

# Gratex Industries Ltd.

Regd. Add: 109, Kakad Udyog Bhavan, L.J. Road, Mahim,  
Mumbai - 400016. ☎ : 022-62992121



Factory Add: Gratex House, A-73 MIDC, Koparkhairne, Thane-Belapur Road, Navi Mumbai - 400709. ☎ : 022-62992323  
website: [www.gratex.in](http://www.gratex.in) | GST: 27AAACG1275A2Z4 | PAN: AAACG1275A | CIN: L21093MH1984PLC032248

**Date: 19<sup>th</sup> July, 2024**

To,  
Listing Department,  
**BSE Limited,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400001,  
Maharashtra, India.

**Scrip Code: 526751 - Gratex Industries Limited**

**Sub.: Compliance under Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Submission of the 40<sup>th</sup> Annual Report for the Financial Year 2023-24 and Notice of 40<sup>th</sup> Annual General Meeting.**

Dear Sir / Madam,

This is to inform you that the 40<sup>th</sup> Annual General Meeting of the Company will be held on Wednesday, 14<sup>th</sup> August, 2024 at 01:00 p.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

Pursuant to the provisions of Regulation 30 and 34(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2023-24 along with the Notice convening the 40<sup>th</sup> Annual General Meeting of the Company.

Notice of the 40<sup>th</sup> Annual General Meeting and Annual Report for the financial year 2023-24 can also be downloaded from website of the Company <https://www.gratex.in>.

We request you to take the above on record.

Thanking You,

Yours Faithfully,

**For Gratex Industries Limited,**

**Karan Baldevkrishan Sharma**  
**Managing Director**  
**DIN: 00117188**



**40TH  
ANNUAL REPORT  
2023-2024**

**GRATEX INDUSTRIES LIMITED**

## Company Information

### **Board of Directors:**

Mr. Baldevkrishan Ramratan Sharma - Chairman & Director  
Mr. Karan Baldevkrishan Sharma - Managing Director  
Mrs. Mona Pratap Menon - Director & CFO  
Mr. Prashant Sawant- Independent Director  
Ms. Akanksha Bector - Independent Director

### **Company Secretary :**

Ms. Neha Arora

### **Registered Office :**

109, Kakad Udyog Bhavan,  
L. J. Road, Mahim,  
Mumbai - 400 016.  
Tel.: 022 - 62992121  
Fax.: 022 - 62992111  
Website : [www.gratex.in](http://www.gratex.in)

### **Auditors :**

#### **M/s. Harshal Doshi & Associates.**

2, Kanti Bhuvan, 1st Parsiwada Lane, Near C. P. Tank circle, Girgoan, Mumbai - 400 004, Maharashtra, India.

### **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 Baroda, Shivaji Park Branch, Mumbai - 400 016.

HDFC Bank, Tulsiani Chambers, Nariman Point Branch, Mumbai - 400 021.

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

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

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

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## NOTICE

Notice is hereby given that the Fortieth (40<sup>th</sup>) Annual General Meeting of Gratex Industries Limited will be held on Wednesday, 14<sup>th</sup> August, 2024 at 01.00 p.m. via Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2024 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Mona Pratap Menon (DIN: 00117025), who retires by rotation and being eligible, offers herself for re-appointment.
3. **Appointment of the Statutory Auditors**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications, amendments or re-enactments thereof for the time being in force) and pursuant to the recommendation of the Audit Committee, M/s. Harshal Doshi & Associates, Chartered Accountants, (Membership No.: 179613 and Firm Registration No.: 145606W), Peer Review Certificate No.: 016953 valid till 31<sup>st</sup> May, 2027 be and is hereby appointed as the Statutory Auditors of the Company for a term of Five Years, from the conclusion of this 40<sup>th</sup> Annual General Meeting till the conclusion of the ensuing 45<sup>th</sup> Annual General Meeting to be held in the year 2029, to examine and audit the accounts of the Company at such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company."

### SPECIAL BUSINESS:

4. **To re-appoint Mr. Prashant Shiram Sawant (DIN: 08503935) as an Independent Director of the Company for the second term:**

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 of the Companies Act, 2013 ('the Act'), if any, read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modifications, amendments or re-enactments thereof for the time being in force), Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations'), as amended from time to time, and the Articles of Association of the Company, as well as based on the recommendation of the Nomination and Remuneration Committee, Mr. Prashant Shiram Sawant (DIN: 08503935), who was appointed as an Independent Director of the Company at the 35<sup>th</sup> Annual General Meeting of the Company for a period of Five Years, i.e., from 09<sup>th</sup> July, 2019 to 08<sup>th</sup> July, 2024, and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for the second consecutive term of Five Years, i.e., from 09<sup>th</sup> July, 2024 to 08<sup>th</sup> July, 2029 (both days inclusive)."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may deem necessary and authorize executives of the Company for the purpose of giving effect to this Resolution."

**5. To shift the Registered Office of the Company;**

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 Section 12 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications, amendments or re-enactments thereof for the time being in force), consent of the Members be and is hereby accorded for shifting the Registered Office of the Company from 109, Kakad Udyog Bhavan, L. J. Road, Mahim, Mumbai - 400 016, Maharashtra, India, to Gratex House, A73, TTC Industrial Area, MIDC, Kopar Khairne, Navi Mumbai – 400703, Maharashtra, India, with effect from 19<sup>th</sup> August, 2024.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board which may have been constituted or hereinafter constitute to exercise the powers conferred on the Board by this resolution) be and is hereby authorized to take such steps as may be necessary and generally to do all acts, deeds and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

**6. Material Related Party Transaction(s) between the Company and Marshalls Enterprises India Private Limited, a Company having common Directors and Shareholders;**

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

**“RESOLVED THAT** pursuant to the provisions of Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations'), as amended from time to time, Section 2(76) and other applicable provisions of the Companies Act, 2013 ('the Act') read with the Rules framed thereunder (including any statutory modifications, amendments or re-enactments thereof for the time being in force) and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and / or permission(s) as may be required and on the basis of approval of the Audit Committee and recommendation of the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to the Company to the Material Related Party Transaction(s) / Contract(s) / Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, between the Company and Marshalls Enterprises India Private Limited ('MEIPL'), a Company having common Directors and Shareholders and accordingly a 'Related Party' of the Company, on such terms and conditions as may be mutually agreed between the Company and MEIPL, during the financial year 2024-25, 2025-26 and 2026-27, provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) is / are carried out at an arm's length pricing basis and in the ordinary course of business.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Chief Financial Officer, Company Secretary or any other Officer / Authorised Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respects.”

**By Order of the Board of Director**

**For Gratex Industries Limited**

**SD/-**

**Neha Arora**

**Company Secretary**

**ACS 57981**

**Place: Mumbai**

**Date: 08<sup>th</sup> July, 2024**

**Notes:**

1. An Explanatory Statement setting out the material facts pursuant to the provisions of Section 102 of the Companies Act, 2013 ("Act") and applicable Secretarial Standards, relating to special business to be transacted at the Annual General Meeting ("AGM"), is annexed to the Notice. The Board of Directors of the Company, at its meeting held on 08<sup>th</sup> July, 2024 considered the special business under Item Nos.: 04 to 06 are unavoidable and should be transacted at the 40<sup>th</sup> AGM of the Company.
2. In view of the global outbreak Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA"), vide its General Circular No. 14/ 2020 dated 08<sup>th</sup> April, 2020, General Circular No. 17/ 2020 dated 13<sup>th</sup> April, 2020, General Circular No. 20/ 2020 dated 05<sup>th</sup> May, 2020, General Circular No. 11/2022, dated 28<sup>th</sup> December, 2022, and subsequent circular issued in this regard, the latest being General Circular No. 09/ 2023 dated 25<sup>th</sup> September, 2023 (collectively referred to as "MCA Circulars") has permitted the holding of the AGM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without the physical presence of the Shareholders at a common venue up to 30<sup>th</sup> September, 2024. In compliance with the provisions of the Companies Act, 2013, the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with circulars issued by MCA and SEBI, the 38<sup>th</sup> AGM of the Company is being held through VC/OAVM. The deemed venue for the 40<sup>th</sup> AGM shall be the Registered Office of the Company.
3. In accordance with the provisions of the Act, read with the Rules made thereunder and General Circular No. 10/2022 dated 28<sup>th</sup> December, 2022, other Circulars issued by the Ministry of Corporate Affairs ("MCA") from time to time, and Circular No.: SEBI/HO/CFD/ PoD-2/P/CIR/2023/4 dated 05<sup>th</sup> January, 2023 issued by the SEBI ("the Circulars"), companies are allowed to hold AGM through video conference/other audio visual means ("VC/OAVM") up to 30<sup>th</sup> September, 2023, without the physical presence of members. The AGM of the Company is being held through VC/OAVM, and video recording and transcript of the same shall be made available on the website of the Company. National Securities Depository Limited ("NSDL") will be providing facilities for voting through remote e-voting, for participation in the AGM through VC / OAVM and e-voting during the AGM.
4. The Company is concerned about the environment. We request you to update your email address with your Depository Participants to enable us to send you communications via email. The Members who have not registered their e-mail addresses, so far, are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members, who hold shares in physical form are requested to provide their email addresses to the M/s. Adroit Corporate Services Private Limited sending an e-mail at info@adroitcorporate.com or to the Company at investor@gratex.in.
5. SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 03<sup>rd</sup> November 2021 read with SEBI Circular No.: SEBI/HO/MIRSD/MIRSD\_RTAMB/ P/C/2021/687 dated 14<sup>th</sup> December, 2021 ("Circulars"), requires listed companies to record and register the KYC details of all incomplete folio (including joint holders) i.e. PAN, contact details (postal address, Mobile Number & E-mail), Nomination and Bank Account details of first holder and in order to comply with the this Circulars, the Company has sent individual communication, through RTA, to the physical shareholders whose KYC details are pending to be updated and the members are requested to please update/complete the above details at earliest. Please note that, folios which remains incomplete with reference to KYC and Nomination details etc. shall be frozen w.e.f. April 01, 2024. Investor may visit the Company / RTA website for updating all or any of the above details by furnishing required documents along with the duly filled appropriate form such as ISR-1 (for KYC), ISR-2 (for signature verifications), ISR-3 (for opting out from nomination) and Nomination forms SH-13/14, as the case may be.
6. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, and SEBI Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representative to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.
7. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
10. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report and Audited Financial Statements for the financial year 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company or the Depository Participant(s). The Notice calling the AGM along with Annual Report has been uploaded on the website of the Company at [www.gratex.in](http://www.gratex.in). The same can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and from the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Since the AGM will be held through VC/OAVM facility, the Route Map is not annexed in this Notice.
11. SEBI has mandated listed companies to issue securities in dematerialized form only, while processing service requests for issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; subdivision/splitting of securities certificate; consolidation of securities certificates / folios; and transmission and transposition. In this regard, members are requested to make requests in Form ISR – 4. It may be noted that the service request can be processed only, if the respective folio is KYC Compliant.
12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participant in case the shares are held in electronic form and to Adroit Corporate Services Private Limited, in case the shares are held in physical form.
13. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
14. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away by the Companies (Amendment) Act, 2017 vide notification dated 07<sup>th</sup> May, 2018 issued by the Ministry of Corporate Affairs, New Delhi.
15. Pursuant to Schedule V and VI to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Registrar & Share Transfer agent on behalf of Company has sent three reminders to all shareholders whose shares remain unclaimed with the Company. The Company has transferred the same to an Unclaimed Suspense Account and dematerialized the same.
16. Pursuant to section 91 of the Companies Act, 2013 read with Rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 08<sup>th</sup> August, 2024 to Wednesday, 14<sup>th</sup> August, 2024 (both days inclusive) for the purpose of 40<sup>th</sup> AGM.
17. The Register of Directors and Key Managerial Personnel and their shareholdings maintained under Section 170 of the Companies Act, 2013 Members who wish to inspect can send an email to [investor@gratex.in](mailto:investor@gratex.in).
18. Speaker facility not provided during the AGM. Shareholders / Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number / folio number, email id, mobile number at [investor@gratex.in](mailto:investor@gratex.in). The same will be replied by the Company suitably.

**THE INSTRUCTIONS FOR REMOTE E-VOTING, E-VOTING ON THE DAY OF E-AGM AND INSTRUCTIONS FOR E-AGM IS PROVIDED AS UNDER:**

**A. INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING**

**1. Voting through electronic means:**

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL)

2. The Company is providing facility of remote e-voting facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on **Wednesday, 07th August, 2024 (end of day)**, being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by NSDL or to vote at the e-AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.
3. **The remote e-voting period begins on Sunday, 11<sup>th</sup> August, 2024 at 09:00 A.M IST and ends on Tuesday, 13<sup>th</sup> August, 2024 at 05:00 P.M. IST. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, 07<sup>th</sup> August, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, 07<sup>th</sup> August, 2024.**
4. Any person, who acquires shares of the company and becomes a member of the company after dispatch of the notice of AGM and holds shares as on the cut-off date i.e. Wednesday, 07<sup>th</sup> August, 2024, may obtain user ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
5. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again

The process and manner for remote e-voting are as under

**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: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Login method for Individual shareholders holding securities in demat mode is given below:

**Type of shareholders Login Method**

- |   |   |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> <li>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> |
|---|---|

**NSDL Mobile App is available on**

 **App Store**       **Google Play**



- |  |  |
|--|--|
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining</li> </ol> |
|--|--|

virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.

3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login & New System Myeasi Tab and then click on registration option.
4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL**

**Login type**

**Helpdesk details**

Individual Shareholders holding securities in demat mode with NSDL

Members facing any technical issue in login can contact NSDL helpdesk by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at 022 - 4886 7000 and 022 - 2499 7000

Individual Shareholders holding securities in demat mode with CDSL

Members facing any technical issue in login can contact CDSL helpdesk by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

**B) Login method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode**

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

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

4. 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.

5. 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 hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

6. Password details for shareholders other than Individual shareholders are given below:

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

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

- (i) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com).
- (ii) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com).
- (iii) 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, etc.

(iv) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

8. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box
9. Now, you will have to click on “Login” button
10. After you click on the “Login” button, Home page of e-Voting will open

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

A) How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”
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 jessyindia25@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
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.nsd.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.nsd.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to NSDL at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **investor@gratex.in** or to the Registrars And Transfer Agents of the Company at info@adroitcorporate.com for Registration
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **investor@gratex.in** or to the Registrars And Transfer Agents of the Company at info@adroitcorporate.com for Registration. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e.Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

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

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (investor@gratex.in). The same will be replied by the company suitably.
6. M/s JC & Associates, Practicing Company Secretary (CP No. 12162) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
7. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
8. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.gratex.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE.
9. Shareholder/s holding physical shares are requested to approach any of the Depository Participants (DP) for dematerialization of their shares in the Company for ease and convenience.

