



**GRETEX** INDUSTRIES LTD  
Cool Outside Hot Inside

Proud manufacturer of Hosiery Garments



# 8TH ANNUAL REPORT & ACCOUNTS 2017



033 4006 9278



[www.gretexindustries.com](http://www.gretexindustries.com)



90, Phears Lane, 5th Floor  
West Bengal, Kolkata - 700 012

**GRETEX INDUSTRIES LIMITED**
**Board of Directors**

Mr. Arvind Harlalka, *MD & Chairperson*  
 Mr. Alok Harlalka, *Director*  
 Mr. Rahul Kumar, *Director*  
 Mrs. Soma Nath, *Director*

**Key Managerial Person**

Mr. Pradeep Mertia, *Chief Financial Officer*  
 Ms. Sweta Harlalka, *Company Secretary*

**Bankers**

United Bank of India, *Saltlake Branch*  
 HDFC Bank Limited, *Fort Mumbai Branch*  
 Tamilnad Merchantile Bank, *Kolkata Branch*

**Statutory Auditors**

M/s. Gupta Agarwal & Associates  
 22, Muktaram Babu Street, 1<sup>st</sup> Floor,  
 Kolkata – 700 007  
 Ph: 033 2269 6087

**Registered Office**

Nanda Tower, 90, Phears Lane, 5<sup>th</sup> Floor  
 Kolkata – 700 012  
 Ph: 033 4006 9278  
 Email: [info@gretexindustries.com](mailto:info@gretexindustries.com)  
 Website: [www.gretexindustries.com](http://www.gretexindustries.com)  
 CIN: U17296WB2009PLC136911

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### **NOTICE OF 8<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 8<sup>th</sup> Annual General Meeting of the members of **GRETEX INDUSTRIES LIMITED** will be held on Tuesday, 26<sup>th</sup> September, 2017 at 1.00 p.m., at 90, Phears Lane, 5<sup>th</sup> Floor, Kolkata – 700 012, West Bengal to transact the following businesses:

#### **ORDINARY BUSINESS**

1. To receive consider and adopt the Financial Statements of the Company for the Financial year ended 31<sup>st</sup> March, 2017 and the Report of the Board of Directors and the Auditors thereon.

2. To consider passing the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Mr. Arvind Harlalka (DIN: 00494136), Director who retires by rotation and being eligible, offer himself for re-appointment, be and is hereby re-appointed as a Director of the Company.”

3. To ratify the appointment of the Auditors of the Company, and to fix their remuneration and to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the allied Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) the appointment of M/s. Gupta Agarwal & Associates, Chartered Accountants (Registration No. 329001E), as the Statutory Auditors of the Company to hold office as such till the conclusion of the 11th AGM be and is hereby ratified to hold office from the conclusion of 8th AGM to the conclusion of the 9th AGM at such remuneration as may be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, in addition to the reimbursement of all out-of-pocket expenses in connection with the audit of the financial statements of the Company.”

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.”

#### **Registered Office:**

90, Phears Lane, 5<sup>th</sup> Floor  
Kolkata -700 012  
West Bengal

Place: Kolkata  
Date: 02.09.2017

**By Order of the Board of Directors  
For Gretex Industries Limited**

**Sd/-  
Sweta Harlalka  
Company Secretary**

## Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Ordinary Business to be transacted at the Annual General Meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholders.
3. The Register of Members and Transfer Books of the Company will remain closed from Wednesday the 20<sup>th</sup> day of September, 2017 to Tuesday the 26<sup>th</sup> day of September, 2017 (both days inclusive).
4. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Directors seeking appointment/ re-appointment at the AGM as per Item No- 2, of the aforesaid notice, is furnished as Annexure to the Notice. The Directors have furnished consent/declaration for their appointment/ re-appointment as required under the Companies Act, 2013 and the Rules there under.
5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than 3 days of notice in writing is given to the Company.
6. The notice is being sent to all members, whose names appear on the Register of Members/ List of Beneficial Owners as on 25<sup>th</sup> August, 2017.
7. Members may kindly take note for “Green Initiative in the Corporate Governance” in view of Circular No. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by Ministry of Corporate Affairs. It is earnestly requested in view of the Circular and other statutory provisions, that the Members who have yet not registered/updated their e-mail ids may notify the same to the Company either at the registered office or at email address [info@gretexindustries.com](mailto:info@gretexindustries.com) quoting full details of Folio No./DP, Client ID and name of first/sole holder.
8. In case shares are jointly held, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named member and in his/her absence, by the next named member.
9. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
10. Copy of relevant documents referred to in this notice are open for inspection at the registered office of the Company on all working days , except holidays between 11.00 A.M to 2.00 P.M up to the date of declaration of the results of postal ballot.
11. Any member desirous of getting any information on the accounts of the Company is required to forward his/her queries at least 7 days prior to the meeting so that the required information can be made available at the meeting. Members are requested to intimate change in their address if any immediately to Bigshare Services Pvt. Ltd., the Company’s Registrar and Share Transfer Agents, at their office.

12. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
13. Members/Proxies are requested to bring their Attendance Slip for attending the meeting and bring their copy of Annual Report in the meeting.
14. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting. 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.
15. For members who have not registered their e-mail address, physical copies of the Notice of the Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members may also note that Notice of Annual General Meeting and Annual report for 2016-2017 will be available on Company's website [www.gretexindustries.com](http://www.gretexindustries.com) for their download.
16. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communications including annual report, notices, circulars etc. from the Company electronically.
17. At present the Company's equity shares are listed on the stock exchange at NSE and listing fees for the current financial year 2016-2017 have been paid to the aforesaid Stock Exchange. Members are informed that the scripts of the Company have been activated both in Central Depositories Services Limited (CDSL) and National Securities & Depository Limited (NSDL) and may be dematerialized under the ISIN- INE985P01012. The custodian fees for the current financial year 2016-2017 have been paid to all the aforesaid Depositories.
18. For any assistance or information about shares etc. members may contact the Company.
19. Ms. Nomita Verma, Practicing Company Secretary, (C.P No. 14563) has been appointed as the Scrutinizer for conducting the Postal Ballot Process at the AGM in a fair and transparent manner. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and in presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of AGM, a consolidated scrutinizer's report of the total votes cast in favor 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.
20. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.gretexindustries.com](http://www.gretexindustries.com). The same will be communicated to the stock exchanges where the Company shares are listed viz. The National Stock Exchange of India Ltd.

**Registered Office:**  
90, Phears Lane, 5<sup>th</sup> Floor  
Kolkata - 700 012  
West Bengal

**Place: Kolkata**  
**Date: 02.09.2017**

**By Order of the Board of Directors**  
For Gretex Industries Limited

Sd/-  
Arvind Harlalka  
Managing Director  
DIN: 00494136

## EXPLANATORY STATEMENT

### Additional Information of Directors seeking re-appointment at the 8<sup>th</sup> Annual General Meeting as required under Regulation 36(3) of SEBI ( Listing Obligations and Disclosure Requirements) Regulation, 2015

(Annexure as referred to Item No. 2 of the Notice)

Name of Director	Mr. Arvind Harlalka DIN: 00494136
Date of Birth	23/11/1975
Date of Appointment on the Board	24/02/2010
Nationality	Indian
Designation	Director
Qualification	B.Com, FCS
Expertise in specific functional areas	Wide experience in Textile, Finance & Service Sector
Present Status of Directorship in this Company	Executive
Shares held in the Company	53,400 shares
Directorship in other Companies	6
Seeking Appointment/re-appointment	Re-Appointment
Rotational Status	Liable to retire by rotation

**Registered Office:**  
90, Phears Lane, 5<sup>th</sup> Floor  
Kolkata - 700 012  
West Bengal

**Place: Kolkata**  
**Date: 02.09.2017**

**By Order of the Board of Directors**  
For Gretex Industries Limited

Sd/-  
Arvind Harlalka  
Managing Director  
DIN: 00494136

**GRETEX INDUSTRIES LIMITED**  
**CIN: U17296WB2009PLC136911**  
**Regd. Office: 90, Phears Lane, 5<sup>th</sup> Floor, Kolkata – 700012**

**8<sup>TH</sup> ANNUAL GENERAL MEETING**

<b><i>ATTENDANCE SLIP</i></b>
-------------------------------

(Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.)

DP Id *		Client Id*	
Regd. Folio No.		No. of Shares	

\*Applicable for shares held in electronic form

Name(s) and address of the shareholder / Proxy in full: \_\_\_\_\_

I/we hereby record my/our presence at the 8<sup>th</sup> Annual General Meeting of the Company being held on Tuesday, 26<sup>th</sup> September, 2017 at 1.00 p.m., at 90, Phears Lane, 5<sup>th</sup> Floor, Kolkata – 700 012, West Bengal.

Please (√) in the box

MEMBER  PROXY

\_\_\_\_\_  
Signature of Shareholder / Proxy

**Form No. MGT-11  
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies Management and Administration Rules, 2014]

**CIN: U17296WB2009PLC136911**

**Name of the Company: Gretex Industries Limited**

**Registered Office:** 90, Phears Lane, 5<sup>th</sup> Floor, Kolkata – 700 012, West Bengal.

<b>Name of the member(s)</b>	
<b>Registered address:</b>	
<b>E-mail Id:</b>	
<b>Folio No. / Client Id</b>	
<b>DP ID:</b>	

I/We, being the member(s) of ..... shares of the above named Company, hereby appoint

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him/her

2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him/her

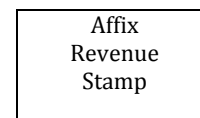
3. Name: \_\_\_\_\_  
Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 8<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, 26<sup>th</sup> September, 2017 at 1.00 p.m., at 90, Phears Lane, 5<sup>th</sup> Floor, Kolkata – 700 012, West Bengal and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Description of Resolutions:
1.	To receive consider and adopt the Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2017 and the Report of the Board of Directors and the Auditors thereon.
2.	To appoint Mr. Arvind Harlalka (DIN: 00494136)
3.	To appoint Statutory Auditors of the Company.

Signed this ..... day of ..... 2017



Signature of shareholder(s)

Signature of Proxy holder(s)

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. Any alteration or correction made to this Proxy form must be initialled by the signatory / signatories.



**DIRECTORS' REPORT**

**TO  
THE MEMBERS  
GRETEX INDUSTRIES LIMITED**

Your Directors have pleasure in presenting their 8<sup>th</sup> Annual Report together with the Audited Financial Statements of the Company for the Year ended March 31, 2017.

**FINANCIAL RESULTS**

(Amount in Rs)

<b>Particulars</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Revenue from Operations	2,38,19,562	3,71,92,698
Other Income	7,29,288	3,78,952
Total Income	2,45,48,850	3,75,71,650
Profit/(Loss) before Depreciation, Interest & Taxation	(1,29,19,389)	1,03,17,914
Less: Depreciation & Amortization	50,23,896	44,58,562
Profit/(Loss) before taxation	(1,94,52,701)	38,13,083
Less: Provision for taxation	-	7,26,582
Earlier Years tax	-	-
Deferred Tax	(47,49,928)	6,57,028
Profit/(Loss) after taxation	(1,47,02,773)	24,29,473
Balance carried to Balance sheet	(1,47,02,773)	24,29,473

**OPERATIONAL REVIEW**

During the year under review the Gross Revenue From Operation of the Company in the current year is stood at Rs. 2,38,19,562/- as against Rs. 3,71,92,698/- in the previous year. Loss in the current year stood at Rs. 1,94,52,701/- against Profit before Taxation of Rs. 38,13,083/- in the previous year. The net loss of the Company for the year under review was placed at Rs 1,47,02,773/- as against profit of Rs. 24,29,473/- in the previous year.

**DIVIDEND**

During the year under review, your directors do not recommend any dividend due to loss.

**GENERAL RESERVE**

Your Company did not transfer any amount to General Reserve this year.

**SHARE CAPITAL**

The paid up equity capital as on March 31, 2017 was Rs. 4,21,16,000/- (Rupees Four Crore Twenty One Lacs Sixteen Thousand Only). There the company has raised money by way of offer for sale (9,24,000 equity shares) and initial public offer (10,56,000 equity shares) on NSE Emerge Platform for Rs. 184.80 Lacs and Rs. 211.20 Lacs respectively during the year. However, the Company has not issued shares with differential voting rights, sweat equity shares nor has it granted any stock options.

**CHANGES IN THE NATURE OF BUSINESS**

There has been no Change in the nature of the business of your Company.

## **DEPOSITS**

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.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company has an adequate Internal Control System, commensurate with the size, scale and complexity of its operations. The scope of work includes review of process 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.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES**

In pursuance of the provision of Section 135 of the Companies Act, 2013, the CSR provisions are not applicable to your Company.

## **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

The particulars of conservation of energy and technology absorption as required under Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 are not applicable to your Company.

## **FOREIGN EXCHANGE EARNINGS AND OUT-GO**

During the period under review there were no earnings from foreign exchange and outgo for the purpose of business.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **RETIREMENT BY ROTATION**

Mr. Arvind Harlalka, (DIN:00494136) Director would retire by rotation at the ensuing Annual General meeting and being eligible, offers himself for reappointment.

### **APPOINTMENT**

Mr. Alok Harlalka, has been appointed as Non-Executive Director in the place of Mr. Sumit Harlalka w.e.f. 29<sup>th</sup> July, 2017

Mr. Pradeep Mertia, has been appointed as Chief Financial Officer w.e.f 01<sup>st</sup> August, 2017.

### **CESSATION**

Mr. Sumit Harlalka, Non-Executive Director, has been resigned from post w.e.f 29<sup>th</sup> July, 2017 from the Company due to his pre occupation in other business activities.

Miss. Kritika Rupda, Key Managerial Personnel has been resigned from post of Chief Financial Officer w.e.f 1<sup>st</sup> August, 2017 from the Company due to personal reason.

The Board hereby places on record its sincerest thanks and gratitude for the invaluable contribution made by them towards the growth and development of the Company during their tenure.

None of the Directors of the Company are disqualified as per the provisions of Section 164 of the Companies Act, 2013

### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each of the Independent Directors, under section 149(7) of the Companies Act, 2013 that he/she meets the criteria of Independence laid down in section 149(6) of the Companies Act, 2013.

### **FORMAL ANNUAL EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out the annual performance evaluation of its own performance, the Directors individually including the Chairman of the Board as well as the evaluation of the Committees of the Board. A structured questionnaire was prepared after taking into consideration inputs received from the Directors. The performance evaluation of the Independent Directors was also carried out by the entire Board.

The results of the evaluation done by Independent Directors were reported to the Chairman of the Board. It was reported that the performance evaluation of the Board, Committee etc. was satisfactory. The Directors expressed their satisfaction with the evaluation process.

