions shall be at arm's length basis and in the ordinary course of business"

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

**Baldevkrishan Sharma  
Managing Director  
DIN: 00117161**

**Place : Mumbai  
Date : 30.05.2019**

**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 Tuesday, 24th September, 2019 to Monday, 30th September, 2019 (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 2019 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-fifth 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-fifth 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 :**

The Company has approached NSDL for providing e-voting services through thier e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system. The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://www.evoting.nsdl.com> or ([www.gratex.in](http://www.gratex.in)).

**The e-voting period commences on Friday , September 27, 2019 (9:00 am) and ends on Sunday, September 29, 2019 (5:00 pm).** During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date of Monday, 23rd September, 2019.**

Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **Monday 23rd September, 2019**, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

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

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

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

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

**3. Details on Step 1 is mentioned below:**

**How to Log-into NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.  
Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
2. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

**Your User ID details are given below :**

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

Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
6. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  7. Now, you will have to click on "Login" button.
  8. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

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

After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

1. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
2. Select "EVEN" of company for which you wish to cast your vote.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [jesssyindia25@gmail.com](mailto:jesssyindia25@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request [atevoting@nsdl.co.in](mailto:atevoting@nsdl.co.in)

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

Please follow all steps from sl. no. 9. above to cast vote.

- a. The voting period begins on Friday, 27th September, 2019 (9.00 a.m.) and ends on Sunday, 29th September, 2019 (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 Monday, 23rd September, 2019 may cast their vote electronically. The e-voting module shall be disabled by NSDL 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 <https://www.evoting.nsdl.com/>. under help section or write an email to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
11. Ms. Jacintha Castelino (FCS No. 9798) 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.
  12. 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.
  13. 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 NSDL and shall also communicated to the Bombay Stock Exchange (BSE).

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

**SD/-  
Baldevkrishan Sharma  
Managing Director  
DIN: 00117161**

**Place : Mumbai  
Date : 30.05.2019**

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

### **Item No. 4:**

Mr. Prashant Sawant (DIN: 08503935) aged about 52 years is a Non-Executive Independent Director of the Company. He has Joined the Board of Directors of the company w.e.f. 09.07.2019.

Mr. Prashant Sawant does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Prashant Sawant being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for Five consecutive years from July 09, 2019 upto July 08, 2024.

The Company has obtained a declaration for his independency from Mr. Prashant Sawant and in the opinion of the Board, Mr. Prashant Sawant fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is Independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Prashant Sawant as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Prashant Sawant 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. 5:**

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

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

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

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

(A) Name of the Related Party	Marshalls Enterprise India Private Limited
(B) Nature of Relationship	Directors in the said Body Corporate i.e. Marshalls Enterprise India Private Limited are Directors of Gratex Industries Limited.
(C.) Nature, Duration of the Contract and particulars of the contract or arrangement	The agreement for selling Wallpapers, catalogue, Profiles, Furniture and Digital Posters is valid for One year from 1st April, 2019 to 31st March, 2020.  The agreement for Warehousing is valid for five years from 1st Jan, 2019 to 31st Dec ,2023.
(D.) Material terms, monetary value and of the contract.	<b><u>For selling Wallpapers, catalogue, Profiles, Furniture and Digital Posters MRP+Taxes As Applicable:</u></b>  Maximum Aggregate value is Rs. 4 Crore Plus Taxes as applicable.  Terms of Arrangement: If only the production is done by Gratex then Profit is 32 % to 50% above cost.  If the product is customised then Profit is 50% to 100% of the Cost price depending upon the cost and time taken.



	<b>For Warehousing :</b> Maximum aggregate value of the Contract: Warehousing Charges - Rs. 1 Crore per annum plus taxes as applicable during the contract period.
(E.) Any advance paid or received for the contract or arrangement, if any.	NIL.
(F) The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract.	The pricing is commensurate with the general trend in the industry and at the rates prevalent in the market for such services.
(G.) Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors.	YES.

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

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

**SD/-**

**Baldevkrishan Sharma  
Managing Director  
DIN: 00117161**

**Place : Mumbai  
Date : 30.05.2019**

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

<b>Name of the Director</b>	<b>Mrs. Mona Menon</b>
Date of Birth	26th April, 1975
Date of Appointment	1st October, 1994
Educational Qualification	B.Com . Interior Designor.
Expertise in specific functional areas	Marketing and Corporate Management.
Directorships held in other Public Companies (excluding foreign companies)	Nil
Memberships/ Chairmanships of committees of other public companies (Includes only Audit and Shareholders / Investors Grievance Committee)	Nil
Number of Shares held in the Company	137700

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

**Baldevkrishan Sharma  
Managing Director  
DIN: 00117161**

**Place : Mumbai  
Date : 30.05.2019**

## DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their thirty-fifth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2019.

### 1. FINANCIAL HIGHLIGHTS:

The financial performance of the Company, for the year ended March 31, 2019 as compared to the previous financial year is summarized below:

(Amount in Lacs)

PARTICULARS	CURRENT YEAR 31.03.2019	PREVIOUS YEAR 31.03.2018
Revenue from Operations	334.61	198.99
Total Expenditure including Depreciation	327.63	170.59
Profit before Tax	6.99	29.69
Tax Expenses	(0.50)	7.34
Profit/Loss After Tax	7.49	22.35

### 2. PERFORMANCE REVIEW:

The overall income from Franchisee operations for 2018-19 stood at Rs. 28.51 Lakhs as compared to Rs. 26.71 Lakhs in 2017-18 & Warehousing Income for 2018-19 stood at Rs. 92.89 Lakhs as compared to Rs. 80.98 Lakhs in 2017-18. Thus total income for 2018-19 amounted to Rs 334.61 Lakhs. as compared to Rs. 198.99 Lakhs in 2017-18.

For the year ended 31.3.2019 the company has achieved an overall Net Profit of Rs. 7.49 Lakhs as compared to Net Profit of Rs. 22.35 Lakhs in previous year.

### 3. DIVIDEND:

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

### 4. OUTLOOK FOR 2019-2020:

Your Company has started printing wall coverings in standard roll forms of 10mtrs x 1.06mtrs with design option of over 100+ designs. The Company has also procured machinery for laminating fiber with tufix board for manufacturing and casing of catalogues.

In Modular Furniture and Profile Manufacturing unit the Company has also developed laminated profiles to provide additional protection to walls.

Moving ahead and in keeping pace with the evolving technology, the Company has forayed in backlit wallpapers for walls and ceilings, manufacturing of wardrobes and kitchen units, showroom furniture, modular bed with hydraulic storage which is new in modern room furnishing.

The Company has also made investment in Plant & Machinery and adding more manpower to make available the best products for its customers and increasing the profitability and goodwill of the Company.

### 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 :**

As on 12 August, 2019 the Board comprises of Five Directors, Two of whom are Non-Executive Independent Directors, One Managing Director, Two Non- Executive Directors one of whom is also the Chief Financial Officer of the Company.

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

Mr. Krishna Prakash Bharadwaj, Whole time Director of the Company has tendered his resignation to the Company w.e.f 14th August, 2018.

Mr. Bhagwati Prasad Mangal, Independent Director of the Company has tendered his resignation to the Company w.e.f. 12th February, 2019.

The Resignation of the Independent Directors was on account of their pre-occupation, due to which they could not devote their valuable time to the Company and NOT BY ANY OTHER MATERIAL REASON.

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 Directors during the Year :**

Mrs. Rekha Pradeep Nagori was appointed as Independent Director of the Company w.e.f 14th August, 2018.

Mr. Prashant Sawant was appointed as Independent Director of the Company w.e.f 9th July, 2019.

- **Appointment of Company Secretary :**

Mr. Swapnil Chari (ACS 58292) a Qualified Company Secretary was appointed as Company Secretary of the Company w.e.f 26th April, 2019.

## **7. DECLARATION BY INDEPENDENT DIRECTORS:**

The Company has received necessary declarations from each Independent Director under Section 149(6) and 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) and Regulation 25(8) of the SEBI Listing Obligations and Disclosure Requirements, 2015 that they meet the criteria of independence laid down there under.

## **8. COMMITTEES OF THE BOARD:**

The Company has the following Three (3) Board level committees:

- (i) Audit Committee.
- (ii) Stakeholder Relationship Committee.
- (iii) Nomination and Remuneration Committee.

The details with respect to the composition, terms of reference, number of meetings held, etc of these committees are given in the report on Corporate Governance which forms part of the Annual Report.

## **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), had intimated to the Company that firm would be dissolved and hence the firm would not be in a position to continue as Statutory Auditor of the Company for the financial year 2018-19.

Accordingly, M/s Lakhani & Lakhani had tendered their dissolution letter to the Company dated 29th January, 2019.

In compliance of the Companies Act, 2013 the Company was required to appoint Statutory Auditor of the Company within 30 days of the Resignation letter tendered by the outgoing Statutory Auditor of the Company.

Accordingly **M/s Jayesh R. Shah, Chartered Accountants, (Firm Registration No. 104182W, Membership Number 033864)** were appointed as the Statutory Auditors of the Company at the Board meeting held on 7th March, 2019, to hold office 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.

Also, the Members approval for appointment of Statutory Auditor from the conclusion of the thirty-fifth AGM of the Company to be held on 30th September, 2019 till the conclusion of the forty-first AGM of the Company to be held in the year 2025 is sought in the notice of the thirty-fifth AGM to be held on 30th September, 2019.

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.

The Internal Audit for the Financial Year 2018-19 was carried out by M/s Bhikhalal M Doshi, Practicing Chartered Accountant.

Accordingly the Internal Audit Report was placed before the Board of Directors and Members of the Audit Committee in the Board Meeting and Audit Committee Meeting held on 30th May, 2019.

For the Financial Year 2019-20, the Company has appointed Mrs Sujata Hodge (Employee of the Company) as the Internal Auditor of the Company for carrying out the Internal Audit.

The appointment of Mrs. Sujata Hodge as Internal Auditor of the Company was approved by the Board of Directors in the Board Meeting held on 30th May, 2019.

The appointment was done in due compliance of the regulations laid down by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), 2015.



**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. The Vigil Mechanism Policy has been uploaded on the website of the Company.

**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, Practicing 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 for the financial year 2018-19 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:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict of interest of the Company at large.

Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for approval and the particulars of contracts entered during the year as per FORM AOC-2 is enclosed as ANNEXURE- III.

**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.

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

The Company has re-composed the Internal Complaints Committee, intimation of which has been made to the Collectorate of Greater Mumbai in accordance with the government resolution Gr No. 2013/P.K. no. 63/MKK no 19th June, 2014.

**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, 2019, 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, 2019 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 2019-2020 to the Bombay Stock Exchange, where the Company's Shares are listed.

Also, the Company has paid the Annual Custodian fees payable to NSDL and CDSL for the financial year 2019-20.

**24. COMPLIANCE WITH SECRETARIAL STANDARDS:**

The Board of Directors affirm that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) i.e. Secretarial Standard 1 and Secretarial Standard 2 respectively relating to Meeting of its Board, its Committees and the General Meeting.

**25. PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and Designated Employees of the Company. The said code of Conduct is in line with SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Code requires pre-clearance for dealing in the Company's Shares and prohibits the purchase or sale of Company's Shares by the Directors and the Designated Employees while in possession of unpublished price sensitive information of the Company and during the period when the Trading Window is closed.

The Board is responsible for implementation of the Code. All the Directors and Designated Employees have complied with the Code.

**26. CODE OF CONDUCT:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company. The Code has been placed on the Company's website [www.grtaex.in](http://www.grtaex.in).

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the Designated Employees in their business dealings and in particular on matter relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management Personnel have complied with the Code.

**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.

The Company would also like to thank M/s Marshalls Enterprise India Private Limited and its Board of Directors for their continued support and commitment for the betterment and growth of the Company, the Company being a pioneer in Wallpaper manufacturing which would not have been possible without the support and pillars of strength that Marshalls Enterprises India Private Limited has been to the Company.