Adroit Corporate Services Pvt. Ltd. is the Registrar & Share Transfer Agent of the Company. All investor related communication may be addressed to RTA at the following address:

Adroit Corporate Services Private Limited  
Address:  
19, Jaferbhoy Industrial Estate,  
Makwana Road, Marol Naka, Marol,  
Andheri East, Mumbai 400059, Maharashtra  
Tel No: 022-42270449  
Fax No: 022-28503748  
www.adroitcorporate.com  
Email Id: info@adroitcorporate.com

10. Members are requested to send their queries, if any on the operations of the Company, to reach the Company at the Company's Registered Office, atleast 5 days before the meeting, so that the information can be compiled in advance.
11. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

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

**SD/-**

**Neha Arora**

**Company Secretary**

**ACS 57981**

**Place: Mumbai**

**Date: 08<sup>th</sup> July, 2024**

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

**Item No.: 04:**

Based on recommendation of the Nomination and Remuneration Committee, the Board re-appointed Mr. Prashant Shriram Sawant (DIN: 08503935) as an Independent Director, not liable to retire by rotation, for the second consecutive term of five years, i.e., from 09<sup>th</sup> July, 2024 to 08<sup>th</sup> July, 2029 (both days inclusive), subject to approval of the Members.

The Company has received the followings from Mr. Prashant Shriram Sawant (DIN: 08503935):

- (i) Consent in writing to act as Director in Form No.: DIR-2 pursuant to the provisions of Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014;
- (ii) Intimation in Form No.: DIR-8 pursuant to Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act;
- (iii) Notice of Interest in Form No.: MBP-1 pursuant to Section 184(1) of the Companies Act, 2013 read with Rule 9(1) of the Companies (Meetings of Board and its Powers) Rules, 2014.
- (iv) A declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (v) Declaration pursuant to the BSE Limited's Circular No.: LIST/COMP/14/2018-19 dated 20<sup>th</sup> June, 2018 and National Stock Exchange of India Limited's Circular No.: NSE/ CML/2018/24 dated 20<sup>th</sup> June, 2018, that he has not been debarred from holding office of a Director by virtue of any order passed by the Securities and Exchange Board of India or any other such authority;
- (vi) Confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company;
- (vii) A declaration that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

The Company has received a notice in writing by a Member proposing his candidature under Section 160 of the Act.

The Board of Directors had previously finalized the desired attributes for the selection of the Independent Director(s). Based on those attributes, the Board recommended the candidature of Mr. Prashant Shriram Sawant (DIN: 08503935). The Board noted that Mr. Prashant Shriram Sawant's (DIN: 08503935) skills, background and experience are aligned to the role and capabilities identified by the Board and that he is eligible for re-appointment as an Independent Director.

In the opinion of the Board, Mr. Prashant Shriram Sawant (DIN: 08503935) is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Act and the SEBI Listing Regulations for re-appointment as an Independent Director and he is independent of the management. The profile and specific areas of expertise of Mr. Prashant Shriram Sawant (DIN: 08503935) is provided as an Annexure to this Notice.

Given his experience, the Board considers it desirable and in the interest of the Company to have Mr. Prashant Shriram Sawant (DIN: 08503935) on the Board of the Company and accordingly, the Board recommends the re-appointment of Mr. Prashant Shriram Sawant (DIN: 08503935) as an Independent Director for the second consecutive term of five years as proposed in the Resolution set out at Item No.: 04 for approval by the Members.

Electronic copy of the terms and conditions of appointment of the Independent Directors is available for inspection. Please refer Note given in the Notice on inspection of documents.

Except for Mr. Prashant Shiram Sawant (DIN: 08503935) and / or his relatives, no other Director, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

The Board commends the Special Resolution set out at Item No.: 04 of the Notice for approval by the Members.

**Item No.: 05:**

Presently, the Company's Registered Office is located at 109, Kakad Udyog Bhavan, L. J. Road, Mahim, Mumbai - 400 016, Maharashtra, India. The Board of Directors of your Company at their Meeting held on 08<sup>th</sup> July, 2024 has decided to shift the Registered Office of the Company from 109, Kakad Udyog Bhavan, L. J. Road, Mahim, Mumbai - 400 016, Maharashtra, India, to Gratex House, A73, TTC Industrial Area, MIDC, Kopar Khairne, Navi Mumbai – 400703, Maharashtra, India to carry on the business of the Company more economically and efficiently and with better operational convenience.

The Company's Factory is situated at Gratex House, A73, TTC Industrial Area, MIDC, Kopar Khairne, Navi Mumbai – 400703, Maharashtra, India, and the Directors of the Company are mostly sitting there, so it will be convenient to shift the Registered Office from 109, Kakad Udyog Bhavan, L. J. Road, Mahim, Mumbai - 400 016, Maharashtra, India, to Gratex House, A73, TTC Industrial Area, MIDC, Kopar Khairne, Navi Mumbai – 400703, Maharashtra, India.

As per provisions of Section 12 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, shifting of Registered Office of the Company outside the local limits but within the same State requires approval of the Members by way of Special Resolution through Postal Ballot. Though Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 requires the Company to pass the resolution through Postal Ballot for shifting of registered office outside the local limits of any city, town or village, but as per the Companies (Amendment) Act, 2017, any item of business required to be transacted at a General Meeting by a Company which is required to provide the facility to the Members to vote by electronic means. As the Company has more than One Thousand Shareholders in the Company, the Company is providing facility to the Members to vote electronically at the Annual General Meeting.

None of the Directors, Key Managerial Personnels or their respective relatives is in any way concerned or interested in the resolution mentioned as Item No.: 05 of the Notice.

Therefore, the Board recommends the Resolution as set out in Item No.: 05 for approval of the Members as a Special Resolution.

**Item No.: 06:**

Regulation 23 of the SEBI Listing Regulations, *inter alia*, states that effective from 01<sup>st</sup> April, 2022, all Material Related Party Transactions ('RPT') shall require prior approval of the Shareholders by means of an Ordinary Resolution, even if such transaction(s) are in the ordinary course of business and at an arm's length pricing basis. A transaction with a Related Party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 crore or 10% of the annual consolidated turnover of a listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Regulation 2(1)(zc) of the SEBI Listing Regulations defines related party transaction to mean a transaction involving transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, regardless of whether a price is charged or not.



In view of the aforementioned regulatory changes the Resolution No.: 06 is placed for approval by the Members. The Management has provided the Audit Committee with relevant details of the proposed RPTs, including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted its approval for entering into the below mentioned RPTs. The Audit Committee has noted that the said transaction(s) will be at an arm's length pricing basis and will be in the ordinary course of business.

**Details of the proposed Related Party Transactions between the Company and Marshalls Enterprises India Private Limited ('MEIPL'), including the information required to be disclosed in the Explanatory Statement pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Power) Rules, 2014, as amended and pursuant to the SEBI Circular No.: SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22<sup>nd</sup> November, 2021, are as follows:**

Sr. No.	Description	Details of proposed RPTs between the Company and MEIPL
1.	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs.	
a.	Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise).	<p>MEIPL is a Company having common Directors and Shareholders.</p> <p>Details of the Business of MEIPL:</p> <p>Established in 1975 and headquartered in Mumbai, MEIPL stands as India's premier wallcoverings company, holding the esteemed position of being the foremost entity in its industry. Renowned for its exceptional quality and unparalleled expertise, MEIPL has consistently set the standard for excellence within the realm of wallcoverings. As the largest distributor and retailer of wallcoverings in the nation, MEIPL boasts a network comprising over 12 showrooms strategically located across India, alongside an extensive presence encompassing more than 600 dealers. With a steadfast commitment to innovation, craftsmanship, and customer satisfaction, MEIPL continues to adorn homes and spaces nationwide with its exquisite range of wallcoverings, thereby enriching environments and inspiring creativity since its inception.</p> <p>MEIPL is a Related Party of the Company, as on the date of this Notice.</p>
b.	Name of Director(s) or Key Managerial Personnel who is related, if any	<p>Mr. Baldevkrishan Ramrattan Sharma (DIN: 00117161), the Director of Gratex Industries Limited is the Director and Shareholder in MEIPL.</p> <p>Mr. Karan Baldev Sharma (DIN: 00117188), the Managing Director of Gratex Industries Limited is the Director and Shareholder in MEIPL.</p> <p>Ms. Mona Pratap Menon (DIN: 00117025), the Director and Chief Financial Officer of Gratex Industries Limited is the Director and Shareholder in MEIPL.</p> <p>Ms. Promila Baldev Sharma (DIN: 00118086), wife of Mr. Baldevkrishan Ramrattan Sharma (DIN: 00117161), the Director of Gratex Industries Limited is the Director and Shareholder in MEIPL.</p>

c. Type, material terms and particulars of the proposed RPTs.

The Company and MEIPL have entered into / propose to enter into the following Related Party Transactions during the financial year 2024-25, 2025-26, 2026-27 for an aggregate value as mentioned in point no.: e.

- o Sale of Goods
- o Purchase of Goods
- o Warehousing Charges Received
- o Franchises Commission Received
- o Packing & Forwarding Charges Received
- o Service charges paid
- o Telephone Charges paid
- o Internet Charges Paid
- o Reimbursement of Expenses Received
- o Reimbursement of Expenses Paid

The above arrangements are continuing business transactions.

Transaction entered / to be entered into was / will be carried out at an arm's length pricing basis and in the ordinary course of business.

d. Tenure of the proposed transaction (particular tenure shall be specified);

Approval of the Shareholders is being sought for transactions during the Three financial years i.e., Financial Year 2024-25, 2025-26 and 2026-27.

e. Value of the proposed transactions

Particulars	Value (Amount in Rs.)		
	FY 2024-25	FY 2025-26	FY 2026-27
Sale of Goods	4,50,00,000	7,00,00,000	10,00,00,000
Purchase of Goods	1,00,00,000	2,00,00,000	3,00,00,000
Warehousing Charges Received	1,00,00,000	1,50,00,000	2,00,00,000
Franchises Commission Received	30,00,000	40,00,000	50,00,000
Packing & Forwarding Charges Received	50,00,000	75,00,000	1,00,00,000
Service charges paid	50,00,000	75,00,000	1,00,00,000
Telephone Charges paid	60,000	60,000	60,000
Internet Charges Paid	1,00,000	2,00,000	2,00,000
Reimbursement of Expenses Received	25,00,000	50,00,000	50,00,000
Reimbursement of Expenses Paid	5,00,000	10,00,000	15,00,000

f.	Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs	Approx. 203%
g.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary	Not Applicable
h.	Justification as to why the RPT is in the interest of the listed entity	Gratex benefits significantly from its partnership with Marshalls, leveraging the latter's extensive network and strong brand reputation across India. With Marshalls' widespread presence, Gratex can promote its products with minimal effort and expenditure on marketing and sales infrastructure. This collaboration enhances Gratex's market reach and competitiveness, facilitating mutual growth and success.
i.	A copy of the valuation or other external party report, if any such report has been relied upon	Not Applicable
j.	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis	25.41%
k.	Any other information that may be relevant.	All relevant / important information forms part of this Statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013

Except for Mr. Baldevkrishan Ramrattan Sharma, Mr. Karan Baldev Sharma and Ms. Mona Pratap Menon, and / or their relatives, no other Director, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

Based on the approval of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No.: 06 of the Notice for approval by the Members.

The Members may note that in terms of the provisions of the SEBI Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth at Item No.: 06 of the Notice, whether the entity is a Related Party to the particular transaction or not.

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

SD/-

**Neha Arora**

**Company Secretary**

**ACS 57981**

**Place: Mumbai**

**Date: 08<sup>th</sup> July, 2024**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED**

**[Pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meeting**

<b>Name of the Director</b>	<b>Mrs. Mona Pratap Menon (DIN: 00117025)</b>	<b>Mr. Prashant Shriram Sawant (DIN: 08503935)</b>
Date of Birth	26 <sup>th</sup> April, 1975	12 <sup>th</sup> September, 1967
Age	49 Years	57 Years
Nationality	Indian	Indian
Date of Appointment	01 <sup>st</sup> October, 1995	09 <sup>th</sup> July, 2019
Educational Qualification	B.Com, Interior Designer	Bachelor's degree in Electronics Engineering
Brief resume of the Director	Marketing and Corporate Management.	<p>Mr. Prashant Sawant, a seasoned professional with over 40 years of experience in sales, marketing, and business development across India, Singapore, Dubai, and Muscat. He holds a Bachelor's degree in Electronics Engineering and has been actively involved in the training and coaching industry since 2012.</p> <p>As a specialist in Sales/Business Development training and mind coaching, Prashant works with MSMEs, SMEs, and Corporates, helping them enhance their sales strategies and develop a winning mindset. His expertise spans various industries and geographies, offering valuable insights and practical solutions.</p> <p>Author of three management books - "Business Lessons from Bollywood," "Courtesy ki Maa ki," and "Anand Bakshi: Yeh Shaam Mastani" - Prashant's works are available on popular platforms like Amazon and Flipkart since 2015. His extensive experience and profound knowledge make him a sought-after consultant and mentor in the business community.</p>
Nature of Expertise in specific functional areas	Marketing and Corporate Management.	More than 40 years of experience in the field of hardcore sales, marketing & business development experience in various countries.
Terms and condition of appointment / re-appointment	N.A.	Mr. Prashant Shriram Sawant (DIN: 08503935) will serve for a term of Five (05) Years commencing 09 <sup>th</sup> July, 2024 to 08 <sup>th</sup> July, 2029 (both days inclusive).

