

BOARD'S REPORT

To,

**The Members of
Globe Commercial Limited,**

Our Directors are pleased to present the Annual Report on the business and operations of the Company, together with the Audited Financial Statements for the financial year ended 31st March, 2019.

1. FINANCIAL RESULTS

The Company's financial results for the financial year ended on the 31st March, 2019 are as under:

Particulars	For The Year Ended	
	31 st March 2019 (Rs.)	31 st March 2018 (Rs.)
Total Revenue	47,05,949	89,39,000
Total Expenses	40,58,842	73,08,000
Profit Before Tax & Extraordinary Item	6,47,107	16,31,000
Less: (a) Extraordinary Item	-	-
(b) Tax Expenses (Current Tax)	2,62,847	5,04,000
(c) Deferred Tax	-	-
Profit/(Loss) from the period from continuing operations	3,84,260	11,27,000

2. RESERVES & PROVISIONS

The Company has not transferred any amount to general reserves.

3. DIVIDEND

The management believes that the profits earned during the financial year must be retained and redeployed for the operations of the Company. As the Company needs further funds to enhance its business operations, to upgrade the efficiency and to meet out the deficiencies in working capital, the Directors do not recommend any dividend on Equity Shares for the financial year 2018-19.

4. CHANGE IN NATURE OF BUSINESS

There is no change in the nature of the business in the financial year under review.

5. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP) APPOINTED / RESIGNED

The members of the Board of Directors along with the details of the Directors and Key Managerial Personnel (KMP) appointed or resigned is as follows:

S. No.	Director/KMP	DIN/PAN	Designation	Date of appointment	Date of resignation
1.	Prasad Meghshyam Bagwe	07408988	Managing Director	30/05/2016	-
2.	Santosh Doulat Paste	02714655	Independent Director	01/03/2014	-
3.	Vidya Mahesh Chalke	02903650	Independent Director	25/03/2015	01/08/2019
4.	Brijesh Maurya	03439277	Independent Director	03/09/2014	-
5.	Priya Taluja	ARXPT7814P	Company Secretary	29/10/2018	-
6.	Prapti Bagwe	08537078	Additional Director	14/08/2019	-

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Prasad Meghshyam Bagwe, Managing Director is liable to retire by rotation at the ensuing Annual General Meeting of the Company. Mr. Prasad Meghshyam Bagwe being eligible seek his re-appointment.

6. MEETINGS

6 Board Meetings were held during the year 2018-2019.

7. DECLARATION GIVEN BY INDEPENDENT DIRECTOR

The Company has received declarations from all the Independent Directors of the Company confirming that they met with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

8. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out annual performance evaluation of its own performance, as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees.

9. DIRECTOR'S APPOINTMENT AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed and adopted a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration.

10. STATUTORY AUDITORS

M/s. Shyam C. Agrawal & Co., Chartered Accountants, Mumbai (Firm Registration No as 110243W) was appointed as Statutory Auditors at the Annual General Meeting held on September 29, 2014 for the period of Five (5) years, who is going to retire in the ensuing 34th Annual General Meeting. The Board of Directors have proposed to appoint M/s Aniket Goyal & Associates, Chartered Accountants, (Firm Registration No.022331C) who has offered themselves and confirmed their eligibility to be appointed as the Auditors of the Company, for a period of five (5) years to hold office from the conclusion of ensuing 34th Annual General Meeting till the conclusion of 39th Annual General Meeting. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified from appointment.

The Auditors Report has been annexed with this report, Auditors observations are self-explanatory, which do not call for any further clarifications.

11. SECRETARIAL AUDITOR

M/s Jain Alok & Associates, Company Secretaries in Practice conducted the Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed herewith as **Annexure-A** which forms a part of this Report.

The Secretarial Audit Report for the financial year ended 31st March, 2019 contains certain qualifications and clarification by the Board are as follows:

Observation: The Company did not have any Internal Auditor as required under Section 138 of the Companies Act, 2013 during the period under review;

Clarification: The Company had tried to find an internal auditor for the financial year 2017-18, however could not find a suitable person. The management will comply the same for the financial year 2019-20.