### **NUMBER OF MEETINGS OF THE BOARD**

During the financial year 31<sup>st</sup> March, 2017, Thirteen Board Meetings were held and Two Audit Committee Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 i.e. not more than 120 days from the previous meeting.

### **DIRECTORS' REMUNERATION POLICY AND CRITERIA FOR MATTERS UNDER SECTION 178**

Information regarding Director's Remuneration policy and criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 are provided in the Corporate Governance Report.

### **DIRECTOR'S RESPONSIBILITY STATEMENT**

In terms of Section 134 (5) of the Companies Act, 2013, the Directors would like to state that:

In the preparation of the annual accounts, the applicable accounting standards have been followed. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under review.

The Directors have 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.

The Directors have prepared the annual accounts on a going concern basis.

The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## **DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

Your Company does not have any subsidiary/joint venture/associate companies as on date.

However, during the year ended 31<sup>st</sup> March, 2017, Sherwood Securities Pvt Ltd was the associate company.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In line with the provisions of the Section 177(9) of the Act and the revised Regulation 22 of the SEBI (LODR) Regulation, the Company has adopted Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company.

This vigil mechanism provides for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the chairperson of the Audit committee, in exceptional cases. The Company Secretary is the designated officer for effective implementation of the policy and dealing with the complaints registered under the policy.

## **RISK MANAGEMENT**

In today's economic environment, Risk Management plays a very important part of business. The main aim of risk management is to identify, assess, prioritize, monitor and take precautionary measures in respect of the events that may pose risks to the business. The Company is not subject to any specific risk except risks associated with the general business of the Company as applicable to the industry as a whole.

At present the Company has not identified any element of risk which may threaten the existence of the Company.

## **RELATED PARTY TRANSACTIONS**

During the year under review, the Company had not entered into any contract/arrangement/ transaction with related parties which could be considered material as per listing agreement with stock exchanges. Further, there are no materially significant related party transactions during the year made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons.

## **MATERIAL CHANGES AND COMMITMENTS**

No significant and material changes have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

## **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

## **AUDITORS**

M/s. Gupta Agarwal & Associates, Chartered Accountants, (FRN: 329001E) were appointed as Statutory Auditors of the Company for a period of 4 years in the 7th AGM of the Company which was held on 26th September, 2016 and are eligible to continue as Statutory Auditors of the Company subject to ratification by members at the forthcoming Annual General Meeting. They have furnished a certificate, confirming that if re-appointed, their re-appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013. The members are requested to consider the ratification of their continuity of appointment as Auditors of the Company and authorise the Board of Directors to fix their remuneration.

## **AUDITOR'S REPORT**

The Auditors' Report issued by Gupta Agarwal & Associates, on the Financial Statements for the year ended 31<sup>st</sup> March, 2017 does not contain any disqualification or adverse remark which requires clarification.

## **SECRETARIAL AUDIT**

The Board had appointed Ms. Nomita Verma, Practicing Company Secretary, to carry out secretarial audit Pursuant to provision of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit report is annexed herewith as "*Annexure I*".

## **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return in Form MGT-9 pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is annexed herewith as "*Annexure II*".

## **PARTICULARS OF EMPLOYEES**

As required under the provisions of Companies Act, 2013 and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there are no employee falling under the above category, thus no information is required to be given in the report.

## **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS**

The Company has complied with the corporate governance code as stipulated under SEBI Listing Regulations with the Stock Exchanges. A separate section on corporate governance under the listing agreement, along with a certificate from the auditor confirming the compliance, is annexed and forms part of this Annual report as "*Annexure III*".

## **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN**

Your Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. 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.

## **AUDIT COMMITTEE**

Details pertaining to composition of Audit Committee are included in the report on Corporate Governance. All the recommendations made by Audit Committee were accepted by Board.

## **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

## **INVESTOR RELATIONS**

Your Company always endeavours to keep the time of response to shareholders request/grievance at the minimum. Priority is accorded to address all the issues raised by the shareholders and provide them a satisfactory reply at the earliest possible time. The Stakeholders' Relationship Committee of the Board meets periodically and reviews the status of the Shareholders' Grievances. The shares of the Company continue to be traded in electronic

forum and de-materialization exists with both the depositories viz., National Securities Depository Limited and Central Depository Services (India) Limited.

**ACKNOWLEDGEMENT**

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.

**Registered Office:**

90, Phears Lane, 5<sup>th</sup> Floor  
Kolkata - 700 012  
West Bengal

**Place: Kolkata**

**Date: 17.08.2017**

**By Order of the Board of Directors**

For Gretex Industries Limited

Sd/-

Arvind Harlalka  
Managing Director  
DIN: 00494136

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017**  
**[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,  
Gretex Industries Limited  
90, Phears Lane, 5th Floor  
Kolkata- 700012

I, Nomita Verma, Practicing Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GRETEX INDUSTRIES LIMITED (CIN: U17296WB2009PLC136911) (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 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 representatives 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, 2017 complied with the statutory provisions listed hereunder and also that 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, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (as amended) ('the Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - ***Not applicable to the Company during the period of audit.***
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- ***Applicable to the Company during the period of audit;***
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- ***Not applicable to the Company during the period of audit;***
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- ***Not applicable to the Company during the period of audit;***



- (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; ***Not applicable to the Company as they are not covered under Registrar to Issue and share Transfer Agent during the period of audit;***
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- ***Not applicable to the Company during the period of audit;*** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - ***Not applicable to the Company during the period of audit.***

(vi) I further report that after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, it has complied with the following laws that are applicable specifically to the Company:

- 1) **The Information Technology Act, 2000**
- 2) **The Environment Protection Act, 1986**
- 3) **The Trade Marks Act, 1999**
- 4) **The Factories Act, 1948**
- 5) **Income Tax Act, 1961**
- 6) **WBVAT Act, 2003**

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

- (i) Secretarial Standards issued by the Council of The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with **NSE LIMITED.- [Listing Obligations and Disclosure Requirements] Regulations, 2015**
- (iii) The Securities and Exchange Board of India **[Prohibition of Insider Trading] Regulations, 2015**

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

The Board of Directors of the Company is duly constituted with Non-Executive Directors and Independent Directors only. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions were carried through while the dissenting members' views, if any, were captured and recorded as part of the minutes.

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. No internal auditor has been appointed in terms of the provision of section 138 of the act during the year under review. The company appointed statutory auditor in casual vacancy for the period 15-16 but mistakenly filed ADT 1 for 5 years. The company has not filed E form MGT 14 in terms of provision of section (3) of section 179 of the act for the appointment of Sweta Harlalka, Company Secretary being a KMP.



I further report that during the audit period under review, the company has:

- a. Obtained shareholders' approval, in their Extra Ordinary General Meeting held on 25.06.2016 to increase in Authorised Share Capital with consequential amendment in the Memorandum of Association of the Company. The Authorised Share Capital of the Company is increase from Rs. 3,50,00,000 (Rupees Three Crore Fifty Lacs) to 4,50,00,000 (Rupees Four Crore Fifty Lacs)
- b. Obtained shareholders' approval for Initial public offer and offer for sale for 1056000 equity shares and 924000 Equity shares respectively. And company also adopted a new set of Articles of Association as per Companies Act 2013.
- c. The Company got listed on Emerge Platform of National Stock Exchange of India on 14<sup>th</sup> October 2016.

This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this Report.

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For Nomita Verma  
Practising Company Secretary  
ACS No.: 38222  
C P No.: 14563  
Place: Kolkata  
Date: 17<sup>th</sup> August, 2017

Annexure A

To,  
The Members,  
Gretex Industries Limited  
90, Phears Lane, 5th Floor  
Kolkata- 700012

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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For Nomita Verma  
Practising Company Secretary  
ACS No.: 38222  
C P No.: 14563  
Place: Kolkata  
Date: 17<sup>th</sup> August, 2017

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]**

**REGISTRATION AND OTHER DETAILS**

<b>CIN</b>	U17296WB2009PLC136911
<b>Registration Date</b>	July 16, 2009
<b>Name of the Company</b>	GRETEX INDUSTRIES LIMITED
<b>Category / Sub-Category of the Company</b>	Company Limited by shares/ Indian Non-Government Company
<b>Address of the Registered office and contact details</b>	Nanda Tower, 90, Phears Lane, 5 <sup>th</sup> Floor, Kolkata – 700 012 Phone: 033 4006 9278 E-mail : info@gretexindustries.com
<b>Whether listed Company</b>	Yes, Listed on NSE Emerge on 14.10.2016
<b>Name, Address and Contact details of Registrar and Transfer Agent</b>	Bigshare Services Pvt Ltd 1 <sup>st</sup> Floor, Bharta Tin Works Building, Makwana Road, Marol, Andheri East Mumbai – 400 059 Phone: 022 6263 8200 Email: investor@bigshareonline.com Website: www.bigshareonline.com

**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>Sr. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/ service</b>	<b>% to total turnover of the Company</b>
1	Manufacturing of Hosiery Garments	14309	100.00

*As per National Industrial Classification (NIC-2008)*

**PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

<b>Sr. No.</b>	<b>Name and Address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
1	Sherwood Securities Private Limited	U65900WB2010PTC146218	Associate	28.75%	2(6)

**SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**



i) Individual shareholders holding nominal share capital up to Rs. 2 lakhs	Nil	Nil	Nil	Nil	276000	Nil	276000	6.55	6.55
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	Nil	Nil	Nil	Nil	948000	Nil	948000	22.51	22.51
Others Clearing Members	Nil	Nil	Nil	Nil	180000	Nil	180000	4.27	4.27
NRI's	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>1980000</b>	<b>Nil</b>	<b>1980000</b>	<b>47.02</b>	<b>47.02</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>1980000</b>	<b>Nil</b>	<b>1980000</b>	<b>47.02</b>	<b>47.02</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	<b>2155600</b>	<b>1000000</b>	<b>3155600</b>	<b>100</b>	<b>4211600</b>	<b>Nil</b>	<b>4211600</b>	<b>100</b>	<b>Nil</b>

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Arvind Harlalka	3400	0.11	--	53400	1.27	--	1.16
2	Sumit Harlalka	3400	0.11	--	53400	1.27	--	1.16
3	Arvind Harlalka HUF	--	--	--	276000	6.55	--	6.55
4	Sumit Harlalka HUF	--	--	--	100000	2.37	--	2.37
5	Ambuja Technologies Pvt Ltd	527000	16.70	--	527000	12.51	--	(4.19)
6	Gretex Corporate Services Pvt Ltd	476000	15.08	--	--	--	--	(15.08)
7	Ambition Tie Up Pvt Ltd	572000	18.13	--	348000	8.26	--	(9.87)
8	Bonanza Agency Pvt Ltd	674700	21.38	--	324700	7.71	--	(13.67)
9	Talent Investment Co Pvt Ltd	899100	28.49	--	549100	13.04	--	(15.45)
	<b>Total</b>	<b>3155600</b>	<b>100</b>	<b>--</b>	<b>2231600</b>	<b>52.98</b>	<b>--</b>	<b>(47.02)</b>

## iii) Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Arvind Harlalka</b>	3,400	0.11		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	Increase due to Transfer from Gretex Corporate Services Pvt Ltd: 50000 Shares, in June 2016			
At the end of the year			53,400	1.27
<b>Sumit Harlalka</b>	3,400	0.11		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	Increase due to Transfer from Gretex Corporate Services Pvt Ltd: 50000 Shares, in June 2016			
At the end of the year			53,400	1.27
<b>Arvind Harlalka HUF</b>	-	-		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	Increase due to Transfer from Gretex Corporate Services Pvt Ltd: 276000 Shares, in June 2016			
At the end of the year			2,76,000	6.55
<b>Sumit Harlalka HUF</b>	-	-		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	Increase due to Transfer from Gretex Corporate Services Pvt Ltd: 100000 Shares, in June 2016			
At the end of the year			1,00,000	2.37
<b>Ambuja Technologies Pvt Ltd</b>	5,27,000	16.70		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	Decrease in total percentage due to increase in paid up capital of the company during the year			
At the end of the year			5,27,000	12.51
<b>Gretex Corporate Services Pvt Ltd</b>	4,76,000	15.08		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	Decrease due to transfer of shares to Arvind Harlalka, Sumit Harlalka, Arvind Harlalka HUF & Sumit Harlalka HUF in June 2016			
At the end of the year			-	-
<b>Ambition Tie Up Pvt Ltd</b>	5,72,000	18.13		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	Decrease due to offer for sale to public for 2,24,000 shares through NSE Emerge Platform in October 2016			

At the end of the year			3,48,000	8.26
<b>Bonanza Agency Pvt Ltd</b>	6,74,700	21.38		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	Decrease due to offer for sale to public for 3,50,000 shares through NSE Emerge Platform in October 2016			
At the end of the year			3,24,700	7.71
<b>Talent Investment Co Pvt Ltd</b>	8,99,100	28.49		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	Decrease due to offer for sale to public for 3,50,000 shares through NSE Emerge Platform in October 2016			
At the end of the year			5,49,100	13.04

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Vivek Phumra</b>				
At the beginning of the year	-	-		
Date wise Increase (+)/ Decrease(-) with reasons, during the year	Increase due to allotment of shares through initial public offer in October 2016			
At the end of the year			6,06,000	14.39
<b>Navin Kumar Gupta</b>				
At the beginning of the year	-	-		
Date wise Increase (+)/ Decrease(-) with reasons, during the year	Increase due to allotment of shares through initial public offer in October 2016			
At the end of the year			2,70,000	6.41
<b>Visagar Financial Services Limited</b>				
At the beginning of the year	-	-		
Date wise Increase (+)/ Decrease(-) with reasons, during the year	Increase due to allotment of shares through initial public offer			
At the end of the year			2,10,000	4.99
<b>Pantomath Stock Brokers Pvt Ltd</b>				
At the beginning of the year	-	-		
Date wise Increase (+)/ Decrease(-) with reasons, during the year	Increase due to allotment of shares through initial public offer			
At the end of the year			1,26,000	2.99
<b>Ayushman Commotrade Pvt Ltd</b>				
At the beginning of the year	-	-		
Date wise Increase (+)/ Decrease(-) with reasons, during the year	Increase due to allotment of shares through initial public offer			
At the end of the year			66,000	1.57
<b>Jajoo Commercial Pvt Ltd</b>				
At the beginning of the year	-	-		
Date wise Increase (+)/ Decrease(-) with reasons, during the year	Increase due to allotment of shares through initial public offer			
At the end of the year			60,000	1.42