last drawn remuneration	Sitting Fees – Rs. 50,000/- during the financial year 2023-24	Sitting Fees – Rs. 50,000/- during the financial year 2023-24
Remuneration proposed to be paid	<p>Non-Executive Directors are paid Sitting Fees as per the criteria set by the Board from time to time in accordance with the provisions of the Companies Act, 2013.</p> <p>The detailed criteria are available in the Nomination and Remuneration Policy of the Company. The Policy can be accessed at the Registered Office of the Company.</p>	<p>Independent Directors are paid Sitting Fees as per the criteria set by the Board from time to time in accordance with the provisions of the Companies Act, 2013.</p> <p>The detailed criteria are available in the Nomination and Remuneration Policy of the Company. The Policy can be accessed at the Registered Office of the Company.</p>
Directorships held in other Public Companies (excluding foreign companies)	Nil	1. Ultracab (India) Limited
No. of Board meeting attended during the year	05 Board Meetings were held and she has attended all the 05 Board Meetings.	05 Board Meetings were held and he has attended all the 05 Board Meetings.
Memberships / Chairmanships of committees of the Company	Nil	Chairman of the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee of Gratex Industries Limited.
Memberships / Chairmanships of committees of other public Companies (Includes only Audit and Shareholders / Investors Grievance Committee)	Nil	<p><b>Directorship:</b></p> <p>1. Ultracab (India) Limited – Independent Director</p>
Names of entities in which the person also holds the Directorship and the Membership of Committees of the Board along with listed entities from which the person has resigned in the past three years	Nil	<p><b>Chairperson / Member of the Board Committees:</b></p> <p>1. Audit Committee of Ultracab (India) Limited – Member of the Committee</p> <p>2. Stakeholders Relationship Committee of Ultracab (India) Limited - Member of the Committee</p> <p><b>Listed Entities from which Mr. Prashant Shriram Sawant (DIN: 08503935) has resigned as Director in past 3 years:</b></p> <p>None</p>

Details of relationship with other Directors, Manager and Key Managerial Personnel of the Company	Daughter of Mr. Baldevkrishan Ramrattan Sharma and Sister of Mr. Karan Baldevkrishan Sharma	Not related to any Director or Key Managerial Personnel
Shareholding of Non-Executive Directors in the entity, including shareholding as a beneficial owner	1,37,900	Mr. Prashant Shriram Sawant (DIN: 08503935) does not hold any equity shares of the Company.
Key terms and conditions of appointment	Retire by rotation.	As per the resolution in Item No.: 04 of this Notice, read with the explanatory statement thereto.
Particulars of experience, attributes or skills that qualify which for Board Membership	Marketing and Corporate Management.	Mr. Prashant Sawant's extensive 40-year career in sales, marketing, and business development across multiple countries, coupled with his authorship of three management books and experience in conducting training sessions, equips him with invaluable leadership, strategic, and communication skills. His global perspective, strategic vision, and ability to foster collaboration make him a highly qualified candidate for board membership, with the capacity to contribute significantly to organizational governance and strategic decision-making processes.
Skills and capabilities required for the role and the manner in which he / she meets such requirements	Not Applicable	As per the resolution in Item No.: 04 of this Notice, read with the explanatory statement thereto.

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

**SD/-**

**Neha Arora**

**Company Secretary**

**ACS 57981**

**Place: Mumbai**

**Date: 08<sup>th</sup> July, 2024**

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors state that:

1. in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2024, 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 31<sup>st</sup> March, 2024 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.

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

**SD/-**  
**Mona Pratap Menon**  
**Director and CFO**  
**DIN: 00117025**

**BOARD'S REPORT**

To,

The Members,

Your Directors have immense pleasure in presenting the Fortieth (40th) Annual Report on the business and operations of the Company together with the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2024.

**1. FINANCIAL HIGHLIGHTS:**

The financial performance of the Company, for the financial year ended 31<sup>st</sup> March, 2024 as compared to the previous financial year is summarized below:

(Rs. in Lakhs)

PARTICULARS	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Total Revenue	399.37	425.99
Finance Cost	1.08	1.26
Depreciation	13.22	12.51
Other Expenses	372.73	389.69
Profit/Loss before exceptional Item	12.34	22.53
Less: Extra-ordinary Items	0.00	0.00
Less: Deferred Tax Asset (Net)	(0.79)	(0.78)
Less: Current Tax	3.53	5.25
Less: Prior Year Tax	0.20	(0.72)
Profit/Loss during the year	9.40	18.78

*The above figures are extracted from the Financial Statements prepared in accordance with the applicable accounting principles as specified under Sections 129 and 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014, as amended and other relevant provisions of the Act.*

**2. PERFORMANCE REVIEW:**

The overall income from Franchisee operations for 2023-24 stood at Rs. 18.24 Lakhs as compared to Rs. 18.65 Lakhs in 2022-23 & Warehousing Income for 2023-24 stood at Rs. 73.28 Lakhs as compared to Rs. 64.61 Lakhs in 2022-23. The total income of company for 2023-24 amounted to Rs. 399.37 Lakhs as compared to Rs. 425.99 Lakhs in 2022-23. Also there was a significant increase in the Company's digital printing sales, catalogue sales and modular furniture and profile sales.



The Company's total revenue has been decreased by 6.25% during the financial year 2023-24.

For the year ended 31<sup>st</sup> March, 2024, the Company has achieved an overall Net Profit of Rs. 9.40 Lakhs as compared to Net Profit of Rs. 18.78 Lakhs in previous year.

**3. DIVIDEND:**

It is necessary for the Company to conserve resources to meet unexpected operational requirements and for future growth of the business of the Company. Considering this, the Board of Directors has not recommended any dividend for the financial year ended 31<sup>st</sup> March, 2024.

**4. TRANSFER TO RESERVE:**

Your Company has not transferred any amount to reserve during the year under review.

**5. DEPOSITS:**

During the financial year, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. There were no unclaimed / unpaid deposits as on 31<sup>st</sup> March, 2024.

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

**Composition:**

As on 31<sup>st</sup> March, 2024 the Board comprises of Five Directors, Two of whom are Non-Executive Independent Directors, One Managing Director, and Two Non-Executive Directors one of whom is also the Chief Financial Officer of the Company.

**Mr. Baldevkrishan Ramrattan Sharma – Director (Non-Executive)**

**Mrs. Mona Pratap Menon – Director (Non-Executive)**

**Mr. Karan Baldevkrishan Sharma – Managing Director (Executive)**

**Mr. Prashant Sawant – Independent Director**

**Ms. Akanksha Bector – Independent Director**

As on 31<sup>st</sup> March, 2024, Key Managerial Personnel of the Company are:

**Mr. Karan Baldevkrishan Sharma – Managing Director**

**Mrs. Mona Pratap Menon – Chief Financial Officer**

**Ms. Neha Arora – Company Secretary and Compliance Officer**

**7. THE DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR:**

Mrs. Rekha Pradeep Nagori (DIN: 06945982) was retired from the Board on completion of her tenure as an Independent

Director of the Company with effect from close of business hours on 13<sup>th</sup> August, 2023.

Ms. Akanksha Bector (DIN: 07876194) was appointed as an Additional Independent Director of the Company with effect from 14<sup>th</sup> August, 2023 for a period of Five Years. Her appointment was approved by the Members of the Company as an Independent Director of the Company at the Thirty Ninth (39<sup>th</sup>) Annual General Meeting of the Members of the Company held on 26<sup>th</sup> September, 2023.

Ms. Mona Pratap Menon (DIN: 00117025), the Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer herself for re-appointment.

**8. DECLARATION BY INDEPENDENT DIRECTORS:**

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

**9. STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR:**

The Board of Directors have evaluated the Independent Directors appointed during the year 2023-24 and opined that the integrity, expertise, and experience (including proficiency) of the Independent Directors is satisfactory.

**10. COMMITTEES OF THE BOARD:**

The Company has the following Three (03) Board level committees:

- (i) Audit Committee,
- (ii) Stakeholder Relationship Committee, and
- (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.

**11. MEETINGS:**

During the year under review, 05 (Five) Meetings of the Board of Directors were held. Further details regarding the Meetings of the Board of Directors and Committees thereof are provided under the Corporate Governance Report annexed herewith.

**12. 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 Committee, Nomination and Remuneration Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**13. 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.

**14. STATUTORY AUDITORS:**

M/s Jayesh R. Shah & Co., Chartered Accountants, (Firm Registration No.: 104182W) were appointed as the Statutory Auditors of the Company at the 35<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2019, to hold office until the conclusion of the 40<sup>th</sup> Annual General Meeting to be held in the year 2024. M/s Jayesh R. Shah & Co.'s tenure of 05 (Five) years as the Statutory Auditors concludes at this ensuing AGM.

The Board of Directors at its Meeting held on 08<sup>th</sup> July, 2024 has recommended the appointment of M/s Harshal Doshi & Associates, Chartered Accountants, (Membership No.: 179613 and Firm Registration No.: 145606W), Peer Review Certificate No.: 016953 valid till 31<sup>st</sup> May, 2027 as the Statutory Auditors of the Company for a term of Five years from conclusion of the 40<sup>th</sup> Annual General Meeting until the conclusion of the ensuing 45<sup>th</sup> Annual General Meeting of the Company to be held in the year 2029.

Pursuant to the Companies (Amendment) Act, 2017 there is no requirement of annual ratification of the Statutory Auditor of the Company vide Notification dated 07<sup>th</sup> May, 2018. The provisions with respect to the annual ratification has been removed from the Companies (Audit and Auditors) Rules, 2014, as amended.

**15. REPORTING OF FRAUDS BY AUDITORS**

During the financial year under review, there have not been any instances of fraud and accordingly, the Auditors have not reported any frauds either to the Board or the Central Government under Section 143(12) of the Companies Act, 2013.

**16. EXPLANATION OR COMMENTS TO AUDITOR'S REMARKS:**

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

The Statutory Auditor's Report for the financial year 2023-24 does not contain any qualifications, reservations, adverse remarks or disclaimer.

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

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto is given in Form No.: AOC-2, as an **Annexure-1**. All the Transactions with the Related Parties that were entered into during the financial year were on arm's length basis and were in the ordinary course of Company's business.

All the related party transactions are placed before the Audit Committee as well as the Board for approval on a quarterly basis. Approval of the Shareholders is also obtained, wherever necessary, in this regard.

**18. 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 an **Annexure-2**, a Secretarial Audit Report for the financial year 2023-24 submitted by the Secretarial Auditor.

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

**19. DETAILS IN RESPECT OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Board has adopted Policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. For more details, refer to the 'Internal control systems and their adequacy' section in the Management's Discussion and Analysis, which forms part of this Annual Report. The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

The details in the respect of internal financial control and their adequacy are included in Management Discussion and Analysis Report, which forms part of this report as an **Annexure-3**.

**20. EXTRACT OF THE ANNUAL RETURN:**

Pursuant to the provisions of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, copies of the Annual Returns of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are made available on the Company's website i.e. on [www.gratex.in](http://www.gratex.in).

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

The Company has established a Whistle Blower (Vigil) Mechanism and formulated a Whistle Blower / Vigil Mechanism Policy to deal with instances of fraud and mismanagement. The details of the Policy are explained in the Corporate Governance Report, which forms part of the Annual Report and the Policy is hosted on the website of the Company at [www.gratex.in](http://www.gratex.in).

**22. 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.

**23. INTERNAL AUDIT AND CONTROLS:**

During the financial 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 2023-24 was carried out by Mrs. Sujata Hodge.

Accordingly, the Internal Report was placed before the Board of Directors and Members of the Audit Committee in the Board Meeting and Audit Committee Meeting respectively.

Further, the Company has appointed Mrs. Sujata Hodge (Professional Consultant) as the Internal Auditor of the Company for carrying out the Internal Audit for the financial year 2024-25. The appointment was done in due compliance of the regulations laid down by the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

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

Pursuant to the provisions of Section 186 of the Companies Act, 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, disclosure on particulars relating to loans, advances, guarantees and investments are provided as part of the Financial Statements.

**25. CASH FLOW STATEMENTS:**

In conformity with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and requirements of the Companies Act, 2013, the Cash Flow Statements for the financial year ended 31<sup>st</sup> March, 2024 is annexed here to as a part of the Financial Statements.

**26. SHARE CAPITAL:**

There was no change in the Authorized and Paid-up Share Capital of the Company during the financial year.

**27. CORPORATE GOVERNANCE REPORT:**

Pursuant to the provisions of the Regulation 27 of the Securities and Exchange of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on the Corporate Governance Report is not applicable to the Company as it does not fall under the criteria of Paid up Share Capital of Rs. 10 Crore and Turnover of Rs. 25 Crores.

Pursuant to the provisions of the Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") a separate report on Corporate Governance along with the Auditor's Certificate on its compliance is attached as an **Annexure-4** to this Report.

**28. STATE OF COMPANY'S AFFAIR:**

A detailed review of the state of the Company's affair, operations, performance and future outlook of the Company and its businesses is given in the Management's Discussion and Analysis Report i.e. **Annexure-3**, which forms part of this Report.

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

Your Company is committed to provide and promote safe and healthy environment to all its employees without any

discrimination. During the year under review, there was no case filed pursuant to 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 Work Place (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment.

**30. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

In terms of provisions of Section 134(3) of the Companies Act, 2013, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this Board's Report.

**31. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE:**

No significant and material orders were passed by the regulators or courts or tribunals which affect the going concern status and future operation of the Company. However, one GST Appeal is pending which is related to financial year 2018-19.

**32. CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

During the financial year, the Company did not undergo any change in the nature or type of business it conducts.

**33. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary(ies), Joint Venture(s) or Associate Company(ies) as on financial year ended 31<sup>st</sup> March, 2024.

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

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

**A. Conservation of energy:**

- I. the steps taken or impact on conservation of energy: NIL;
- II. the steps taken by the company for utilizing alternate sources of energy: NIL;
- III. the capital investment on energy conservation equipments: NIL.

**B. Technology absorption:**

- I. the efforts made towards technology absorption:
  - a) A new 10 colour digital printing machine added of world renowned manufacturer Epson replacing the existing 4 colour one.
  - b) Also added two new high end Apple machines.
- II. the benefits derived like product improvement, cost reduction, product development or import substitution:

- a) Being 10 colours, digital printing machine gives more vibrancy to our product range.
- b) Two new high end Apple machines is used for the betterment of the speed and quality of our working.

III. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

- a) the details of technology imported: Digital Printing Machine, 2 Apple Machines
- b) the year of import: 2023
- c) whether the technology been fully absorbed: Yes
- d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: NIL; and
- e) The expenditure incurred on Research and Development: NIL.

**C. Foreign exchange earnings and Outgo:** The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows: Inflow: Nil and Outflow: Nil.

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

According to the provisions of the Section 135 of the Companies Act, 2013, for every Company having net worth of rupees Five Hundred Crores or more or turnover of rupees One Thousand Crores or more or net profit of rupees Five Crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee.