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

**Place : Mumbai  
Date : 22.08.2019**

**SD/-  
Baldevkrishan Sharma  
Managing Director  
DIN: 00117161**

**SD/-  
Mona Menon  
Director  
DIN: 00117025**

## ANNEXURE II TO DIRECTORS REPORT

**FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN  
FOR THE PERIOD ENDED 31ST MARCH, 2019**

[ 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](http://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
fj) Directors	1803517	1000	1804517	59.46	1864248	1000	1865248	61.46
<b>Sub-Total (A) (1):-</b>	<b>1803517</b>	<b>1000</b>	<b>1804517</b>	<b>59.46</b>	<b>1864248</b>	<b>1000</b>	<b>1865248</b>	<b>61.46</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 (A)=(A)(1)+(A)(2)</b>	<b>1803517</b>	<b>1000</b>	<b>1804517</b>	<b>59.46</b>	<b>1864248</b>	<b>1865248</b>	<b>1000</b>	<b>61.46</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	52510	57468	17900	70410	2.32	52385	70285	2.31
ii) Overseas	0	0	0	0	0	0	0	0
b) Individuals								
i) Individuals Shareholders holdin nominal Share Capital Upto Rs.2 lakh	384273	535700	919973	30.31	372765	505900	878665	28.95
ii) Individuals Shareholders holding nominal Share Capital in excess of Rs.2 lakh	95700	40100	135800	4.47	75700	40100	115800	3.82
c) Other(Specify)								
NRIs	1500	102600	104100	3.44	1000	102600	103600	



Sub-total (B) (2)	533983	696300	1230283	40.54	503052	666500	1169552	38.54
Total public Shareholding of (B)=(B)(1)+(B)(2)	533983	696300	1230283	40.54	503052	666500	1169552	38.54
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>2337500</b>	<b>697300</b>	<b>3034800</b>	<b>100.00</b>	<b>2367300</b>	<b>667500</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	1342817	44.25	0	1403548	46.25	0	2
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>1804517</b>	<b>59.46</b>	<b>0</b>	<b>1865248</b>	<b>61.46</b>	<b>0</b>	<b>2</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	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
	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):			<b>60731 (Acquired from the open market)</b>	<b>2.00</b>
	<b>At the End of the year</b>				
1	Baldevkrishan Sharma	1403548	46.25	1403548	46.25
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	Sarla Gems Limited	11600	0.38	11600	0.38
	<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	40100	1.32	40100	1.32
3	Chartered Capital Research Limited	25700	0.85	25700	0.85
4	Kundanlal Wasan	15200	0.50	15200	0.50
5	Shreepal Babulal Bafna	13500	0.44	13500	0.44
6	Vinita Sunil Patodia	12300	0.41	12300	0.41
7	Shah Sanjay Satish	11400	0.38	11400	0.38
8	Rajesh Kumar Bhageria	10000	0.33	10000	0.33
9	Bharat Kishormal Shah	9400	0.31	9400	0.31
10	Sarla Gems Limited	5999	0.20	5999	0.20

(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	1342817	44.25	1403548	46.25
	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	1820735.5	2806500	----	4627235.5
ii) Intesrest 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>
<b>Change in Indebtness during the financial year</b>				
Addition				
Reduction	384016.5	2696500	----	3080516.5
<b>Net Change</b>	<b>384016.5</b>	<b>2696500</b>	<b>----</b>	<b>3080516.5</b>
<b>Indebtedness at the End of the financial year</b>				
i) Principal Amount	1436719	110000	---	1546719
ii) Interest due but not paid	—	—	—	0
iii) Interest accrued but not due	—	—	—	0
<b>Total(i +ii +iii)</b>	<b>1436719</b>	<b>110000</b>	<b>---</b>	<b>1546719</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.	Krishna Prakash Bhardwaj - WTD (Till 14.08.2018)
1	<b>Gross Salary</b>	660000	195000
	(a) Salary as per provision contained in section 17(1) of the Income-Tax Act,1961	0	0
	(b) Value of perquisites u/s 17(2) Income-Tax Act,1961	0	0

	<b>(c) Profits in lieu of Salary u/s 17(3) Income-Tax Act,1961</b>	<b>0</b>	<b>0</b>
2	Stock option	0	0
3	Sweat Equity	0	0
4	Commision	0	0
	- as% of profit		
	- others,specify		
<b>5</b>	<b>Others,please specify</b>		
	- Conveyance	60000	0
	- Interest on Loan	122884	18082
	- Bonus	0	51000
	- Ex-Gratia	0	301000
	- Sitting fees	0	0
<b>Less:</b>	<b>TDS</b>	165291	0
	<b>Total (A)</b>	<b>677593</b>	<b>565082</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	Rekha Nagori	Mona Pratap Menon	Karan Sharma	
	<b>Independent Directors</b>					
	• Fee for attending board/ committee meetings	60000	40000	0	0	100000
	• Commission	0	0	0	0	0
	• Others,Please specify	0	0	0	0	0
	- Remuneration					
	- Interest on Loan					
	- Conveyance					
	<b>Total (1)</b>	<b>60000</b>	<b>40000</b>	<b>0</b>	<b>0</b>	<b>100000</b>
	<b>Other Non-Executive Directors</b>					
	• Fee for attending board committee meetings	0	0	15000	15000	30000
	• Commission	0	0	0	0	0
	• Others,Please specify	0	0	22859	0	22859
	- Remuneration	0	0	0	0	0
	- Conveyance	0	0	0	0	0
	- Interest on Loan	0	0	22859	0	22859
	- Sitting Fees	0	0	0	0	0
	<b>Total(2)</b>	<b>0</b>	<b>0</b>	<b>37859</b>	<b>15000</b>	<b>52859</b>
	<b>Total(B)=(1+2)</b>	<b>60000</b>	<b>40000</b>	<b>37859</b>	<b>15000</b>	<b>152859</b>
<b>Less:</b>	<b>TDS</b>	6000	4000	3787	1500	15287
	<b>Total Managerial Remuneration</b>	<b>54000</b>	<b>36000</b>	<b>34072</b>	<b>13500</b>	<b>137572</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	
		Mona Menon - CFO As Mentioned in Point VI- B)	Amount
1	Gross Salary	0	0
	(a) Salary as per provision contained in section 17(1) of the Income-Tax Act, 1961	0	—
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	0	—
	(c) Profits in lieu of Salary u/s 17(3) Income-Tax Act, 1961	0	—
2	Stock option	0	—
3	Sweat Equity	0	—
4	Commision	0	—
	- as% of profit	0	—
	- others,specify	0	—
5	Others,please specify		—
	• . Fee for attending board meetings	15000	15000
	. Conveyance	0	0
	- Interest on loan	22859	22859
	<b>Total</b>	<b>37859</b>	<b>37859</b>
<b>Less</b>	<b>: TDS</b>	<b>3787</b>	<b>3787</b>
	<b>Total</b>	<b>34072</b>	<b>34072</b>

**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	-	-	-	-

For Gratex Industries Limited

Place : Mumbai  
Date : 30.05.2019

Baldevkrishan Sharma  
Managing Director  
DIN: 00117161



**Form No. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2019**

*[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 **31<sup>st</sup> March, 2019** 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 **31<sup>st</sup> March, 2019** 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 :**

- a. Transactions with related parties have been disclosed vide Notes on Accounts - 28, forming part of the Annual Report.
- b. 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 been inadvertently left to be uploaded.

However, the submissions made regarding non-submission of Auditors Report for the Year ended March, 2018 was not accepted by BSE and a fine of Rs.1,77,413/- including GST was levied upon the Company which was paid by the Company accordingly.

Also, According to Regulation 6(1) of SEBI (LODR), 2015 the Company was required to appoint a Qualified Company Secretary as the Company officer of the Company.

However, due to administrative issues, the Company was not able to appoint a Qualified Company Secretary in spite of trying in its full earnest to appoint the same,

The non-compliance of Regulation 6(1) of SEBI (LODR), 2015 resulted in fine being levied by BSE of Rs. 108,560/- including GST for the quarter ended December, 2018 and Rs. 106,200/- including GST for the quarter ended March, 2019.

The Company has accordingly paid the fines levied for both the quarters to the Bombay Stock Exchange.

Further, The Company has appointed **Mr. Swapnil Chari (ACS 58292)**, a Qualified Company Secretary, as the Company Secretary and Compliance officer of the Company w.e.f 26th April, 2019."

**I further report that** the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

**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  
FCS 9798**

**Place : Mumbai  
Date : 22.08.2019**

## 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.

Five Board Meetings were held in 2018-19. The said meetings were held on May 29, 2018, August 14, 2018, November 13, 2018, February 12, 2019 and March 7, 2019. 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	5	Yes	2
Mr. K.P. Bharadwaj (Resigned w.e.f 14.08.2018)	Wholetime Executive, Director	0	No	NIL
Mrs. Mona Menon	CFO-Non-Executive Director	4	Yes	1
Mr. Karan Sharma	Non-Executive Director	3	No	1
Mr. Bhagwati Prasad Mangal (Resigned w.e.f 12.02.2019)	Non-Executive Independent Director	3	Yes	4
Mrs. Rekha Nagori (Appointed w.e.f 14.08.2018)	Non-Executive Independent Director	2	Yes	NIL
Mr. Prashant Sawant (Appointed W.e.f 09.07.2019)	Non-Executive Independent Director	0	No	NIL

#### 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, 2018, August 14, 2018, November 13, 2018 and February 12, 2019. 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> ) (Resigned w.e.f 12.02.2019)	Independent Non-Executive	4	3
Mrs. Rekha Nagori (w.e.f 14.08.2018)	Independent Non-Executive	4	2
Mrs. Mona Menon - CFO	Non-Independent Non-Executive	4	3
Mr. Karan Sharma ( Member till 14.08.2018)	Non-Independent Executive	4	1

The composition of the Audit Committee as on 22nd July, 2019 is as follows:

Name	Category
Mrs. Rekha Nagori (Chairperson)	Independent Non-Executive
Mr. Prashant Sawant (Member)	Independent Non-Executive
Mrs. Mona Menon (Member)	Non-Independent Non-Executive

- NOMINATION AND REMUNERATION COMMITTEE:**

In accordance with the Nomination and Remuneration Policy, the Nomination and Remuneration Committee is tasked with formulating the criteria for appointment as a Director. The Committee shall formulate criteria and review them on an ongoing basis, for determining skills, expertise, qualities, positive attributes required to be a Director.

The Committee shall identify persons who are qualified to become Directors. The process of identification shall include ascertaining, meeting, screening and reviewing candidates for appointment as Directors, whether Independent, Executive or Non- Executive.

The Nomination and Remuneration Committee shall approve the candidates required for Senior Management positions. The Committee shall lay down the criteria including qualifications, skills, experience and qualities required for senior management positions like Managing Director, CFO, Company Secretary and Executive or Non-Executive Directors of the Company.

The composition of the Nomination and Remuneration Committee as on 22nd July, 2019 is as follows:

Name	Category
Mrs. Rekha Nagori (Chairperson)	Independent Non-Executive
Mr. Prashant Sawant (Member)	Independent Non-Executive
Mrs. Mona Menon (Member)	Non-Independent Non-Executive

- 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. Bhagwati Prasad Mangal (Resigned w.e.f 12.02.2019)	Independent Non-Executive	4	3
Mrs. Mona Menon - CFO	Independent Non-Executive	4	3
Mrs. Rekha Nagori (w.e.f 14.08.2018)	Independent Non-Executive	4	2
Mr. Karan Sharma ( Member till 14.08.2018)	Non-Independent Executive	4	1

The composition of the Stakeholders Relationship Committee as on 22nd July, 2019 is as follows:

Name	Category
Mrs. Rekha Nagori (Chairperson)	Independent Non-Executive
Mr. Prashant Sawant (Member)	Independent Non-Executive
Mrs. Mona Menon (Member)	Non-Independent Non-Executive

#### 4. GENERAL BODY MEETINGS:

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

Day, Date & Time	Location	Particulars of Special Business
Saturday, September 29, 2018 at 10:30 a.m.	Kitte Bhandari Hall, Gokhale Road North, Near Shiv Sena Bhavan, Dadar (West), Mumbai - 400 028.	1. Appointment of Independent Director. 2. Alteration of Main objects in the Memorandum of Association.
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.

