

## **BOARD'S REPORT**

(Pursuant to section 134(3) of the Companies Act 2013)

To  
The Members of  
**Graphisads Limited**

Your Directors have pleasure in presenting the **Thirty Sixth** Board's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended **31st March, 2023**.

### **1. Major High Lights of the Report**

The following major corporate actions have taken place during and after the close of the financial year under review:

- (1) The Company has converted into a Public Limited Company on January 03, 2023.
- (2) The Authorised and Paid Share Capital of the Company has been sub-divided into the share capital of Rs. 10/- each from Rs. 100/- on December 15, 2022.
- (3) Then Authorized share capital of the Company has been increased from Rs. 2,00,00,000/- (Rupees Two Crore Only) to Rs. 20,00,00,000/- (Rupees Twenty Crore Only)
- (4) All the equity shares of the Company including fresh issue of Bonus shares have been dematerialized with NSDL and CDSL.
- (5) A total of five (one regular Non-Independent and Four Independent) directors have been appointed since the date of previous Board report.
- (6) The Board of Directors has constituted three Committees of the Board which have been elaborated in more details elsewhere in this report.
- (7) The Company has decided in its meeting held on August 09, 2023, to go for Initial Public Offer of 48,12,000 equity shares at a price of Rs. 111/- each in respect of which the Draft Red Herring Prospectus is being filed very shortly.

### **2. STATE OF AFFAIRS OF THE COMPANY**

(Pursuant to section 134(3)(i) of the Act)

#### **(1) Financial summary/ highlights**

[Pursuant to Rule 8(5)(i) of the Companies (Accounts) Rules, 2014]

- (a) The Company has registered substantial growth in income as well as profit before and after tax. Summary of various items of Profit & Loss Account of the Company is given below:

Particulars	Amount (INR)	
	F.Y 2022-23	F.Y 2021-22
Revenue from Operations	67,06,07,000	66,91,89,000
Other Income	32,58,000	51,81,000
Gross Income	67,38,65,000	67,43,70,000



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Particulars	Amount (INR)	
Total Expenditure	62,09,83,000	60,99,22,000
Expenses other than Depreciation	61,38,15,000	60,29,73,000
Gross Profit Before Depreciation	6,00,50,000	7,13,97,000
Less: Depreciation & Amortization	71,68,000	69,49,000
Net Profit Before Tax & Exceptional Items	5,28,83,000	6,44,48,000
Less: Prior Period Items	21,09,000	21,40,000
Net Profit Before Tax	5,07,74,000	6,23,08,000
Less: Tax Expenses for the year	1,75,79,000	1,64,10,000
Net Profit After Tax	3,31,95,000	4,58,98,000
Less: Proposed Dividend on Equity Shares	00	00
Less: Tax on proposed Dividend	00	00
Amount available for further appropriations	3,31,95,000	4,58,98,000
Amount Transferred to General Reserve	00	00
Amount Transferred to Accumulated P&L A/c	3,31,95,000	4,58,98,000
Total Surplus carried to Balance Sheet	3,31,95,000	4,58,98,000

(b) Summary of various items of Balance Sheet of the Company is given below:

Particulars	INR F.Y 2022-23	INR F.Y 2021-22	Increase/ Decrease
Authorized Share Capital	20,00,00,000	2,00,00,000	900.00 %
Paid-Up Share Capital	13,46,45,000	1,92,35,000	600.00 %
Free Reserves & Surplus	1,05,52,000	1,05,52,000	0.00 %
Surplus/Deficit in Statement of P&L	16,19,40,000	26,26,06,000	(-)38.34 %
Share Premium Reserve	5,32,90,000	5,32,90,000	00.00 %
Total Reserves & Surpluses	22,57,81,000	32,64,48,000	(-)30.83 %
Net Worth	36,04,26,000	34,56,83,000	(+)04.26 %
Total Long-Terms Borrowings (Secured)	10,60,12,000	11,87,00,000	(-)10.69 %
Total Long-Terms Borrowings (Unsecured)	3,94,88,000	8,25,20,000	(-)52.15 %
Total Short-Terms Borrowings (Secured)	7,87,48,000	8,81,47,000	(-)10.67 %
Total Short-Terms Borrowings (Unsecured)	5,74,17,000	1,81,46,000	(+)216.42 %
Total Borrowings of the Company	28,16,66,000	30,75,13,000	(-)08.41 %
Sundry creditors	13,57,42,000	12,40,83,000	(+)9.40 %
Other Payables	7,35,32,000	10,07,64,000	(-)27.02 %
Fixed Assets (WDV)	14,21,62,000	15,01,98,000	(-)5.35 %
Long-Term Investment	72,88,000	50,00,000	45.76 %
Short-Term Investment	0	0	00.00 %
Inventories	2,52,85,000	64,72,000	(+)290.68 %
Cash & bank Balances	2,91,44,000	4,06,97,000	(-)28.38 %
Sundry Debtors	29,64,12,000	30,40,25,000	(-)2.50 %
Loans & Advances	38,14,40,000	38,34,16,000	(-)0.52 %

- (a) The spike in authorized and paid-up capital is owing to the decision of the company for Initial Public Offer during the current financial year and issue of Bonus shares to current shareholders.
- (b) The decline in reserves and surplus has been due to issue of **1,15,41,000** of Rs. 10/- Bonus shares out of surpluses each at par.