As the Company does not fulfill the above mentioned criteria therefore this Section is not applicable to the Company during the financial year.

**36. DISCLOSURE OF REMUNERATION OF EMPLOYEES COVERED UNDER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:-**

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- i. The ratio of the Remuneration of each Director to the median Remuneration of the employees of the Company for the financial year:

Executive Director	Ratio to median Remuneration
<b>Karan Baldevkrishan Sharma (MD)</b>	<b>2.67</b>

- a) The Median remuneration of Employees of the Company was Rs. 2.58 Lakh
  - b) For this purpose, Sitting fees paid to the Directors have not been considered as remuneration.
- ii. The percentage increase in Remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Name	Designation	% increase in remuneration in the financial year
Karan Baldevkrishan Sharma	Managing Director	11.63%
Neha Arora	Company Secretary	05.38%

- iii. The percentage increase in the median Remuneration of employees in the financial year: 0.40%
- iv. The number of Permanent Employees on rolls of the Company: 23

### 37. DIRECTORS' RESPONSIBILITY STATEMENTS:

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

- I. in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2024, the applicable accounting standards have been followed with no material departures;
- II. 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 31<sup>st</sup> March, 2024 and of the profit of the Company for the year ended on that date;
- III. 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;
- IV. the Directors have prepared the annual financial statements on a going concern basis;
- V. 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
- VI. 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.

### 38. LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees up to year 2024-25 to BSE Limited, where the Company's Shares are listed.

### 39. DISCLOSURE REGARDING MAINTENANCE OF COST RECORDS UNDER SECTION 148 OF THE COMPANIES ACT, 2013:

During the financial year, the requirement for maintaining Cost Records under Section 148 of the Companies Act, 2013, does not apply to the Company. This exemption is due to the Company not meeting the criteria specified in Table A and B of Rule 3 of the Companies (Cost Records and Audit) Rules, 2014.

### 40. 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.



**41. 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 Code requires preclearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

**42. 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 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.

**43. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:**

There were neither any applications made under the Insolvency and Bankruptcy Code, 2016 nor any proceedings were pending.

**44. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:**

There was no instance of one-time settlement with any Bank or Financial Institution during the financial year.

**45. ACKNOWLEDGEMENTS:**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

**By Order of the Board of Director**

**For Gratex Industries Limited**

**SD/-**

**Baldevkrishan Ramrattan Sharma**  
**Chairman Director**  
**DIN : 00117161**

**SD/-**

**Karan Baldevkrishan Sharma**  
**Managing Director**  
**DIN: 00117188**

**Place: Mumbai**

**Date: 08<sup>th</sup> July, 2024**

**Form No.: AOC 2 – RELATED PARTY DISCLOSURE**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

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

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

- (a) Name(s) of the related party and nature of relationship: **Not Applicable**
- (b) Nature of contracts / arrangements / transactions: **Not Applicable**
- (c) Duration of the contracts / arrangements / transactions: **Not Applicable**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **Not Applicable**
- (e) Justification for entering into such contracts or arrangements or transactions: **Not Applicable**
- (f) Date(s) of approval by the Board: **Not Applicable**
- (g) Amount paid as advances, if any: **Not Applicable**
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: **Not Applicable**

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

- (a) Name(s) of the related party and nature of relationship: **M/s. Marshalls Enterprise India Private Limited, the Company promoted by same Promoters. Mr. Baldevkrishan Sharma – Chairman, Mr. Karan Sharma – Managing Director, Mrs. Mona Menon - C.F.O. are the Directors in the said Company.**
- (b) Nature of contracts / arrangements / transactions:
  - i. Sale, purchase or supply of any goods or materials as per section 188(1)(a).
  - ii. Availing or rendering of any services as per section 188(1)(d) including Re-imbusement of expenses.
- (c) Duration of the contracts / arrangements/transactions: **Continuous transactions on an ongoing basis.**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **Sale, purchase or supply of any goods or materials etc., availing or rendering of any services, re-imbusement of expenses, Franchisee Services, Warehousing Services on arm's length basis.**
- (e) Date(s) of approval by the Board, if any: **30<sup>th</sup> May, 2023**

- (f) Date of approval of the Shareholders: **10<sup>th</sup> December, 2021**
- (g) Amount paid as advances, if any: **None**

**By Order of the Board of Director**

**For Gratex Industries Limited**

**SD/-**

**Baldevkrishan Ramrattan Sharma**  
**Chairman Director**  
**DIN : 00117161**

**SD/-**

**Karan Baldevkrishan Sharma**  
**Managing Director**  
**DIN: 00117188**

**Place: Mumbai**

**Date: 08<sup>th</sup> July, 2024**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2024**

*[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**  
**L21093MH1984PLC032248**  
109, Kakad Udyog Bhavan,  
L. J. Road, Mahim,  
Mumbai 400016

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, 2024** 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, 2024** according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the Rules made there under;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) 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.
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:
  - (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, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

- (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, 2018;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (j) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;
  - (l) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013;
- 6) I have also examined compliance with the applicable clauses of the following:-
- (i) Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.
  - (ii) Listing Agreements entered into by the Company with BSE Limited (BSE) as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Directions, Guidelines, Standards, etc. mentioned above.

**I further report** that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including one woman director. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors for the Board Meetings, including Committee thereof, along with agenda and detailed notes on agenda 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 by the directors. The decisions were carried unanimously.

**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 affairs of the Company.

Place : Mumbai  
Date : 08<sup>th</sup> July, 2024

**For JC & Associates**  
**Company Secretaries**  
Sd/-  
**Jacintha Castelino**  
Proprietor  
COP No: 12162  
FCS: 9798/ PR: 1511/2021  
UDIN: F009798F000687299

## 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:

It has been a challenging year with several macro headwinds encompassing the Industrial, infrastructure and Real estate market. Slow economic activity and liquidity challenges impacted the overall demand scenario in the industry. The unprecedented outbreak of Coronavirus and subsequent lockdown has severely impacted supply chains as well as consumer sentiment.

Even though the threat of Covid 19 as a disease has gone away but it has left its long term adverse effect on the economy in general which is taking time to recover. However, the management is making sure that the organization remains fully energized during the period and ready to bounce back on the next opportunity.

The year has been one of consolidation and solidifying our situation which was adversely affected during the pandemic. The management expects that these are challenges which will impact 2024-25 as well but beyond that thing should normalize. We continue to pursue our long-term growth strategy and are confident to lead the recovery in a shorter period in the post pandemic phase and strive to sustain profitable growth.

### 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. The influx of cheap low graded wallpapers especially from China 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:

Despite the reduction in turnover we have still been able to remain profitable due to various cost cutting measures across the board as well as having sustainable margins. In 2024-25 we see a growth of turnover of 30% and have bettered our infrastructure to cater to the growing demand in that sector.

We continue to remain a near zero debt company which helps us to keep our costs down during this period of consolidation.

However, the Company remains committed to achieving positive growth in the financial year 2024-25.

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

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 contribute 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 the skill levels of employees are highly important for achieving continuous improvement and to stay ahead in the market. As a company it focuses on 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:**

The 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. Performance:**

During the Financial year ended on 31<sup>st</sup> March, 2024 the Total Revenue of the Company stood at Rs. 3,99,36,487.22/- as compared to previous financial year ended on 31<sup>st</sup> March, 2023 of Rs. 4,25,88,717.80/-

In the following table, please find brief of Financials of the Company:

PARTICULARS	CURRENT YEAR 31.03.2024	PREVIOUS YEAR 31.03.2023
Total Income (including Other Income)	39,936,487.22	42,588,717.80
Total Expenditure including Depreciation	38,703,175.63	40,346,102.56
Profit before Tax	1,233,828.59	2,252,992.24
Tax Expenses	293,515.00	374,582.00
Profit/Loss After Tax	940,313.59	1,878,410.24

**10. Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios:**

Ratios	2023-24	2022-23	% Change
Debtors Turnover	4.8780 times	5.0334 times	-3.082%
Inventory Turnover	0.9525 times	1.2285 times	-22.4600%
Interest Coverage Ratio	16.6021	21.4784	-22.6900%
Current Ratio	5.1129	4.5778	11.6800%
Debt Equity Ratio	0.0242	0.0169	43.1100%
Operating Profit Margin(%)	3.09 %	5.29 %	"41.5200%
Net Profit Margin (%)	2.35 %	4.41 %	"46.7600%
Net Worth	Rs. 3,50,42,156/-	Rs. 3,41,01,842/-	2.7600%
Return on Net Worth (%)	2.68 %	5.51%	"51.4100%

**11. Detail of any change in return on net worth as compared to the immediately previous financial year along with a detailed explanation thereof:**

The return on Networth of the Company stood at 2.68% for the financial year 2023-24 as compared to 5.51% for the previous financial year 2022-23. The decrease in sales has resulted in a decrease of overall profitability thereby the return on net worth has decreased.

**12. Segment –Wise performance:**

- The Sales for the period April to March 2024 is Rs. 3.99 cr as compared to Rs 4.26 cr in 2022-23 i.e. a reduction of 6%.
- This F.Y. 2023-24 i.e. April to March 2024, we have clocked a Net Profit (NPAT) of Rs. 9.40 Lakhs (Rs. 12.34 Lakhs on NPBT) against a Net profit (NPAT) of Rs. 18.78 Lakhs (Rs. 22.53 Lakhs on NPBT) posted during corresponding period last year.



3. Our Digital Printing Sales for the period April to March 2024 is Rs.153.33 Lakhs as compared to Rs. 151.44 Lakhs in the last corresponding period. Thus a slight increase.
4. Our Catalogue Sales for the period April to March 2024 is Rs. 39.32 Lakhs as compared to Rs. 47.85 Lakhs in the last corresponding period.
5. Our MFP (Modular Furniture & Profile) sales for the period from April to March 2024 is Rs. 84.11 Lakhs as compared to Rs. 98.52 Lakhs in the last corresponding period.
6. Our Warehousing Income for the period April to March 2024 is Rs. 73.28 Lakhs as compared to Rs. 64.62 Lakhs in the last corresponding period. An increase of 14 %.
7. Our Franchisee Commission Income for the period April to March 2024 is Rs. 18.24 Lakhs as compared to Rs. 18.65 Lakhs in 2022-23.

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.

**13. 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 a 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.

**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 05 (Five) Directors.

Five Board Meetings were held in 2023-24. The said meetings were held on 30th May, 2023, 08th August, 2023, 31st October, 2023, 06th November, 2023 and 13th February, 2024. 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	Non-Executive Director	5	Yes	2
Mrs. Mona Menon	Non-Executive Director and Chief Financial Officer	5	Yes	1
Mr. Karan Sharma	Managing Director, Executive	5	Yes	1
Ms. Akanksha Bector	Non-Executive Independent Director	5	Yes	2
Mr. Prashant Sawant	Non-Executive Independent Director	5	Yes	2

**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 30<sup>th</sup> May, 2023, 08<sup>th</sup> August, 2023, 06<sup>th</sup> November, 2023 and 13<sup>th</sup> February, 2024.

The constitution of the Committee and the attendance of each member of the Committee are given below:

Name	Category	Number of Audit Committee meetings	
		Held	Attended
Mr. Prashant Sawant ( <i>Chairman</i> )	Independent Non-Executive	4	4
Ms. Akanksha Bector	Independent Non-Executive	4	4
Mrs. Mona Menon - CFO	Non-Independent Non-Executive	4	4

The composition of the Audit Committee as on 31st March, 2024 is as follows:

Name	Category
Mrs. Prashant Sawant ( <i>Chairman</i> )	Independent Non-Executive
Ms. Akanksha Bector ( <i>Member</i> )	Independent Non-Executive
Mrs. Mona Menon ( <i>Member</i> )	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.

During the year, the Nomination & Remuneration Committee met four time. The said meetings were held on 30<sup>th</sup> May, 2023, 08<sup>th</sup> August, 2023, 06<sup>th</sup> November, 2023 and 13<sup>th</sup> February, 2024.

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. Baldevkrishan Sharma	Non-Executive	4	4
Ms. Akanksha Bector	Independent Non-Executive	4	4
Mr. Prashant Sawant ( <i>Chairman</i> )	Independent Non-Executive	4	4

The composition of the Nomination and Remuneration Committee as on 31st March, 2024 is as follows:

Name	Category
Mr. Baldevkrishan Sharma (Member)	Non-Executive
Ms. Akanksha Bector (Member)	Independent Non-Executive
Mr. Prashant Sawant (Chairman)	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 30<sup>th</sup> May, 2023, 08<sup>th</sup> August, 2023, 06<sup>th</sup> November, 2023 and 13<sup>th</sup> February, 2024. 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. Prashant Sawant ( <i>Chairman</i> )	Independent Non-Executive	4	4
Ms. Akanksha Bector	Independent Non-Executive	4	4
Mrs. Mona Menon - CFO	Non-Independent Non-Executive	4	4

The composition of the Stakeholders Relationship Committee as on 31st March, 2024 is as follows:

<b>Name</b>	<b>Category</b>
Mrs. Prashant Sawant (Chairman)	Independent Non-Executive
Ms. Akanksha Bector (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 Special Business placed therein are as under:

<b>Day, Date &amp; Time</b>	<b>Location</b>	<b>Particulars of Special Business</b>
Tuesday, 26 <sup>th</sup> September, 2023 at 01:00 P.M.	Video Conferencing OR OAVM	1. Appointed Akanksha Bector (DIN: 07876194) as an Independent Director of the Company
Wednesday, 14 <sup>th</sup> September, 2022 at 01:00 P.M.	Video Conferencing OR OAVM	1. Re-appointed Mr. Karan Baldevkrishan Sharma (DIN 0117188) as the Managing Director of the Company for a further period of Three Years. 2. Re-appointed Mrs. Rekha Pradeep Nagori (DIN: 06945982) as an Independent Director of the Company for a second consecutive term of Five Years.
Tuesday, 28 <sup>th</sup> September, 2021 at 01:00 P.M.	Video Conferencing OR OAVM	1. Reclassification of Promoter on death as public shareholder. 2. Approval for Related Party Transactions.

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 – 28C, forming part of the Annual Report.
- b. Your Company has complied with all the mandatory requirements of Corporate Governance as required by the Listing Agreements.
- c. No personnel have been denied access to the Audit Committee of your Company to discuss any matter of substance.