<b>SSJ Finance &amp; Securities Pvt Ltd</b>				
At the beginning of the year	-	-		
Date wise Increase (+)/ Decrease(-) with reasons, during the year	Increase due to allotment of shares through initial public offer			
At the end of the year			42,000	0.99
<b>Guinness Securities Ltd</b>				
At the beginning of the year	-	-		
Date wise Increase (+)/ Decrease(-) with reasons, during the year	Increase due to allotment of shares through initial public offer			
At the end of the year			36,000	0.85
<b>Resonate Commercial Pvt Ltd</b>				
At the beginning of the year	-	-		
Date wise Increase (+)/ Decrease(-) with reasons, during the year	Increase due to allotment of shares through initial public offer			
At the end of the year			36,000	0.85
<b>Sairam Commodity Pvt Ltd</b>				
At the beginning of the year	-	-		
Date wise Increase (+)/ Decrease(-) with reasons, during the year	Increase due to allotment of shares through initial public offer			
At the end of the year			36,000	0.85

(v) *Shareholding of Directors and Key Managerial Personnel: NIL*

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Arvind Harlalka</b>				
At the beginning of the year	3,400	0.11		
Date wise Increase (+)/ Decrease(-) with reasons, during the year	Increase due to Transfer from Gretex Corporate Services Pvt Ltd: 50000 Shares, in June 2016			
At the end of the year			53,400	1.27
<b>Sumit Harlalka</b>				
At the beginning of the year	3,400	0.11		
Date wise Increase (+)/ Decrease(-) with reasons, during the year	Increase due to Transfer from Gretex Corporate Services Pvt Ltd: 50000 Shares, in June 2016			
At the end of the year			53,400	1.27

## **INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	—	—	—	—



Change in Indebtedness during the financial year	—	—	—	—
Addition	—	—	—	—
Reduction	—	—	—	—
Net Change Indebtedness	—	—	—	—
At the end of the financial year	—	—	—	—
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	—	—	—	—

### **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

#### *A. Remuneration to Managing Director, Whole-time Directors and/or Manager:*

Sl. No.	Particulars of Remuneration	Mr. Arvind Harlalka, MD	Total Amount
1	Gross salary	Rs. 3,60,000/-	Rs. 3,60,000/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - Others, specify...	Nil	Nil
5	Others, please specify	Nil	Nil
	<b>Total (A)</b>	<b>Rs. 3,60,000/-</b>	<b>Rs. 3,60,000/-</b>
	Ceiling as per the Act	Within the Limit	

#### *B. Remuneration to other Directors: (Amount in Rs.)*

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Sumit Harlalka*	Soma Nath	Rahul Kumar	
1	Independent Directors Fee for attending board / committee meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
2	Other Non-Executive			Nil	
	Fee for attending board / committee meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total (B)=(1+2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

	<b>Total Managerial Remuneration</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	Overall Ceiling as per the Act	N.A			

\*Sumit Harlalka has resigned w.e.f 29<sup>th</sup> July, 2017.

*C. Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD*

Sl.No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Ms. Sweta Harlalka* (Company Secretary)	Ms. Kritika Rupda* (CFO)	
1	Gross salary	Rs. 1,04,500/-	Rs. 2,43,580/-	Rs. 3,48,080/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	<b>Total (C)</b>	<b>Rs. 1,04,500/-</b>	<b>Rs. 2,43,580</b>	<b>Rs. 3,48,080/-</b>

\*Sweta Harlalka was appointed w.e.f. 16<sup>th</sup> June, 2016

\*Kritika Rupda has resigned from the post of CFO w.e.f. 01<sup>st</sup> August, 2017

**PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
			NIL		
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
			NIL		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding			NIL		

**Registered Office:**  
 90, Phears Lane, 5<sup>th</sup> Floor  
 Kolkata - 700 012  
 West Bengal

**Place: Kolkata**  
**Date: 17.08.2017**

**By Order of the Board of Directors**  
 For Gretex Industries Limited

Sd/-  
 Arvind Harlalka  
 Managing Director  
 DIN: 00494136

**ANNEXURE III TO DIRECTORS' REPORT**
**REPORT ON CORPORATE GOVERNANCE**

Corporate Governance is a set of systems, policies and practices deep-rooted in the Company to ensure that the affairs are being managed in a way which ensures accountability, transparency, fairness in all its transactions with all its stakeholders. The Company's philosophy of Corporate Governance that of timely disclosures, transparent accounting policies and a strong and Independent Board goes a long way in preserving all stakeholders' interest, while maximizing long-term shareholder worth.

**[Pursuant to Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 (hereinafter referred as "SEBI LODR")]**

**COMPANY' PHILOSOPHY ON CORPORATE GOVERNANCE**

Gretext Industries Limited (GIL) defines Corporate Governance as a systemic process by which companies are directed and controlled to enhance their wealth- generating capacity. GIL Corporate Governance structure, systems and processes are based on two core principles: (i) Management must have the executive freedom to drive the enterprise forward without undue restraints, and (ii) This freedom of management should be exercised within a framework of effective accountability. GIL's believes that any meaningful policy on Corporate Governance must empower the executive management of the Company. At the same time, Governance must create a mechanism of checks and balances to ensure that the decision-making powers vested in the executive management are used with care and responsibility to meet stakeholders' aspirations and societal expectations.

**BOARD OF DIRECTORS**

***Composition, Category of Directors and their other Directorship as on 31<sup>st</sup> March, 2017***

<b>Name of the Director</b>	<b>Category of Directorship</b>	<b>No. of Directorship in other Public &amp; Pvt. Ltd. Companies</b>
Mr. Arvind Harlalka	Executive (Non-Independent Director)	6
Mr. Sumit Harlalka*	Non Executive (Non - Independent Director)	15
Mrs. Soma Nath*	Non Executive (Independent Director)	Nil
Mr. Rahul Kumar*	Non Executive (Independent Director)	9

*\*Sumit Harlalka has resigned w.e.f 29<sup>th</sup> July, 2017*

*\*Soma Nath was appointed w.e.f 16<sup>th</sup> June, 2016*

*\*Rahul Kumar was appointed w.e.f 16<sup>th</sup> June, 2016*

***Number of Board Meetings***

During the financial year ended 31<sup>st</sup> March, 2017, Thirteen Board Meetings were held i.e on 29.04.2016, 23.05.2016, 14.06.2016, 16.06.2016 at 11:00 A.M & at 3:00 P.M, 17.06.2016, 18.06.2016, 20.06.2016, 30.07.2016, 02.09.2016, 10.10.2016, 09.12.2016, and 30.03.2017. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 i.e. not more than 120 days from the previous meeting.

***Separate Meeting of Independent Directors***

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on January 16, 2017 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of

information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

### ***Directors' Attendance Record***

The last Annual General Meeting (AGM) was held on 26<sup>th</sup> September, 2016. The attendance record of the Directors at the Board Meetings during the year ended on 31<sup>st</sup> March, 2017, and at the last AGM is as under

<b>Name of the Director</b>	<b>No. of Board Meetings attended during the year</b>	<b>Whether attended last AGM</b>
Mr. Arvind Harlalka	13 out of 13	Yes
Mr. Sumit Harlalka*	13 out of 13	Yes
Mrs. Soma Nath	6 out of 13	Yes
Mr. Rahul Kumar	2 out of 13	Yes

*\*Sumit Harlalka has resigned w.e.f 29<sup>th</sup> July, 2017*

*\*Soma Nath was appointed w.e.f 16<sup>th</sup> June, 2016*

*\*Rahul Kumar was appointed w.e.f 16<sup>th</sup> June, 2016*

### ***Evaluation of the Board's Performance***

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations And Disclosure Requirements) Regulation 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee.

The result of the evaluation done by Independent Directors was reported to the Chairman of the Board. It was reported that the performance evaluation of the Board & Committee's was satisfactory. The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. The Directors expressed their satisfaction with the evaluation process.

### ***Prevention of Insider Trading Code***

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 pre-clearance 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 of Directors and the designated employees have confirmed compliance with the Code.

### **COMMITTEES OF THE BOARD**

In accordance with requirement SEBI (Listing Obligations and Disclosure Requirements), 2015, provisions on Corporate Governance the Board of Directors of the Company had constituted following Committees on August 06, 2016. The details of which are as under:

#### ***AUDIT COMMITTEE***

##### ***Terms of Reference***

The terms of reference of the Audit Committee are as per the guidelines set out in the Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with the stock exchanges read with section 177 of the Companies Act, 2013. These broadly include:

1. Develop an annual plan for Committee,
2. Review of financial reporting processes,
3. Review of risk management, internal control and governance processes,
4. Discussions on quarterly, half yearly and annual financial statements,
5. Interaction with statutory, internal auditors,
6. Recommendation for appointment, remuneration and terms of appointment of auditors and
7. Risk management framework concerning the critical operations of the Company.

In addition to the above, the Audit Committee also reviews the following:

1. Matter included in the Director's Responsibility Statement;
2. Changes, if any, in the accounting policies;
3. Major accounting estimates and significant adjustments in financial statement;
4. Compliance with listing and other legal requirements concerning financial statements;
5. Disclosures in financial statement including related party transactions;
6. Qualification in draft audit report;
7. Scrutiny of inter-corporate loans & investments;
8. Management's Discussions and Analysis of Company's operations;
9. Valuation of undertakings or assets of the Company, wherever it is necessary;
10. Periodical Internal Audit Reports and the report of Fraud Risk Management Committee;
11. Findings of any special investigations carried out either by the Internal Auditors or by the external investigating agencies;
12. Letters of Statutory Auditors to management on internal control weakness, if any;
13. Major non routine transactions recorded in the financial statements involving exercise of judgment by the management;
14. Recommend to the Board the appointment, re-appointment and, if required the replacement or removal of the statutory auditors and cost auditors considering their independence and effectiveness, and recommend the audit fees; and
15. Subject to review by the Board of Directors, review on quarterly basis, Related Party Transactions entered into by the Company pursuant to each omnibus approval given.

### ***Composition and Meetings of Audit Committee***

The Audit Committee consists of two Independent Directors at present, all members of the Audit Committee are financially literate and they have accounting or related financial management expertise. The Audit Committee met 2\* times during the financial year ended 31<sup>st</sup> March, 2017. The attendance record of the members at the meeting was as follows:

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Category</b>	<b>No of Meeting held</b>	<b>No of Meeting attended</b>
1	Mr. Rahul Kumar	Chairman	Independent/Non Executive	2	2
2.	Mrs. Soma Nath	Member	Independent/Non Executive	2	2
3.	Mr. Arvind Harlalka	Member	Non Independent/Executive	2	2
4.	Ms. Sweta Harlalka	Secretary	Company Secretary	2	2

*\*The company got listed on 14<sup>th</sup> October, 2016 and hence had only 2 audit committee meetings in the year under review.*

### ***NOMINATION & REMUNERATION COMMITTEE***

The Board of Directors of the Company has constituted a Remuneration & Nomination Committee, as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations And disclosure Requirements), Regulation 2015, with the object of Remuneration & Nomination committee is to recommend/ review the remuneration of Managing Directors/Whole-time Directors. The remuneration policy of the Company is directed towards rewarding performance and attracting new talents/retaining them. While deciding the remuneration, the Committee takes into account the financial

position of the Company, trend in the Industry, Appointee's qualification, experience, past performance, past remuneration etc.

### ***Terms of Reference***

The Committee is empowered:-

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance;
5. Determining, reviewing and recommending to the Board, the remuneration of the Company's Managing/ Joint Managing / Deputy Managing / Whole time / Executive Director(s), including all elements of remuneration package;
6. To ensure that the relationship of remuneration to perform is clear and meets appropriate performance benchmarks;
7. Formulating, implementing, supervising and administering the terms and conditions of the Employee Stock Option Scheme, Employee Stock Purchase Scheme, whether present or prospective, pursuant to the applicable statutory/regulatory guidelines;
8. Carrying out any other functions as authorized by the Board from time to time or as enforced by statutory/regulatory authorities

### ***Composition of the Nomination & Remuneration Committee***

<b>SL. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Category</b>
1	Mr. Rahul Kumar	Chairman	Independent/Non Executive
2.	Mrs. Soma Nath	Member	Independent/Non Executive
3.	Mr. Sumit Harlalka*	Member	Non Independent/Non Executive

*\*Sumit Harlalka has resigned w.e.f 29<sup>th</sup> July, 2017*

This Committee has been formed to carry out the function as contained in Schedule V of the Companies Act, 2013 and shall enjoy necessary powers and authority reviews commensurate with its functions.

### ***Policy for selection and appointment of Directors and their Remuneration***

The Nomination and Remuneration Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors, CFO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

### ***Criteria of selection of Non Executive Directors***

The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the NRC Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

The NRC Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.



The NRC Committee shall consider the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Director:

1. Qualification, expertise and experience of the Directors in their respective fields;
2. Personal, Professional or business standing;
3. Diversity of the Board.

In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

### ***Remuneration Policy***

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board meetings.

A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

### ***CEO/Managing Director/CFO - Criteria for selection / appointment***

For the purpose of selection of the CEO/MD/CFO, the Nomination & Remuneration Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

### ***Remuneration for the CEO/Managing Director/CFO***

At the time of appointment or re-appointment, the CEO/Managing Director/CFO shall be paid such remuneration as may be mutually agreed between the Company (which includes the NRC Committee and the Board of Directors) and the CEO/Managing Director/CFO within the overall limits prescribed under the Companies Act, 2013.

The remuneration shall be subject to the approval of the Members of the Company in General Meeting. The remuneration of the CEO/Managing Director/CFO comprises only of fixed component. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits.

### ***Remuneration Policy for the Senior Management Employees***

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the NRC Committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the NRC Committee for its review and approval.

### ***STAKEHOLDERS RELATIONSHIP COMMITTEE***

The Committee is in charge of looking after grievances of Investors and Shareholders. The detail of the Committee is as follows:



### **Terms of Reference**

The terms of reference of the Committee includes the following:

1. To review all complaint recorded in Scores of SEBI and replies made to the same by RTA/Company Secretary.
2. To receive report on all complaints recorded in SCORES of the Registrar and Share Transfer Agent and note the corrective actions taken by the Registrars.
3. To take action of all grievances and complaints lodged by the stock exchange, shareholders associations and other bodies.
4. To review grievances of other stakeholders of the Company given in their individual capacity.
5. Overview activities relating to share maintenance and related work.