- (c) The net worth of the Company has increased by 04.26% from Rs. 34,56,83,000/- to Rs. 36,04,26,000/-.
- (d) The payments to current creditors and payments from current debtors of the company were fairly regular.

(2) Brief analysis of performance of Company

The financial component wise change in various heads of income and expenditure is summarised below for better understanding and readability of the performance of the Company:

Particulars	F.Y 22-23 (INR)	Percentage of Gross Income / Total Exp	F.Y 21-22 (INR)	Percentage Increase/ Decrease
Total Revenue from Operations	67,06,07,000	99.51%	66,91,89,000	0.21%
Other Income	32,58,000	00.49%	51,81,000	-37.12%
Gross Income for the period	67,38,64,000	100.00%	67,43,70,000	0.07%
<b>Components of Expenditure</b>				
Employees Benefit Expense	3,59,99,000	05.79%	2,84,21,000	26.66%
Directors Remuneration	60,00,000	00.97%	45,00,000	33.33%
Finance Cost	2,31,83,000	03.73%	1,75,95,000	31.75%
Depreciation/Amortization	71,68,000	01.15%	69,49,000	3.15%
Cost of Advertisement	48,23,15,000	77.67%	39,29,56,000	22.74%
Other expenses	8,51,31,000	13.70%	11,05,76,000	-23.01%
<b>Total Expenditure</b>	62,09,83,000	100.00%	60,99,22,000	1.81%
Profit before Tax & Exceptional Items	5,28,83,000	NA	6,44,48,000	-17.94%
Prior Period Items	21,09,000	NA	21,40,000	-1.44%
Profit before Tax	5,07,74,000	NA	6,23,08,000	-18.51%
Tax burden for the year	1,75,79,000	NA	1,63,91,430	7.24%
Profit after tax	3,31,95,000	NA	4,58,98,000	-27.67%

- (a) During the financial year the performance of the Company has majorly remained stable. The revenue from operations has marginally increased from Rs. 66.91 Cr to Rs. 67.06 Cr. The profit after tax has decreased by 27.67% from 4.58 Crore to 3.31 Crore.




- (b) Earnings per share has decreased from 3.41 to 2.47.
- (c) Major factors contributing to the continued stable performance have been summarised as follows:
- (ii) The Company has given more attention and put up vigorous efforts towards Even Management segment in which the profit margins are quite higher than other segments.
  - (iii) Specific efforts have been made to control the project expenses. The cost of Advertisement forms the major part of the total expenses which is 77.67% for the current year. The cost of Advertisement has increased by 22.74% against 0.21% increase in revenue from operations due to inflationary effects of the market. However the management was able to off-set this effect by controlling other expenses.
  - (iv) In case of our Company the Depreciation and Amortization expenses are nearly invariable and have increased marginally by 3.15%.
  - (v) A major number of employees is fixed although company has employed more talented staff including professionals and technical staff considering the future requirements of the Company, this results to an increase in Employees Benefit Expenses by 26.66%.
  - (vi) It can be safely concluded that cost-control, major shift in nature of business i.e from advertisement through outdoor and print media to advertising through event management, and economy of scale have played vital role in maintaining the stability of the revenue from operations and net profit of the Company.

(d) **Future Outlook**

- (i) The Board of the Company is very confident of enhancement in capacities and capabilities of the Company and maintaining and enhancing the pace of growth and the performance of the Company is expected to show yet further improvements.
- (ii) The Board of Directors of the Company has consented to raise capital through the Initial Public Offer (IPO) and has also obtained the approval of the shareholders for the same. The funds so raised shall be utilised in line with the objects of the proposed issue and thus the cost of finance shall be reduced and working capital requirements shall be augmented for scaling up the operations of the Company.

(3) **Change in the nature of business**

[Pursuant to Rule 8(5) (ii) of the Companies (Accounts) Rules, 2014]

"The Company is carrying on its business in the field of multi-functional services in the field of advertisement, marketing and allied activities in accordance with its Main Objects as enshrined in Clause III (A) of its Memorandum of Association. As part of never-ending process of growth planning, while maintaining its operations of outdoor and print media, the Board has given more focused approach to its Event Management segment where the profit margins are better. Though there has been no change in the nature of activities of the Company during the financial year ended on **31st March 2023**, shifting of focus within the mix of activities is expected to bring better results.