## 6. MEANS OF COMMUNICATION:

- |  |  |
|--|--|
| • Publication of Results                                   | The quarterly / annual results of the Company are published in the leading newspapers viz:- Financial Express in English and Mumbai Lakshadeep in Marathi.   |
| • Designated Email Id for redressal of investor complaints | In terms of Clause (d) of sub regulation (2) of Regulation 6 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, investors may use the E-mail ID: investor@gratex.in for Redressal of complaints. |
| • Website of the Company                                   | www.gratex.in  |

## 7. GENERAL SHAREHOLDER'S INFORMATION:

- |  |  |
|--|--|
| • AGM: Date, Time and Venue  | Wednesday, 14 <sup>th</sup> August, 2024 at 01:00 p.m. (Through VC or OAVM)  |
| • Date of Book Closure   | Thursday, 08 <sup>th</sup> August, 2024 to Wednesday, 14 <sup>th</sup> August, 2024 (both days inclusive).   |
| • Corporate Identity Number(CIN) allotted by Ministry of Corporate Affairs(MCA)                                | L21093MH1984PLC032248  |
| • Listing on Stock Exchange  | Yes – BSE Limited, Mumbai  |
| • Stock codes:   | BSE Limited – Scrip Code – 526751  |
| • ISIN for Dematerialisation   | INE915E01013   |
| • Registrar and Transfer Agents  | Adroit Corporate Services Private Limited,<br>19, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka,<br>Andheri (East), Mumbai – 400059, Maharashtra, India. |
| • 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 – 400016,<br>Maharashtra, India.<br>Tel. No.: 022-62992121  |

## Financial Calendar 2024-2025 (Tentative)

Financial reporting for the quarter ending 30 <sup>th</sup> June, 2024	Up to 14 <sup>th</sup> August, 2024
Financial reporting for the half year ending 30 <sup>th</sup> September, 2024	Up to 14 <sup>th</sup> November, 2024
Financial reporting for the quarter ending 31 <sup>st</sup> December, 2024	Up to 14 <sup>th</sup> February, 2025
Financial reporting for the quarter and year ending 31 <sup>st</sup> March, 2025	Within 60 days from 31 <sup>st</sup> March, 2025
<b>Annual General Meeting for the year ending 31<sup>st</sup> March, 2025</b>	By September, 2025

**8. THE DISTRIBUTION OF SHAREHOLDERS AS ON 31.03.2024 IS AS FOLLOWS:**

Range of Holding	No. of Shareholders	% to Shareholders	Total Shares	Amount	% to Capital
UPTO - 100	2338	61.98	199058	1990580	6.56
101 - 500	1185	31.42	304544	3045440	10.04
501 - 1000	118	3.13	96825	968250	3.19
1001 - 2000	70	1.86	104476	1044760	3.44
2001 - 3000	19	0.50	48176	481760	1.59
3001 - 4000	8	0.21	28813	288130	0.95
4001 - 5000	7	0.19	34500	345000	1.14
5001 - 10000	11	0.29	72457	724570	2.39
10001 - 20000	8	0.21	119000	1190000	3.92
20001 - 50000	5	0.13	176492	1764920	5.82
50001 & Above	3	0.08	1850459	18504590	60.97
<b>Total</b>	<b>3772</b>	<b>100</b>	<b>3034800</b>	<b>30348000</b>	<b>100</b>

**9. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2024:**

Category	Sub-category	No. of securities held
Promoter's holding	Indian Promoters	1878759
	Foreign Promoters	0
	Persons Acting in Concern	0
	<b>Sub Total</b>	<b>1878759</b>
Institutional Investors	Mutual Funds & UTI	0
	Banks, FIs, Insurance Co's, Central /State Govt./Non-Govt. Institutions	0
	FI	0
	<b>Sub-Total</b>	<b>0</b>
Others	Private Corporate Bodies	56875
	Indian Public	983673
	Any Other	115493
	<b>Sub Total</b>	<b>1156041</b>
<b>Grand Total</b>		<b>3034800</b>

**10. STOCK MARKET PRICE DATA AT BSE LIMITED:**

Month	BSE Share Price (Rs.)			
	Open	High	Low	Close
April, 2023	13.95	13.96	12.83	13.21
May, 2023	12.55	14.70	12.55	13.65
June, 2023	13.65	19.11	12.97	16.00
July, 2023	16.50	21.80	15.00	15.95
August, 2023	15.16	20.16	15.16	20.15
September, 2023	19.75	19.75	17.80	18.00
October, 2023	18.00	18.00	15.50	16.00
November, 2023	15.68	15.68	13.00	14.00
December, 2023	14.70	17.94	14.70	17.85
January, 2024	17.48	24.00	17.47	22.10
February, 2024	22.00	22.24	18.86	20.70
March, 2024	20.70	20.70	17.69	17.71

**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.

**By Order of the Board of Director**

**For Gratex Industries Limited**

<b>SD/-</b>	<b>SD/-</b>
<b>Baldevkrishan Ramrattan Sharma</b>	<b>Karan Baldevkrishan Sharma</b>
<b>Chairman Director</b>	<b>Managing Director</b>
<b>DIN : 00117161</b>	<b>DIN: 00117188</b>

**Place: Mumbai**

**Date: 08<sup>th</sup> July, 2024**



## MD and CFO Certification

To,  
The Board of Directors  
Gratex Industries Limited  
Mumbai

We, Karan Baldevkrishan Sharma, the Managing Director of the Company and Mona Pratap Menon, the 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/-**  
**Karan Baldevkrishan Sharma**  
**Managing Director**

**SD/-**  
**Mona Pratap Menon**  
**Chief Financial Officer**

**Place : Mumbai**  
**Date : 08<sup>th</sup> July, 2024**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

**TO THE MEMBERS OF**

**GRATEX INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by Gratex Industries Limited (the Company) for the year ended on March 31, 2024 as stipulated in SEBI Listing Regulations 2015 of the Company with the Stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-referred Listing Regulation.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Jayesh R. Shah & Co.,  
Chartered Accountants  
Firm Regn. No.104182W  
Sd/-  
Jayesh Shah  
Proprietor  
MembershipNo.033864  
UDIN: 24033864BKEYIQ8647**

**Place: Mumbai  
Date: 08.07.2024**

## 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 2024, 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, 2024, 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; There are no matter to be reported under this head.

### 4. Emphasis of Matters

- a. As per note no.25 of the accounts "Revenue from operations" 99.40% 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.

Our opinion is not modified in respect of the above matters.

### 5. 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.

## 6. 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.

## 7. Other Matter

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

## 8. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("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.

### Audit Trail (Edit Log)

Based on our examination, the company, has used tally accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility **except in respect of maintenance of fixed asset records and Inventory records which is maintained on excel and Anmol software wherein they did not have the audit trail feature enabled.** Further, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

## 9. 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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**  
**Sd/-**  
**Jayesh Shah**  
**Proprietor**  
**Membership No. 033864**  
**UDIN: 24033864BKEYHP1335**

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2024**

## **Annexure-A to the Independent Auditors Report.**

Referred to in paragraph 9(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, 2024

### **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, 2024 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**

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

Referred to in paragraph 9(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, 2024

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

6. 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**

7. 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, 2024, 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**

**Sd/-**  
**Jayesh Shah**  
**Proprietor**

**Membership No. 033864**  
**UDIN: 24033864BKEYHP1335**

**Place: Mumbai**

**Date: 30<sup>th</sup> May, 2024**



**Annexure-B to the Independent Auditors Report.**

Referred to in paragraph (8) 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, 2024

- (i) (a) (A) We have verified the records of the Company, in our opinion, the Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not have any intangible assets hence no records require.
- (b) The management explained that Property, plant and equipments are physically verified by the management once in a year, In our opinion considering the size of the company it is justifiable. No material discrepancies were noticed on such verifications.
- (c) According to information and explanation given to us and on the basis of our examination of the records of the Company, we are of the opinion that the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee and self constructed properties) disclosed in the financial statements are held in the name of the company;
- (d) AS per the information furnished and verification of the records the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year;
- (e) As per the information provided by the management and from verification of the records, in our opinion no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under, if so, whether the company has appropriately disclosed the details in its financial statements;
- (ii) (a) As per information furnished, the physical verification of inventory is conducted once in a year by the management and, in our opinion, the coverage and procedure of such verification by the management is appropriate; a minor discrepancy were noticed and have been properly dealt with in the books of account;
- (b) According to information and from verification of the records the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets;
- (iii) According to information and explanation provided and from verification of the records, In our opinion, during the year, the company has not made any investments, or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence sub clause a, b, c, d, e and f of clause iii 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 made any investments or provided any guarantees, and security, to the companies covered under section 185. Further the Company has complied with the provisions of Section 186 of the Companies Act;
- (v) From verification of the records, in our opinion the Company has not accepted any deposits during the year from the public within the meaning of the provisions of section 73 to 76 of the Companies act, 2013 and rules framed there under;
- (vi) As per the information provided and from verification of the records, we are of the opinion that company does not cover under sub-section (1) of section 148 of the Companies Act, 2013 and hence not require 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 regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
- (b) According to the information and explanation provided to us and the records of the Company verified by us, the outstanding dues of Sales Tax, VAT, Income tax and excise duty which have not been deposited on account of dispute with the appropriate authorities are Nil;
- (viii) According to information and explanation given to us by the management and from the verification of the records, in our opinion, there are no any transactions, not recorded in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961 (43 of 1961);
- (ix) (a) Based on our audit procedures and the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender;
- (b) As per the information, we are of the opinion that the company is not a declared willful defaulter by any bank or financial institution or other lender;
- (c) As per the information and verification of records, in our opinion the Company has availed term loan of Rs. 900000/- for purchase of machinery and is utilized for the same purpose during the year;
- (d) In our opinion, the funds raised on short term basis have not been utilised for long term purposes;
- (e) From verification of the records, in our opinion the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
- (f) From verification of the records, in our opinion, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;
- (x) (a) From verification of the records, in our opinion, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year;
- (b) From verification of the records, in our opinion the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year;
- (xi) (a) 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 information and explanations given to us, we have neither come across any instances of material fraud by the or on the Company, has been noticed or reported during the year;
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) As per the information and explanation furnished, there are no whistle-blower complaints received during the year by the company;
- (xii) (a) As the Company is not a Nidhi company sub clause a, b and c of clause xii of the order are not applicable to the Company;

- (xiii) As per the information and explanation provided by the company and from the verification of the records, in our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed properly 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) (a) As per the explanation and information provided, in our opinion, the company has an internal audit system commensurate with its size and nature of its business;
- (b) We have verified and considered the report of internal auditors for the period under audit;
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him accordingly the provisions of section 192 of Companies Act are not applicable to the company;
- (xvi) (a) We have been informed by the management and from the verification of the books of accounts, in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934);
- (b) On verification of the books of accounts, we are of the opinion that the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
- (c) On verification of the books of accounts, we are of the opinion that the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;
- (d) In our opinion, company does not have any CIC as part of the group;
- (xvii) From verification of the books and records, in our opinion, the company has not incurred cash losses in the financial year and in the immediately preceding financial year;
- (xviii) There has not been any resignation of the statutory auditors during the year;
- (xix) on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report, and that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date; We however state that this is not an assurance as to the future viability of the Company, We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) From the verification of the books of accounts, we are of the opinion that according to the criteria laid down in section 135 of the Companies Act, 2013, the Company is not covered under any of the criteria hence clause xx of the order is not applicable to the Company.
- (xxi) The Company do not have any subsidiary or holding company hence reporting under this clause is not applicable

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2024**

**For Jayesh R Shah & Co.**  
**Firm's Registration No.104182W**  
**Sd/-**  
**Jayesh Shah**  
**Proprietor**  
**Membership No. 033864**  
**UDIN: 24033864BKEYHP1335**

**Balance Sheet as at 31st March, 2024**

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
<b>(1) ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	3	1,02,58,688.42	1,07,85,551.42
(b) Capital work-in-progress		-	-
(c) Investment Property		-	-
(d) Goodwill		-	-
(e) Other Intangible assets		-	-
(f) Intangible assets under development		-	-
(g) Biological Assets other than bearer plants			
(h) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	4	-	-
(iii) Loans		-	-
(iv) Others-Deposits	5	32,07,458.49	31,83,558.49
(i) Deferred tax assets (net)	6	3,66,764.00	2,76,754.00
(j) Other non-current assets	7	-	-
<b>Total Non- Current Assets</b>		<b>1,38,32,910.91</b>	<b>1,42,45,863.91</b>
<b>(2) Current assets</b>			
(a) Inventories	8	2,01,60,975.00	1,73,46,209.00
(b) Financial Assets			
(i) Investments			
(ii) Trade receivables	9	73,84,772.17	89,89,355.17
(iii) Cash and cash equivalents	10	62,913.24	60,157.34
(iv) Bank balances other than (iii) above	11	-	-
(v) Loans and Advances	12	3,87,129.70	82,272.70
(vi) Others (to be specified)			
(c) Current Tax Assets (Net)			
(d) Other current assets	13	3,59,945.00	5,11,667.00
<b>Total Current Assets</b>		<b>2,83,55,735.11</b>	<b>2,69,89,661.21</b>
<b>Total Assets</b>		<b>4,21,88,646.02</b>	<b>4,12,35,525.12</b>

**Balance Sheet as at 31st March, 2024 Contd...**

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	14	3,03,48,000.00	3,03,48,000.00
(b) Instrument Entirely Equity in nature		-	-
(b) Other Equity		46,94,155.96	37,53,842.37
<b>Total Equity</b>		<b>3,50,42,155.96</b>	<b>3,41,01,842.37</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	5,44,767.00	30,894.00
(ii) Trade payables	16	-	-
(iii) Other financial liabilities (other than those specified in item (b), to be specified)			
(b) Provisions	17	8,26,886.00	9,88,973.00
(c) Deferred tax liabilities (Net)	18	2,28,903.00	2,17,995.00
(d) Other non-current liabilities	19	-	-
<b>Total Non- Current Liabilities</b>		<b>16,00,556.00</b>	<b>12,37,862.00</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	3,03,102.00	5,45,200.00
(ii) Trade payables	21	30,07,299.00	36,06,621.60
(iii) Other financial liabilities (other than those specified in item (a))			
(b) Other current liabilities	22	13,03,420.06	9,67,786.15
(c) Provisions	23	5,79,113.00	2,51,213.00
(d) Current Tax Liabilities (Net)	24	3,53,000.00	5,25,000.00
<b>Total Current Liabilities</b>		<b>55,45,934.06</b>	<b>58,95,820.75</b>
<b>Total Equity and Liabilities</b>		<b>4,21,88,646.02</b>	<b>4,12,35,525.12</b>