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:**

- a. Transactions with related parties have been disclosed vide Notes on Accounts - 28, forming part of the Annual Report.
- b. 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 been inadvertently left to be uploaded.
- c. Your Company has complied with all the mandatory requirements of Corporate Governance as required by the Listing Agreements.
- d. No personnel have been denied access to the Audit Committee of your Company to discuss any matter of substance.

However, the submissions made regarding non-submission of Auditors Report for the Year ended March, 2018 was not accepted by BSE and a fine of Rs.1,77,413/- including GST was levied upon the Company which was paid by the Company accordingly.

Also, According to Regulation 6(1) of SEBI (LODR), 2015 the Company was required to appoint a Qualified Company Secretary as the Company officer of the Company.

However, due to administrative issues the Company was not able to appoint a Qualified Company Secretary in spite of trying in its full earnest to appoint the same,

The non-compliance of Regulation 6(1) of SEBI (LODR), 2015 resulted in fine being levied by BSE of Rs. 108,560/- including GST for the quarter ended December, 2018 and Rs. 106,200/- including GST for the quarter ended March, 2019.

The Company has accordingly paid the fines levied for both the quarters to the Bombay Stock Exchange.

Further, The Company has appointed Mr. Swapnil Chari (ACS 58292), a Qualified Company Secretary, as the Company Secretary and Compliance officer of the Company w.e.f 26<sup>th</sup> April, 2019.

- e. Your Company has complied with all the mandatory requirements of Corporate Governance as required by the Listing Agreements.
- f. No personnel have been denied access to the Audit Committee of your Company to discuss any matter of substance.

**6. MEANS OF COMMUNICATION:**

<ul style="list-style-type: none"> <li>● Publication of Results</li> </ul>	The quarterly / annual results of the Company are published in the leading newspapers viz:- Financial Express in English and Apla Mahanagar in Marathi.
<ul style="list-style-type: none"> <li>● Designated Email Id for redressal of investor complaints</li> </ul>	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.
<ul style="list-style-type: none"> <li>● Website of the Company</li> </ul>	<a href="http://www.gratex.in">www.gratex.in</a>



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

• AGM: Date, Time and Venue	Monday, 30th September, 2019 at 10.00 a.m. at Kitte Bhandari Hall, Gokhale Road North, Near Shiv Sena Bhavan, Dadar (West), Mumbai - 400 028.
• Date of Book Closure	Tuesday, 24th September, 2019 to Monday, 30th September, 2019 (both days inclusive).
• Corporate Identity Number(CIN) allotted by Ministry of Corporate Affairs(MCA)	L21093MH1984PLC032248
• Listing on Stock Exchange	Yes – Bombay Stock Exchange (BSE), Mumbai
• Stock codes: Bombay Stock Exchange Limited ISIN for Dematerialisation	526751 INE915E01013
• Registrar and Transfer Agents	Adroit Corporate Services Pvt. Ltd., 19, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (East), Mumbai. – 400 059
• Share Transfer System	Registrar and Transfer Agents
• Outstanding GDRs /ADRs /Warrants or any convertible instruments conversion date and likely impact on equity	NIL
• Address for correspondence.	109, Kakad Udyog Bhavan, L.J.Road, Mahim, Mumbai – 400 016.Tel No. : 24392321

**Financial Calendar 2019- 2020 (Tentative)**

Financial reporting for the quarter ending June 30, 2019	Up to July 30, 2019
Financial reporting for the half year ending September 30, 2019	Up to October 30, 2019
Financial reporting for the quarter ending December 31, 2018	Up to January 30, 2020
Financial reporting for the quarter and year ending March 31, 2019	Up to May 30, 2020
<b>Annual General Meeting for the year ending March 31, 2020</b>	<b>Up to September 30, 2020</b>

**8. THE DISTRIBUTION OF SHAREHOLDERS AS ON 31.03.2019 IS AS FOLLOWS:**

Range of Holding	No. of Shareholders	% to Shareholders	Total Shares	Amount	% to Capital
UPTO - 100	2144	59.91	206832	2068320.00	6.82
101 - 500	1193	33.33	308188	3081880.00	10.16
501 - 1000	117	3.27	99600	996000.00	3.28
1001 - 2000	63	1.76	94148	941480.00	3.10
2001 - 3000	17	0.47	42585	425850.00	1.40
3001 - 4000	13	0.36	46000	460000.00	1.52
4001 - 5000	6	0.17	30000	300000.00	0.99
5001 - 10000	10	0.28	69699	696990.00	2.30
10001 - 20000	8	0.22	119000	1190000.00	3.92
20001 - 50000	5	0.14	188300	1883000.00	6.20
50001 & Above	3	0.08	1830448	8304480.00	60.32
<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, 2019:**

Category	Sub-category	No. of securities held
Promoter's holding	Indian Promoters	1865248
	Foreign Promoters	0
	Persons Acting in Concern	0
	<b>Sub Total</b>	<b>1865248</b>
Institutional Investors	Mutual Funds & UTI	0
	Banks, FIs, Insurance Co's, Central / State Govt./Non-Govt. Institutions	0
	FII	0
	<b>Sub-Total</b>	<b>0</b>
Others	Private Corporate Bodies	70285
	Indian Public	994465
	Any Other	104802
		1169552
	<b>Grand Total</b>	<b>3034800</b>

**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 18	10.51	10.51	9.50	9.97	1,401	6	13,843	1.01	-0.54
Jul 18	10.00	13.37	10.00	13.37	1,101	9	12,504	3.37	3.37
Aug 18	14.03	17.04	14.03	14.25	42,887	42	6,75,952	3.01	0.22
Sep 18	14.2	14.25	12.87	13.00	2,500	9	32,519	1.38	-1.25
Oct 18	12.99	14.33	12.99	14.33	2,303	7	31,370	1.34	1.34
Nov 18	14.40	14.40	13.30	13.95	8,900	7	1,19,970	1.10	-0.45
Dec 18	13.30	13.30	11.97	13.20	1,475	17	18,623	1.33	-0.10
Jan 19	13.20	13.20	12.54	13.10	174	5	2,257	0.66	-0.10
Feb 19	13.00	13.00	11.83	13.00	1,900	8	24,473	1.17	0.00
Mar 19	13.00	13.00	10.00	10.00	4,331	17	51,514	3.00	-3.00
Apr 19	9.50	10.00	9.50	10.00	405	7	4,041	0.50	0.50
May 19	9.65	11.02	9.65	11.02	1,200	5	12,729	1.37	1.37

**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**

**SD/-  
Baldevkrishan Sharma  
Managing Director  
DIN: 00117161**

**SD/-  
Mona Menon  
Director  
DIN: 00117025**

**PLACE : Mumbai  
DATE : 22.08.2019**

## 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:

Indian economy witnessed many events in financial year 2018-19 affecting capital market and resource raising activities. The debacle of fall of large NBFC's such as ILFS and DHFL and failure of largest domestic airlines i.e. Jet Airways were few of the major events that affected the Indian economy. This coupled with liquidity crunch and spate of loan defaults being treated under IBC had an impact on capital formation and resource raising activity. Though the 'SENSEX' and 'NIFTY' witnessed new heights, overall scenario in corporate activities was at a low level. As a result of the above mentioned factors affecting the Indian economy, Companies were finding it difficult to raise further resources thereby directly affecting their diversification and expansion capabilities. Thus, even though a Company having the intent to diversify and expand across their business portfolio, they weren't able to do so because of the crunch in the financial sector.

The year 2018-19 saw a drop by huge 81% in fund raising through IPO's as gains last year. As a result the capital market face a volatile situation. Also, the announcement of taxation on FPI's further led to capital outflow from the economy thus severely affecting the Indian economy.

### 2. Opportunities and Threats:

The Indian mindset has still not grasped the concept of wallpaper. Traditionally the Indian customer is largely dependent on using paint for preventing staining and peeling of walls and giving the home a fresh and new look. The use of wallpapers is very low against use of paint in most Indian homes. This conservative outlook coupled with the low cost paints available in the market poses a serious threat to the Wallpaper industry.

Also, the influx of cheap price low graded wallpapers also adds as a severe threat meant to disrupt the wallpaper industry.

### 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.

The Company being a small-cap company and the conservative market in which it operates is a cause of concern from the point of view of operating profits to the Company. However, the Company enjoys a niche in the segment in which it operates for providing value added and efficient services to its clients.

### 4. Outlook:

Fund raising activity in coming years i.e. 2019-20 is likely to be impacted substantially. The volatility and the bearish sentiment in the market is likely to prevail which will affect the capital market thereby directly affecting the company's ability to obtain funds from the market.

However, the Company remains committed to achieving positive growth in the financial year 2019-20.

The Company has installed HP Digital Printing Machine which is the latest 4th generation digital printing machine of 64 inches width (162.5 cm). Deploying the latest machinery and technology available in the market is sure to act as an added advantage to the Company in the already volatile market.

During the year 2019-20, we expect to increase the turnover by 30% from the present turnover from 3.35 Cr. to 4.35 Cr by adopting various promotions and sales activities to generate more business and make Gratex an Independent Profitable Company with its strong manufacturing base as well as to increase profit & make it a dividend paying company.

#### **5. Internal Control Systems:**

The Internal Control is intended to increase transparency and accountability in an organization's process of designing and implementing a system of internal control. The framework requires a company to identify and analyze 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.

#### **6. Corporate Social Responsibility:**

Gratex Industries Limited 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.

#### **7. 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.

#### **8. Disclosure of Accounting Treatment:**

Your Company follows Accounting Standards as prescribed by the Institute of Chartered Accountants of India (ICAI) for preparation of financial statements; there is no such other treatment for the same.

#### **9. Segment -Wise performance:**

The Company is a pioneer in the field of Wallpaper segment. Being the first to conceptualize the idea of Wallpapers, the Company is also a step ahead of its peers in the field by utilizing and putting in practice the best machinery and technology in the Wallpaper segment.

For the FY 19-20 the Company plans to enhance its wallpaper segment by collaboration with the best wallpaper designers in the market to create a niche in the market and to stamp its authority in the wallpaper and digital lamination field.

#### **10. 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 Standards - 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.

**SD/-**  
**Baldevkrishan Sharma**  
**Managing Director**  
**DIN: 00117161**

**SD/-**  
**Mona Menon**  
**Chief Financial Officer**  
**DIN: 00117025**

**Place : Mumbai**  
**Date : 30.05.2019**

**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 referred 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
<b>Marshalls Enterprise India Private Limited-</b> 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	NIL	28.09.2015
<b>Marshalls Enterprise India Private Limited-</b> 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, 2019 to 31st December, 2023	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.	30.05.2019	NIL	30.09.2019
<b>Marshalls Enterprise India Private Limited-</b> Mr. Baldevkrishan Sharma – Managing Director, Mr. Karan Sharma – Director, Mrs. Mona Menon – C.F.O. are Directors in the said Body Corporate.	Its an arrangement of selling Wallpapers, catalogue, Profiles, Furniture and Digital Posters	From 1st April, 2019 to 31st March, 2020	MRP+ Taxes As Applicable If only the production is done by Gratex then Profit is 32 % to 50% above cost. if the product is customised then Profit is 50% to 100% of the Cost price depending upon the cost and time taken.	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.	30.05.2019		30.09.2015

For Gratex Industries Limited

SD/-  
**Baldevkrishan Sharma**  
Managing Director  
DIN: 00117161

SD/-  
**Mona Menon**  
Director  
DIN: 00117025

PLACE : Mumbai  
DATE : 30.05.2019

## INDEPENDENT AUDITOR'S REPORT

To the Members of **Gratex Industries Limited**  
**Report on the Audit of the Standalone Financial Statements**

### 1. Opinion

We have audited the standalone financial statements of Gratex Industries Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. This matter is addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter:

As per note no.19 of the accounts "Revenue from operations" 96.46% of revenue is from related party transactions only. The pricing policy is determined keeping "Arm's length price" considerations in mind by the management. Considering the criteria provided by the management to decide the pricing policy, we feel that the pricing policy adopted by the management is justifiable.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



## 5. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## 6. Other Matter

There are no any matters which require to be reported under this head.