**(4) Details of directors who were appointed or have resigned during the year**

[Pursuant to Rule (8)(5)(iii) of the Companies (Accounts) Rules, 2014]

**(i) Board of Directors as on Close of Financial Year**

The Board was composed of a total of **03** directors as on March 31, 2023. Mr. Deepak Bahuguna was appointed as non-Executive director during the reporting period. The particulars of the directors as on that date was as follows:

S. No	Name of Director	Designation	Date of Joining	Date of Cessation
1.	Mr. Mukesh Kumar Gupta	Managing Director	01/04/1997	----
2.	Mr. Alok Gupta	Director	05/11/2009	----
3.	Mr. Deepak Bahuguna	Director	15/12/2022	----

**(ii) Appointment of Independent Directors (After close of F.Y)**

As the Company is going for IPO and therefore keeping in view the requirement of the Company and in accordance with the provisions of Section 149 (4) and 149(10) of Companies Act, 2013 and rules made there under read with Regulation 17 of SEBI (LODR) Regulation, 2018, following four persons were appointed as the Independent Directors as follows:

S. No	Name of Director	Designation	Date of Joining	Date of Cessation
1.	Mr. Vaibhav Tapdiya	Independent Additional Director	15/05/2023	---
2.	Mrs. Sudha Maheshwari	Independent Additional Director	15/05/2023	---
3.	Mr. Varun Kohli	Independent Additional Director	15/05/2023	---
4.	Mr. Harish Sharma	Independent Additional Director	20/06/2023	---

The members of the company in their Extraordinary General Meeting held on August 09, 2023, regularized all the Additional directors namely Mr. Vaibhav Tapdiya, Mrs. Sudha Maheshwari, Mr. Varun Kohli and Mr. Harish Sharma, for a period of period of 05 Years from the date of their initial appointment as Additional Directors.

The Company has duly received the declaration of their independence and non-disqualification for being appointed as Independent Directors from all the above mentioned Independent Directors.

**(iii) Re-appointment of Directors liable to Retire by rotation**

The Company converted in Public Limited Company and in pursuance of the Section 152(6) of the Companies Act, 2013, it is required that two-third of the

directors are liable to retire by rotation and One-third of such directors are liable to retire at every Annual General Meeting after the meeting.

Accordingly, Mr. Alok Gupta, Director, who is holding office longest amongst the directors liable to retire by rotation be retired first. Further, Mr. Alok Gupta being eligible, has offered himself for re-appointment as a Director of the Company. The Board purposes his re-appointment in the Upcoming Annual General Meeting.

**(iv) Key Managerial Personnel**

- (a) The Company has re-appointed Sh. Mukesh Kumar Gupta as Chairman and Managing Director on its Board for another period of 05 Years w,e,f. March 06. 2023 and also as the KMP as per the requirement of Section, 203 of Companies Act, 2013. In order to meet the procedural requirements and filing the required e-form DIR-12 with the Registrar of Companies for change in his designation as Chairman and Managing Director, he had to resign from the office of Managing Director on that date and he was re-appointed in the same meeting in such a way that his resignation and reappointment did not constitute any break in his office.
- (b) Sh. Anil Kumar Rustagi was appointed as the Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company pursuant to Section 203 of the Companies Act 2013, w.e.f. March 10, 2023 in the Board Meeting held on March 06, 2023.
- (c) Sh. Anil Kumar Rustagi was appointed as the Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company pursuant to Section 203 of the Companies Act 2013, w.e.f. March 10, 2023 in the Board Meeting held on March 06, 2023.

**(v) Formation of Committees of the Board**

Pursuant to various provisions of the Companies Act 2013 and rules made thereunder, SEBI(LODR) Regulation 2015 and SEBI (ICDR) Regulations 2018 and in view of the upcoming IPO of the Company the Board has constituted three Committees of the Board on May 15, 2023. The composition of all the Committees as on date of this report is as follows;:

**(a) Audit Committee:**

<b>S. No</b>	<b>Name of the Director</b>	<b>Designation</b>
1.	Mr. Vaibhav Tapdiya	Independent Director (Chairman)
2.	Mr. Varun Kohli	Independent Director (Member)
3.	Mr. Alok Gupta	Executive Director (Member)
4.	Mr. Shobharam Dhama	Company Secretary (Secretary to the Committee)

**(b) Stakeholder's Relationship Committee:**

<b>S. No</b>	<b>Name of the Director</b>	<b>Designation</b>
1.	Mr. Deepak Bahuguna	Non-Executive Director (Chairman)
2.	Mr. Alok Gupta	Executive Director (Member)
3.	Mr. Varun Kohli	Independent Director (Member)
4.	Mr. Shobharam Dhama	Company Secretary (Secretary to the Committee)

**(c) Nomination and remuneration Committee:**

<b>S. No</b>	<b>Name of the Director</b>	<b>Designation</b>
1.	Mr. Varun Kohli	Independent Director (Member)
2.	Mrs. Sudha Maheshwari	Independent Director (Member)
3.	Mr. Deepak Bahuguna	Non-Executive Director (Chairman)
4.	Mr. Shobharam Dhama	Company Secretary (Secretary to the Committee)

**(5) Information about subsidiary/ JV/ Associate Company**

[Pursuant to Rule (8)(5)(iv) of the Companies (Accounts) Rules, 2014]

During the year under review, any Company neither became nor ceased to be the Subsidiary, Joint Venture or Associate, of the Company.

The Company has only one subsidiary which is its Wholly Owned Subsidiary. The particulars of the said Company is given below:

**(i) Spike Advertising Private Limited**

- (d) CIN: U74140DL2011PTC217542
- (e) Status: Wholly owned Subsidiary
- (f) Shareholding: 100%

The Company does not have any other Subsidiary, Joint Venture or Associate Company as defined under the Companies Act 2013.