Observation: That the Company has given loan during the period under review without complying the provision of section 186 of the Act;

Clarification: We will comply the same within due course

Observation: The Company did not have Chief Financial Officer as required under Section 203 of the Companies Act, 2013 during the period under review;

Clarification: The Company had tried to find CFO for the financial year 2018-19, however could not find a suitable person. The management complied the same as soon as the candidate was found.

Observation: The composition of the Board of Directors is not complying the provisions of Section 152(6) of the Companies Act, 2013 as there was only one Director who was liable to retire by rotation;

Clarification: The management has appointed one more executive Director during the financial year 2019-20 by which the Company is now able to comply with the provisions of Section 152 of the Companies Act, 2013.

Observation: The Company has not published the notice of Book closure in the newspaper as required under Section 91(1) of the Companies Act, 2013;

Clarification: It was inadvertently escaped the compliance. The Company will take the same in the future

Observation: The Company has not published the advertisement of evoting facility provided the Company for the Annual General Meeting as required under Section 108 of the Companies Act, 2013 read with Rule 20(4)(v) of the Companies (Management and Administration) Rules, 2014;

Clarification: It was inadvertently escaped the compliance. The Company will take the same in the future

Observation: The Company did not publish the Notice of Board meeting for approving financial results and Approved financial results as required under Regulation 47(1) of the SEBI (LODR);

Clarification: It was inadvertently escaped the compliance. The Company will take the same in the future.

The management of the Company assure you to comply all the provisions of the applicable law in true spirit in future and is under process of making all the default good.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT U/S 186

The Company has provided give loans or provide guarantee or make investment during the financial year 2018-19 which are disclosed in the Balance Sheet as at 31.03.2019.

13. PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTIES U/S 188(1)

The Company did not enter into a contract or transaction which would fall under the purview of Section 188.

14. COMPANIES WHICH HAVE BECOME OR CEASEED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATES FOR THE COMPANY

The Company did not have any subsidiary, joint venture or associate company during the financial year.

15. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There has been no material change or commitment, affecting the financial position of the Company which have occurred between March 31, 2019 and the date of this report.

16. COMPOSITION OF COMMITTEES OF BOARD AS ON 31.03.2019

A) The composition of Audit committee of the Company is as follow:

S. No.	Name of Member	Designation
1.	Sh. SantoshDoulat Paste	Chairman
2.	Smt. Vidya Mahesh Chalke	Member
3.	Sh. BrijeshMaurya	Member

B) The composition of Nomination & Remuneration committee of the Company is as follow:

S. No.	Name of Member	Designation
1.	Smt. Vidya Mahesh Chalke	Chairman
2.	Sh. SantoshDoulat Paste	Member
3.	Sh. BrijeshMaurya	Member

C) The composition of Stakeholder Grievance committee of the Company is as follow:

S. No.	Name of Member	Designation
1.	Sh. BrijeshMaurya	Chairman
2.	Smt. Vidya Mahesh Chalke	Member
3.	Sh. SantoshDoulat Paste	Member

17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There was no such order passed against the company during the year.

18. PARTICULARS OF EMPLOYEES

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is available at the registered office of the Company. The members may obtain the same.

19. DISCLOSURE UNDER RULE 5 (2) & (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION) RULES, 2014

No directors/employees of the Company was in receipt of amount exceeding a salary of Rs.5,00,000/-per month or Rs. 60,00,000/- per annum or more when employed for whole of the year, under the provisions of Rule 5 (2) & (3) of The Companies (Appointment And Remuneration) Rules, 2014.

20. BUSINESS RISK MANAGEMENT

The prospects for the Company's business are dependent upon economic and industrial growth as well as resources available for implementation of liberalization policies of the Government. Adverse changes and delays of lack of funds can affect the business prospects of the Industry and the Company.

Risk Management is an integral part of the Company's business strategy. The Risk Management oversight structure includes Committees of the Board and Senior Management Committees. The Risk Management Committee of the Board ("RMC") reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyzes risk exposure related to specific issues and provides oversight of risk across the organization. The RMC nurtures a healthy and independent risk management function to inculcate a strong risk management culture in the Company.