### **Composition of Stakeholder's Relationship Committee**

SL. No.	Name	Designation	Category
1.	Mr. Rahul Kumar	Chairman	Independent/Non Executive
2.	Mrs. Soma Nath	Member	Independent/Non Executive
3.	Mr. Sumit Harlalka*	Member	Non Independent/Non Executive

*\*Sumit Harlalka has resigned w.e.f 29<sup>th</sup> July, 2017*

### **GENERAL BODY MEETINGS**

#### **Annual General Meetings (AGM)**

The details of the last three Annual General Meetings (AGMs) of the Company are as under:

Financial Year	Date & Time	Venue
2015-16	26th September, 2016, at 11.00 A.M	158, Lenin Sarani, 3 <sup>rd</sup> Floor, Room No. 7B, Kolkata - 700 013
2014-15	26th September, 2015, at 11.00 A.M	158, Lenin Sarani, 3 <sup>rd</sup> Floor, Room No. 7B, Kolkata - 700 013
2013-14	26th September, 2014, at 11.00 A.M	158, Lenin Sarani, 3 <sup>rd</sup> Floor, Room No. 7B, Kolkata - 700 013

#### **Extra Ordinary General Meeting**

Date & Time	Venue
25th June, 2016, at 10.00 A.M	158, Lenin Sarani, 3 <sup>rd</sup> Floor, Room No. 7B, Kolkata - 700 013
23rd May, 2016 at 11.00 A.M	158, Lenin Sarani, 3 <sup>rd</sup> Floor, Room No. 7B, Kolkata - 700 013

### **DISCLOSURE**

There are no materially significant transactions with the related parties' viz. Promoters, Directors or the Management, or their relatives or Subsidiaries that had potential conflict with the Company's interest.

Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the Annual Report.

There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.

No penalties have been imposed on the Company by Stock Exchange or SEBI relating to capital markets during the last three years.

The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.

During the year ended 31<sup>st</sup> March, 2017 the Company does not have any material listed/unlisted subsidiary companies as defined in SEBI (Listing Obligations And Disclosure Requirements) Regulation, 2015.

The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

### **CEO/CFO CERTIFICATION**

The Managing Director and Chief Financial Officer (CFO) have issued necessary certificate pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

### **MEANS OF COMMUNICATION**

The Half Yearly Audited Results and the Annual Audited Financial results of the Company are sent to the stock exchanges immediately after they are approved by the Board and are also published in one vernacular news paper and one English newspaper. Also they are uploaded on the Company's website [www.gretexindustries.com](http://www.gretexindustries.com). The results are published in accordance with the guidelines of the Stock Exchange.

### **GENERAL'S SHAREHOLDERS INFORMATION**

Annual General Meeting:

Day & Date: Tuesday, 26<sup>th</sup> September, 2017

Time: 1.00 p.m.

Venue: 90, Phears Lane, 5<sup>th</sup> Floor, Kolkata-700012, West Bengal

### ***Financial Calendar***

Financial reporting for the 1 <sup>st</sup> Half Year End	Within 45 days of the end of the Half Year
Audited yearly Results for the year ending 31 <sup>st</sup> March, 2017	Within 60 days of the end of the Year

### ***Book Closure***

The Register of Members and Transfer Books of the Company will remain closed from Wednesday the 20<sup>th</sup> day of September, 2017 to Tuesday the 26<sup>th</sup> day of September, 2017 (both days inclusive).

### ***Listing in stock exchanges and stock codes***

The name of stock exchange at which the equity shares are listed and its stock code is as under:

<b>Name of the Stock Exchanges</b>	<b>Stock Code</b>
Emerge Platform of NSE Limited	GRETEX

***The ISIN number for the Company equity share:*** INE985P01012

***CIN:*** U17296WB2009PLC136911

***Outstanding GDR's/ADR's/Warrant's/Convertible instruments and their impact on equity:*** NIL

### ***Listing Fees to the Stock Exchange***

The Company has paid listing fees up to 31<sup>st</sup> March, 2017 to NSE Limited (NSE), where the Company's shares are listed.

### ***E-Voting***

In terms of Section 108 of the Companies Act, 2013, Rules framed there under and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company is not require to enrol for the e-voting facility to its Members in respect of all Members' resolutions proposed to be passed at this Annual General Meeting. All the resolutions shall be passed through postal ballot.

### ***Share Transfers Agent***

Bigshare Services Pvt Ltd  
 1<sup>st</sup> Floor, Bharta Tin Works Building,  
 Makwana Road, Marol, Andheri East  
 Mumbai – 400 059  
 Phone: 022 6263 8200  
 Email: investor@bigshareonline.com  
 Website: www.bigshareonline.com

### ***Share Transfer System***

None of the shares are held in physical form.

### **SUBSIDAIRY COMPANIES**

The Company does not have any subsidiary during the Financial Year ended 31<sup>st</sup> March, 2017.

### **DEMATERLISATION OF SHARES AND LIQUIDITY**

Currently 100% of the Company Share Capital is held in dematerialized form.

### **DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2017**

<b>Shareholding of Nominal value (In Rs)</b>	<b>Number of Shareholder</b>	<b>% of no. of shares</b>	<b>Number of Shares</b>	<b>Share Amount</b>	<b>% of Shareholding</b>
Upto 5000	--	--	--	--	--
5001-10000	--	--	--	--	--
10001-20000	--	--	--	--	--
20001-30000	--	--	--	--	--
30001-40000	--	--	--	--	--
40001-50000	--	--	--	--	--
50001-100000	41	58.57	246000	2460000	5.84
100001 and above	29	41.43	3965600	39656000	94.16
<b>Total</b>	<b>70</b>	<b>100</b>	<b>4211600</b>	<b>42116000</b>	<b>100</b>

**MARKET PRICE DATA**

Monthly high and low of the equity shares of the Company trading volume are as follows from 14.10.2016 to 31.03.2017

<b>S. No.</b>	<b>Month</b>	<b>High Price</b>	<b>Low Price</b>	<b>Volume</b>
1	October 2016	24.00	21.40	2,88,000
2	November 2016	20.25	18.40	84,000
3	December 2016	18.80	18.80	-
4	January 2017	18.90	14.50	4,02,000
5	February 2017	17.50	17.50	-
6	March 2017	25.00	15.50	2,76,000

**REPORT ON CORPORATE GOVERNANCE**

The Corporate Governance report forms part of the Annual Report. Your Company has complies with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

**Registered Office:**  
90, Phears Lane, 5<sup>th</sup> Floor  
Kolkata - 700 012  
West Bengal

**Place: Kolkata**  
**Date: 17.08.2017**

**By Order of the Board of Directors**  
For Gretex Industries Limited

Sd/-  
Arvind Harlalka  
Managing Director  
DIN: 00494136

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The purpose of this discussion is to provide an understanding of financial statements and a composite summary of performance of our business. Management Discussion and Analysis (MDA) is structured as follows:

### ***Overview of Indian Economy***

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). The Government of India has forecasted that the Indian economy will grow by 7.1 per cent in FY 2016-17. As per the Economic Survey 2016-17, the Indian economy should grow between 6.75 and 7.5 per cent in FY 2017-18. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, Reserve Bank of India's (RBI) inflation focus supported by benign global commodity prices.

According to The World Bank, the Indian economy will likely grow at 7 per cent in 2016-17, followed by further acceleration to 7.6 per cent in 2017-18 and 7.8 per cent in 2018-19. Demonetisation is expected to have a positive impact on the Indian economy, which will help foster a clean and digitised economy in the long run. The long-term growth prospective of the Indian economy is moderately positive due to its young population, corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. The Indian economy has the potential to become the world's 3rd-largest economy by the next decade, and one of the largest economies by mid-century. And the outlook for short-term growth is also good as according to the IMF, the Indian economy is the "bright spot" in the global landscape. India also topped the World Bank's growth outlook for 2016-17 for the first time with the economy having grown 7.1% in 2016-17 and expected to grow 7.8% for the next year i.e 2018-19.

### ***Textile Industry Overview***

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 15 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

The textile industry employs about 51 million people directly and 68 million people indirectly. India's overall textile exports during FY 2015-16 stood at US\$ 40 billion.

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

### ***Business Overview***

Our Company was incorporated in the year 2009. Our business from operations started by manufacturing of fabric and hosiery garments like thermal innerwear and leggings in the year 2013-14. We started taking job work assignments for knitting for Rupa & Company Limited and gradually for others. Further we also started production under our brand "Lekme" besides undertaking job work assignments. We manufacture thermal innerwear and leggings under our own brand name of "Lekme". Our product range includes production of fabric by using Interlock, Rib, Reversible, Fleece, Polyfill techniques. We also manufacture Sinkers using Lycra yarns.

Our manufacturing facility is situated at Jalan Industrial Complex in Domjur Area in the district of Howrah, which is one of the oldest Industrial Complex nearby Kolkata. It is situated on the Kolkata – Mumbai Highway and is at a distance of 15 Km from Howrah.

Currently we have taken over the business of Alok Harlalka HUF, and started dealing in Yamaha Musical Instruments such as Guitar, Drums, Piano, etc. We are also going to have the distributorship from Yamaha for the same by 2017-18. Our performance is highly correlated to general economic conditions in India, which are in turn influenced by global economic factors. Any event or trend resulting in a deterioration in whole or in part of the Indian or global economy may directly or indirectly affect our performance, including the quality and growth of our assets. Any volatility in global commodity prices could adversely affect our results of operations.

### ***Financial Performance***

During the fiscal 2016-17, the Revenue from Operations generated by the Company was Rs. 2,38,19,562/- and during the previous year it was Rs. 3,71,92,698/-. Profit/(Loss) after tax for the fiscal year 2016-17 was Rs. (1,47,02,773)/- as compared to the previous year's Rs. 24,29,473/-

Revenue from operation stood for fiscal 2017 at Rs. 2,38,19,562/-  
Profit before Taxes of fiscal 2017 was Rs. (1,94,52,701)/-  
Profit After Taxes of fiscal 2017 was Rs. (1,47,02,773)/-  
Basic Earnings per share for fiscal 2017 was Rs. (4.02)

### ***Opportunities and Threat***

The growth of the Company is subject to opportunities and threats as are applicable to the industry from time to time however it seems that there is a great opportunities in the Indian Market for our products.

### ***Risks and Concerns***

Risk is an inherent part of any business. There are various types of risks, which threat the existence of a Company like Credit Risk, Market Risk, Operational Risk, Liquidity Risk, Interest Rate Risk, Strategic Risk, Regulation Risk etc. Your Company aims at enhancing and maximizing shareholders value by achieving appropriate trade-off.

### ***Internal Control System & Adequacy***

Internal Control Systems has been designed to provide reasonable assurance that assets are safeguarded, transactions are executed in accordance's with management's authorization and properly recorded and accounting records are adequate for preparation of financial statements and other financial information. Internal check is conducted on a periodical basis to ascertain the adequacy and effectiveness of internal control systems

### ***Material Development in Human Resources***

The Company continues to lay emphasis on developing and facilitating optimum human performance. Performance management was the key word for the Company this year.

### ***Disclosures***

During the year the Company has not entered into any transaction of material nature with its promoters, the Directors or the management, their subsidiaries or relatives etc that may have potential conflict with the interest of the Company at large.

**CEO/CFO CERTIFICATION**

**Ms. Kritika Rupda\*, Chief Financial Officer of the company has certified to the Board that:**

- a) She has reviewed the financial statements and the cash flow statement of Gretex Industries Limited for the Financial Year ended 31<sup>st</sup> March, 2017 and to the best of her Knowledge and belief:
1. These statements do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading;
  2. These statements Present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- b) There are, to the best of her knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violation of the Company's Code of Conduct.
- c) She accepts responsibility for establishing and maintaining internal controls for financial reporting. I have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I are aware and steps taken and/or proposed to be taken to rectify these deficiencies.
- d) She has also indicated to the Auditors and the Audit Committee:
1. Significant changes, if any, in the Internal Controls over financial reporting during the year.
  2. Significant changes, if any, in accounting policies made during the Year and that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which she has become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata

Date: 29.05.2017

*\*Ms. Kritika Rupda has resigned from the post of CFO w.e.f 01<sup>st</sup> August, 2017 and Mr. Pradeep Mertia has been appointed in her place since then.*



**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**M/s GRETEX INDUSTRIES LIMITED**

**1. Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **GRETEX INDUSTRIES LIMITED (Formerly Known As GRETEX INDUSTRIES PRIVATE LIMITED & HERITAGE BARTER PRIVATE LIMITED)** ("the Company"), which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss for the year ended March 31, 2017 Cash Flow Statement for the year ended March 31, 2017 and a summary of significant accounting policies and other explanatory information.

**2. Management's Responsibility for the Standalone Financial Statements**

Management 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 of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**3. Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken in to account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the standalone financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements

**4. Opinion**

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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its loss

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended March 31, 2017;
- c) in the case of the Cash Flow Statement, of the cash flow for the year ended March 31, 2017.



## **5. Report on Other Legal and Regulatory Requirements**

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

5.2 As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 and Statement of Profit and Loss 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 the Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013;
- 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 B", and
- 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 as at 31<sup>st</sup> March 2017 which would impact its financial position in its standalone financial statements;
  - (ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection fund by the company.
  - (iv) The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in specified bank notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and the same in accordance with the books of accounts maintained by the company (Refer note 1.8).

**For Gupta Agarwal & Associates**  
**Chartered Accountants**  
**FRN: 329001E**

**Sd/-**  
**Jay Shanker Gupta**  
**(Partner)**  
**Membership No. : 059535**

**Date: 29.05.2017**  
**Place: Kolkata**

**“Annexure A” to the Independent Auditor’s Report**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of report of even date to the standalone financial statements of the company for the year ended March 31, 2017; we report that:

**3.1 Clause (i):**

(a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) These fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;

(c) The title deeds of immovable properties are held in the name of the company.

**3.2 Clause (ii):**

The physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed and they have been properly dealt with in the books of account.

**3.3 Clause (iii):**

The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

**3.4 Clause (iv):**

In respect of loans, investments, guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

**3.5 Clause (v):**

According to the information and explanation given to us the company has not accepted deposits from the public during the financial year under audit.

**3.6 Clause (vi):**

In our opinion and according to information and explanation given to us, the company does not manufacturing any goods and as such the provision related to maintenance of cost records by the company under sub section (1) of section 148 of Companies Act, 2013 for any of its products as prescribed by Central Government, are not applicable.

**3.7 Clause (vii):**

(a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities in India.

(b) According to the information and explanations given to us there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute,

**3.8 Clause (viii):**

According to the records of the company examined by us and as per the information and explanation given to us, the company has not availed of any loans from any financial institution or banks and has not issued debentures.