**(6) Details relating to deposits covered under Chapter V of the Act.**

[Pursuant to Rule (8)(5)(v) of the Companies (Accounts) Rules, 2014]

The Company is a Public Limited Company and has neither accepted nor invited any deposits covered under Chapter V of the Companies Act, 2013 and therefore no further disclosures as required under sub-clauses (b) to (d) of under Rule 8(5)(v) of the Companies (Accounts) Rules, 2014 are relevant.

(7) Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

[Pursuant to Rule (8)(5)(vi) of the Companies (Accounts) Rules, 2014]

The Company remains to be a going concern. During the reporting period none of the subject Courts or Authorities has passed any order which has or may have any impact on the 'Going Concern Status' of the Company.

(8) The details in respect of adequacy of internal financial controls over financial reporting with reference to the financial statements.

[Pursuant to Rule (8)(5)(viii) of the Companies (Accounts) Rules, 2014]

The Company is a closely held public company and all the financial transaction are generally done with proper information to and authorization of the Board. Adequate information in respect of each major item of income and expense is pre-informed to the Board and proper approvals are obtained. The Company has in all material respects, an adequate internal financial control over financial reporting and the same are operating effectively. The internal financial controls commensurate to the nature and size of business of the Company and the same has been confirmed by the Auditors in their report on the Financial Statements of the Company for the reporting period.

3. EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, in prescribed Form MGT-9 is annexed as **Annexure-1** to Board Report.

4. MEETINGS OF THE BOARD OF DIRECTORS

{Pursuant to section 134(3)(b)}

(1) During the Financial Year ended on **31<sup>st</sup> March 2023**, the Company held a total of **31** Meetings of the Board of Directors in accordance with Section 173 of Companies Act, 2013. The provisions of Companies Act, 2013 and Rules made thereunder were duly complied in respect of convening and holding the meetings and the proceedings of the same were duly written in minutes' book maintained for the purpose. Director wise details of attendance of the Board meetings is as follows:

S. No	Name of Director	No. of meetings held during his/her period	No. of meetings attended
1.	Sh. Mukesh Kumar Gupta	31	31
2.	Mr. Alok Gupta	31	31
3.	Mr. Deepak Bahuguna	09	09



(2) The dates on which the Board meetings were held is given below:

S. No	Date	S. No	Date	S. No	Date	S. No	Date
1.	12-04-2022	2.	23-04-2022	3.	14-05-2022	4.	25-04-2022
5.	07-06-2022	6.	15-06-2022	7.	20-06-2022	8.	04-07-2022
9.	19-07-2022	10.	10-08-2022	11.	19-08-2022	12.	20-08-2022
13.	24-08-2022	14.	01-09-2022	15.	07-09-2022	16.	16-09-2022
17.	26-09-2022	18.	04-10-2022	19.	10-10-2022	20.	27-10-2022
21.	21-11-2022	22.	05-12-2022	23.	05-01-2023	24.	25-01-2023
25.	07-02-2023	26.	16-02-2023	27.	21-02-2023	28.	04-03-2023
29.	06-03-2023	30.	23-03-2023	31.	29-03-2023		

## 5. **DIRECTORS' RESPONSIBILITY STATEMENT**

[Pursuant to section 134(3)(c)]

Pursuant to Section 134(3)(c) of the Companies Act 2013 read with Section 134(5) of that Act, the Board of Directors of the Company confirms that-

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) The directors had prepared the annual accounts on a going concern basis; and
- (v) Company is not a listed company and therefore sub-clause (e) of section 134(3) is not applicable.
- (vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 6. **REPORTING OF FRAUDS**

[Pursuant to Section 134(3) (ca)]

During the reporting period, the Auditors of the Company have not reported any fraud pursuant to Section 143(2) of the Companies Act, 2013 and therefore no further disclosure under section 134(3) (ca) are required to be made in the Board's Report.

## 7. **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS**

[Pursuant to Section 134(3)(d)]

The Company has appointed independent directors after the closure of financial year. However, at the time of appointment, all the Independent Directors have given the

statement on declaration of their Independence as provided under sub-section (6) of section 149 of the Companies Act, 2013.

**8. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION ETC.**

[Pursuant to Section 134(3)(e)]

During the reporting period the Company was not covered under section 178(1) read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and therefore the disclosure under Section 134(3) (e) of that Act is not relevant. However, the Board has constituted the Nomination and Remuneration Committee on May 15, 2023 and the policy on appointment and remuneration of directors is forming part of the duties and responsibilities of that Committee.

**9. COMMENTS AND EXPLANATION ON THE QUALIFICATION AND DISCLAIMERS ETC. OF THE STATUTORY AUDITORS**

[Pursuant to Section 134(3)(f)(i)]

**CA Ritika Agarwal**, Chartered Accountant, on behalf of **M/s BAS & Co. LLP**, Chartered Accountants, the Statutory Auditors of the Company have conducted the audit of financial statements for the Financial Year ended on **31st March, 2023** and have accordingly submitted their report. The Notes annexed to the Audited financial statements are self-explanatory and do not call for any further comments.