## 7. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

## 8. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For Jayesh R Shah & Co.**  
**Firm's Registration No.104182W**

**Jayesh Shah**  
**Proprietor**  
**Membership No. 033864**

**Place: Mumbai**

**Date:29th May, 2019**

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

Referred to in paragraph 8(f) of the Independent Auditors' Report of even date to the members of Gratex Industries Limited on the Ind AS financial statements for the year ended March 31, 2019

### **Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls over financial reporting of Gratex Industries Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

2. 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 issued by the Institute of Chartered Accountants of India (ICAI)". 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 Act.

#### **Auditors' Responsibility**

3. 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial control, both applicable to an audit of internal financial control and both issued by ICAI. Those Standards and the Guidance Note require that I 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.
4. 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 Ind AS financial statements, whether due to fraud or error.
5. 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**

6. 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 Ind AS 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 Ind AS 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 (3) provide reasonable assurance regarding prevention or timely

#### **Annexure-A to the Independent Auditors Report. (Contd.)**

Referred to in paragraph 8(f) of the Independent Auditors' Report of even date to the members of Gratex Industries Limited on the Ind AS financial statements for the year ended March 31, 2019

detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. 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**

8. In our opinion, 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 March 31, 2019, based on the internal control over financial reporting criteria established by the Company commensurate with the size of the company and nature of its business 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 Jayesh R Shah & Co.**  
**Firm's Registration No.104182W**

**Jayesh Shah**  
**Proprietor**  
**Membership No. 033864**

**Place: Mumbai**

**Date:29th May, 2019**

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

Referred to in paragraph (7) of the Independent Auditors Report of even date to the members of Gratex Industries Limited on the Ind AS financial statements for the year ended March 31, 2019

- I (a) The records of the Company for fixed assets showing full particulars including quantitative details and situations of fixed assets are under preparation.
- (b) According to the information and explanation, the management has physically verified the assets at the year end and no material discrepancies were noticed on such verifications.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immoveable properties other than self constructed properties, are held in the name of the Company.
- II As per the information furnished, the inventories have been physically verified by the management twice in a year, having regard to the nature of stocks, the frequency of the physical verification is reasonable, discrepancies noticed on physical verification of inventories as compared to book records have been properly dealt with in the books of accounts.
- III As per the information furnished and from verification of the records, we are of the opinion that, the Company has not granted any interest free loans to Companies, firms or other parties covered in the Register, maintained under Section 189 of the Companies Act, 2013; hence para 3(a),(b),(c) of the order is not applicable.
- IV In our opinion, and according to the information and explanations given to us and from verification of the records, the Company has not granted any loans or provided any guarantee or security to the parties covered under section 185. Further the Company has complied with the provisions of section 186 of the Companies Act, in respect of the loans and investments made, and guarantees and security provided by it.
- V The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under.
- VI As per the information provided and from verification of the records, we are of the opinion that, the Company does not cover under section 148(1) of the Companies Act, 2013 and hence not required to maintain cost records.
- VII (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance Fund, Income-tax, Sales-tax, service tax, Custom Duty, Excise Duty, Cess, GST and other material statutory dues as applicable with appropriate authorities.
- (b) According to the records of the Company examined by us and the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Service Tax, Custom Duty, Sales Tax, Excise Duty, PF, ESIC, GST and any other statutory dues which have remained outstanding as at 31st March, 2019 for a period of more than six months from the date they become payable.  

According to the records of the Company and information and explanation given to us and record verified by us there are no disputed outstanding dues of Sales-tax, Custom Duty, Excise Duty, Income tax, service tax, cess.
- VIII. Based on our audit procedures and the information and explanations given by the management, We are of the opinion that the Company has not defaulted in repayment of its dues to any banks or financial institutes and debenture holders.
- IX. We have verified the records of the Company, and of the opinion that the company has not raised any money by way of public offer (including debt instruments). The amount of term loan which company have received were applied for the purpose for which those are raised.
- X. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

- XI. The Company has provided for managerial remuneration in accordance with the requisite approvals mandated by the Provisions of Section 197 read with Schedule V to the Act.
- XII. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company
- XIII. As per the verification of the records, We are of the opinion that all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS Financial Statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- XIV. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly the provisions of Clause 3(xiv) is not applicable to the Company.
- XV. The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly the provisions of Clause 3(xv) is not applicable to the Company.
- XVI. We have been informed that the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly the provisions of Clause 3(xvi) is not applicable to the Company.

**For Jayesh R Shah & Co.**  
**Firm's Registration No.104182W**

**Jayesh Shah**  
**Proprietor**  
**Membership No. 033864**

**Place: Mumbai**

**Date:29th May, 2019**

**BALANCE SHEET AS AT 31ST MARCH, 2019**

Particulars	Note	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	3	117.76	123.52
Capital work-in-progress		-	-
Financial assets			
i. Non current investments		-	-
ii. Loans		-	-
iii. Other financial assets		-	-
Deferred tax assets (net)			
Other non-current assets	4	1.81	1.81
<b>Total Non-Current Assets</b>		<b>119.57</b>	<b>125.33</b>
<b>Current assets</b>			
Inventories	5	58.77	78.81
Financial assets			
i. Trade receivables	6	159.15	159.00
ii. Cash and cash equivalents	7	(0.98)	(3.25)
iii. Loans		-	-
Other current assets	8	5.40	8.78
<b>Total Current Assets</b>		<b>222.35</b>	<b>243.35</b>
<b>Total Assets</b>		<b>341.91</b>	<b>368.68</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	9	303.48	303.48
Other equity		(10.78)	(11.35)
<b>Total Equity</b>		<b>292.70</b>	<b>292.13</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	10	11.44	-
Deferred tax liabilities (net)	11	0.53	2.50
Employee benefit obligations	12	3.78	-
<b>Total Non-Current Liabilities</b>		<b>15.75</b>	<b>2.50</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	13	4.02	46.27
ii. Trade payables	14	13.87	13.67
iii. Other financial liabilities		-	-
Income tax liabilities (Net)	15	1.48	7.11
Government grants		-	-
Employee benefit obligations	16	9.04	4.53
Other current liabilities	17	5.04	2.47
<b>Total Current Liabilities</b>		<b>33.46</b>	<b>74.05</b>
<b>Total Equity &amp; Liabilities</b>		<b>341.91</b>	<b>368.68</b>

The notes are an integral part of these financial statements

In terms of our report of even date

For Gratex Industries Limited

**For Jayesh R Shah & Co**  
Chartered Accountants  
Firm Registration No. : 104182W

**Baldevkrishan Sharma**  
Chairman & M.D.  
DIN: 00117161

**Karan Sharma**  
Director  
DIN: 00117188

**Jayesh Shah**  
Proprietor  
Membership No.: 033864

**Swapnil Chari**  
Company Secretary  
Membership No.: A58292

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

Place: Mumbai  
Date: 30th May, 2019

Place: Mumbai  
Date: 30th May, 2019

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

Particulars	Note	As at March 31, 2019	As at March 31, 2018
Revenue from operations	19	334.61	198.99
Other income	20	0.00	1.57
<b>Total Income</b>		<b>334.61</b>	<b>200.56</b>
<b>Expenses</b>			
Cost of materials consumed	21	110.33	92.06
Purchase of stock in trade		-	-
Changes in inventories of finished goods and work-in-progress	22	25.16	(37.90)
Employees benefit expenses	23	92.80	53.23
Finance costs	24	4.02	1.09
Depreciation and amortisation expenses	25	16.23	9.63
Power and fuel		-	-
Other expenses	26	79.09	52.48
<b>Total Expenses</b>		<b>327.63</b>	<b>170.59</b>
<b>Profit before tax</b>		<b>6.99</b>	<b>29.97</b>
<b>Exceptional Items</b>		<b>-</b>	<b>0.28</b>
			<b>29.69</b>
Income tax expense			
Current tax	15	1.48	7.11
Deferred tax	11	(1.97)	0.24
<b>Total tax expenses</b>		<b>(0.50)</b>	<b>7.35</b>
<b>Profit for the year</b>		<b>7.49</b>	<b>22.35</b>
Other comprehensive income			
Items that will not be reclassified to profit or loss			-
Remeasurements of post employment benefit obligations		-	-
Income tax relating to above	8B	-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>7.49</b>	<b>22.35</b>
Earnings per equity share (in Rs.) (Nominal value per share Rs.10)	32		
Basic earning per share (In Rs.)		0.25	0.74
Diluted earning per share (In Rs.)		0.25	0.74

**The notes are an integral part of these financial statements**

In terms of our report of even date

**For Gratex Industries Limited**

**For Jayesh R Shah & Co**  
Chartered Accountants  
Firm Registration No. : 104182W

**Baldevkrishan Sharma**  
Chairman & M.D.  
DIN: 00117161

**Karan Sharma**  
Director  
DIN: 00117188

**Jayesh Shah**  
Proprietor  
Membership No.: 033864

**Swapnil Chari**  
Company Secretary  
Membership No.: A58292

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

Place: Mumbai  
Date: 30th May, 2019

Place: Mumbai  
Date: 30th May, 2019

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2019

Particulars	Note	As at March 31, 2019	As at March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before tax		6.99	29.69
<b>Adjustments for:</b>			
Depreciation and amortisation		16.23	9.63
Interest income		-	-
Interest and finance charges		4.02	-
<b>Operating profit before working capital changes</b>		<b>27.23</b>	<b>39.32</b>
<b>Adjustments for:</b>			
(Increase) / Decrease in other non-current assets			
(Increase) / Decrease in inventories		20.04	(37.90)
(Increase) / Decrease in trade receivables		(0.15)	(3.55)
(Increase) / Decrease in other current assets		3.38	(4.62)
Increase / (Decrease) in trade payables		0.20	13.37
Increase / (Decrease) in Employees Benefit Obligations-Current		4.51	
Increase / (Decrease) in Employees Benefit Obligations-Non Current		3.78	
Increase / (Decrease) in other current liabilities		2.57	7.80
Increase / (Decrease) in Deferred Tax		(1.97)	-
Increase/(Decrease) in prior period items		(6.92)	
<b>Cash generated from operations</b>		<b>52.68</b>	<b>14.42</b>
Taxes paid (net of refunds)		(5.14)	(7.11)
<b>Net cash generated from operating activities</b>		<b>47.55</b>	<b>7.31</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of tangible/intangible assets		(10.46)	(49.94)
Interest received		-	-
Movement in term deposit with bank (net)		-	-
<b>Net cash (used in) investing activities</b>		<b>(10.46)</b>	<b>(49.94)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings (non current)		11.44	39.84
Repayment of borrowings (current)		(42.25)	
Interest paid		(4.02)	
Dividend paid		-	
Dividend distribution tax paid		-	
<b>Net cash (used in) financing activities</b>		<b>(34.82)</b>	<b>39.84</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>2.27</b>	<b>(2.79)</b>
Cash and cash equivalents at the beginning of the year		(3.25)	(0.46)
<b>Cash and cash equivalents at the end of the year</b>		<b>(0.98)</b>	<b>(3.25)</b>
<b>Cash and cash equivalents comprise:</b>			
Cash on hand		0.47	0.23
Balances with banks		(1.45)	(3.48)
Demand deposits (less than 3 months maturity)		-	-
<b>Total</b>		<b>(0.98)</b>	<b>(3.25)</b>

The notes are an integral part of these financial statements

In terms of our report of even date

For Gratex Industries Limited

**For Jayesh R Shah & Co**  
Chartered Accountants  
Firm Registration No. : 104182W

**Baldevkrishan Sharma**  
Chairman & M.D.  
DIN: 00117161

**Karan Sharma**  
Director  
DIN: 00117188

**Jayesh Shah**  
Proprietor  
Membership No.: 033864

**Swapnil Chari**  
Company Secretary  
Membership No.: A58292

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

Place: Mumbai  
Date: 30th May, 2019

Place: Mumbai  
Date: 30th May, 2019



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

### A Equity Share Capital

Particulars	Note	Rs. in lakhs
As at April 1, 2018	9	303.48
Changes in equity share capital		-
As at March 31, 2019		303.48

### B Other Equity

OTHER EQUITY	Note	Reserves And Suplus			Total Other Equity
		Capital Reserve	General Reserve	Retained Earnings	
<b>As at April 1, 2018</b>		10.46	8.07	(29.88)	(11.35)
Profit for the year		-	-	7.49	7.49
Prior period Adjustments		-	-	(6.92)	(6.92)
Other comprehensive income		-	-		
<b><u>Other Adjustments</u></b>					
Inter reserves movement		-			-
Dividends paid (Including dividend distribution tax)		-	-		-
Proposed dividend		-	-	-	-
Total comprehensive income for the year		-	-	0.57	0.57
As at March 31, 2019		10.46	8.07	(29.31)	(10.78)

In terms of our report of even date

**For Gratex Industries Limited**

**For Jayesh R Shah & Co**  
Chartered Accountants  
Firm Registration No. : 104182W

**Baldevkrishan Sharma**  
Chairman & M.D.  
DIN: 00117161

**Karan Sharma**  
Director  
DIN: 00117188

**Jayesh Shah**  
Proprietor  
Membership No.: 033864

**Swapnil Chari**  
Company Secretary  
Membership No.: A58292

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

Place: Mumbai  
Date: 30th May, 2019

Place: Mumbai  
Date: 30th May, 2019

## NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

### 1 Company Overview

Gratex Industries Limited (the 'Company') is a public limited Company domiciled in India with its registered office address being 109, Kakad Udyog Bhavan, L. J. Road, Mahim, Mumbai-400016. The company is listed on the Bombay Stock Exchange (BSE). The company's principal business is manufacturing and trading of Wall Papers, Profiles, Catalogues, Furniture and related products.