**3.9 Clause (ix):**

In our opinion and according to information and explanations given to us, the company has raised money by way of offer for sale (9,24,000 equity shares) and initial public offer (10,56,000 equity shares) on NSE Emerge Platform for Rs. 184.80 Lacs and Rs. 211.20 Lacs respectively.

**3.10 Clause (x):**

No fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year

**3.11 Clause (xi):**

Managerial remuneration has been paid or provided during the year in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

**3.12 Clause (xii):**

In our opinion, and according to information and explanations given to us, clause (xii) of para 3 to Companies (Auditor's Report) Order, 2016 w.r.t. Nidhi Company is not applicable to company.

**3.13 Clause (xiii):**

In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Standalone Financial Statements etc., as required by the applicable accounting standards.

**3.14 Clause (xiv):**

The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

**3.15 Clause (xv)**

The company has not entered into any non-cash transactions with directors or persons connected with him

**3.16 Clause (xvi):**

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Gupta Agarwal & Associates**  
**Chartered Accountants**  
**FRN: 329001E**

**Sd/-**  
**Jay Shanker Gupta**  
**(Partner)**  
**Membership No. : 059535**

**Date: 29.05.2017**  
**Place: Kolkata**

**“Annexure B” to the Independent Auditor’s Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **GRETEX INDUSTRIES LIMITED** (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, 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, 2017, 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).

**For Gupta Agarwal & Associates**  
**Chartered Accountants**  
**FRN: 329001E**

**Sd/-**  
**Jay Shanker Gupta**  
**(Partner)**  
**Membership No. : 059535**

**Date: 29.05.2017**  
**Place: Kolkata**

**PART I - BALANCE SHEET**  
**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
**CIN: U17296WB2009PLC136911**  
**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2017**

(AMOUNT IN RUPEES)

S. N	PARTICULARS	NOTE NO.	FIGURES AS AT THE END OF 31ST MARCH, 2017		FIGURES AS AT THE END OF 31ST MARCH, 2016	
<b>I</b>	<b><u>EQUITY AND LIABILITIES</u></b>					
1	<b><u>SHAREHOLDERS FUNDS</u></b>					
	(a) SHARE CAPITAL	1		4,21,16,000		3,15,56,000
	(b) RESERVES AND SURPLUS	2		(26,40,588)		30,08,818
	TOTAL(1)			3,94,75,412		3,45,64,818
2	<b><u>NON-CURRENT LIABILITIES</u></b>					
	(a) LONG TERM BORROWINGS	3		90,64,868		1,59,83,414
	(b) DEFERRED TAX LIABILITIES (NET)	4		-		23,96,299
	TOTAL(2)			90,64,868		1,83,79,713
3	<b><u>CURRENT LIABILITIES</u></b>					
	(a) LOANS & ADVANCES	5		25,17,526		1,11,42,971
	(b) TRADE PAYABLES	6		43,93,721		28,15,855
	(c) OTHER CURRENT LIABILITIES	7		75,208		6,21,562
	(d) SHORT TERM PROVISIONS	8		-		7,26,582
	TOTAL(3)			69,86,454		1,53,06,970
	<b>TOTAL(1+2+3)</b>			<b>5,55,26,734</b>		<b>6,82,51,500</b>
<b>II</b>	<b><u>ASSETS</u></b>					
1	<b><u>NON-CURRENT ASSETS</u></b>					
	(a) FIXED ASSETS	9		1,33,48,636		3,80,40,891
	(b) LONG-TERM LOANS AND ADVANCES	10		10,87,690		10,90,500
	(c) OTHER NON-CURRENT ASSETS	11		-		26,08,431
	(d) DEFERRED TAX ASSET	12		23,53,629		-
	TOTAL(1)			1,67,89,955		4,17,39,822
2	<b><u>CURRENT ASSETS</u></b>					
	(a) CURRENT INVESTMENTS	13		69,00,000		69,00,000
	(b) INVENTORIES	14		1,73,59,650		37,97,411
	(c) TRADE RECEIVABLES	15		1,16,06,476		1,28,10,749
	(d) CASH AND CASH EQUIVALENTS	16		21,67,088		25,67,406
	(e) SHORT-TERM LOANS AND ADVANCES	17		7,03,565		4,36,113
	TOTAL(2)			3,87,36,779		2,65,11,678
	<b>TOTAL(1+2)</b>			<b>5,55,26,734</b>		<b>6,82,51,500</b>

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

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FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SIGNED IN TERMS OF OUR SEPARATE  
REPORT OF EVEN DATE.  
For GUPTA AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN 329001E

Sd/-  
ARVIND HARLALKA  
MANAGING DIRECTOR  
DIN: 00494136

Sd/-  
SUMIT HARLALKA  
DIRECTOR  
DIN: 00474175

Sd/-  
SWETA HARLALKA  
COMPANY SECRETARY

Sd/-  
KRITIKA RUPDA  
CFO

Sd/-  
(J.S.Gupta)  
Partner  
Membership No.059535

PLACE: KOLKATA  
DATED: 29/05/2017

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
CIN: U17296WB2009PLC136911

**NOTES TO AND FORMING PART OF STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2017**

(AMOUNT IN RUPEES)

NOTE NO.	S.N	PARTICULARS	FIGURES AS AT THE END OF 31ST MARCH, 2017	FIGURES AS AT THE END OF 31ST MARCH, 2016
1		<b>SHARE CAPITAL:</b>		
	A.	<b>AUTHORISED:</b>		
		4500000 (L.Y. 3500000) EQUITY SHARES OF RS.10/- EACH	4,50,00,000	3,50,00,000
	B.	<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
		SHARES AT THE BEGINNING OF THE ACCOUNTING PERIOD		
		3155600 (L.Y. 63400) EQUITY SHARES OF RS.10/- EACH	3,15,56,000	6,34,000
		ADDITIONS DURING THE YEAR	1,05,60,000	3,09,22,000
		SHARES AT THE END OF THE ACCOUNTING PERIOD		
		4211600 (L.Y. 3155600) EQUITY SHARES OF RS.10/- EACH	<u>4,21,16,000</u>	<u>3,15,56,000</u>
	C.	<b>Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period</b>		
			31ST MARCH 2017	31ST MARCH 2016
			Nos	Nos
				Amount
		Shares outstanding at the beginning of the year	31,55,600	63,400
		Shares issued during the year	10,56,000	3,09,22,000
		Shares outstanding at the end of the year	<u>42,11,600</u>	<u>3,15,56,000</u>
	D.	<b>TERMS/ RIGHTS ATTACHED TO EQUITY SHARES</b>		
		The Company has only one class of equity share having par value of Rs 10/- per share . Each holder of Equity share is entitled to one vote per share.		
		In the event of liquidation of the company , the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts . The Distribution will be in proportion to the number of equity share held by the shareholders		
	E.	<b>Details of shareholders holding more than 5% shares of the Company</b>		
			31ST MARCH 2017	31ST MARCH 2016
		<b>NAME OF THE SHAREHOLDER</b>		
		<b>(EQUITY SHARES OF RS 10/ EACH FULLY PAID UP )</b>	Nos	Nos
			%	%
		VIVEK PHUMRA	6,06,000	-
			14.39%	-
		AMBUJA TECHNOLOGIES PRIVATE LIMITED	5,27,000	5,27,000
			12.51%	16.70%
		GRETEX CORPORATE SERVICES PVT LTD	-	4,76,000
			-	15.08%
		AMBITION TIE -UP PRIVATE LIMITED	3,48,000	5,72,000
			8.26%	18.13%
		BONANZA AGENCY PRIVATE LIMITED	3,24,700	6,74,700
			7.71%	21.38%
		TALENT INVESTMENT COMPANY PRIVATE LIMITED	5,49,100	8,99,100
			13.04%	28.49%
		ARVIND HARLALKA HUF	2,76,000	-
			6.55%	-
		NAVIN KUMAR GUPTA	2,70,000	-
			6.41%	-
		As per records of the Company, including its registers of Shareholders / Members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.		
	F.	<b>SHARES ISSUED OTHER THAN CASH</b>		
		Nil		
	G.	<b>SHARES ISSUED IN CASH</b>		
		Public Issue		
		The company has made Public Issue of 1056000 equity shares of Rs. 20/- each at a premium of Rs. 10/- each during the financial year.		
2		<b>RESERVE &amp; SURPLUS:</b>		
	A.	<b>SECURITIES PREMIUM ACCOUNT</b>		
		AT THE BEGINNING OF THE ACCOUNTING PERIOD	10,00,000	1,94,00,400
		UTILISED DURING THE YEAR - BONUS ISSUE	-	(1,94,00,400)
		ADDITIONS DURING THE YEAR - PUBLIC ISSUE (PY PREFERENTIAL ISSUE)	1,05,60,000	10,00,000
		IPO EXPENSES (REFER NOTE # S)	(15,06,633)	-
		AT THE END OF THE ACCOUNTING PERIOD	<u>1,00,53,367</u>	<u>10,00,000</u>
	B.	<b>SURPLUS</b>		
		AT THE BEGINNING OF THE ACCOUNTING PERIOD	20,08,818	11,00,945
		ADJUSTMENT OF DEPRECIATION	-	-
		UTILISED DURING THE YEAR(BONUS ISSUE)	-	(15,21,600)
		ADDITIONS DURING THE YEAR	(1,47,02,773)	24,29,473
		(BALANCE IN STATEMENT OF PROFIT & LOSS A/C)		
		AT THE END OF THE ACCOUNTING PERIOD	<u>(1,26,93,955)</u>	<u>20,08,818</u>
		<b>GRAND TOTAL</b>	<u>(26,40,588)</u>	<u>30,08,818</u>



**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
CIN: U17296WB2009PLC136911

**NOTES TO AND FORMING PART OF STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2017**

(AMOUNT IN RUPEES)				
NOTE NO.	S.N	PARTICULARS	FIGURES AS AT THE END OF 31ST MARCH, 2017	FIGURES AS AT THE END OF 31ST MARCH, 2016
3		<b><u>LONG TERM BORROWINGS</u></b>		
	A.	<b><u>SECURED TERM LOANS</u></b>		
		SECURED LOAN FROM UNITED BANK OF INDIA	71,98,224	1,37,50,006
		(SECURED AGAINST HYPOTHECATION & FIRST CHARGE ON THE FIXED ASSETS AT FACTORY PREMISES - JALAN COMPLEX)		
		SECURED LOAN FROM RELIANCE CAPITAL LIMITED	-	1,03,179
		(SECURED AGAINST HYPOTHECATION OF GENERATOR AT FACTORY PREMISES - JALAN COMPLEX)		
		BMW INDIA FINANCIAL SERVICES PVT LTD	18,66,644	21,30,229
		(SECURED AGAINST HYPOTHECATION OF BMW CAR - JALAN COMPLEX)		
		TOTAL	<u>90,64,868</u>	<u>1,59,83,414</u>
4		<b><u>DEFERRED TAX LIABILITIES (NET)</u></b>		
		DEFERRED TAX LIABILITIES	-	23,96,299
			<u>-</u>	<u>23,96,299</u>
5		<b><u>CURRENT LIABILITIES</u></b>		
	A	<b><u>SECURED LOAN</u></b>		
		UNITED BANK OF INDIA - OVERDRAFT A/C, SALT LAKE BRANCH	24,92,034	25,94,483
		TAMILNAD MERCHANTILE BANK - OVERDRAFT A/C, KOLKATA BRANCH	25,491	36,758
	B	<b><u>UNSECURED LOANS</u></b>		
		OTHERS	-	85,11,729
			<u>25,17,526</u>	<u>1,11,42,971</u>
6		<b><u>TRADE PAYABLES</u></b>		
		TRADE PAYABLE	43,93,721	28,15,855
			<u>43,93,721</u>	<u>28,15,855</u>
7		<b><u>OTHER CURRENT LIABILITIES</u></b>		
		AUDIT FEE PAYABLE	15,000	15,000
		TDS PAYABLE	39,733	85,190
		PROFESSIONAL TAX PAYABLE	570	690
		SWACH BHARAT PAYABLE	2,250	-
		SALARY & WAGES PAYABLE	17,655	56,915
		LIABILITIES FOR EXPENSES	-	4,63,767
			<u>75,208</u>	<u>6,21,562</u>
8		<b><u>SHORT-TERM PROVISIONS</u></b>		
		PROVISIONS FOR TAXATION	-	7,26,582
			<u>-</u>	<u>7,26,582</u>
10		<b><u>LONG TERM LOANS AND ADVANCES:</u></b>		
		(UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)		
	A.	<b><u>SECURITY DEPOSITS</u></b>		
		DEPOSIT WITH WBSEDCL	4,22,000	4,22,000
		VAT SECURITY DEPOSIT	25,000	25,000
		DEPOSIT WITH ANUP/ANIRUDDH FATEHPURIA FOR FACTORY PREMISES	2,11,200	6,43,500
		1% SECURITY DEPOSIT FOR IPO	4,04,490	-
		INTEREST FREE SECURITY DEPOSIT - NSE	25,000	-
			<u>10,87,690</u>	<u>10,90,500</u>

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
**CIN: U17296WB2009PLC136911**  
**NOTES TO AND FORMING PART OF STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2017**

(AMOUNT IN RUPEES)