The Auditor's Report does not contain any reservations, qualifications, adverse remarks or disclaimers. However, the report of Auditors contains certain points of emphasis which have been duly explained there itself and are self-explanatory.

The report issued by the auditors, pursuant to requirements under Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of Section 143(11) of the Companies Act, contains the following remarks:

**Remarks by Auditors:**

The title deed of the immovable property of the Company A-1/85, Panchsheel Enclave, New Delhi is held in the name of director & relative.

**Explanation of the Board:**

The property belongs to the company and the loan against the same is also being paid from the Company. The property is being used by the Managing Director and Executive director and their families as official residence. However, the title deed of the same is in the name of Mr. Mukesh Kumar Gupta, Chairman and Managing Director of the Company and Mrs. Padma Gupta (promoter).

**10. STATUTORY AUDITORS**

- (1) **M/s BAS & Co. LLP**, Chartered Accountants were appointed on 30-09-2022 to conduct the audit from F.Y 2022-23 to 2026-27 under section 139(1) of the Companies Act, 2013 to conduct the audit of accounts of Company for the financial year 2022-23 and to hold office up to the conclusion of ensuing Annual General Meeting.

- (2) The Auditors were paid a remuneration of Rs. 6,50,000/- for carrying on the audit of the Financial Statements for the year ended on **31st March, 2023**.

**11. COMMENTS AND EXPLANATION ON THE QUALIFICATION AND DISCLAIMER ETC. OF THE SECRETARIAL AUDITORS**

[Pursuant to Section 134(3)(f)(ii)]

The Company is not required to appoint Secretarial Auditor under Section 204 of the Companies Act 2013 and therefore the disclosure under Section 134(3)(f)(ii) of that are not relevant to the Board's Report of the Company.

**12. PARTICULARS LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186**

[pursuant to Section 134(3)(g)]

The Board of Directors of the Company confirms, pursuant to Section 134(3)(g) of the Companies Act 2013, that:

- (1) During the period under review the Company has not given any loans covered under Section 186 of the Companies Act, 2013.
- (2) The Company has not provided any guarantees covered under Section 186 of the Companies Act, 2013; and
- (3) The Company has not made any investment covered under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

**13. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

[pursuant to Section 134(3)(h)]

During the period under review the Company has entered into business transactions with its wholly owned subsidiary and other companies in which directors are interested. All the transactions were entered into at arm's length basis and proper approvals of the Board were taken wherever required. The Board expressly states and confirms that:

- (a) Appropriate approvals under section 188 of the Companies Act 2013 were obtained wherever required.
- (b) All the related party transactions that were entered into during the financial year were in the ordinary course of business;
- (c) All the related party transactions that were entered into during the financial year were on arm's length basis; and
- (d) There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large and approvals of the Board of Directors and of the shareholders were obtained wherever required.



**14. TRANSFER TO RESERVES**

(Pursuant to section 134(3)(j) of the Act)

For the financial year ended **31st March, 2023**, the Board of Directors of the Company does not propose to transfer any amount to General Reserve Account and recommends carrying whole of the distributable profits to accumulated profit and loss account.

**15. DECLARATION OF DIVIDEND**

(Pursuant to section 134(3)(k)

Considering the size of profit and requirements of the funds, your Directors do not recommend distributing any dividend for the financial year ended on **31st March 2023**.

**16. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

During the reporting period the Company was not required to transfer any amount to the Investor Education and Protection Fund.

**17. MATERIAL CHANGE AND COMMITMENTS**

(Pursuant to section 134(3)(l)

No material change has occurred, since 31<sup>st</sup> March 2022, in the nature of business and/or commitments, which affects the financial position of the company.

**18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO**

[pursuant to Section 134(3)(m)]

(1) **Conservation of Energy, Technology Absorption**

The Company is not engaged in energy intensive industry or technology intensive industry. Therefore, there is not much scope in the Company for conservation of energy and technology absorption. The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not, therefore, been furnished.

(2) **Foreign Exchange Earnings and Outgo**

Foreign exchange earnings and Outgo during the year under review are as follows:

Particulars	Amount (In Rs.)	Purpose
Income	Nil	N/A
Out go	Nil	N/A

**19. RISK MANAGEMENT**

[pursuant to Section 134(3)(n)]

The Company does not have any potential threat that may adversely affect the profitability, sustainability or existence and therefore the Company does not have any Risk Management Policy as on March 31, 2023. However, the top management and the second level management are always instructed to be vigil to identify any such threat and inform the Board accordingly. The Risk Management Policy shall be prepared and implemented very promptly as and when required. The Company is going for IPO and the relevant risk factors have been disclosed in the draft Red Herring prospectus which is being filed very soon.