As part of the Risk Management framework, the management of Credit Risk, Market Risk, Operational Risk and Fraud Risk are placed under the Head-Risk, to ensure Integrated Risk Management for various Risks.

21. INTERNAL CONTROL SYSTEMS

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures.

Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company. The Company's internal control system is commensurate with the size, nature and operations of the Company.

22. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has vigil mechanism during the financial year. The Board of Directors are under discussion to derive a mechanism through which fraud risk, including corrective and remedial actions as regards people and processes can be determined and implemented.

23. HUMAN RESOURCES

The Company recognizes people as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset. The Company has kept a sharp focus on Employee Engagement. The Company's Human Resources is commensurate with the size, nature and operations of the Company.

24. CORPORATE SOCIAL RESPONSIBILITY

The Company is not eligible for CSR as per provisions of Section 135 of the Companies Act, 2013.

25. COMPLIANCE

The Company has complied with all applicable provisions of the Companies Act, 2013 and the listing agreement executed with the Stock Exchanges and other applicable rules/ regulation/ guidelines issued by the SEBI from time to time.

26. DEPOSITS

The Company has neither invited nor accepted any deposits from the public during the year. There is no unclaimed or unpaid deposit lying with the Company

27. ANNUAL RETURN

The Annual Return of the Company is placed at its website: www.globecommercials.com.

28. LISTING OF SHARES

The Shares of the Company are listed in following stock exchange:

- BSE Ltd
- Metropolitan Stock Exchange of India Ltd

29. DEMATERIALIZATION OF SHARES

As on 31.03.2019 a total of 21,28,600 equity shares representing 70.93% of the equity share capital have been dematerialized.

30. CORPORATE GOVERNANCE

Corporate Governance provisions i.e. Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 and Para C to E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 are not mandatory in respect of the Companies having paid up equity share capital not exceeding Rs. 10.00 crores and net-worth not exceeding Rs. 25.00 crores as on the last day of the previous financial year. The Company's paid up equity share capital as on 31.03.2019 is Rs. 3.001crores which is less than Rs. 10.00 crores and the Networth is Rs. 6,09,89,000which is less Rs. 25.00 crores.

31. REPORT UNDER THE PREVENTION OF SEXUAL HARASSMENT ACT, 2013

There were no complaints reported under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

32. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In view of the nature of the activities carried out by the Company, Section 134(3)(m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014:

(A) Conservation of Energy

1. Energy Conservation Measures Taken

Energy Conservation continues to receive major emphasis and is being systematically mentioned and corrective measures are taken whenever required immediately.

2. Additional investment, and proposals, if any, being implemented.

At present the company has no proposal to make any substantial investments for further reduction of consumption of energy. However, regular up-gradation of facilities is being done as and when required. The Company has been able to control its energy cost substantially.

Total Energy consumption & energy consumption per unit of Production in prescribed form-A

S. No.	Particulars	31.03.2019	31.03.2018
1.	Power & Fuel Consumption in respect of Electricity, Power & Water amount	Nil	Nil

(B) Technology Absorption: The Company is carrying on Research and Development in a routine manner along with its manufacturing activities. The initiatives taken by the Company have resulted in lower cost of energy consumption. Company has already absorbed technology fully.

Research, Development and improvement of products are an in built and on-going activity within the existing manufacturing operations of the Company. Expenditure on R&D is not separately allocated and identified.

(C) Foreign Exchange Earnings & Outgo: The Company did not earn or spent any foreign exchange during the year under review.

33. DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken 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;

- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

34. ACKNOWLEDGMENT

The Directors gratefully acknowledge all stakeholders of the Company viz. financial institutions, Government Authorities customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees, executives, staff and workers of the Company for their unstinted commitment and continued contribution to the Company.

**By order of the Board
For Globe Commercials Ltd**

**Sd/-
Prasad Meghshyam Bagwe
(Managing Director)
DIN: 07408988**

**Sd/-
Prapti Bagwe
(Additional Director)
DIN: 08537078**

**Place: Mumbai
Date: 14th August, 2019**