NOTE NO.	S.N	PARTICULARS	FIGURES AS AT THE END OF 31ST MARCH, 2017	FIGURES AS AT THE END OF 31ST MARCH, 2016												
11		<b>OTHER NON-CURRENT ASSETS</b>														
	A.	<b>PRE OPERATING EXPENDITURE</b> (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)														
		INCOME FROM OPERATION	-	-												
		OTHER INCOME	-	-												
		COST OF OPERATION	-	-												
		EMPLOYEES BENEFIT EXPENSE	-	-												
		FINANCIAL COST	-	-												
		OTHER EXPESNES	-	-												
		TOTAL	<u>26,08,431</u>	<u>39,12,646</u>												
		LESS: WRITTEN OFF DURING THE YEAR	<u>26,08,431</u>	<u>13,04,215</u>												
			-	26,08,431												
	B.	<b>PRELIMINARY EXPENSES</b>														
		OPENING BALANCE/ADDITION	-	-												
		ADDITION DURING THE YEAR (IPO EXPENSES)	-	-												
		LESS: WRITTEN OFF DURING THE YEAR	-	-												
		TOTAL	<u>-</u>	<u>-</u>												
			-	26,08,431												
12		<b>DEFERRED TAX ASSETS (NET)</b>														
		DEFERRED TAX ASSETS	<u>23,53,629</u>	-												
			<u>23,53,629</u>	-												
13		<b>CURRENT ASSETS</b>														
	A.	<b>CURRENT INVESTMENTS</b>														
		<u>Valued at cost</u>														
		<u>UNQUOTED</u>														
		SHERWOOD SECURITIES PRIVATE LIMITED														
		<b>TOTAL</b>														
			<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">No. of Shares</th> <th style="width: 25%;">Amount in Rs.</th> <th style="width: 25%;">No. of Shares</th> <th style="width: 25%;">Amount in Rs.</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2,30,000</td> <td style="text-align: right;">69,00,000</td> <td style="text-align: center;">2,30,000</td> <td style="text-align: right;">69,00,000</td> </tr> <tr> <td style="text-align: center;"><u>2,30,000</u></td> <td style="text-align: right;"><u>69,00,000</u></td> <td style="text-align: center;"><u>2,30,000</u></td> <td style="text-align: right;"><u>69,00,000</u></td> </tr> </tbody> </table>	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.	2,30,000	69,00,000	2,30,000	69,00,000	<u>2,30,000</u>	<u>69,00,000</u>	<u>2,30,000</u>	<u>69,00,000</u>	
No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.													
2,30,000	69,00,000	2,30,000	69,00,000													
<u>2,30,000</u>	<u>69,00,000</u>	<u>2,30,000</u>	<u>69,00,000</u>													
14		<b>INVENTORIES:</b> (AS TAKEN, VALUED & CERTIFIED BY THE MANAGEMENT)														
		FINISHED GOODS	1,68,59,650	32,97,411												
		SPARE PARTS	<u>5,00,000</u>	<u>5,00,000</u>												
			<u>1,73,59,650</u>	<u>37,97,411</u>												
15		<b>TRADE RECEIVABLES:</b> (UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)														
	A.	DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY ARE DUE	-	-												
	B.	DEBTS OUTSTANDING FOR A PERIOD LESS THAN SIX MONTHS FROM THE DATE THEY ARE DUE	<u>1,16,06,476</u>	<u>1,28,10,749</u>												
			<u>1,16,06,476</u>	<u>1,28,10,749</u>												
16		<b>CASH &amp; CASH EQUIVALENTS :</b>														
	A.	<b>BALANCE WITH BANKS</b>														
		<u>IN FIXED DEPOSITS</u>														
		FIXED DEPOSIT WITH BANK	17,28,618	18,57,056												
		<u>IN CURRENT ACCOUNTS:</u>														
		UNITED BANK OF INDIA - CURRENT ACCOUNT, SALLAKE BRANCH	36,854	34,910												
		UNITED BANK OF INDIA - SHARE APPLICATION ACCOUNT, SALLAKE BRANCH	1,042	1,107												
		HDFC BANK - CURRENT ACCOUNT, MUMBAI FORT BRANCH	14,164	-												
	B.	<b>CASH IN HAND</b>	3,86,410	6,74,333												
			<u>21,67,088</u>	<u>25,67,406</u>												
17		<b>SHORT TERM LOANS &amp; ADVANCES:</b> (UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)														
	A.	<b>ADVANCES RECOVERABLE IN CASH OR IN KIND FOR THE VALUE TO BE RECEIVED</b>	1,07,496	93,500												
	B.	<b>RECIEVABLE FROM REVENUE AUTHORITIES</b>														
		VAT INPUT	24,582	1,00,987												
		TAX DEDUCTED AT SOURCES	60,022	40,776												
		SERVICE TAX INPUT	<u>5,11,465</u>	<u>2,00,850</u>												
			<u>7,03,565</u>	<u>4,36,113</u>												

**PART II - STATEMENT OF PROFIT AND LOSS**  
**GRETEX INDUSTRIES LIMITED**  
(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)  
(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)  
CIN: U17296WB2009PLC136911  
**STANDALONE PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

(AMOUNT IN RUPEES)

S. N	PARTICULARS	NOTE NO.	FIGURES AS AT THE END OF 31ST MARCH, 2017		FIGURES AS AT THE END OF 31ST MARCH, 2016	
	<b>REVENUE FROM OPERATIONS</b>					
I	REVENUE FROM OPERATIONS	18		2,38,19,562		3,71,92,698
II	OTHER INCOME	19		7,29,288		3,78,952
	<b>TOTAL REVENUE(I+II)</b>			<b>2,45,48,850</b>		<b>3,75,71,650</b>
III	<b>EXPENSES:</b>					
a	COST OF OPERATIONS:	20		3,30,24,526		2,07,41,900
	CHANGES IN INVENTORIES OF FINISHED GOODS WORK- INPROGRESS AND STOCK-IN-TRADE			(1,35,62,239)		30,23,639
b	EMPLOYEE BENEFITS EXPENSES	21		16,39,840		20,87,347
c	FINANCE COSTS	22		15,09,416		20,46,270
d	DEPRECIATION AND AMORTIZATION EXPENSE	23		50,23,896		44,58,562
e	OTHER EXPENSES	24		12,48,769		14,00,849
	<b>TOTAL EXPENSES</b>			<b>2,88,84,209</b>		<b>3,37,58,567</b>
IV	<b>PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)</b>			(43,35,359)		38,13,083
V	EXCEPTIONAL ITEMS					
VI	<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)</b>			(43,35,359)		38,13,083
VII	EXTRAORDINARY ITEMS					
	LOSS ON SALE OF PLANT & MACHINERIES			1,51,17,342		
VIII	<b>PROFIT BEFORE TAX (VII-VIII)</b>			(1,94,52,701)		38,13,083
IX	<b>TAX EXPENSE</b>					
	CURRENT TAX			-		7,26,582
	DEFERRED TAX			(47,49,928)		6,57,028
X	<b>PROFIT(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII-VIII)</b>			(1,47,02,773)		24,29,473
XI	PROFIT(LOSS) FROM DISCONTINUING OPERATIONS					
XII	TAX EXPENSE OF DISCONTINUING OPERATIONS					
XIII	PROFIT(LOSS) FROM DISCONTINUING OPERATIONS (AFTER TAX) (XII-XIII)					
XIV	INCOME TAX FOR EARLIER YEARS					
XV	<b>PROFIT (LOSS) FOR THE PERIOD (XI+XIV)</b>			(1,47,02,773)		24,29,473
XVI	EARNING PER EQUITY SHARE					
a	BASIC	25		(4.02)		0.95
b	DILUTED			(4.02)		0.95

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

26

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SIGNED IN TERMS OF OUR SEPARATE  
REPORT OF EVEN DATE.  
For GUPTA AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN 329001E

Sd/-  
ARVIND HARLALKA  
MANAGING DIRECTOR  
DIN: 00494136

Sd/-  
SUMIT HARLALKA  
DIRECTOR  
DIN: 00474175

Sd/-  
SWETA HARLALKA  
COMPANY SECRETARY

Sd/-  
KRITIKA RUPDA  
CFO

Sd/-  
(J.S.Gupta)  
Partner  
Membership No.059535

PLACE: KOLKATA  
DATED: 29/05/2017

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**

CIN: U17296WB2009PLC136911

NOTES TO AND FORMING PART OF STANDALONE PROFIT & LOSS STATEMENT YEAR ENDED 31ST MARCH, 2017

(AMOUNT IN RUPEES)

NOTE NO.	S.N	PARTICULARS	FIGURES AS AT THE END OF 31ST MARCH, 2017	FIGURES AS AT THE END OF 31ST MARCH, 2016
18		<b>REVENUE FROM OPERATIONS</b>		
	A.	<u>KNITTING CHARGES</u>	44,84,052	21,75,105
	B	<u>SALES</u>	1,93,35,511	3,50,17,593
		LESS : TRANSFERRED TO PRE-OPERATIVE EXPENSES	-	-
		NET REVENUE FROM OPERATIONS	<u>2,38,19,562</u>	<u>3,71,92,698</u>
19		<b>OTHER INCOME:</b>		
		INTEREST ON TDS	-	3,057
		INTEREST ON FIXED DEPOSIT	1,79,441	1,28,839
		SALE OF SCRAP	48,858	2,47,056
		RENT RECEIVED	4,90,000	-
		WASTAGE	10,989	-
			<u>7,29,288</u>	<u>3,78,952</u>
		LESS : TRANSFERRED TO PRE-OPERATIVE EXPENSES	-	-
			<u>7,29,288</u>	<u>3,78,952</u>
20		<b>COST OF OPERATIONS:</b>		
		PURCHASES	2,87,89,589	1,56,92,352
		POWER & FUEL	11,66,707	12,77,157
		REPAIRS & MAINTENANCE	10,73,513	9,69,986
		CONSUMABLE STORES	8,88,338	12,46,743
		FACTORY RENT	7,47,850	9,65,250
		TOOLS & EQUIPMENTS	32,798	14,141
		DYEING CHARGES	1,01,883	2,19,040
		KNITTING CHARGES	34,687	1,62,911
		FRIEIGHT CHARGES	1,69,150	1,47,127
		HEATING & RAISING CHARGES	8,106	47,193
		BLEACHING CHARGES	6,396	-
		LOADING & UNLOADING CHARGES	5,510	-
		TOTAL	<u>3,30,24,526</u>	<u>2,07,41,900</u>
		LESS : TRANSFERRED TO PRE-OPERATIVE EXPENSES	-	-
			<u>3,30,24,526</u>	<u>2,07,41,900</u>
21		<b>EMPLOYEE BENEFITS EXPENSE</b>		
		SALARIES & BONUS	12,56,513	14,42,321
		STAFF WELFARE EXPENSES	23,327	34,458
		SALARY TO MANAGING DIRECTOR	3,60,000	3,60,000
		LABOUR CHARGES	-	2,50,568
		TOTAL	<u>16,39,840</u>	<u>20,87,347</u>
		LESS : TRANSFERRED TO PRE-OPERATIVE EXPENSES	-	-
			<u>16,39,840</u>	<u>20,87,347</u>
22		<b>FINANCIAL COSTS:</b>		
		<u>INTEREST EXPENSE</u>		
		BANK CHARGES	88,185	67,878
		INTEREST PAID		
		- INTEREST ON UNSECURED LOAN	3,95,242	2,56,093
		- INTEREST ON UBI TERM LOAN	13,99,502.00	-
		- LESS : REVENUE SUBSIDY RECEIVED FOR Q2, Q3, Q4 - F.Y. 2015 - 2016 & Q1, Q2 - F.Y. 2016 - 2017 @ 5% IR UNDER TECHNOLOGY UPGRADATION FUND SCHEME FOR TEXTILE & JUTE INDUSTRIES(RR TUFS SCHEME)	<u>(9,07,938.00)</u>	11,17,498
		- INTEREST ON BANK OD	3,24,382	3,34,047
		- INTEREST ON CAR LOAN	2,07,577	2,38,462
		- INTEREST ON GENERATOR LOAN	2,466	32,291
		TOTAL	<u>15,09,416</u>	<u>20,46,270</u>
		LESS : TRANSFERRED TO PRE-OPERATIVE EXPENSES	-	-
			<u>15,09,416</u>	<u>20,46,270</u>
23		<b>DEPRECIATION AND AMORTZATION EXPENSE:</b>		
		DEPRECIATION	24,15,465	31,54,347
		PRE- OPERATING EXPENSES WRITTEN OFF	26,08,431	13,04,215
		PRELIMINARY EXPENSES WRITTEN OFF	-	-
			<u>50,23,896</u>	<u>44,58,562</u>

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**

CIN: U17296WB2009PLC136911

**NOTES TO AND FORMING PART OF STANDALONE PROFIT & LOSS STATEMENT YEAR ENDED 31ST MARCH, 2017**

(AMOUNT IN RUPEES)

NOTE NO.	S.N	PARTICULARS	FIGURES AS AT THE END OF 31ST MARCH, 2017	FIGURES AS AT THE END OF 31ST MARCH, 2016
24		<b>OTHER EXPENSES:</b>		
		ADVERTISEMENT	3,000	31,063
		DISCOUNT ALLOWED	28,721	88,960
		DONATION	7,679	5,151
		PAYMENT TO AUDITOR	15,000	15,000
		INSURANCE EXPENSES	1,23,013	95,125
		FILING FEES	21,400	3,76,600
		GENERAL EXPENSES	23,044	1,51,853
		PROFESSIONAL CHARGES	1,06,517	50,616
		PRINTING & STATIONARY	17,964	16,477
		COMMISSION PAID	1,54,984	473
		COMPUTER EXPENSES	20,000	3,400
		INTEREST & PENALTY ON STATUTORY DUES	91,172	4,530
		LEGAL & LICENCE EXPENSES	8,828	1,01,554
		TELEPHONE EXPENSES	44,484	1,00,593
		TRAVELLING & CONVEYANCE	2,72,538	72,840
		PACKING & FORWARDING	7,544	31,596
		CAR EXPENSES	-	2,36,049
		TAXES PAID	17,988	2,720
		RTA FEES	46,500	16,250
		BAD DEBTS	57,819	-
		BROKERAGE PAID	44,744	-
		COURIER EXP.	2,303	-
		CAR RENT	90,000	-
		OFFICE EXPENSES	26,373	-
		SERVICE CHARGES	16,910	-
		MISCELLANEOUS EXPENSES	100	-
		ROUND OFF	146	-
		TOTAL	12,48,769	14,00,849
		LESS : TRANSFERRED TO PRE-OPERATIVE EXPENSES	-	-
			12,48,769	14,00,849

**25 EARNINGS PER SHARE (EPS)**

The calculation of Earning Per Share (EPS) has been made in accordance with Accounting Standard - 20. A statement on calculation of Basic and Diluted EPS is as under :

Net Profit After Taxation (in `)	(1,47,02,773)	24,29,473
No. of Equity Shares	42,11,600	31,55,600
Weighted average number of Equity Shares	36,56,115	25,56,900
Add: Dilutive Potential Equity Shares	-	-
No. of Equity Shares for Dilutive EPS	36,56,115	25,56,900
Nominal Value of Shares (in `)	10.00	10.00
Basic Earnings Per Share (in `)	(4.02)	0.95
Diluted Earnings Per Share (in `)	(4.02)	0.95

**PART III - STATEMENT OF CASH FLOW**  
**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

(AMOUNT IN RUPEES)