### 2(A) Summary of significant accounting policies

#### 2.01 Basis of preparation

##### a) Compliance with Indian Accounting Standards (Ind AS)

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

##### b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for following items:

Items	Measurement Basis
Certain financial assets and liabilities	Fair Value
Net defined benefit (asset)/ liability	Fair Value of plan assets less present value of defined benefit obligations

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

##### c) Current versus non-current classification

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of the products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

#### 2.02 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Chairman and Managing Director of the Company has been identified as CODM who assesses the financial performance and position of the company, and makes strategic decisions.

#### 2.03 Foreign Currency Transactions

##### a) Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

##### b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rate at the date of the transaction.

## **2.04 Revenue Recognition**

Revenue is measured at the fair value of consideration received or receivable. Amounts disclosed as revenue is exclusive of excise duty and net of discounts, volume rebates, value added taxes, goods & services tax and amounts collected on behalf of third parties.

### **a) Sale of goods**

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### **b) Export incentives**

Benefits on account of entitlement of export incentives are recognized as and when the right to receive is established.

### **c) Interest income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

### **d) Dividend income**

Dividend income is recognized when the right to receive is established.

## **2.05 Borrowing costs**

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use or sale and borrowing costs are being incurred. Qualifying assets are assets that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

## **2.06 Leasing - As a lessee**

Leases of property, plant and equipment where the company as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

## **2.07 Employee benefits**

### **a) 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 recognised 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.

### **b) Post employee obligations**

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity
- defined contribution plans such as provident fund

### **i) Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is determined at the year end by independent actuary using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity. Remeasurements are not reclassified to profit and loss in the subsequent periods.

### **ii) Defined contribution plans**

#### **Provident fund**

The Company pays contributions toward provident fund to the regulatory authorities as per local regulations where the Company has no further payment obligations. The contributions are recognised as employee benefit expense when they are due.

### **c) Bonus plans**

The Company recognise a liability and an expense for bonuses. The Company recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## **2.08 Current and deferred tax**

Income tax expense or credit represents the sum of the current tax and deferred tax.

Current and deferred tax is recognised in the Statement of Profit and Loss except to the extent it relates to items recognised in 'Other comprehensive income' or directly in equity, in which case it is recognised in 'Other comprehensive income' or directly in equity, respectively.

### **Current tax**

Current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of profit and loss because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to

interpretation and establishes provisions where appropriate. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset shall be recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance sheet, if and only when, (a) the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when the Deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### **2.09 Property, plant and equipment**

All items of property, plant and equipment ("PPE") are stated at historical cost less accumulated depreciation less accumulated impairment losses. The cost of property, plant and equipment includes purchase price including import duties, non-refundable taxes and expenditure that is directly attributable to acquisition and installation, cost of dismantling and removing the item and restoring the site on which it is located.

Capital work in progress is carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are substantially ready for their intended use. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

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

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

### Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro-rata basis on the written down value method (WDV) to allocate their cost, net of their residual values, over their estimated useful lives as per technical evaluation. Estimated useful lives of the assets thereof are as under:

<b>Assets class</b>	<b>Useful life in years</b>
Building	60
Plant and Equipment	15
Laboratory / Testing	15
Furniture and Fixtures	10
Electrical Installation	10
Office Equipments	5
Vehicles	8
Computers	3

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

#### 2.10 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### 2.11 Government grants

Government grant is recognized only when there is a reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received. Government grant related to assets is recognized as deferred income which is recognized in the statement of profit & loss on systematic basis over the useful life of the assets.

#### 2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials, packing materials and fuels comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour, other direct costs and related production overheads. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the first in first out (FIFO). Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. "However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

#### 2.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, short-term highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### 2.14 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## Financial Assets

### i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss),
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or other comprehensive income.

For investments in debt instruments, this will depend on the business model in which the investment is held.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

### ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through statement of profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through statement of profit or loss are expensed in statement of profit or loss.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in statement of profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income. Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through statement of profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through statement of profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through statement of profit or loss is recognised in statement of profit or loss in the period in which it arises. Interest income from these financial assets is included in other income.

### iii) Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through statement of profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, credit risk is considered to be low. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables. As a practical expedient, the company uses a provision matrix to determine impairment loss of its trade receivables. The

provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognized in the statement of profit and loss.

**iv) De-recognition of financial assets**

A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**v) Trade Receivable**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**Financial Liabilities**

**i) Classification**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

**ii) Measurement**

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through statement of profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through statement of profit or loss.

**iii) Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**iv) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit or loss over the period of the borrowings using the effective interest method.



Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit or loss.

**v) Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

**2.15 Provisions and contingent liabilities**

**Provision**

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and amount of the obligation can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the management's best estimate of the expenditure required to settle the present obligation at the Balance sheet date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

**Contingent liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**Contingent Assets**

A contingent asset is disclosed, where an inflow of economic benefits is probable.

**2.16 Contributed equity**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**2.17 Earnings per share**

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share, adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## **2.18 New standards/ amendments to existing standards.**

Ind AS 115 Revenue from Contracts with Customers

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on March 28, 2018 notifying Ind AS 115 Revenue from Contracts with Customers

These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB).

Ind AS 115 replaces Ind AS 18 which covers contracts for goods and services and Ind AS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

It establishes a five-step model to account for revenue arising from contracts with customer. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Company is in the process of analysing the impact of the new standard. This standard will come into force from accounting period commencing on or after April 01, 2018.

There are no other standards, changes in standards and interpretations that are not in force up to reporting period that the Company expects to have a material impact arising from its application in its financial statements.

## **2.19 Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

## **2(B) Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. The areas involving critical estimates or judgements are:

### **a) Estimation of Provisions & Contingent Liabilities**

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. If a loss arising from these litigations and/or claims is probable and can be reasonably estimated, the management record the amount of the estimated loss. If a loss is reasonably possible, but not probable, the management discloses the nature of the significant contingency and, if quantifiable, the possible loss that could result from the resolution of the matter. As additional information becomes available, the management reassess any potential liability related to these litigations and claims and may need to revise the estimates. Such revisions or ultimate resolution of these matters could materially impact the results of operations, cash flows or financial statements of the company. (Refer Note )

### **b) Estimation of current tax expense and deferred tax**

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material adjustment to taxable profits/losses (Refer note ).

### **Recognition of deferred tax assets/ liabilities**

The recognition of deferred tax assets/ liabilities is based upon whether it is more likely than not that sufficient taxable profits will be available in the future against which the reversal of temporary differences will be offset. To determine the future taxable profits, the management considers the nature of the deferred tax assets, recent operating results, future market growth, forecasted earnings and future taxable income in the jurisdictions in which the company operate. (Refer Note 8).

**c) Useful lives of property, plant and equipment**

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period or even earlier in case, circumstances change such that the recorded value of an asset may not be recoverable. The estimate of useful life requires significant management judgment and requires assumptions that can include: planned use of equipments, future volume trends, revenue and expense growth rates and annual operating plans, and in addition, external factors such as changes in macroeconomic trends which are developed in connection with the Company's long-term strategic planning.

**d) Employee benefit plans**

The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

**NOTE -3**

**PROPERTY, PLANT AND EQUIPMENTS**

Sr. No.	Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
		Opening as at April 01, 2018	Additions 31, 2019	Disposals	Closing as at March	Opening as at April 01, 2018	For the Year	Disposals 31, 2019	Closing as at March	As at March 31, 2019
	<b>Own Assets</b>									
1	Land Freehold	2.40	-	-	2.40	-	-	-	-	2.40
2	Building	102.72	4.78	-	107.50	35.51	3.48	-	38.99	68.51
3	Plant and Equipment	70.28	1.59	0.03	71.85	21.73	8.97	0.02	30.68	41.17
4	Electric Equipments	3.62	-	-	3.62	2.16	0.37	-	2.53	1.10
5	Furniture and Fixtures	6.58	0.94	-	7.52	5.99	0.36	-	6.35	1.17
6	Office Equipments	2.32	0.30	-	2.63	2.06	0.24	-	2.31	0.32
7	Vehicles	5.10	-	-	5.10	3.18	0.60	-	3.78	1.32
8	Computers	1.49	2.85	-	4.34	0.37	2.21	-	2.58	1.77
	<b>TOTAL</b>	<b>194.52</b>	<b>10.46</b>	<b>0.03</b>	<b>204.96</b>	<b>71.00</b>	<b>16.23</b>	<b>0.02</b>	<b>87.21</b>	<b>117.76</b>

Sr. No.	Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
		Opening as at April 01, 2018	Additions 31, 2019	Disposals	Closing as at March	Opening as at April 01, 2018	For the Year	Disposals 31, 2019	Closing as at March	As at March 31, 2019
	<b>Own Assets</b>									
1	Land Freehold	2.40	-	-	2.40	-	-	-	-	2.40
2	Building	100.51	2.21	-	102.72	30.53	4.99	-	35.51	67.21
3	Plant and Equipment	25.39	44.89	-	70.28	18.83	2.89	-	21.73	48.56
4	Electric Equipments	2.13	1.49	-	3.62	2.09	0.07	-	2.16	1.46
5	Furniture and Fixtures	6.58	-	-	6.58	5.74	0.25	-	5.99	0.59
6	Office Equipments	2.12	0.21	-	2.32	1.90	0.16	-	2.06	0.26
7	Vehicles	5.10	-	-	5.10	1.97	1.21	-	3.18	1.92
8	Computers	0.36	1.14	-	1.49	0.31	0.06	-	0.37	1.12
	<b>TOTAL</b>	<b>144.58</b>	<b>49.94</b>	<b>-</b>	<b>194.52</b>	<b>61.37</b>	<b>9.63</b>	<b>-</b>	<b>71.00</b>	<b>123.52</b>

(Rs. in lakhs)

4.	OTHER NON CURRENT ASSETS	As at March 31, 2019	As at March 31, 2018
	Deposits-Others	1.81	1.81
	<b>TOTAL</b>	<b>1.81</b>	<b>1.81</b>

<b>5. INVENTORIES</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Raw materials	5.12	-
Work in progress	-	-
Finished Goods	53.65	78.81
Traded Stock	-	-
<b>TOTAL</b>	<b>58.77</b>	<b>78.81</b>

<b>6. TRADE RECEIVABLES</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Unsecured - considered good	-	-
Trade receivables	0.39	-
Receivables from related parties	158.75	159.00
<b>SUB- TOTAL</b>	<b>159.15</b>	<b>159.00</b>
Less: Allowance for doubtful debts	-	-
<b>TOTAL</b>	<b>159.15</b>	<b>159.00</b>