**The notes 1 to 53 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

Sd/-

**Jayesh Shah**

Proprietor  
Membership No.: 033864

Place: Mumbai

Date: 30.05.2024

Sd/-

**Baldevkrishan Sharma**

Chairman  
DIN: 00117161

Sd/-

**Neha Arora**

Company Secretary  
Membership No.A57981

Place: Mumbai

Date: 30.05.2024

Sd/-

**Karan Sharma**

Managing Director  
DIN:00117188

Sd/-

**Mona Menon**

Chief Financial Officer  
DIN: 00117025

**Statement of Profit & Loss for the period ended 31st March, 2024**

Particulars	Note No.	Figures For the current reporting period	Figures For the previous reporting period
I Revenue From Operations	25	3,99,36,487.22	4,25,88,717.80
II Other Income	26	517.00	10,377.00
III Total Income (I+II)		<b>3,99,37,004.22</b>	<b>4,25,99,094.80</b>
IV <b>EXPENSES</b>	27	1,78,61,990.75	2,04,05,463.70
Cost of materials consumed			
Purchases of Stock-in-Trade			
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	28	(20,33,375.00)	(17,37,197.00)
Employee benefits expense	29	1,24,43,093.00	1,12,77,238.00
Finance costs	30	1,07,990.14	1,26,248.78
Depreciation and amortization expense	31	13,22,420.00	12,50,957.00
Other expenses	32	90,01,056.74	90,23,392.08
Total expenses (IV)		<b>3,87,03,175.63</b>	<b>4,03,46,102.56</b>
V Profit/(loss) before exceptional items and tax (I- IV)		<b>12,33,828.59</b>	<b>22,52,992.24</b>
VI Exceptional Items	33	-	-
VII Profit/(loss) before tax (V-VI)		<b>12,33,828.59</b>	<b>22,52,992.24</b>
VIII Tax expense:	34		
(1) Current tax		3,53,000.00	5,25,000.00
(2) Deferred tax		(79,102.00)	(78,611.00)
(3) Prior year tax		19,617.00	(71,807.00)
		<b>2,93,515.00</b>	<b>3,74,582.00</b>
IX Profit (Loss) for the period from continuing operations (VII-VIII)		<b>9,40,313.59</b>	<b>18,78,410.24</b>
X Profit/(loss) from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII Profit/(loss) for the period (IX+XII)		<b>9,40,313.59</b>	<b>18,78,410.24</b>

**Statement of Profit & Loss for the period ended 31st March, 2024 Contd....**

Particulars	Note No.	Figures For the current reporting period	Figures For the previous reporting period
XIV Other Comprehensive Income	35		
A (i) Items that will not be reclassified to profit or loss		(1,91,824.00)	1,40,558.00
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		7,48,489.59	20,18,968.24
XVI Earnings per equity share (for continuing operation):	36		
(1) Basic		0.31	0.62
(2) Diluted		0.31	0.62
XVII Earnings per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
XVIII Earnings per equity share (for discontinued & continuing operations)	36		
(1) Basic		0.31	0.62
(2) Diluted		0.31	0.62

**The notes 1 to 53 are an integral part of these financial statements**

In terms of our report of even date

**For Jayesh R Shah & Co**

Chartered Accountants  
Firm Registration No. : 104182W

Sd/-  
**Jayesh Shah**

Proprietor  
Membership No.: 033864

Place: Mumbai  
Date: 30.05.2024

**For Gratex Industries Limited**

Sd/-  
**Baldevkrishan Sharma**  
Chairman  
DIN: 00117161

Sd/-  
**Neha Arora**  
Company Secretary  
Membership No.A57981

Place: Mumbai  
Date: 30.05.2024

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

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024**

	Year ended March 31, 2024	Year ended March 31, 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	12,33,828.59	22,52,992.24
<b>Adjustments for:</b>	-	-
Depreciation and amortisation	13,22,420.00	12,50,957.00
Other Comprehensive Income	(1,91,824.00)	1,40,558.00
Interest income	517.00	9,177.00
Interest and finance charges	1,07,990.14	1,26,248.78
<b>Operating profit before working capital changes</b>	<b>24,72,931.73</b>	<b>37,79,933.02</b>
<b>Adjustments for:</b>		
(Increase) / Decrease in loans and advances	(3,04,857.00)	4,81,193.19
(Increase) / Decrease in inventories	(28,14,766.00)	(14,71,036.00)
(Increase) / Decrease in trade receivables	16,04,583.00	(10,56,367.40)
(Increase) / Decrease in others-Deposits	(23,900.00)	(20,100.00)
(Increase) / Decrease in others Current Assets	1,51,722.00	(1,99,654.00)
Increase / (Decrease) in trade payables	(5,99,322.60)	10,25,756.60
Increase / (Decrease) in provisions	1,65,813.00	(3,28,153.00)
Increase / (Decrease) in other current liabilities	3,35,633.91	8,69,492.15
Increase / (Decrease) in Deferred Tax	(79,102.00)	(78,611.00)
Increase/(Decrease) in tax liabilities	(1,72,000.00)	1,25,000.00
Increase/(Decrease) in other non current liabilities	-	-
<b>Cash generated from operations</b>	<b>7,36,736.04</b>	<b>31,27,453.56</b>
Taxes paid (net of refunds)	1,01,691.00	5,21,002.00
<b>Net cash generated from operating activities</b>	<b>6,35,045.04</b>	<b>26,06,451.56</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of tangible/intangible assets	(7,95,557.00)	(19,01,606.00)
Interest received	(517.00)	(9,177.00)
Movement in term deposit with bank (net)	-	-
<b>Net cash (used in) investing activities</b>	<b>(7,96,074.00)</b>	<b>(19,10,783.00)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowing	2,71,775.00	(5,74,810.00)
Interest paid	(1,07,990.14)	(1,26,248.78)
Dividend paid		
Dividend distribution tax paid		
<b>Net cash (used in) financing activities</b>	<b>1,63,784.86</b>	<b>(7,01,058.78)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>2,755.90</b>	<b>(5,390.22)</b>
Cash and cash equivalents at the beginning of the year	60,157.34	65,546.56
<b>Cash and cash equivalents at the end of the year</b>	<b>62,913.24</b>	<b>60,157.34</b>
<b>Cash and cash equivalents comprise:</b>		
Cash on hand	33,540.00	4,490.00
Balances with banks	29,373.24	55,667.34
Demand deposits (less than 3 months maturity)		
<b>Total</b>	<b>62,913.24</b>	<b>60,157.34</b>

**Note:** The above cash flow statement has been prepared under "Indirect Method" specified in Ind AS 7 on "Cash Flow Statements".

In terms of our report of even date

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

Sd/-  
**Jayesh Shah**  
Proprietor  
Membership No.: 033864  
Place: Mumbai  
Date: 30.05.2024

**For Gratex Industries Limited**

Sd/-  
**Baldevkrishan Sharma**  
Chairman  
DIN: 00117161

Sd/-  
**Neha Arora**  
Company Secretary  
Membership No.A57981  
Place: Mumbai  
Date: 30.05.2024

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

Sd/-  
**Mona Menon**  
Chief Fianancial Officer  
DIN: 00117025



Statement of Changes in Equity for the period ended 31st March, 2024

**A. Equity Share Capital**

Balance at the beginning of the reporting period	3,03,48,000	Changes in equity share capital during the year	0	Balance at the end of the reporting period	3,03,48,000
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**B. Instruments Entirely Equity in Nature**

NIL

**C. Other Equity**

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (specify nature)	Retained Earnings								
<b>Balance at the beginning of the reporting period</b>	<b>0.00</b>	<b>0.00</b>	<b>1046026.00</b>	<b>0.00</b>	<b>806783.58</b>	<b>2041590.79</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-140558.00</b>	<b>0.00</b>	<b>3753842.37</b>	
Changes in accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Restated balance at the beginning of the reporting period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Total Comprehensive Income for the year</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>748489.59</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>191824.00</b>	<b>0.00</b>	<b>940313.59</b>	
Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Transfer to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Any other change (to be specified)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Balance at the end of the reporting period</b>	<b>0.00</b>	<b>0.00</b>	<b>1046026.00</b>	<b>0.00</b>	<b>806783.58</b>	<b>2790080.38</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>51266.00</b>	<b>0.00</b>	<b>4694155.96</b>	

**NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2024**

**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:

<b>Items</b>	<b>Measurement Basis</b>
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-18 )

**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-11, 15).

**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 11A).

**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. (Refer Note 23A)

**2(C) Recent Accounting Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards). Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

**Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 116 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

### 3 PROPERTY, PLANT AND EQUIPMENT

Sr. No.	Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount		
		Opening as at April 01, 2023	Additions	Disposals	Closing as at March 31, 2024	Opening as at April 01, 2023	For the Year		Disposals	Closing as at March 31, 2024
<b>Own Assets</b>										
1	Land Freehold	2,40,000.00	-	-	2,40,000.00	-	-	-	-	2,40,000.00
2	Building	1,10,23,132.00	-	-	1,10,23,132.00	51,62,419.00	2,85,419.00	-	54,47,838.00	55,75,294.00
3	Plant and Equipment	1,04,35,730.00	11,90,000.00	5,98,426.00	1,10,27,304.00	60,79,448.00	10,51,241.00	2,23,426.00	69,07,263.00	41,20,041.00
4	Electric Equipments	4,60,104.00	-	-	4,60,104.00	3,66,404.00	24,259.00	-	3,90,663.00	69,441.00
5	Furniture and Fixtures	8,01,547.00	-	-	8,01,547.00	7,24,723.00	19,890.00	-	7,44,613.00	56,934.00
6	Office Equipments	2,96,278.00	-	-	2,96,278.00	2,81,451.00	6,683.00	-	2,88,134.00	8,144.00
7	Vehicles	5,09,964.00	-	-	5,09,964.00	4,80,467.00	9,212.00	-	4,89,679.00	20,285.00
8	Computers	6,31,913.00	2,03,983.00	-	8,35,896.00	5,18,205.00	1,49,142.00	-	6,67,347.00	1,68,549.00
<b>TOTAL</b>		<b>2,43,98,668.00</b>	<b>13,93,983.00</b>	<b>5,98,426.00</b>	<b>2,51,94,225.00</b>	<b>1,36,13,117.00</b>	<b>15,45,846.00</b>	<b>2,23,426.00</b>	<b>1,49,35,537.00</b>	<b>1,02,58,688.42</b>

Sr. No.	Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount		
		Opening as at April 01, 2022	Additions	Disposals	Closing as at March 31, 2023	Opening as at April 01, 2022	For the Year		Disposals	Closing as at March 31, 2023
<b>Own Assets</b>										
1	Land Freehold	2,40,000.00	-	-	2,40,000.00	-	-	-	-	2,40,000.00
2	Building	1,08,66,342.00	1,56,790.00	-	1,10,23,132.00	48,64,267.00	2,98,152.00	-	51,62,419.00	58,60,713.00
3	Plant and Equipment	88,57,106.00	15,78,624.00	-	1,04,35,730.00	52,52,620.00	8,26,828.00	-	60,79,448.00	43,56,282.00
4	Electric Equipments	4,47,364.00	12,740.00	-	4,60,104.00	3,36,560.00	29,844.00	-	3,66,404.00	93,700.00
5	Furniture and Fixtures	7,81,867.00	19,680.00	-	8,01,547.00	7,03,646.00	21,077.00	-	7,24,723.00	76,824.00
6	Office Equipments	2,90,685.00	5,593.00	-	2,96,278.00	2,70,529.00	10,922.00	-	2,81,451.00	14,827.00
7	Vehicles	5,09,964.00	-	-	5,09,964.00	4,67,071.00	13,396.00	-	4,80,467.00	29,497.00
8	Computers	5,03,734.00	1,28,179.00	-	6,31,913.00	4,67,467.00	50,738.00	-	5,18,205.00	1,13,708.00
<b>TOTAL</b>		<b>2,24,97,062.00</b>	<b>19,01,606.00</b>	<b>-</b>	<b>2,43,98,668.00</b>	<b>1,23,62,160.00</b>	<b>12,50,957.00</b>	<b>-</b>	<b>1,36,13,117.00</b>	<b>1,07,85,551.42</b>

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2024

	As at March 31, 2024	As at March 31, 2023
4 <b>Trade Receivables</b> (See note 9 for ageing schedule)	-	-
5 Others-Deposits	32,07,458.49	31,83,558.49
6 <b>Deferred Tax Assets</b>	3,66,764.00	2,76,754.00
<b>Provision for gratuity/OCI</b>		
7 <b>Other Non Current assets</b>		
8 <b>Inventories</b>		
Raw materials	14,93,715.00	7,12,324.00
Work in progress	15,28,724.00	20,20,398.00
Finished Goods	1,71,38,536.00	1,46,13,487.00
<b>TOTAL</b>	<b>2,01,60,975.00</b>	<b>1,73,46,209.00</b>
9 <b>Trade Receivables</b>	73,84,772.17	89,89,355.17

**Trade receivable ageing schedule Current Year**

Particulars	Outstanding for following periods from due date of payments					
	Less than 6 months	6 months to 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
i Undisputed Considered good	73,84,772.17					<b>73,84,772.17</b>
ii. Undisputed which have significant increase of credit risk						
iii Undisputed Credit impaired						
iv Disputed Considered good						
v. Disputed which have significant increase of credit risk						
vi. Disputed Credit impaired						
<b>Total</b>	<b>73,84,772.17</b>	-	-	-	-	<b>73,84,772.17</b>



**Trade receivable ageing schedule Previous Year**

Particulars	Outstanding for following periods from due date of payments					
	Less than 6 months	6 months to 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
I Undisputed Considered good	89,89,355.17					<b>89,89,355.17</b>
ii. Undisputed which have significant increase of credit risk						
iii Undisputed Credit impaired						
iv Disputed Considered good						
v. Disputed which have significant increase of credit risk						
vi. Disputed Credit impaired						
<b>Total</b>	<b>89,89,355.17</b>	-	-	-	-	<b>89,89,355.17</b>
<b>10 Cash and Cash equivalents:</b>				<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	
Cash on hand				33,540.00	4,490.00	
<b>Bank Balances :</b>						
- In Current accounts (Refer note below)				29,373.24	55,667.34	
- In Margin Money deposit maturing within 3 month						
<b>TOTAL</b>				<b>62,913.24</b>	<b>60,157.34</b>	
<b>11 Bank Balance other then 10 above</b>				-	-	
<b>12 Loans and Advances</b>						
Advances paid to suppliers				84,115.00		
Loans & Advances				-	3,800.00	
GST Credit						
Pre-paid expense				3,03,014.70	78,472.70	
				<b>3,87,129.70</b>	<b>82,272.70</b>	