PARTICULARS		FIGURES AS AT THE END OF 31ST MARCH, 2017	FIGURES AS AT THE END OF 31ST MARCH, 2016
<b>A</b>	<b>Cash Flow from Operating Activities :</b>		
	Net Profit/(Loss) before tax	(1,94,52,701)	38,13,083
	<b>Adjustments for:</b>		
	Finance Cost	15,09,416	20,46,270
	Depreciation	24,15,465	31,54,347
	Loss on Sale of Plant & Machineries	1,51,17,342	-
	Interest Income	(1,79,441)	(1,28,839)
	<b>Operating Profit before working capital changes</b>	<b>(5,89,918)</b>	<b>88,84,860</b>
	Increase / (Decrease) in Loans & Advances	(86,25,445)	(96,05,254)
	Increase / (Decrease) in Trade Payables	15,77,866	(27,10,887)
	Increase / (Decrease) in Other Current Liabilities	(5,46,354)	5,21,613
	Increase / (Decrease) in Short Term Provisions	(7,26,582)	(69,997)
	(Increase) / Decrease in Inventories	(1,35,62,239)	30,23,639
	(Increase) / Decrease in Trade Receivable	12,04,273	3,95,922
	(Increase) / Decrease in Short Term Loans & Advances	(2,67,453)	8,711
	<b>Operating Profit after working capital changes</b>	<b>(2,15,35,853)</b>	<b>4,48,607</b>
	Less: Income Tax Paid	-	-
	<b>Net Cash from/ (used in) Operating Activities</b>	<b>(2,15,35,853)</b>	<b>4,48,607</b>
	(A)		
<b>B</b>	<b>Cash Flow from Investing Activities :</b>		
	(Purchase)/ Sale of Fixed Assets	71,59,448	(3,31,802)
	(Purchase)/ Sale of Current Investments	-	(46,95,000)
	(Increase) / Decrease in Long Term Loans & Advances	2,810	-
	(Increase) / Decrease in Other Non-current assets	26,08,431	13,04,215
	Interest Income	1,79,441	1,28,839
	<b>Net Cash from/ (used in) Investing Activities</b>	<b>99,50,129</b>	<b>(35,93,748)</b>
	(B)		
<b>C</b>	<b>Cash Flow from Financing Activities :</b>		
	Increase / (Decrease) in Long Term Borrowings	(69,18,545)	(51,76,855)
	Proceeds from Issue of shares	1,96,13,367	1,10,00,000
	Finance Cost paid	(15,09,416)	(20,46,270)
	<b>Net Cash from/ (used in) Financing Activities</b>	<b>1,11,85,406</b>	<b>37,76,876</b>
	(C)		
	<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(4,00,318)</b>	<b>6,31,735</b>
	(A+B+C)		
	<b>Cash &amp; Cash Equivalents as at the beginning of the year</b>	<b>25,67,406</b>	<b>19,35,671</b>
	<b>Cash &amp; Cash Equivalents as at the end of the year</b>	<b>21,67,088</b>	<b>25,67,406</b>

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SIGNED IN TERMS OF OUR SEPARATE  
REPORT OF EVEN DATE.  
For GUPTA AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN 329001E

Sd/-  
ARVIND HARLALKA  
MANAGING DIRECTOR  
DIN: 00494136

Sd/-  
SUMIT HARLALKA  
DIRECTOR  
DIN: 00474175

Sd/-  
(J.S.Gupta)  
Partner  
Membership No.059535

Sd/-  
SWETA HARLALKA  
COMPANY SECRETARY

Sd/-  
KRITIKA RUPDA  
CFO

PLACE: KOLKATA  
DATED: 29/05/2017

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
CIN: U17296WB2009PLC136911

NOTE NO. 9

**FIXED ASSETS AND DEPRECIATION FOR THE YEAR ENDED 31ST MARCH, 2017**

(As per Companies Act, 2013)

**FIXED ASSETS:-**

PARTICULARS	Life	GROSS BLOCK (AT COST)				DEPRECIATION				SALE/ADJ.	NET BLOCK	
		AS AT 31.03.2016 (Rs.)	ADDITION DURING YEAR (Rs.)	DEDUCTION DURING YEAR (Rs.)	TOTAL COST 31.03.2017 (Rs.)	UPTO 31.03.2016 (Rs.)	FOR THE YEAR (Rs.)	ADJUSTMENT DURING YEAR (Rs.)	TOTAL 31.03.2017 (Rs.)		AS AT 31.03.2017 (Rs.)	AS AT 31.03.2016 (Rs.)
Furniture & Fixtures	10	11,55,419	57,055		12,12,474	2,28,257	1,20,827	-	3,49,084	-	8,63,390	9,27,162
Plant & Machineries	15	4,02,45,586	34,000	2,71,90,726	1,30,88,860	53,99,179	19,26,664	(48,22,881)	25,02,962	-	1,05,85,898	3,48,46,407
Car	8	29,45,805	-		29,45,805	6,78,483	3,67,974	-	10,46,457	-	18,99,348	22,67,322
<b>Total</b>		<b>4,43,46,810</b>	<b>91,055</b>	<b>2,71,90,726</b>	<b>1,72,47,139</b>	<b>63,05,919</b>	<b>24,15,465</b>	<b>(48,22,881)</b>	<b>38,98,503</b>	<b>-</b>	<b>1,33,48,636</b>	<b>3,80,40,891</b>
Previous Year Figures		4,43,96,222	3,31,802	-	4,47,28,024	35,32,786	31,54,347	-	63,05,919	-	3,80,40,891	4,08,63,436



**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**

**CIN: U17296WB2009PLC136911**

**ANNEXURE-1**

**PARTICULARS OF DEPRECIATION ALLOWABLE UNDER THE INCOME TAX ACT, 1961**

**Asst. Year : 2017-18**

**Annexure - A**

*(Amount In Rs)*

Particulars	Rate	W.D.V. As on 01.04.2016	Addition /Put to use Before 30.09.2016	Addition /Put to use After 30.09.2016	Total	Depreciation	W.D.V. As on 31.03.2017
Server for Dialer	60%	434	-	-	434	260	174
Computer	60%	6,003	-	-	6,003	3,602	2,401
Pri Card	60%	394	-	-	394	236	158
Furniture & Fixtures	10%	9,00,436	57,055	-	9,57,491	95,749	8,61,742
Plant & Machinaries	15%	2,21,28,109	-	34,000	2,21,62,109	33,21,766	1,88,40,343
		<b>2,30,35,376</b>	<b>57,055</b>	<b>34,000</b>	<b>2,31,26,431</b>	<b>34,21,613</b>	<b>1,97,04,818</b>

<b>Particulars</b>	<u>31.03.16</u>	Rate	Deferred Tax	<u>31.03.17</u>	Rate	Deferred Tax	Difference of Deferred Tax for the year
as per ROC	3,80,40,891			1,33,48,636			
as per Income Tax	<u>3,02,85,879</u>			<u>1,97,04,818</u>			
Difference	<u>77,55,012</u>	30.90%	23,96,299	<u>(63,56,182)</u>	30.90%	(19,64,060)	(43,60,359)

Deferred Tax on Adjustment of Pre operative expenses:

Written off as per Companies Act	26,08,430.86	
Written off as per Income Tax Act	13,04,215.86	
Differnce	<u>13,04,215.00</u>	
Deferred Tax @ 29.87% Assets/(Liabilities)	3,89,569.02	3,89,569.02

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
**CIN: U17296WB2009PLC136911**

**NOTES TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**26** **CORPORATE INFORMATION**

GRETEX INDUSTRIES LIMITED (the Company) is a unlisted public limited company domiciled in India originally incorporated as private limited company under the provisions of the Companies Act, 1956 named as Heritage Barter Private Limited and consequently the name of the company was changed from M/s Heritage Barter Private Limited to Gretex Industries Private Limited on 7th February, 2013 and again the company was converted from Pvt Ltd Company to closely held Public Limited Co. on 20th November 2013 from M/s Gretex industries Private Limited to Gretex Industries Limited. The equity shares of the company got listed in SME Platform of NSE Ltd. w.e.f 14th October, 2016.

**26.1 A** **BASIS OF PREPARATION**

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) in India, in compliance with the provisions of the Companies Act, 2013 and the Accounting Standards as specified in the Companies (Accounting Standards) (Second Amendment) Rules, 2011, prescribed by the Central Government. Management evaluates all recently used or revised accounting standards on an ongoing basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

**B** **Presentation and disclosure of financial statement**

During the year ended 31st March 2015, Schedule III notified under the Companies Act 2013, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of Schedule III does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

The Schedule III allows line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the company's financial position or performance or to cater to industry/sector-specific disclosure requirements.

**C** **Use of Estimates**

The preparation of the Financial Statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amount of income and expenses during the period. Examples of such estimates includes future obligation with respect to employees benefits, income taxes, useful lives of fixed assets etc. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

**D** **Property, Plant & Equipment**

**(i)** **Tangible Assets**

Property, plant and equipment (PPE), being fixed assets are tangible items held for use or for administrative purposes and are measured at cost less accumulated depreciation and any accumulated impairment. Cost comprises of the purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Management. Financing costs relating to acquisition of assets relating to acquisition of assets which take substantial period of time to get ready for intended use are also included to the extent they relate to the period up to such assets are ready for their intended use. Gains or losses arising from derecognition of property, plant & equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

the residual values, useful lives and methods of depreciation of property, plant & equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(ii)** **Depreciation**

Depreciation on Property, Plant and equipment are provided under straight line method as per the useful lives and manner prescribed under schedule II to the Companies Act, 2013. i) Furniture - 10 years, Plant & Machineries - 15 years and Car - 8 years.

**(iii)** **Intangible Assets**

Intangible Assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

**E** **Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investment. Current investment are carried at lower of cost and fair value determined on an individual item basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

**F** **Revenue Recognition**

Income and expenditure is recognized and accounted for on accrual basis. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods is recognised on transfer of significant risks and rewards of ownership to the customer and when no significant uncertainty exists regarding realisation of the consideration. Sales are recorded net of sales returns, sales tax/VAT, cash and trade discounts.

**G Earning Per Share**

The Company reports Basic and Diluted earnings per equity share in accordance with the Accounting Standard - 20 on Earning Per Share. In determining earning per share, the Company considers the net profit after tax and includes the post tax effect of any extraordinary/exceptional items. The number of shares used in computing basic earning per share is the weighted average number of equity shares outstanding during the period. The numbers of shares used in computing diluted earning per share comprises the weighted average number of equity shares that would have been issued on the conversion of all potential equity shares. Dilutive potential equity shares have been deemed converted as of the beginning of the period, unless issued at a later date.

**H Taxes on Income**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act,

1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred Income taxes reflect the impact of timing differences between taxable income and accounting Income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

**I Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

**J Dues to Micro & Small Enterprises Under the MSMED Act 2006**

There are no dues to Micro, Small and Medium Enterprises (MSMEs) as defined in the Micro, Small, Medium Enterprises Development Act, 2006 within the appointed date during the year and no MSMEs to whom the Company owes dues on account of principal amount together with interest at the balance sheet date and hence no additional disclosures have been made.

**K The Company is a small and medium sized company (SMC) as defined in the general instructions in respect of accounting standards notified under the**

Companies Act, 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to a small and medium sized Company.

**SIGNED IN TERMS OF OUR SEPARAT  
REPORT OF EVEN DATE.  
For GUPTA AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN 329001E**

Sd/-  
ARVIND HARLALKA  
MANAGING DIRECTOR  
DIN: 00494136

Sd/-  
SUMIT HARLALKA  
DIRECTOR  
DIN: 00474175

Sd/-  
SWETA HARLALKA  
COMPANY SECRETARY

Sd/-  
KRITIKA RUPDA  
CFO

Sd/-  
(J.S.Gupta)  
Partner  
Membership No.059535

PLACE: KOLKATA  
DATED: 29/05/2017

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**

CIN: U17296WB2009PLC136911

**NOTES TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**L** **Managerial Remuneration**

A. Detail of payments and provisions on account of remuneration to managerial personnel is as under:

	For the year ended 31st March, 2017	For the period ended 31st March, 2016
Salary - Arvind Harlalka	3,60,000	3,60,000
Total	3,60,000	3,60,000

**M** **RELATED PARTY DISCLOSURES**

(a) **List of Related Parties**

Name of related parties with whom transactions have taken place during the year:

(i)	Key Management Personnel	Arvind Harlalka Alok Harlalka Sumit Harlalka
(ii)	Enterprise where control exists	Gretex Corporate Services Private Limited Sherwood Securities Private Limited
(iii)	Relatives of Key Management Personnel	-

(b) **Transactions with Related Parties**

Particulars	Related Parties			
	Key Mgm. Personnel and Relative of Key Management Personnel		Enterprise where control exists	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	(₹)	(₹)	(₹)	(₹)
<b>CURRENT INVESTMENTS</b>				
Sherwood Securities Private Limited 230000 shares @ 30/-			69,00,000.00	69,00,000.00
<b>Loan Taken</b>				
Alok Harlalka	-	4,50,000.00	-	-
Gretex Corporate Services Private Limited	-	-	-	1,81,85,000.00
<b>Loan Repaid</b>				
Gretex Corporate Services Private Limited	-	-	-	1,81,85,000.00
Alok Harlalka	4,50,000.00	-	-	-
<b>Loan Refund</b>				
Dynamic Trading Co	-	-	-	2,108.00
<b>Car Rent Received</b>				
Gretex Corporate Services Private Limited			4,50,000.00	-
<b>Car Rent Paid</b>				
Sumit Harlalka	90,000.00	-		

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
**CIN: U17296WB2009PLC136911**

**NOTES TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**Salary**

Arvind Harlalka	3,60,000.00	3,60,000.00	-	-
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**Reimbursement of ROC Filing Fees**

Arvind Harlalka	19,200.00	3,76,600.00	-	-
Sumit Harlalka	600.00	-	-	-

**Telephone Expenses Reimbursement**

Arvind Harlalka - 9830025765	23,238.38	26,659.47	-	-
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**BALANCES AT THE YEAR END**

<b>Payable</b>				
Arvind Harlalka	-	4,63,767.39	-	-
Alok Harlalka	-	4,50,000.00	-	-

**(c) List of Holding, Subsidiary and Associate company**

- **Holding Company**      The Company does not have any holding company.
- **Subsidiary Company**    The Company does not have any subsidiary company.
- **Associate Company**     Sherwood Securities Private Limited

**N UTILISATION OF AMOUNT LYING IN SECURITIES PREMIUM ACCOUNT**

The company has adjusted the expenses in relation to public issue of equity shares amounting to Rs. 15,06,633 (Rupees Fifteen lakh six thousand six hundred thirty three only)

**O Disclosure of the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016.**

Particulars	SBNs	Other denominati on notes	Total
Closing cash in hand as on 08.11.2016	37,99,000	2,03,301	40,02,301
(+) Permitted receipts	-	3,02,989	3,02,989
(-) Permitted payments	-	2,72,035	2,72,035
(-) Amount deposited in Banks	37,99,000	-	37,99,000
Closing cash in hand as on 30.12.2016	-	2,34,255	2,34,255

**P There is no adjustment required to be made to the profits or loss for complying with ICDS notified u/s 145(2).**

**Disclosure as Per ICDS mentioned below:**

ICDS	Name of ICDS	Disclosure
1	Accounting Policies	-
2	Valuation of Inventories	-
3	Construction Contract	-
4	Revenue Recognition	-
5	Tangible Fixed Assets	-
6	Effects of Changes in Foreign Exchange Rates	-
7	Government Grants	-
8	Securities	-
9	Borrowing Costs	-
10	Provisions, Contingent Liabilities and Contingent Assets	-

**Q PREVIOUS YEAR FIGURES**

The Company has reclassified, rearranged and regrouped the previous year figures in accordance with the requirements applicable in the current year.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**AUDITOR'S REPORT  
SIGNED IN TERMS OF OUR SEPARATE  
REPORT OF EVEN DATE.  
For GUPTA AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN 329001E**

Sd/-  
**ARVIND HARLALKA**  
**MANAGING DIRECTOR**  
**DIN: 00494136**

Sd/-  
**SUMIT HARLALKA**  
**DIRECTOR**  
**DIN: 00474175**

Sd/-  
**SWETA HARLALKA**  
**COMPANY SECRETARY**

Sd/-  
**KRITIKA RUPDA**  
**CFO**

Sd/-  
**(J.S.Gupta)**  
**Partner**  
**Membership No.059535**

PLACE: KOLKATA  
DATED: 29/05/2017

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**M/s GRETEX INDUSTRIES LIMITED**

### **1. Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **GRETEX INDUSTRIES LIMITED (Formerly Known As GRETEX INDUSTRIES PRIVATE LIMITED & HERITAGE BARTER PRIVATE LIMITED)** ("the Company"), which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss for the year ended March 31, 2017, Cash Flow Statement for the year ended March 31, 2017 and a summary of significant accounting policies and other explanatory information.