<b>7. CASH AND CASH EQUIVALENTS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Cash and Cash equivalents:	-	-
Cash on hand	0.47	0.23
Bank Balances :	-	-
- In Current accounts (Refer note below)	(1.45)	(3.48)
- In Margin Money deposit maturing within 3 month	-	-
<b>TOTAL</b>	<b>(0.98)</b>	<b>(3.25)</b>

<b>8. OTHER CURRENT ASSETS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
(Unsecured, considered good unless otherwise stated)	-	-
TDS Receivable(2016-17)	-	0.14
TDS Receivable(2017-18)	-	2.96
TDS Receivable(2018-19)	3.53	-
MAT Credit	1.47	2.92
GST Credit	-	2.00
Pre-paid expense	0.40	0.76
<b>TOTAL</b>	<b>5.40</b>	<b>8.78</b>

9. SHARE CAPITAL	As at	
	March 31, 2019	March 31, 2018
<b>Authorised</b>		
40,00,000 (March 31, 2018: 40,00,000 ) equity shares of Rs. 10/- each	40.00	40.00
	<b>40.00</b>	<b>40.00</b>
<b>Issued</b>		
30,34,800(March 31, 2018:30,34,800) equity shares of Rs. 10/- each	303.48	303.48
Subscribed and paid-up		
30,34,800(March 31, 2018:30,34,800) equity shares of Rs. 10/- each	303.48	303.48
<b>TOTAL</b>	<b>303.48</b>	<b>303.48</b>

**a) Reconciliation of the number of shares : Equity Shares**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
Balance at the beginning of the year	0.00	0.00	30.35	303.48
Balance at the end of the year	0.00	0.00	30.35	303.48

**b) Rights, preferences and restrictions attached to equity shares**

The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

**c) Details of shareholder holding more than of 5% of the aggregate shares in the company**

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of Shares held	Amount	Number of Shares held	Amount
Baldevkrishan Sharma	14.04	46.25%	13.43	44.25%
Promila Sharma	2.90	9.56%	2.90	9.56%
<b>TOTAL</b>	<b>16.94</b>	<b>55.81%</b>	<b>16.33</b>	<b>53.81%</b>

d) There are no shares allotted either as fully paid up by way of bonus shares or under any contract without payment received in cash during 5 years immediately preceding March 31, 2018.

10. BORROWINGS - NON-CURRENT	As at March 31, 2019	As at March 31, 2018
Secured:	-	-
<b>Term Loan:</b>	-	-
Yes Bank Term Loan Printing Equipments (Refer note below)	11.97	14.16
Less: Current maturities of long term debt (Repayable in 60 monthly equal installment of Rs. 32221/- each starting from April, 2018. Rate of interest is 13.00% p.a.)	2.44	14.16
	9.53	-
Yes Bank Term Loan Printing Equipments (Refer note below)	2.40	2.83
Less: Current maturities of long term debt (Repayable in 60 monthly equal installment of Rs. 6444/- each starting from April, 2018. Rate of interest is 13.00% p.a.)	0.49	2.83
	1.91	-
(Repayable in 20 quarterly equal installment of Rs. 7.5 Lakh each starting from Oct 2015. Rate of interest is 13.00% p.a.)	-	-
From Directors/Related Parties	1.10	28.07
Less: Current maturities of long term debt	1.10	28.07
<b>TOTAL</b>	<b>11.44</b>	<b>-</b>

**Details of securities**

1. First and exclusive charge on the printing equipments funded by YBL Ltd. by way of hypothecation.
2. There is no default in repayment of Loan Installment and interest thereon.

11 DEFERRED TAX ASETS (NET)	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities (Net)	0.53	2.50
<b>TOTAL</b>	<b>0.53</b>	<b>2.50</b>
<b>The balance comprises temporary differences attributable to:</b>		
<b>Deferred Tax Liability</b>		
Depreciation	2.44	2.50
Borrowing Cost	-	-
<b>Less : Deferred Tax Assets</b>	-	-
Provision for gratuity	1.91	-
Provision for bonus	-	-
<b>Net Deferred Tax Liability (Refer note below)</b>	<b>0.53</b>	<b>2.50</b>

**Note:** Deferred tax assets and deferred tax liability have been offset as they relate to same governing taxation laws.

11A MOVEMENT IN DEFERRED TAX ASETS/LIABILITIES	As at April 01, 2018	(Changed)/ Credited to Profit and Loss	(Changed)/ Credited to OCI	As at March 31, 2019
<b>Deferred Tax Liability</b>				
Depreciation	2.50	(0.07)	-	2.44
Borrowing Cost	-	-	-	-
<b>Total Deferred Tax Liability</b>	<b>2.50</b>	<b>(0.07)</b>	<b>-</b>	<b>2.44</b>
<b>Less : Deferred Tax Assets</b>				
Provision for gratuity	-	1.91	-	1.91
Provision for bonus	-	-	-	-
<b>Total Deferred Tax Assets</b>	<b>-</b>	<b>1.91</b>	<b>-</b>	<b>1.91</b>
<b>Net Deferred Tax Liability</b>	<b>(2.50)</b>	<b>1.97</b>	<b>-</b>	<b>0.53</b>

12	<b>EMPLOYEE BENEFIT OBLIGATIONS - NON-CURRENT</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	Provision for employee benefits (Refer note no. 23A):	-	-
	Provision for gratuity	3.78	-
	<b>TOTAL</b>	<b>3.78</b>	<b>-</b>

13	<b>BORROWINGS - CURRENT</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	Secured:		
	ICICI Bank Car Loan	-	1.22
	Term Loan:		
	Yes Bank Term Loan Printing Equipments (Refer note below) (Repayable in 60 monthly equal installment of Rs. 32221/- each starting from April, 2018. Rate of interest is 13.00% p.a.)	2.44	14.16
	(Repayable in 60 monthly equal installment of Rs. 6444/- each starting from April, 2018. Rate of interest is 13.00% p.a.)		
	Yes Bank Term Loan Printing Equipments (Refer note below) (Repayable in 60 monthly equal installment of Rs. 6444/- each starting from April, 2018. Rate of interest is 13.00% p.a.)	0.49	2.83
	(Repayable in 20 quarterly equal installment of Rs. 7.5 Lakh each starting from Oct 2015. Rate of interest is 13.00% p.a.)		
	From Directors/Related Parties	1.10	28.07
	<b>TOTAL</b>	<b>4.02</b>	<b>46.27</b>

**Details of securities**

1. First charge over the Fixed Assets by way of hypothecation of Plant & Machinery (existing & future) of the company.
2. There is no default in repayment of Loan Installment and interest thereon.

14	<b>TRADE PAYABLES</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	a) total outstanding dues of micro enterprises and small enterprises (Refer note below)	-	-
	b) total outstanding dues of creditors other than micro enterprises and small enterprises and dues to related parties	13.87	13.67
	c) total outstanding dues to related parties	-	-
	<b>TOTAL</b>	<b>13.87</b>	<b>13.67</b>

**Note:**

1. First charge over the Fixed Assets by way of hypothecation of Plant & Machinery (existing & future) of the company.
2. There is no default in repayment of Loan Installment and interest thereon.



15	INCOME TAX LIABILITIES (CURRENT)	As at March 31, 2019	As at March 31, 2018
	Provision for Income tax ( March 31, 2018 Rs.7,11,000/-)	1.48	7.11
	<b>TOTAL</b>	<b>1.48</b>	<b>7.11</b>
	<b>Movement in provision for income tax</b>		
	Opening balance	7.11	-
	Less: Paid / Adjusted	7.11	7.11
	Add: Provision for current year	1.48	-
	<b>Closing balance</b>	<b>1.48</b>	<b>7.11</b>

15A	TAX EXPENSE	As at March 31, 2019	As at March 31, 2018
	<b>Current Tax :</b>		
	Current Tax on Profits for the Year	1.48	7.11
	<b>Total Current Tax Expense</b>	<b>1.48</b>	<b>7.11</b>
	<b>Deferred Tax :</b>	-	
	Decrease/(Increase) in Deferred Tax Assets	(1.91)	
	(Decrease)/increase in Deferred Tax Liabilities	(0.07)	0.24
	<b>Total Deferred Tax Expense/(Benefit)</b>	<b>(1.97)</b>	<b>0.24</b>
	<b>Income Tax Expense</b>	(0.50)	7.35
	<b>Reconciliation of tax expense and accounting profit multiplied by statutory tax rate</b>	-	-
	Profit for the year	<b>6.99</b>	<b>0.00</b>
	Rate of tax	<b>0.00%</b>	<b>0.00%</b>
	<b>Tax Expense at Applicable Tax Rate</b>	<b>0.00</b>	<b>0.00</b>
	Tax Rate Difference	-	-
	CSR Expenses	-	-
	Interest on delayed payment of TDS and advance tax	-	-
	Others	(0.50)	7.35
	<b>Income Tax Expense</b>	<b>(0.50)</b>	<b>7.35</b>

<b>16</b>	<b>EMPLOYEE BENEFIT OBLIGATIONS - CURRENT</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	Provision for employee benefits	5.47	4.53
	Provision for gratuity	3.57	-
	<b>TOTAL</b>	<b>9.04</b>	<b>4.53</b>
<b>17</b>	<b>OTHER CURRENT LIABILITIES</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	Advances from customers	2.00	-
	Statutory dues (including provident fund and tax deducted at source)	2.52	0.90
	Others	0.52	1.56
	<b>TOTAL</b>	<b>5.04</b>	<b>2.47</b>
<b>18</b>	<b>CONTIGENT LIABILITIES</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	There are no contingent liability exist at the end of the year.	-	-
<b>19</b>	<b>REVENUE FROM OPERATIONS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	<b>Sale of Product (Including excise duty)</b>		
	Finished Goods		
	- Wall Coverings, Profiles, Digital Posters, Catalogues, Furnitures	200.91	91.30
	Stock in trade		
	- Wall Coverings, Profiles, Digital Posters, Catalogues, Furnitures		
	<b>Total sale of products</b>	<b>200.91</b>	<b>91.30</b>
	<b>Other operating revenue</b>		
	- Warehousing Charges	92.89	80.98
	- Packing Charges	12.30	-
	- Others Frenchises Commission	28.51	26.71
	<b>Total other operating income</b>	<b>133.71</b>	<b>107.69</b>
	<b>TOTAL</b>	<b>334.61</b>	<b>198.99</b>
<b>20</b>	<b>OTHER INCOME</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	Interest Income from financial assets at amortised cost	-	-
	Profit on sale of assets	0.02	-
	Foreign Exchange Gain/(Loss)	(0.02)	1.57
	<b>TOTAL</b>	<b>0.00</b>	<b>1.57</b>

21	<b>COST OF MATERIAL CONSUMED</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	Raw material consumed		
	Opening inventory	-	-
	Add: Purchases	115.45	92.06
	Less: Closing inventory	5.12	-
	<b>Cost of raw material consumed during the year</b>	<b>110.33</b>	<b>92.06</b>
	Packing material consumed		
	Opening inventory	-	-
	Add: Purchases	-	-
	Less: Closing inventory	-	-
	<b>Cost of packing material consumed during the year</b>		
	<b>TOTAL</b>	<b>110.33</b>	<b>92.06</b>
22	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	(Increase) / Decrease in stocks		
	Stock at the end of the year		
	Finished goods	53.65	78.81
	Work in progress	-	-
	Stock in trade	-	-
	<b>TOTAL A</b>	<b>53.65</b>	<b>78.81</b>
	Less: Stock at the beginning of the year		
	Finished goods	78.81	40.91
	Work in progress	-	-
	Stock in trade	-	-
	<b>TOTAL B</b>	<b>78.81</b>	<b>40.91</b>
	<b>(Increase) / Decrease in stocks (B-A)</b>	<b>25.16</b>	<b>(37.90)</b>
23	<b>EMPLOYEE BENEFITS EXPENSES</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	Salaries, wages and bonus	72.63	34.05
	Directors remuneration	7.98	12.53
	Leave Encashment	0.18	0.05
	Contribution to provident and other funds:	-	-
	Provident Fund	1.82	1.37
	Gratuity (Refer note no. 23A(ii))	0.68	0.22
	ESIC	1.97	1.01
	Staff welfare expenses	7.54	4.01
	<b>TOTAL</b>	<b>92.80</b>	<b>53.23</b>

**23A EMPLOYEE BENEFIT OBLIGATIONS:**

**i) Defined-contribution plans**

The Company makes contribution to provident fund under the provision of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and to superannuation fund for the qualifying employees as per the Company's policy.