**20. DISCLOSURES RELATING TO CORPORATE SOCIAL RESPONSIBILITY**

[Pursuant to Section 134(3)(o) read with Rule 8 of Companies (CSR) Rules, 2014]

- (1) The Companies Act 2013 has brought an initiative towards betterment of society through corporate efforts. Section 135 of the Act provides for expenditure by prescribed companies of 2% of its average profits in the activities prescribed under 'Corporate Social Responsibility' (CSR) provisions.
- (2) As per Section 135(1) following companies are required to comply with CSR requirements:
  - (i) Companies having in previous year the net worth of Rs. 500 Cr or more
  - (ii) Companies having in previous year the turnover of Rs. 1000 Cr or more
  - (iii) Companies having in previous year the net profit of Rs. 05 Cr or more before income tax
- (3) The provisions of Section 135(1) of the Act have become applicable to the Company from F.Y 2022-23 for its net profits was above Rs. 05 Cr.
- (4) The Financial parameters of the Company as on 31<sup>st</sup> March 2023 and for the financial year ended on that date are as follows:

Particulars	Amount (INR)
Turnover (FY 2022-23)	67,06,07,000
Net worth (FY 2021-22)	36,04,26,000
Profit Before Tax (FY 2021-22)	5,28,83,000
Average Profit (PAT) of last three years	3,98,06,563
Required spending on CSR for the period	7,96,131
Balance Amount Brought Forward	00
Total Amount required to be spent during FY 2022-23	7,96,131

- (5) The Company has duly framed and approved its CSR Policy.
- (6) The Company has spent a total of Rs. 5,00,000/- (Rupees Five Lakh Only) towards its CSR obligation for the financial year 2022-23.
- (7) The amount has been duly spent in CSR activities as per its CSR Policy.

**21. DISCLOSURE IN RESPECT OF RECEIPT BY MD/WTD OF REMUNERATION FROM ITS HOLDING OR SUBSIDIARY.**

Sh. Mukesh Kumar Gupta is Managing Director of the Company and he has not received any remuneration from its subsidiary.

**22. MATTERS RELATING TO SHARES AND SHARE CAPITAL**

**(1) Details regarding to the Authorised Share Capital**

The company has sub-divided the value of each equity share from Rs. 100/- to Rs. 10/-.

The Company has increased its authorised share capital from Rs. 2.00 Crore to Rs. 20.00 Crore consisting of 2 Crore equity shares of Rs. 10/- each.

**(2) Details regarding issue and allotment of shares**

The Company has allotted Bonus shares at a proportion of 6:1 which aggregates to a total 1,15,41,000 Bonus Shares to existing shareholders on pro rata basis. After the issue of bonus shares the Issued and Paid-up capital of Company is 13,46,45,000/-

**(3) Details of issue of equity shares with differential rights.**

[Pursuant to Section 43 Read with Rule 4 (4) of Companies (Share Capital & Debenture) Rules, 2014]

The Company has not issued any equity shares with differential rights during the reporting period.

**(4) Details of issue of sweat equity shares.**

[Pursuant to Section 54 Read with Rule 8 (13) of Companies (Share Capital & Debenture) Rules, 2014]

The Company has not issued any 'Sweat Equity Shares' during the reporting period.

**(5) Details of ESOS**

The Company has not issued any 'ESOS' during the reporting period.

**23. Disclosure on establishment of vigil mechanism**

The Company is not covered under Section 177 (9) Read with Rule 7 of The Companies (Meeting of Boards and its Powers) Rules, 2014 and hence the disclosure is not relevant.

**24. Performance and financial position of the subsidiaries, associates and Joint Venture companies**

The Company has one subsidiary and disclosures required under Rule 8(1) of the Companies (Accounts) Rule 2014 is annexed as **Annexure-II** to Board Report.

**25. OTHER DISCLOSURES REQUIRED UNDER COMPANIES ACT 2013**

**(1) Requirement of maintaining cost records**

[Rule 8(5)(ix) Companies (Accounts of Companies) Rules 2014]

The Central Government has not prescribed any cost records to be maintained by the Company under sub-section (1) of section 148 of the Companies Act, 2013.

(2) **Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**  
[Rule 8(5)(x) Companies (Accounts of Companies) Rules 2014]

- (a) The Company has duly constituted the Internal Complaints Committee as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- (b) No case of the nature covered under the provisions were reported to the Committee during the financial year 2021-23.

(3) **Details of application made or any proceeding pending under the insolvency and bankruptcy code, 2016**

The Financial health of the Company is proper and adequate in all respects. Thus, during the year under review, there were no application made or proceedings pending in the Company under the Insolvency and Bankruptcy Code, 2016.

(4) **Details of difference between valuation amount on one-time settlement and the valuation while availing loan from the banks and/or financial institutions.**

During the year under review, there has been no one time settlement of Loans taken from the Banks and/or Financial Institutions.

**26. ACKNOWLEDGEMENT**

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

For and on behalf of the Board of Directors  
**M/s Graphisads Limited**

Date: 29-08-2023

Place: New Delhi



Alok Gupta  
Director  
DIN-0 1456388



Mukesh Kumar Gupta  
Chairman and Managing Director  
DIN- 00 93322

**Form No. MGT-9**  
**EXTRACTS OF ANNUAL RETURN**  
**OF**

**Graphisads Limited**

**For the Financial Year ended 31<sup>st</sup> March, 2023**

(Pursuant to section 92(3) of the Companies Act, 2013 & rule 12(1) of the Companies (Management & Administration) Rules, 2014