**13 Other Current Assets**

TDS/TCS Receivable	3,09,945.00	3,11,667.00
Advance Income Tax	50,000.00	2,00,000.00
	<u>3,59,945.00</u>	<u>5,11,667.00</u>

**14 SHARE CAPITAL**

**Authorised**

40,00,000 (March 31, 2024: 40,00,000 ) equity shares of Rs. 10/- each	40,00,000.00	40,00,000.00
	<u>40,00,000.00</u>	<u>40,00,000.00</u>

**Issued**

30,34,800 (March 31, 2024 30,34,800) equity shares of Rs. 10/- each	3,03,48,000.00	3,03,48,000.00
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**Subscribed and paid-up**

30,34,800 (March 31, 2024 30,34,800) equity shares of Rs. 10/- each	<u>3,03,48,000.00</u>	<u>3,03,48,000.00</u>
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**TOTAL**

<u>3,03,48,000.00</u>	<u>3,03,48,000.00</u>
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a) Share Capital Current Reporting Period

Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
30,34,800.00	-	30,34,800.00	-	30,34,800.00

b) Share Capital Previous Reporting Period

Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
30,34,800.00	-	30,34,800.00	-	30,34,800.00

c) Shareholdings more than 5 %

Sr.No.	Name	No. of Shares	% of total shares	% change during the year
1	-	-	-	-
1	Baldevkishan Sharma	14,23,159.00	46.89	-
2	Promila Sharma	2,90,100.00	9.56	-

**d) Promotors Shareholdings**

Sr.No.	Promotors Name	No. of Shares	% of total shares	% change during the year
1	Baldevkishan Sharma	14,23,159.00	46.89	
2	Promila Sharma	2,90,100.00	9.56	-
3	Mona Pratap Menon	1,37,900.00	4.54	-
4	Karan Sharma	27,600.00	0.91	-

**e) 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.

**f) 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, 2024**

**15 BORROWINGS - NON-CURRENT**

	As at March 31, 2024	As at March 31, 2023
Secured:		
<b>Term Loan:</b>		
Yes Bank Term Loan Printing Equipments (Refer note below)	-	1,97,130.00
Less: Current maturities of long term debt	-	1,97,130.00
(Repayable in 60 monthly equal installment of Rs. 32221/- and Rs. 25871/- from July,2021 each starting from April, 2018. Rate of interest is 13.00% p.a.)	-	-
Profectus Capital Ltd	8,16,975.00	
Less: Current maturities of long term debt	<u>2,72,208.00</u>	
(Rs. 900000/- Repayable in 36 monthly equal installments of Rs. 30645/- Rate of Interest is 13.75 % p.a.)	5,44,767.00	
Yes Bank Term Loan Printing Equipments (Refer note below)	-	3,78,964.00
Less: Current maturities of long term debt	-	3,48,070.00
(Repayable in 36 monthly equal installment of Rs. 31198/- each starting from May, 2021. Rate of interest is 11.50% p.a.)	-	<u>30,894.00</u>
<b>TOTAL</b>	<u>5,44,767.00</u>	<u>30,894.00</u>

**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.

16	<b>Trade payables</b>	-	-
	( See ageing schedule Note No.21)		
17	Provisions-Gratuity	8,26,886.00	9,88,973.00
18	Deferred Tax Liabilities		
	Depreciation	2,28,903.00	2,17,995.00
19	Other Non Current Liabilities		

<b>MOVEMENT IN DEFERRED TAX ASSETS/LIABILITIES</b>	<b>As at April 01, 2023</b>	<b>(Charged)/ Credited to Profit and Loss</b>	<b>(Charged)/ Credited to OCI</b>	<b>As at March 31, 2024</b>
<b>Deferred Tax Liability</b>				
Depreciation	2,17,995.00	10,908.00	-	2,28,903.00
Borrowing Cost	-	-	-	-
<b>Total Deferred Tax Liability</b>	<b>2,17,995.00</b>	<b>10,908.00</b>	<b>-</b>	<b>2,28,903.00</b>
<b>Less : Deferred Tax Assets</b>	<b>2,76,754.00</b>	<b>90,010.00</b>		<b>3,66,764.00</b>
<b>Net Deferred Tax Liability/(Assets)</b>	<b>(58,759.00)</b>	<b>(79,102.00)</b>	<b>-</b>	<b>(1,37,861.00)</b>

**20 BORROWINGS - CURRENT**

Secured:

**Term Loan:**

Yes Bank Term Loan Printing Equipments (Refer note below) - 1,97,130.00

(Repayable in 60 monthly equal installment of Rs. 32221/- Rs. 25871/- from July, 2021 each starting from April, 2018. Rate of interest is 13.00% p.a.)

Profectus Capital Ltd 2,72,208.00

(Rs. 900000/- Repayable in 36 monthly equal installments of Rs. 30645/- Rate of Interest is 13.75 % p.a.)

Yes Bank Term Loan Printing Equipments (Refer note below) 30,894.00 3,48,070.00

(Repayable in 36 monthly equal installment of Rs.31198/- each starting from May, 2021. Rate of interest is 11.50% p.a.)

**TOTAL** 3,03,102.00 5,45,200.00

**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.

**21 TRADE PAYABLES**

	As at March 31, 2024	As at March 31, 2023
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 not dues to related parties	30,07,299.00	36,06,621.60
c) total outstanding dues to related parties	-	-
<b>TOTAL</b>	<b>30,07,299.00</b>	<b>36,06,621.60</b>

**Note:**

Unpaid amount at the year end to MSME supplier Rs 1605169/-

Interest provided Rs.6275/-

Trade Payable Ageing Schedule-Current Year

Particulars	Outstanding for following periods from due date of payments				
	Less than 1 year	1 - 2 year	2 - 3 year	3 - 5 year	Total
i. MSME	16,05,169.00	-	-	-	16,05,169.00
ii. Others	14,02,130.00	-	-	-	14,02,130.00
iii. Disputed MSME	-	-	-	-	-
iv. Disputed Others	-	-	-	-	-
<b>Total</b>	<b>30,07,299.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,07,299.00</b>

Trade Payable Ageing Schedule-Previous Year

Particulars	Outstanding for following periods from due date of payments				
	Less than 1 year	1 - 2 year	2 - 3 year	3 - 5 year	Total
i. MSME	17,02,836.00	-	-	-	17,02,836.00
ii. Others	19,03,785.60	-	-	-	19,03,785.60
iii. Disputed MSME	-	-	-	-	-
iv. Disputed Others	-	-	-	-	-
<b>Total</b>	<b>36,06,621.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,06,621.60</b>

22	<b>Other Current Liabilities</b>	13,03,420.06	9,67,786.15
23	<b>Provisions-Gratuity</b>	5,79,113.00	2,51,213.00
<b>24</b>	<b>INCOME TAX LIABILITIES (CURRENT)</b>		
	Provision for Income tax	3,53,000.00	5,25,000.00
	<b>TOTAL</b>	<b>3,53,000.00</b>	<b>5,25,000.00</b>
	<b>Movement in provision for income tax</b>		
	Opening balance	-	-
	Less: Paid / Adjusted	-	-
	Add: Provision for current year	3,53,000.00	5,25,000.00
	<b>Closing balance</b>	<b>3,53,000.00</b>	<b>5,25,000.00</b>
<b>24A</b>	<b>TAX EXPENSE</b>		
	<b>Current Tax :</b>		
	Current Tax on Profits for the Year	3,53,000.00	5,25,000.00
	<b>Total Current Tax Expense</b>	<b>3,53,000.00</b>	<b>5,25,000.00</b>
	<b>Deferred Tax :</b>		
	Decrease/(Increase) in Deferred Tax Assets	(90,010.00)	(48,404.00)
	(Decrease)/increase in Deferred Tax Liabilities	10,908.00	(30,207.00)
	<b>Total Deferred Tax Expense/(Benefit)</b>	<b>(79,102.00)</b>	<b>(78,611.00)</b>
	<b>Income Tax Expense</b>	<b>2,73,898.00</b>	<b>4,46,389.00</b>
	<b>Reconciliation of tax expense and accounting profit multiplied by statutory tax rate</b>		
	Profit for the year	12,33,828.59	22,52,992.00
	Rate of tax	25.17%	25.17%
	<b>Tax Expense at Applicable Tax Rate</b>	<b>3,10,529.98</b>	<b>5,67,033.03</b>
	Tax Rate Difference	-	-
	CSR Expenses	-	-
	Interest on delayed payment of TDS and advance tax	-	-
	Others	(36,631.98)	(1,20,644.03)
	<b>Income Tax Expense</b>	<b>2,73,898.00</b>	<b>4,46,389.00</b>

**NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2024**

25 REVENUE FROM OPERATIONS	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>Sale of Product (Including excise duty)</b>		
Finished Goods		
- Wall Coverings, Profiles, Digital Posters, Catalogues, Furnitures	2,83,26,114.22	3,07,34,279.80
<b>Total sale of products</b>	<b>2,83,26,114.22</b>	<b>3,07,34,279.80</b>
<b>Other operating revenue</b>		
- Warehousing Charges	73,28,026.00	64,61,729.00
- Packing Charges	24,58,530.00	35,27,485.00
- Others Frenchises Commission	18,23,817.00	18,65,224.00
<b>Total other operating income</b>	<b>1,16,10,373.00</b>	<b>1,18,54,438.00</b>
<b>TOTAL</b>	<b>3,99,36,487.22</b>	<b>4,25,88,717.80</b>
<b>26 OTHER INCOME</b>		
Interest Income	517.00	9,177.00
Subsidy Received		
Discount and Rebate		
Scrap Sales	-	1,200.00
<b>TOTAL</b>	<b>517.00</b>	<b>10,377.00</b>
<b>27 COST OF MATERIAL CONSUMED</b>		
Raw material consumed		
Opening inventory	7,12,324.00	9,78,485.00
Add: Purchases	1,82,08,195.98	1,96,85,500.45
Less: Closing inventory	14,93,715.00	7,12,324.00
<b>Cost of raw material consumed during the year</b>	<b>1,74,26,804.98</b>	<b>1,99,51,661.45</b>
Packing material consumed		
Opening inventory	-	-
Add: Purchases	4,35,185.77	4,53,802.25
Less: Closing inventory		
<b>Cost of packing material consumed during the year</b>	<b>4,35,185.77</b>	<b>4,53,802.25</b>
<b>TOTAL</b>	<b>1,78,61,990.75</b>	<b>2,04,05,463.70</b>

28 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE	Year Ended March 31, 2024	Year Ended March 31, 2023
(Increase) / Decrease in stocks		
Stock at the end of the year		
Finished goods	1,71,38,536.00	1,46,13,487.00
Work in progress	15,28,724.00	20,20,398.00
Stock Raw Material/Trading		
<b>TOTAL A</b>	<b>1,86,67,260.00</b>	<b>1,66,33,885.00</b>
Less: Stock at the beginning of the year		
Finished goods	1,46,13,487.00	1,39,79,482.00
Work in progress	20,20,398.00	9,17,206.00
Stock Raw Material/Trading	-	-
<b>TOTAL B</b>	<b>1,66,33,885.00</b>	<b>1,48,96,688.00</b>
<b>(Increase) / Decrease in stocks (B-A)</b>	<b>(20,33,375.00)</b>	<b>(17,37,197.00)</b>
<b>29 EMPLOYEE BENEFITS EXPENSES</b>	<b>Year Ended March 31, 2024</b>	<b>Year Ended March 31, 2023</b>
Salaries, wages and bonus	97,11,265.00	86,22,471.00
Directors remuneration	6,88,000.00	6,08,000.00
Leave Encashment		
Contribution to provident and other funds:		
Provident Fund	3,95,922.00	3,67,218.00
Gratuity (Refer note no. 23A(ii))	2,05,315.00	3,61,917.00
ESIC	65,798.00	75,499.00
Staff welfare expenses	13,76,793.00	12,42,133.00
<b>TOTAL</b>	<b>1,24,43,093.00</b>	<b>1,12,77,238.00</b>



**NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2024**

**29A 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.

<b>Amount recognised in Statement of Profit and Loss</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Provident fund	3,95,922.00	3,53,236.00

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:**

<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Current Service Cost	1,63,011.00	1,20,250.00
Past service Cost		
Interest on defined benefit obligation/(asset) (net)	64,209.00	52,217.00
<b>Total expenses charged</b>	<b>2,27,220.00</b>	<b>1,72,467.00</b>

**Amount recorded in other comprehensive income:**

<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Opening balance recorded in OCI	-	-
<b>Remeasurement during the period due to:</b>		
Actuarial gain/(Loss) for the year on PBO	(1,40,558.00)	5,861.00
Actuarial gain/(Loss) for the year on Assets		
Unrecognised actuarial gain/(loss) at the end of the year.	(1,40,558.00)	5,861.00
<b>Total amount recognised in OCI</b>	<b>(1,40,558.00)</b>	<b>5,861.00</b>

**Present value of defined benefit obligation:**

Particulars	Gratuity (Funded Plan)	
	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	12,00,684.00	8,72,408.00
Current service cost	1,66,290.00	1,36,296.00
Past service cost	-	-
Interest on defined benefit obligation	90,291.00	64,209.00
<b>Remeasurement due to:</b>		
(Gain )/loss from change in financial assumptions	(51,266.00)	1,27,771.00
(Gain)/loss from change in demographic assumptions	-	-
Experience (gains)/losses	-	-
Benefit paid	-	-
<b>Balance at the close of the year</b>	<b>14,05,999.00</b>	<b>12,00,684.00</b>

**Fair value of plan assets:**

Particulars	As at March 31, 2024	As at March 31, 2023
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:**

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of obligations	14,05,999.00	12,00,684.00
Fair value of plan assets	-	-
<b>Deficit of funded plan</b>	<b>14,05,999.00</b>	<b>12,00,684.00</b>
Non-current (Note 0)	8,26,886.00	9,55,374.00
Current	5,79,113.00	2,45,310.00

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

Particulars	As at March 31, 2024	As at March 31, 2023
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	As at
	March 31, 2024	March 31, 2023
Discount rate	7.23%	7.52%
Salary Growth rate	8.00%	8.00%