(Rs. in lakhs)

Amount recognised in Statement of Profit and Loss	Year ended March 31, 2019	Year ended March 31,2018
Provident fund	1.74	1.25

**ii) Defined-Benefits Plans**

The company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, as per the company's policy. Vesting occurs on completion of 5 continuous years of service as per Indian law. However, no vesting condition applies in case of death. The gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Company. The gratuity plan is an unfunded plan

**Profit & Loss account expenses:**

(Rs. in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31,2018
Current Service Cost	0.68	-
Past service Cost	7.23	-
Interest on defined benefit obligation/(asset) (net)	-	-
<b>Total expenses charged</b>	<b>7.91</b>	<b>-</b>

**Amount recorded in other comprehensive income:**

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31,2018
Opening balance recorded in OCI	-	-
<b>Remeasurement during the period due to:</b>		
(Gain )/loss from change in financial assumptions	-	-
(Gain)/loss from change in demographic assumptions	-	-
Experience (gains)/losses	-	-
Actuarial (gains)/losses on plan assets	-	-
Total amount recognised in OCI	-	-

**Present value of defined benefit obligation:**

(Rs. in lakhs)

Particulars	Gratuity (Funded Plan)	
	As at March 31, 2019	As at March 31,2018
Balance at the beginning of the year	-	-
Current service cost	0.68	-
Past service cost	7.23	-
Interest on defined benefit obligation	-	-
Remeasurement due to:		
(Gain)/loss from change in financial assumptions	-	-
(Gain)/loss from change in demographic assumptions	-	-
Experience (gains)/losses	-	-
Benefit paid	(0.57)	-
<b>Balance at the close of the year</b>	<b>7.34</b>	<b>-</b>

**Fair value of plan assets:**

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31,2018
Balance at the beginning of the year	-	-
Contributions by employer	-	-
Interest income	-	-
Benefits paid	-	-
Actuarial gains/(losses) on plan assets	-	-
<b>Balance at the close of the year</b>	<b>-</b>	<b>-</b>

**Assets and Liabilities recognised in the Balance Sheet:**

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31,2018
Present value of obligations	7.34	-
Fair value of plan assets	-	-
Deficit of funded plan	7.34	-
Non-current (Note 12)	3.78	-
Current	3.57	-

**Major Category of Plan Assets as a % of total Plan Assets:**

Particulars	As at March 31, 2019	As at March 31,2018
Government of India securities	0.00%	0.00%
Corporate bonds	0.00%	0.00%
Insurance managed fund	0.00%	0.00%
Others	0.00%	0.00%
	<b>0.00%</b>	<b>0.00%</b>

**Actuarial Assumptions:**

Particulars	As at March 31, 2019	As at March 31,2018
Discount rate	7.66%	0.00%
Salary Growth rate	8.00%	0.00%

The discount rates reflects the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

The expected rate of return of plan assets is the Company's expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

**Sensitivity Analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions by 0.50% is:

**Particulars      Impact on defined benefit obligation**

	Increase in assumptions		Decrease in assumptions	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount rate	(0.25)	0.00	0.27	0.00
Salary growth rate	0.27	0.00	(0.25)	0.00

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which has been used for calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**Expected Contribution to the Fund in the next year:**

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31,2018
Gratuity	1.37	-

iv) **Risk Exposure**

The Gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The risks commonly affecting the defined benefit plan are expected to be:

**Demographic Risk:** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

**Salary Inflation Risk :** Higher than expected increases in salary will increase the defined benefit obligation

**Interest-Rate Risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

v) **Defined Benefit Liability and Employer Contributions**

The company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

The expected maturity analysis of undiscounted gratuity is as follows:

**Maturity Analysis of the Projected Benefit Obligations - Gratuity**

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
1st Following Year	3.74	-
2nd Following Year	2.11	-
3rd Following Year	4.56	-
4th Following Year	1.74	-
5th following year	2.02	-

24	FINANCE COSTS	As at March 31, 2019	As at March 31, 2018
	Interest on short term borrowings	1.64	-
	Interest on long term borrowings	2.09	0.58
	Other finance cost	0.29	0.51
	<b>TOTAL</b>	<b>4.02</b>	<b>1.09</b>

25	DEPRECIATION AND AMORTISATION EXPENSES	As at March 31, 2019	As at March 31, 2018
	Depreciation on property, plant and equipment	16.23	9.63
	<b>TOTAL</b>	<b>16.23</b>	<b>9.63</b>

26 OTHER EXPENSES	As at March 31, 2019	As at March 31, 2018
Advertisement and publicity expenses	6.81	1.83
Computer Expenses	0.34	-
Communication Expenses	1.35	0.79
Catalogue Charges	-	1.27
Consumable stores	0.61	-
Director Sitting Fees	1.30	1.52
ROC Filing fees	0.02	0.02
Insurance Charges	0.66	1.19
Electricity Charges-Power	13.15	10.42
Legal Fees	-	0.21
Office Expenses	0.41	0.87
Membership & Subscription	3.50	3.06
Other Expenses	0.98	0.73
Clearing , forwarding, freight and other charges-Imports	0.84	2.85
Loading, unloading and freight charges	0.80	0.10
Motor Car Expenses	3.08	2.58
Printing and Stationery	0.95	0.18
Service Charges	10.48	-
Sales Promotion expenses	6.34	0.14
Logo Charges	-	0.03
Packing Material Charges	-	1.60
Professional Fees	10.07	10.10
Security Charges	2.50	0.52
Repairs & maintenance	9.46	7.44
Rents,Rates and Taxes	1.55	1.46
Website Development Charges	1.15	0.97
Training Charges	-	0.12
Transport Charges	-	0.11
Travelling & Conveyance	1.26	1.29
Payment to auditors	-	-
As auditor:	-	-
Audit fees (Including limited review)	1.50	1.10
Tax audit fees	-	-
<b>TOTAL</b>	<b>79.09</b>	<b>52.48</b>



## 27 SEGMENT INFORMATION

The Company's chief operating decision maker (CODM) has identified one business segment viz. Manufacturing and Trading of Profiles, Catalogues, Digital Posters, Furnitures and Wall coverings. There are no other reportable segment.

### GEOGRAPHIC INFORMATION

(Rs. in lakhs)

PARTICULARS	Year ended March 31, 2019		Year ended March 31, 2018	
	Country of domicile (India)	Foreign countries	Country of domicile (India)	Foreign countries
Revenue from External Customers	11.98	-	0.65	-

The Company does not hold any non-current assets in foreign countries.

The total revenue generated from Related Parties Rs. 322.63 198.34

## 28 RELATED PARTY DISCLOSURES:

### 28a Names of the related parties and nature of relationship:

- i) Enterprises over which KMP exercise significant influence
  - Marshalls Enterprises India Pvt. Ltd.
- ii) Key Management Personnel
  - Mr. Baldevkrishan Sharma
  - Mr. Karan Sharma
  - Mr. K.P.Bhardwaj
  - Mrs. Mona Menon
- iii) Relatives of Key Management Personnel

### 28b Compensation of key managerial personnel

(Rs. in lakhs)

Related Parties	Year ended March 31, 2019	Year ended March 31, 2018
Short-term employee benefits to MD and Whole Time Director	12.07	10.41
Short-term employee benefits to Executive Director	-	2.63
Short-term employee benefits to CFO	-	-
<b>Total</b>	<b>12.07</b>	<b>13.04</b>

### Key Management Personnel Compensation

Gratuity is computed for all the employees in aggregate, the amounts relating to the Key Managerial Personnel cannot be individually identified.

**28c Details of Transactions with related Parties:**

(Rs. in lakhs)

<b>Particulars</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31,2018</b>	
<b>Directors Remuneration paid to</b>			
- Mr. Baldevkrishan Sharma	6.60	6.60	
- Mr. Karan Sharma	-	2.63	
- Mr. K.P.Bhardwaj	1.38	3.81	
- Mrs. Mona Menon			
<b>Salaries paid to</b>			
- Mr. K.P.Bhardwaj	4.10	-	
<b>Sitting Fees paid to</b>			
- Mrs. Mona Menon	0.15	0.25	
- Mr. Karan Sharma	0.15	0.15	
- Mr. K.P.Bhardwaj	-	0.12	
<b>Interest paid to</b>			
- Mr. Baldevkrishan Sharma	1.23	0.15	
- Mrs. Mona Menon	0.23	0.09	
- Mr. K.P.Bhardwaj	0.18	0.14	
Loans Repaid to	Directos	26.97	7.44
Loans Recd	Directors	-	31.50
Sale of Goods	Marshalls Enterprises India Pvt. Ltd.	188.93	90.65
Purchase of Goods	Marshalls Enterprises India Pvt. Ltd.	38.20	24.82
Warehousing Charges Recd.	Marshalls Enterprises India Pvt. Ltd.	92.89	80.98
Franchises Commission recd.	Marshalls Enterprises India Pvt. Ltd.	28.51	26.71
Packing & Forwarding Charges Recd	Marshalls Enterprises India Pvt. Ltd.	12.30	-
Service charges paid	Marshalls Enterprises India Pvt. Ltd.	10.48	-
Canteen Charges Recd	Marshalls Enterprises India Pvt. Ltd.	4.20	-
Housekeeping Charges Recd.	Marshalls Enterprises India Pvt. Ltd.	3.36	-
Reimbursement of Expenses	Marshalls Enterprises India Pvt. Ltd.	34.19	33.26

**28d Details of outstanding balances with related Parties:**

(Rs. in lakhs)

<b>Related Parties</b>	<b>As at March 31, 2019</b>	<b>As at March 31,2018</b>
Marshalls Enterprises India Pvt. Ltd	158.75	159.00
Loans Received		
Mr. Baldevkrishan Sharma	-	21.50
Mr. K. P. Bhradwaj	-	5.00
Mrs. Mona Menon	-	5.00
Loan Repaid		
Mr. Baldevkrishan Sharma	19.15	1.26
Mr. K. P. Bhradwaj	3.66	5.34
Mrs. Mona Menon	4.16	0.84

**Terms and conditions:**

All the transactions with the related parties during the year are based on the arms length price and terms that would be available to/from third parties

All outstanding balances are unsecured and repayable in cash.

**29 FAIR VALUE MEASUREMENTS**

**(i) Financial instruments by category**

There are no financial assets/liabilities that are measured at fair value through other comprehensive income. Category wise break up of financial assets/liabilities measured at amortised cost and fair value through statement of profit and loss account are given below:

(Rs. in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amortised Cost	FVPL	Amortised Cost	FVPL
<b>Financial Assets</b>				
Investments	-	-	-	-
Deposits	1.81	-	1.81	-
Other Advance	-	-	-	-
Deposit with bank	-	-	-	-
Trade receivables	159.15	-	159.00	-
Cash and cash equivalents	(0.98)	-	(3.25)	-
<b>Total Financial Assets</b>	<b>159.97</b>	<b>-</b>	<b>157.56</b>	<b>-</b>
<b>Financial Liabilities</b>				
Borrowings	15.47	-	46.27	-
Trade payables	13.87	-	13.67	-
Other current financial liabilities	-	-	-	-
<b>Total Financial Liabilities</b>	<b>29.34</b>	<b>-</b>	<b>59.94</b>	<b>-</b>

**(ii) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as follows.

**Level 1 :** Level 1 hierarchy includes financial instruments measured using quoted prices.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**iii) Fair value of financial assets and liabilities measured at amortised cost**

The carrying amounts of Investments, deposits with banks and interest there on, trade receivables, cash and cash equivalents, loans to employees, borrowings, trade payables and other current financial liabilities are considered to be the same as their fair values due to their short-term nature.