**I. REGISTRATION AND OTHER DETAILS :**

<b>S. No</b>	<b>Details</b>	<b>Particulars</b>
1.	<b>CIN</b>	U35999DL1987PLC029334
2.	<b>Registration Date</b>	25-09-1987
3.	<b>Name of the Company</b>	Graphisads Limited
4.	<b>Category/Sub-category of the Company</b>	Company having Share Capital
5.	<b>Address of the Registered office</b>	4/24A, First Floor, AB House, Asaf Ali Road, Darya Ganj, New Delhi-110002
6.	<b>Web Site</b>	www.graphisads.com
7.	<b>Whether listed company</b>	No
8.	<b>Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b>	KFIN TECHNOLOGIES LIMITED, Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana- 500032,

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

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

<b>SL No</b>	<b>Name &amp; Description of main products/services</b>	<b>NIC Code/ ITC Code of the Product /service</b>	<b>% to total turnover of the company</b>
1.	Professional, Scientific and Technical	M-6	100.00%



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Spike Advertising Private Limited	U74140DL2011PTC217542	Subsidiary	100%	2(87)(ii)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP as percentage of Total Equity)

(1) Shareholding Pattern—Promoters

S. No.	Category	Indian		Foreign	
		No. of Shares	%	No. of Shares	%
<b>1.</b>	<b>Individuals/HUF</b>				
	(i) Indian	1,34,64,500	100	00	00
	(ii) Non- Resident Indian (NRI)			00	00
	(iii) Foreign National(Other than NRI)			00	00
<b>2.</b>	<b>Government</b>				
	(i) Government (Central & States)	00	00	00	00
	(ii) Government Companies	00	00	00	00
<b>3.</b>	Banks & Insurance Companies	00	00	00	00
<b>4.</b>	Financial Institutions	00	00	00	00
<b>5.</b>	Foreign Institutional Investors	00	00	00	00
<b>6.</b>	Mutual Funds & Venture Capital	00	00	00	00
<b>7.</b>	Body Corporates (Not mentioned above)	00	00	00	00
<b>8.</b>	Others (Specify)	00	00	00	00
	<b>Total</b>	1,34,64,500	<b>100</b>	<b>00</b>	<b>00</b>
<b>Total Shareholding of promoters (Indian + Foreign)</b>			1,34,64,500 Equity Shares of Rs. 10/- Each		
<b>Total No. of Shareholders</b>			07		

**(2) Shareholding Pattern—Public**

S. No.	Category	Indian		Foreign	
		No. of Shares	%	No. of Shares	%
<b>1.</b>	<b>Individuals/HUF</b>				
	(i) Indian	00	00	00	00
	(ii) Non- Resident Indian (NRI)			00	00
	(iii) Foreign National(Other than NRI)			00	00
<b>2.</b>	<b>Government</b>				
	(i) Government (Central & States)	00	00	00	00
	(ii) Government Companies	00	00	00	00
<b>3.</b>	Banks & Insurance Companies	00	00	00	00
<b>4.</b>	Financial Institutions	00	00	00	00
<b>5.</b>	Foreign Institutional Investors	00	00	00	00
<b>6.</b>	Mutual Funds & Venture Capital	00	00	00	00
<b>7.</b>	Body Corporates (Not mentioned above)	00	00	00	00
<b>8.</b>	Others (Specify)	00	00	00	00
	<b>Total</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>

<b>Total no. of shareholders (Public)</b>	<b>0</b>
<b>Total Public Shareholding (Indian + Foreign)</b>	<b>0</b>
<b>Total Number of Shareholder (Promoters + Public)</b>	<b>07</b>
<b>Total Shareholding (Paid up)</b>	<b>1,34,64,500</b>

**INDEBTEDNESS OF THE COMPANY**

Particulars	Number of Units	Nominal Value per Unit	Total Value
Non-convertible debentures	00	00	00
Partly convertible debentures	00	00	00
Fully convertible debentures	00	00	00
Secured Loans excluding deposits			18,47,60,000
Unsecured Loans excluding deposits			9,69,05,000
Deposits			0
<b>Total</b>			<b>28,16,65,000</b>

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

**A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:**

S. No	Name	Designation	Gross Salary	Commission	Stock Option/Sweat Equity	Others	Total Amount
01	Mukesh Kumar Gupta	Managing Director	30,00,000	00	00	00	30,00,000

**B. REMUNERATION TO OTHER DIRECTORS**

S. No	Name	Designation	Gross Salary	Commission	Stock Option/Sweat Equity	Others	Total Amount
01	Alok Gupta	Director	30,00,000	00	00	00	30,00,000

 

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

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding/Fees Imposed	Authority (RD/NCLT/Court)	Appeal made, is any (Give Details)
<b>Company</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>Directors</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>Other Officers in Default</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

**For and on behalf of the Board  
Graphisads Limited**

**Alok Gupta**  
Director  
01456388

**Mukesh Kumar Gupta**  
Managing Director  
00093322

**Date:** 29-08-2023  
**Place:** New Delhi

## ANNEXURE-II TO DIRECTOR'S REPORT

### Form AOC-1

{Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of  
Companies (Accounts) Rules, 2014}