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, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Discount rate	(7376.00)	(25468.00)	67078.00	26683.00
Salary growth rate	66617.00	26432.00	(7288.00)	26683.00

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	As at
	March 31, 2024	March 31, 2023
Gratuity	2,92,591.00	2,95,973.00

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**

<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
1st Following Year	6,71,863.00	6,89,743.00
2nd Following Year	1,53,595.00	2,20,666.00
3rd Following Year	1,88,767.00	2,73,590.00
4th Following Year	2,28,627.00	3,38,614.00
5th following year	2,68,886.00	4,06,030.00
<b>30 FINANCE COSTS</b>	<b>Year ended March 31,2024</b>	<b>Year ended March 31,2023</b>
Interest to MSME	6,275.00	7,795.00
Interest on long term borrowings	79,081.00	1,10,018.00
Other finance cost	22,634.14	8,435.78
<b>TOTAL</b>	<b>1,07,990.14</b>	<b>1,26,248.78</b>
<b>31 DEPRECIATION AND AMORTISATION EXPENSES</b>	<b>Year ended March 31,2024</b>	<b>Year ended March 31,2023</b>
Depreciation on property, plant and equipment	13,22,420.00	12,50,957.00
<b>TOTAL</b>	<b>13,22,420.00</b>	<b>12,50,957.00</b>

<b>32 OTHER EXPENSES</b>	<b>Year ended March 31,2024</b>	<b>Year ended March 31,2023</b>
Advertisement and publicity expenses	46,365.00	42,112.00
Computer Expenses	1,51,972.37	1,35,031.44
Communication Expenses	2,22,337.90	1,97,211.00
Consumable stores	-	-
Director Sitting Fees	2,00,000.00	2,00,000.00
Design Charges	1,11,500.00	1,90,500.00
Insurance Charges	63,465.00	62,456.00
Electricity Charges-Power	12,15,500.00	17,07,117.00
Loss on sale of assets	2,23,426.00	-
Office Expenses	26,975.46	51,298.85
Membership & Subscription	4,77,438.65	3,91,101.85
Other Expenses	56,108.27	36,773.42
Loading, unloading and freight charges	49,931.00	83,240.00
Motor Car Expenses	2,18,336.00	2,98,239.00
Printing and Stationery	89,239.00	78,924.00
Service Charges	31,39,000.00	28,30,000.00
Sales Promotion expenses	2,86,557.56	1,14,580.44
Professional Fees	4,49,061.00	3,71,174.00
Security Charges	1,30,900.00	1,26,126.00
Repairs & maintenance	13,55,202.53	15,88,668.08
Rents,Rates and Taxes	1,78,835.00	1,93,832.00
GST/VAT Expenses		30,572.00
Travelling & Conveyance	1,08,906.00	94,435.00
Payment to auditors		
As auditor:		
Audit fees (Including limited review)	2,00,000.00	2,00,000.00
Tax audit fees	-	-
<b>TOTAL</b>	<b>90,01,056.74</b>	<b>90,23,392.08</b>

**33 Exceptional Items**

**34 Tax Expenses**

Current Tax	3,53,000.00	5,25,000.00
Prior year tax	19,617.00	(71,807.00)
Deferred Tax	(79,102.00)	(78,611.00)

**35 Other Comprehensive Income**

(1,91,824.00)	1,40,558.00
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**36 Earning per share**

Particulars	Year ended March 31,2024	Year ended March 31,2023
Profit after tax	9,40,313.59	18,78,410.24
Weighted average number of shares outstanding for basic / diluted EPS	30,34,800.00	30,34,800.00
Nominal value per share	10.00	10.00
Basic / diluted earning per Share	0.31	0.62

**37 CONTINGENT LIABILITIES**

There are no contingent liability exist at the end of the year.

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**38 Ratio Analysis**

		31.03.2024		31.03.2023		
1	Current Ratio	Current Assets	2,83,55,735	5.11	2,69,89,661	4.58
		Current Liabilities	55,45,934		58,95,820.75	
2	Debt Equity ratio	Total Debts	3,03,102	0.01	5,45,200	0.02
		Shareholders Equity	3,50,42,156		3,41,01,842	
3	Debt Service Coverage Ratio	Earning available for debt service	9,40,314	3.10	18,78,410	3.45
		Debt Service	3,03,102		5,45,200	
4	Return on Equity (ROI)	Net profit after taxes-Preference dividend if any	9,40,314	0.03	18,78,410	0.06
		Average Shareholders Equity	3,45,71,999		3,31,65,568	
5	Inventory Turnover Ratio	Cost of goods sold Or Sales	1,78,61,991	0.95	2,04,05,464	1.23
		Average Inventories	1,87,53,592		1,66,10,691	

6	Trade receivables turnover ratio	Net Credit Sales	2,83,26,114	3.46	3,07,34,280	3.64
		Average accounts receivable	81,87,064		84,39,876	
7	Trade payable turnover ratio	Net credit purchase	1,86,43,382	5.64	2,01,39,303	6.51
		Average accounts payables	33,06,960		30,93,743	
8	Net Capital Turnover Ratio	Net sales	2,83,26,114	1.24	3,07,34,280	1.46
		Average Working Capital	2,28,09,801		2,10,93,840	
9	Net Profit Ratio	Net Profit	9,40,314	0.03	18,78,410	0.06
		Net Sales	2,83,26,114		3,07,34,280	
10	Return on Investments	Income from Investments	9,40,314	0.03	18,78,410	0.06
		Investments	3,50,42,156		3,41,01,842	
39	Value of Imports on CIF basis in respect of			<b>Year ended 31st March, 2024</b>	<b>Year ended 31st March, 2023</b>	
	Raw Material			0	0	
	Componets and Spare Parts			0	0	
	Capital Goods			0	0	
40	Expenditure in Foreign Currency on account of:					
	a) Royalty, know how, professional, consultation fees, interest and other matters			0	0	
	b) Travelling			0	0	
41	Value of Imported and Indigenous material consumed & percentage thereof					
		Value	%	Value	%	
	Value of Imported material consumed	0	0	0	0	
	Value of Indigenous material consumed	0	0	0	0	
	Total	0	0	0	0	
42	The amount remitted in Foreign Currency					
	Dividend Remitted in foreign currency			0	0	
43	Earning in foreign exchange					
	FOB Value of exports			0	0	
	Royalty, know how Professional and consultancy fees			0	0	
	Interest and dividends			0	0	
	Other Income			0	0	
44	Company Social Responsibility					
	CSR is not applicable to the Company			0	0	

#### 45 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

PARTICULARS	Year ended March 31, 2024		Year ended March 31, 2023	
	Country of domicile (India)	Foreign countries	Country of domicile (India)	Foreign countries
Revenue from Customers	3,99,37,004	-	4,25,99,095	-
The Company does not hold any non-current assets in foreign countries.				
The total revenue generated from Related Parties	3,96,99,292	-	4,21,18,843	-

#### 46 RELATED PARTY DISCLOSURES:

##### 46A 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. Karan Sharma
  - Mrs. Mona Menon
  - Ms. Neha Arora
- iii) Relatives of Key Management Personnel

##### 46B Compensation to Independent Directors

	Year ended March 31,2024	Year ended March 31,2023
Short-term employee benefits to CEO and Whole Time Director		
Directors' sitting fees to independent directors	1,00,000.00	1,00,000.00
<b>Total</b>	<b>1,00,000.00</b>	<b>1,00,000.00</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.



**46C Details of Transactions with related Parties and other Directors:**

Particulars	Year ended March 31,2024	Year ended March 31,2023
<b>Directors Remunerations paid to</b>		
- Mr. Baldevkrishan Sharma	-	-
- Mr. Karan Sharma	6,88,000.00	6,08,000.00
- Mr. K.P.Bhardwaj		
- Mrs. Mona Menon		
<b>Salaries paid to</b>		
- Mr. K.P.Bhardwaj	-	-
<b>Sitting Fees paid to</b>		
- Mrs. Mona Menon	50,000.00	50,000.00
- Mr. Karan Sharma	-	-
- Mr.Baldevkishan Sharma	50,000.00	50,000.00
<b>Other Transactions</b>		
Sale of Goods	Marshalls Enterprises India Pvt. Ltd. 2,80,19,619.04	3,06,29,080.63
Purchase of Goods	Marshalls Enterprises India Pvt. Ltd. 60,13,611.50	48,32,272.50
Warehousing Charges Recd.	Marshalls Enterprises India Pvt. Ltd. 73,28,026.00	64,61,729.00
Franchises Commission recd.	Marshalls Enterprises India Pvt. Ltd. 18,23,817.00	18,65,224.00
Packing & Forwarding Charges Recd	Marshalls Enterprises India Pvt. Ltd. 24,58,530.00	31,62,810.00
Service charges paid	Marshalls Enterprises India Pvt. Ltd. 31,39,000.00	28,30,000.00
Telephone Charges paid	Marshalls Enterprises India Pvt. Ltd. 60,000.00	60,000.00
Reimbursement of Expenses	Marshalls Enterprises India Pvt. Ltd. 11,49,431.00	7,21,481.00
Internet Charges Paid	Marshalls Enterprises India Pvt. Ltd. 84,000.00	84,000.00
Reimbursement of Expenses paid	Marshalls Enterprises India Pvt. Ltd. 11,351.00	7,34,981.00

**46D Details of outstanding balances with related Parties:**

Related Parties	As at March 31, 2024	As at March 31, 2023
<b>Trade Receivables</b>		
Marshalls Enterprises India Pvt. Ltd	73,75,331.17	89,85,461.17

**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.

## 47 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:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Amortised Cost	FVPL	Amortised Cost	FVPL
<b>Financial Assets</b>				
Investments		-	-	
Deposits	32,07,458.49	-	31,83,558.49	-
Loans & Advances	3,87,129.70	-	82,272.70	-
Other Current Assets	3,59,945.00	-	5,11,667.00	-
Trade receivables	73,84,772.17	-	89,89,355.17	-
Cash and cash equivalents	62,913.24	-	60,157.34	-
		-	-	
<b>Total Financial Assets</b>	<b>1,14,02,218.60</b>	<b>-</b>	<b>1,28,27,010.70</b>	<b>-</b>
<b>Financial Liabilities</b>				
Borrowings	8,47,869.00	-	5,76,094.00	-
Trade payables	30,07,299.00	-	36,06,621.60	-
Other current financial liabilities	13,03,420.06	-	9,67,786.15	-
<b>Total Financial Liabilities</b>	<b>51,58,588.06</b>	<b>-</b>	<b>51,50,501.75</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.

**48 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.

**48A 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. 73.85 lakhs as of March 31, 2024 ( March 31, 2023 : Rs. 89.89 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. 73.75 lakhs as of March 31, 2024 (March 31, 2023 : Rs 89.85 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

**48B 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, 2023

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

PARTICULARS	As at March 31, 2024			As at March 31, 2023		
	Amount	Foreign currency	Foreign Currency Amount	Amount	Foreign currency	Foreign Currency Amount
<b>(i) Financial assets</b>						
Trade receivables	-	-	-	-	-	-
<b>(ii) Financial liabilities</b>						
Trade payable	-	-	-	-	-	-

**(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:

PARTICULARS	Impact on Profit after Tax positive/(negative)	
	Year ended March 31,2024	Year ended March 31, 2023
<b>USD - Sensitivity</b>		
Rs./US \$ Increased - NA	-	-
Rs./US \$ Decrease - NA	-	-

#Holding all other variables constant

**(ii) Interest rate exposure**

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

PARTICULARS	As at March 31, 2024	As at March 31, 2023
Variable rate borrowings	-	-
Fixed rate borrowings	8,47,869.00	5,76,094.00
<b>Total borrowings</b>	<b>8,47,869.00</b>	<b>5,76,094.00</b>

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

PARTICULARS	Impact on Profit after Tax positive/(negative)	
	Year ended March 31,2024	Year ended March 31,2023
Interest rate - increase by 50 basis points	-	-
Interest rate - decrease by 50 basis points	-	-

#### 48C 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 Nil as at 31st March, 2024 (Rs. Nil as at March 31, 2023) which is renewable on yearly basis by mutual consent.

##### (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.

#### CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES

	Less than 6 months	6 months to 1 year	Above 1 Year	Total
<b>March 31, 2024</b>				
Borrowings	1,62,028.00	1,41,074.00	5,44,767.00	8,47,869.00
Trade payables	16,05,169.00	14,02,130.00	-	30,07,299.00
Other financial liabilities				
<b>Total Liabilities</b>	<b>17,67,197.00</b>	<b>15,43,204.00</b>	<b>5,44,767.00</b>	<b>38,55,168.00</b>

#### CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES

	Less than 6 months	6 months to 1 year	Above 1 Year	Total
<b>March 31, 2023</b>				
Borrowings	3,56,273.00	1,88,927.00	30,894.00	5,76,094.00
Trade payables	17,02,836.00	19,03,785.60	-	36,06,621.60
Other financial liabilities				
<b>Total Liabilities</b>	<b>20,59,109.00</b>	<b>20,92,712.60</b>	<b>30,894.00</b>	<b>41,82,715.60</b>

#### 49 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.

#### 50 EARNINGS PER SHARE

Particulars	Year ended March 31,2024	Year ended March 31,2023
Profit after tax	9,40,313.59	18,78,410.24
Weighted average number of shares outstanding for basic / diluted EPS	30,34,800.00	30,34,800.00
Nominal value per share	10.00	10.00
Basic / diluted earning per Share	0.31	0.62

#### 51 LEASES

The Company does not have any lease for any assets of the company.

#### 26 With respect to all operating leases:

Year Ended March 31, 2024	Year Ended March 31, 2023
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There are no any operating lease as on the date.

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#### 52 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.

#### 53 Figures for the corresponding previous year have been regrouped/rearranged/reclassified, wherever necessary.

#### For Gratex Industries Limited

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

Sd/-  
**Jayesh Shah**  
Proprietor  
Membership No.: 033864

Place: Mumbai  
Date: 30.05.2024

Sd/-  
**Baldevkrishan Sharma**  
Chairman  
DIN: 00117161

Sd/-  
**Neha Arora**  
Company Secretary  
Membership No.A57981

Place: Mumbai  
Date: 30.05.2024

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

Sd/-  
**Mona Menon**  
Chief Fianancial Officer  
DIN: 00117025

To,

*If undelivered, please return to :*

**GRATEX INDUSTRIES LIMITED**

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