The fair values of security deposits and other advances are based on discounted cash flows. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. Fair value of the security deposit and other advances are considered to be the same as their carrying value.

### **30 FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The market risk to the Company is foreign exchange risk and interest rate. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and.

#### **30A CREDIT RISK**

Credit risk comprises of direct risk of default, the risk of deterioration of creditworthiness as well as concentration risks. It mainly arises from trade receivables, cash and cash equivalents (excluding cash on hand) and bank deposits.

##### **(i) Credit risk management**

###### **a) Trade receivables**

The carrying amount of trade receivables represent the maximum credit exposure net of provision for impairment. The maximum exposure to credit risk was Rs. 159.15 lakhs as of March 31, 2019 ( March 31, 2018 : Rs. 159.00 lakhs).

Trade receivables are derived from revenue earned from customers. Credit risk for trade receivable is managed by the company through credit approvals, establishing credit limits and periodic monitoring of the creditworthiness of its customers to which the company grants credit terms in the normal course of business. The Company's credit period generally ranges from 90-120 days.

The company has very high concentration of credit risk to a single customer which is a related party. Single largest customer have the total exposure in receivables Rs. 158.75 lakhs as of March 31, 2019 (March 31, 2018 : Rs.159.00 Lakhs).

As per simplified approach, the company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account a continuing credit evaluation of company's customers' financial condition; aging of trade accounts receivable and the company's historical loss experience. The company defines default as an event when there is no reasonable expectation of recovery. The company has not made any provision for loss allowance in any of the years presented.

Trade receivables are written off when there is no reasonable expectation of recovery.

###### **b) Cash & cash equivalent and bank deposits**

Credit risk on cash and cash equivalents and bank deposits is generally low as the said deposits have been made with banks having good reputation, good past track record and high quality credit rating and company also reviews their credit-worthiness on an on-going basis.

###### **c) Other financial assets**

Credit risk on other financial assets is generally considered to be low

#### **30B MARKET RISK**

##### **(i) Foreign currency risk**

Foreign exchange risk arises on financial instruments being denominated in a currency that is not the functional currency of the entity and that are monetary in nature. The Company is exposed to foreign exchange risk mainly arising from Trade Payables denominated in United States Dollar ('USD') and European Union Currency ('EURO') and Trade receivables in United States Dollar ('USD').

###### **(a) Foreign currency risk exposure:**

The Company has not entered into any derivative transactions during the year and there were no derivative transactions outstanding as on March 31, 2019

The Company's exposure to foreign currency risk at the end of the reporting period are as follows

(Rs. in lakhs)

PARTICULARS	As at March 31, 2019			As at March 31, 2018		
	Amount Currency	Foreign Currency Amount	Foreign Currency	Amount Currency	Foreign Currency Amount	Foreign
(i) Financial assets Trade receivables		-	-	-	-	-
(ii) Financial liabilities Trade payable	-	Euro	-	10.32	Euro	0.13

(b) Sensitivity:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments is as follows:

(Rs. in lakhs)

Particulars	Impact on Profit after Tax positive/(negative)	
	Year ended March 31, 2019	Year ended March 31, 2018
USD - Sensitivity		
Rs./Euro-Increase by 3.05% (March 31, 2018: 12.31%)	-	5.68
Rs./Euro-Decrease by 3.05% (March 31, 2018: 12.31%)	-	(5.68)

#Holding all other variables constant

(ii) Interest rate exposure

Impact on Profit after Tax positive/(negative)

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows :

(Rs. in lakhs)

Related Parties	As at March 31, 2019	As at March 31, 2018
Variable rate borrowings	-	-
Fixed rate borrowings	15.47	46.27
<b>Total borrowings</b>	<b>15.47</b>	<b>46.27</b>

An analysis by maturities is provided in Note 30(C) liquidity risk below.

(Rs. in lakhs)

Particulars	Impact on Profit after Tax positive/(negative)	
	Year ended March 31, 2019	Year ended March 31, 2018
Interest rate - increase by 50 basis points	-	-
Interest rate - decrease by 50 basis points	-	-

### 30C LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities (comprising the undrawn borrowing facilities below), by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The liquidity risk is managed by means of the ultimate parent company's Liquidity and Financial Indebtedness Management Policy, which aims to ensure the availability of sufficient net funds to meet the Company's financial commitments with minimal additional cost. One of the main liquidity monitoring measurement instruments is the cash flow projection, using a minimum projection period of 12 months from the benchmark date.

#### (i) Financing arrangements

The Company has undrawn borrowing facilities of Rs. 94.24 lakhs as at March 31, 2019 (Rs. 76.41 lakhs as at March 31, 2018 and ) which is renewable on yearly basis by mutual consent. Undrawn credit facilities comprises of fund based and non-fund based.

#### (ii) Maturities of financial liabilities

The following table shows the maturity analysis of the companies financial liabilities based on the contractually agreed undiscounted cash flows as at the Balance Sheet date.

(Rs. in lakhs)

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES	Less than 6 months	6 months to 1 year	Above 1 Year	Total
<b>March 31, 2019</b>				
Borrowings	2.01	2.01	1.10	5.12
Trade payables	13.87	-	-	13.87
Other financial liabilities				
<b>Total Liabilities</b>	<b>15.89</b>	<b>2.01</b>	<b>1.10</b>	<b>19.00</b>

(Rs. in lakhs)

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES	Less than 6 months	6 months to 1 year	Above 1 Year	Total
<b>March 31, 2018</b>				
March 31, 2018				
Borrowings	16.16	14.94	15.17	46.27
Trade payables	13.67	-	-	13.67
Other financial liabilities	-			
<b>Total Liabilities</b>	<b>29.83</b>	<b>14.94</b>	<b>15.17</b>	<b>59.94</b>

### 31 CAPITAL MANAGEMENT

The company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure of the Company, management can make, or may propose to the stockholders when their approval is required, adjustments to the amount of dividends paid to stockholders, return capital to stockholders, issue new shares or sell assets to reduce, for example, debt.

The Company considers total equity reported in the financial statements to be managed as part of capital.

The Company does not have any borrowing which is subject to the capital requirements.

### 32 EARNINGS PER SHARE

Particulars	Year ended March 31,2019	Year ended March 31,2018
Profit after tax (Rs. in lakhs)	7.49	22.35
Weighted average number of shares outstanding for basic / diluted EPS (In lakhs)	30.35	30.35
Nominal value per share (In Rs.)	10.00	10.00
Basic / diluted earning per Share (In Rs.)	0.25	0.74

### 33 LEASES

As a lessee: Operating lease

The Company has operating leases for land and premises. Most of the leases are renewable for further period on mutually agreeable terms.

With respect to all operating leases:	Year ended March 31,2019	Year ended March 31,2018
Lease payments recognised in the Statement of Profit and Loss during the year	-	-

### 34 Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in statement of profit and loss for the year, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in statement of profit and loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

The notes are an integral part of these financial statements.

35 Figures for the corresponding previous years have been regrouped/ rearranged, wherever necessary, to conform to the classification of the current year.

#### For Gratex Industries Limited

**For Jayesh R Shah & Co**  
Chartered Accountants  
Firm Registration No. : 104182W

**Baldevkrishan Sharma**  
Chairman & M.D.  
DIN: 00117161

**Karan Sharma**  
Director  
DIN: 00117188

**Jayesh Shah**  
Proprietor  
Membership No.: 033864

**Swapnil Chari**  
Company Secretary  
Membership No.: A58292

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

Place: Mumbai  
Date: 30th May, 2019

Place: Mumbai  
Date: 30th May, 2019



## 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-fifth **ANNUAL GENERAL MEETING** of the Company held on Monday, September 30 2019 at 10.00 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/Proxy holder can attend the Meeting

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

3. A Member/Proxy holder 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-fifth **ANNUAL GENERAL MEETING** to be held on Monday, September 30, 2019 at 10.00 a.m. at Kittle 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, 2019 and the reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mrs. Mona Menon, (DIN 00117025) who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible, offers herself for re-appointment.		
<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 \_\_\_\_\_, 2019

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..

**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 E-mail id : investor@gratex.in**

**CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE**

1. Name(s) os Shareholders(s) : \_\_\_\_\_  
(Including joint holders, if any)

2. Registered Address of the sole/  
First name shareholder : \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Registered folio no. DP ID. No./  
Client ID No. : \_\_\_\_\_  
(Applicable to investors holding share  
In Dematerialized form)

4. No. of Shares held : \_\_\_\_\_

5. I/We hereby exercise my/our option to receive the documents such as Notice of Annual General Meeting, Audited Financial Statement, Balance Sheet, Profit & Loss Accounts, Director's Report, Auditors Report, Annual Report etc. in electronic mode pursuant to the "Green initiative" by the Ministry of Corporate Affairs vide circular dated 29th April, 2011.

6. My email ID is : \_\_\_\_\_

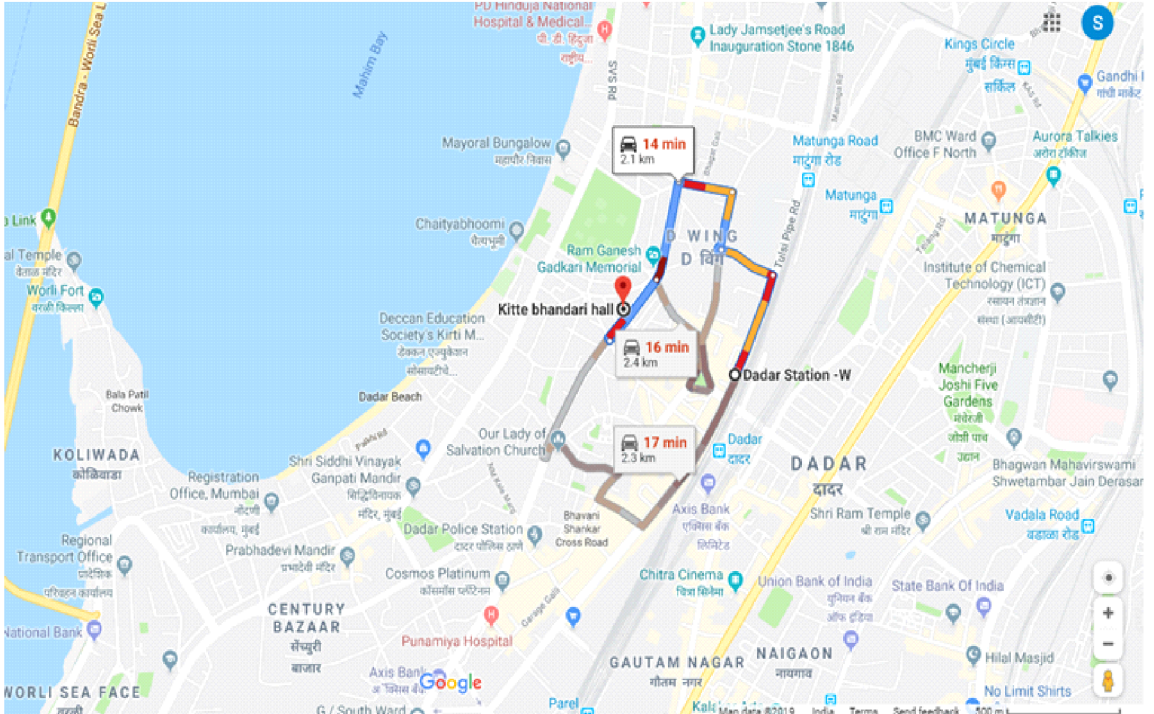
Place:

Date:

\_\_\_\_\_  
(Name & Signature of the Ministry)

## ROUTE MAP

ROUTE MAP FROM DADAR (WEST) RAILWAY STATION TO THE VENUE OF THE ANNUAL GENERAL MEETING OF THE COMPANY DATED 30TH SEPTEMBER, 2019.











## BOOK POST

To,

*If undelivered, please return to :*

**GRATEX INDUSTRIES LIMITED**

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