Statement containing salient features of the financial statement of  
subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
01.	Name of the subsidiary	<b>Spike Advertising Private Limited</b>
02	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N/A
03	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NIL
04	Share capital	50,00,000
05	Reserves & surplus	6,79,81,000
06	Total Assets	28,17,59,000
07	Total Liabilities	28,17,59,000
08	Investments	00
09	Turnover	39,72,36,000
10	Profit before taxation	3,10,38,000
11	Provision for taxation	76,95,000
12	Profit after taxation	2,24,67,000
13	Proposed Dividend	NIL
14	% of shareholding	100.00%

**Notes:** The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: **NA**
2. Names of subsidiaries which have been liquidated or sold during the year: **NA**



**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of associates/Joint Ventures	NIL	NIL	NIL
Latest audited Balance Sheet Date			
Shares of Associate/Joint Ventures held by the company on the year end			
No.			
Amount of Investment in Associates/Joint Venture			
Extend of Holding%			
Description of how there is significant influence			
Reason why the associate/joint venture is not consolidated			
Net worth attributable to shareholding as per latest audited Balance Sheet			
Profit/Loss for the year			
Considered in Consolidation			
Not Considered in Consolidation			

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

*By order of the Board*  
**GRAPHISADS LIMITED**

Place : New Delhi

Dated: 29-08-2023



**Mukesh Kumar Gupta**  
Managing Director  
DIN-00093322



**Alok Gupta**  
Director  
DIN: 01456388

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

**ANNEXURE-II**

*[Pursuant to Section 134(3)(o) read with Rule 8 of Companies (CSR) Rules, 2014]*

**M/s Graphisads Limited**

For the Financial year ended on **31-03-2023**.

- 1. Brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs**

***The brief particulars of the CSR Policy are as under:***

**(1) Activities to be undertaken:**

1. Promoting healthcare, sanitation and making safe drinking water available:

This would include partnerships with organisations supporting sanitation and health-care initiatives, awareness programmes and provision of basic / specialised medical facilities for the underprivileged sections of society.

2. Promoting education and sports:

- support for girl children at primary education level;
- intervention for needy government high school students by providing curriculum based coaching, after school hours;
- provide life skill training for children of government schools and orphanages aimed at overall personality development.

3. Donations/contributions to government schemes/independent NGOs/trusts,



4. Promoting gender equality and empowering women,
5. Employment enhancement through training and vocational skill development,
6. Promoting PM's drive of 'SWACHH BHARAT ABHIYAN': Charity begins at home thus Frontline intends to undertake an integrated program for the promotion and protection of environment and keeping it clean especially in the vicinity of all Frontline offices & branches.
7. Ensuring sustainable environment.
8. Ensuring environmental sustainability & ecological balance by taking effective and proactive steps of recovering ecosystem and for healthy and clean environment in order to promote good human health by various means.

**(2) Mode, Method and Mechanism of implementation of CSR Programme**

The CSR programs will be executed by the Company itself or through partnership with local government and various NGOs. The vision of the Company is to carry out all the CSR activities through internal efforts. For this purpose, the Company has associated with an NGO name **UMMID FOUNDATION (Hope for Human)** for the purposes of implementation of the CSR activities.

**(3) CSR Program undertaken**

For carrying on the CSR activities in accordance with the CSR Policy of the company, the Board had decided to spend its CSR obligation through eligible NGOs.

The Board has planned to undertake the program of Women Empowerment, Child Education, Skill Development, Agricultural (Natural Farming & Climate Change), Health & Sanitation, Waste Management, GoGreen Products and many more such allied activities and spreading awareness.





The total planned outlay for CSR activities for the year ended on 31-03-2023 relating to the previous period was Rs. 4,73,695/-. The Company has made contribution of Rs. 5,00,000/- as the CSR Obligation for the year 2021-22, which was required to spent in the Financial Year 2022-23.

(4) The CSR policy of the Company is also available at the website of the Company i.e www.graphisads.com.

**2. Composition of the CSR Committee**

The Company is not required to form CSR Committee and the function of such committee shall be discharged by the Board of Directors, as the amount to be spent by a company on CSR Activities does not exceed Fifty Lakh rupees.

3. The average net Profit for last 3 financial years is Rs. 3,98,06,563/-

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above) is Rs. 7,96,131/-

**5. Details of CSR activities/projects undertaken during the year:**

The Company has taken CSR activities during the financial year through Implementing Agency name as **UMMID FOUNDATION (Hope for Human)**. The relevant details are given below:

S. No.	CSR Project/ Activity Identified	Sector in which the Project is covered	Projects/Programmes 1.Local area/others- 2.specify the state /district (Name of the District/s, State/s where project/programme was undertaken	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme Subheads: 1.Direct expenditure on project, 2.Overheads:	Cumulative spend upto to the reporting period.	Amount spent: Direct/ through implementing agency*
1.	Skill Development	Skill Development	Local (Delhi)	4,73,695	1. Direct expenditure on project- Nil 2. Overheads: Nil	Rs. 5,00,000/-	Through Implementing Agency: Rs. 5,00,000/-

The board of Directors confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the Company.

Date: 29-08-2023  
Place: New Delhi



Mukesh Kumar Gupta  
Chairman and Managing Director  
DIN- 00093322



Alok Gupta  
Director  
DIN- 01456388