### **2. Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **3. Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken in to account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements

### **4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a

true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its loss

- d) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- e) in the case of the Statement of Profit and Loss, of the Loss for the year ended March 31, 2017;
- f) in the case of the Cash Flow Statement, of the cash flow for the year ended March 31, 2017.

## **5. Report on Other Legal and Regulatory Requirements**

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

5.2 As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under the Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013;
- 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 B", and
- 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:
  - (v) The company does not have any pending litigations as at 31<sup>st</sup> March 2017 which would impact its financial position in its consolidated financial statements;
  - (vi) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - (vii) There were no amounts which were required to be transferred to the Investor Education and Protection fund by the company.
  - (viii) The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in specified bank notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and the same in accordance with the books of accounts maintained by the company (Refer note 1.8).

**For Gupta Agarwal & Associates**  
**Chartered Accountants**  
**FRN : 329001E**

**Sd/-**  
**Jay Shanker Gupta**  
**(Partner)**  
**Membership No. : 059535**

**Date: 29.05.2017**  
**Place: Kolkata**



**“Annexure A” to the Independent Auditor’s Report**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of report of even date to the consolidated financial statements of the company for the year ended March 31, 2017; we report that:

**3.1 Clause (i):**

- (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;
- (c) The title deeds of immovable properties are held in the name of the company.

**3.2 Clause (ii):**

The physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed and they have been properly dealt with in the books of account.

**3.3 Clause (iii):**

The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

**3.4 Clause (iv):**

In respect of loans, investments, guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

**3.5 Clause (v):**

According to the information and explanation given to us the company has not accepted deposits from the public during the financial year under audit.

**3.6 Clause (vi):**

In our opinion and according to information and explanation given to us, the company does not manufacturing any goods and as such the provision related to maintenance of cost records by the company under sub section (1) of section 148 of Companies Act, 2013 for any of its products as prescribed by Central Government, are not applicable.

**3.7 Clause (vii):**

- (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities in India.
- (b) According to the information and explanations given to us there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute,

**3.8 Clause (viii):**

According to the records of the company examined by us and as per the information and explanation given to us, the company has not availed of any loans from any financial institution or banks and has not issued debentures.

**3.9 Clause (ix):**

In our opinion and according to information and explanations given to us, the company has raised money by way of offer for sale (9,24,000 equity shares) and initial public offer (10,56,000 equity shares) on NSE Emerge Platform for Rs. 184.80 Lacs and Rs. 211.20 Lacs respectively.

**3.10 Clause (x):**

No fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year

**3.11 Clause (xi):**

Managerial remuneration has been paid or provided during the year in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

**3.12 Clause (xii):**

In our opinion, and according to information and explanations given to us, clause (xii) of para 3 to Companies (Auditor's Report) Order, 2016 w.r.t. Nidhi Company is not applicable to company.

**3.13 Clause (xiii):**

In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Consolidated Financial Statements etc., as required by the applicable accounting standards.

**3.14 Clause (xiv):**

The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

**3.15 Clause (xv)**

The company has not entered into any non-cash transactions with directors or persons connected with him

**3.16 Clause (xvi):**

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Gupta Agarwal & Associates**  
**Chartered Accountants**  
**FRN : 329001E**

Sd/-

**Jay Shanker Gupta**  
**(Partner)**

**Membership No. : 059535**

**Date: 29.05.2017**

**Place: Kolkata**

**“Annexure B” to the Independent Auditor’s Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **GRETEX INDUSTRIES LIMITED** (“the Company”) as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, 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, 2017, 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).

**For Gupta Agarwal & Associates**  
**Chartered Accountants**  
**FRN : 329001E**

**Sd/-**  
**Jay Shanker Gupta**  
**(Partner)**  
**Membership No. : 059535**

**Date: 29.05.2017**  
**Place: Kolkata**

**PART I - BALANCE SHEET**  
**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
**CIN: U17296WB2009PLC136911**  
**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017**

(AMOUNT IN RUPEES)

S. N	PARTICULARS	NOTE NO.	FIGURES AS AT THE END OF 31ST MARCH, 2017		FIGURES AS AT THE END OF 31ST MARCH, 2016	
<b>I</b>	<b><u>EQUITY AND LIABILITIES</u></b>					
1	<b><u>SHAREHOLDERS FUNDS</u></b>					
	(a) SHARE CAPITAL	1		4,21,16,000		3,15,56,000
	(b) RESERVES AND SURPLUS	2		(38,54,826)		30,11,098
	TOTAL(1)			3,82,61,174		3,45,67,098
2	<b><u>NON-CURRENT LIABILITIES</u></b>					
	(a) LONG TERM BORROWINGS	3		90,64,868		1,59,83,414
	(b) DEFERRED TAX LIABILITIES (NET)	4		-		23,96,299
	TOTAL(2)			90,64,868		1,83,79,713
3	<b><u>CURRENT LIABILITIES</u></b>					
	(a) LOANS & ADVANCES	5		25,17,526		1,11,42,971
	(b) TRADE PAYABLES	6		43,93,721		28,15,855
	(c) OTHER CURRENT LIABILITIES	7		73,758		6,21,562
	(d) SHORT TERM PROVISIONS	8		538		7,27,120
	TOTAL(3)			69,85,542		1,53,07,508
	<b>TOTAL(1+2+3)</b>			<b>5,43,11,584</b>		<b>6,82,54,318</b>
<b>II</b>	<b><u>ASSETS</u></b>					
1	<b><u>NON-CURRENT ASSETS</u></b>					
	(a) FIXED ASSETS	9		1,33,48,636		3,80,40,891
	(b) LONG-TERM LOANS AND ADVANCES	10		10,87,690		10,90,500
	(c) OTHER NON-CURRENT ASSETS	11		-		26,08,431
	(d) DEFERRED TAX ASSET			23,53,629		-
	TOTAL(1)			1,67,89,955		4,17,39,822
2	<b><u>CURRENT ASSETS</u></b>					
	(a) CURRENT INVESTMENTS	12		56,86,300		69,02,818
	(b) INVENTORIES	13		1,73,59,650		37,97,411
	(c) TRADE RECEIVABLES	14		1,16,07,276		1,28,10,749
	(d) CASH AND CASH EQUIVALENTS	15		21,67,088		25,67,406
	(e) SHORT-TERM LOANS AND ADVANCES	16		7,01,315		4,36,113
	TOTAL(2)			3,75,21,629		2,65,14,496
	<b>TOTAL(1+2)</b>			<b>5,43,11,584</b>		<b>6,82,54,318</b>

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

25

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SIGNED IN TERMS OF OUR SEPARATE  
REPORT OF EVEN DATE.

For GUPTA AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN 329001E

Sd/-  
ARVIND HARLALKA  
MANAGING DIRECTOR  
DIN: 00494136

Sd/-  
SUMIT HARLALKA  
DIRECTOR  
DIN: 00474175

Sd/-  
SWETA HARLALKA  
COMPANY SECRETARY

Sd/-  
KRITIKA RUPDA  
CFO

Sd/-  
(J.S.Gupta)  
Partner  
Membership No.059535

PLACE: KOLKATA  
DATED: 29/05/2017

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
CIN: U17296WB2009PLC136911

**NOTES TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017**

(AMOUNT IN RUPEES)

NOTE NO.	S.N	PARTICULARS	FIGURES AS AT THE END OF 31ST MARCH, 2017	FIGURES AS AT THE END OF 31ST MARCH, 2016
1		<b>SHARE CAPITAL:</b>		
	A.	<b>AUTHORISED:</b>		
		4500000 (L.Y. 3500000) EQUITY SHARES OF RS.10/- EACH	4,50,00,000	3,50,00,000
	B.	<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
		SHARES AT THE BEGINNING OF THE ACCOUNTING PERIOD		
		3155600 (L.Y. 63400) EQUITY SHARES OF RS.10/- EACH	3,15,56,000	6,34,000
		ADDITIONS DURING THE YEAR	1,05,60,000	3,09,22,000
		SHARES AT THE END OF THE ACCOUNTING PERIOD		
		4211600 (L.Y. 3155600) EQUITY SHARES OF RS.10/- EACH	4,21,16,000	3,15,56,000
C.		<b>Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period</b>		
			<b>31ST MARCH 2017</b>	<b>31ST MARCH 2016</b>
			Nos	Amount
		Shares outstanding at the beginning of the year	31,55,600	3,15,56,000
		Shares issued during the year	10,56,000	1,05,60,000
		Shares outstanding at the end of the year	42,11,600	4,21,16,000
			Nos	Amount
		Shares outstanding at the beginning of the year	63,400	6,34,000
		Shares issued during the year	30,92,200	3,09,22,000
		Shares outstanding at the end of the year	31,55,600	3,15,56,000
D.		<b>TERMS/ RIGHTS ATTACHED TO EQUITY SHARES</b>		
		The Company has only one class of equity share having par value of Rs 10/- per share . Each holder of Equity share is entitled to one vote per share.		
		In the event of liquidation of the company , the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts . The Distribution will be in proportion to the number of equity share held by the shareholders		
E.		<b>Details of shareholders holding more than 5% shares of the Company</b>		
		<b>NAME OF THE SHAREHOLDER</b>	<b>31ST MARCH 2017</b>	<b>31ST MARCH 2016</b>
		<b>( EQUITY SHARES OF RS 10/ EACH FULLY PAID UP )</b>	Nos	%
			Nos	%
		VIVEK PHUMRA	6,06,000	14.39
		AMBUJA TECHNOLOGIES PRIVATE LIMITED	5,27,000	12.51
		GRETEX CORPORATE SERVICES PVT LTD	-	-
		AMBITION TIE -UP PRIVATE LIMITED	3,48,000	8.26
		BONANZA AGENCY PRIVATE LIMITED	3,24,700	7.71
		TALENT INVESTMENT COMPANY PRIVATE LIMITED	5,49,100	13.04
		ARVIND HARLALKA HUF	2,76,000	6.55
		NAVIN KUMAR GUPTA	2,70,000	6.41
			-	-
			-	-
		As per records of the Company, including its registers of Shareholders / Members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.		
F.		<b>SHARES ISSUED OTHER THAN CASH</b>		
		Nil		
G.		<b>SHARES ISSUED IN CASH</b>		
		Public Issue		
		The company has made Public Issue of 1056000 equity shares of Rs. 20/- each at a premium of Rs. 10/- each during the financial year.		
2		<b>RESERVE &amp; SURPLUS:</b>		
	A.	<b>SECURITIES PREMIUM ACCOUNT</b>		
		AT THE BEGINNING OF THE ACCOUNTING PERIOD	10,00,000	1,94,00,400
		UTILISED DURING THE YEAR - BONUS ISSUE	-	(1,94,00,400)
		ADDITIONS DURING THE YEAR - PUBLIC ISSUE (PY PREFERENTIAL ISSUE)	1,05,60,000	10,00,000
		IPO EXPENSES (REFER NOTE # S)	(15,06,633)	-
		AT THE END OF THE ACCOUNTING PERIOD	1,00,53,367	10,00,000
	B.	<b>SURPLUS</b>		
		AT THE BEGINNING OF THE ACCOUNTING PERIOD	20,11,098	11,00,945
		ADJUSTMENT OF DEPRECIATION	-	-
		UTILISED DURING THE YEAR(BONUS ISSUE)	-	(15,21,600)
		ADDITIONS DURING THE YEAR	(1,59,19,291)	24,31,753
		(BALANCE IN STATEMENT OF PROFIT & LOSS A/C)		
		AT THE END OF THE ACCOUNTING PERIOD	(1,39,08,193)	20,11,098
		<b>GRAND TOTAL</b>	(38,54,826)	30,11,098

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
CIN: U17296WB2009PLC136911

**NOTES TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017**

(AMOUNT IN RUPEES)

NOTE NO.	S.N	PARTICULARS	FIGURES AS AT THE END OF 31ST MARCH, 2017	FIGURES AS AT THE END OF 31ST MARCH, 2016
3		<b><u>LONG TERM BORROWINGS</u></b>		
	<b>A.</b>	<b><u>SECURED TERM LOANS</u></b>		
		SECURED LOAN FROM UNITED BANK OF INDIA	71,98,224	1,37,50,006
		(SECURED AGAINST HYPOTHECATION & FIRST CHARGE ON THE FIXED ASSETS AT FACTORY PREMISES - JALAN COMPLEX)		
		SECURED LOAN FROM RELIANCE CAPITAL LIMITED	-	1,03,179
		(SECURED AGAINST HYPOTHECATION OF GENERATOR AT FACTORY PREMISES - JALAN COMPLEX)		
		BMW INDIA FINANCIAL SERVICES PVT LTD	18,66,644	21,30,229
		(SECURED AGAINST HYPOTHECATION OF BMW CAR - JALAN COMPLEX)		
		TOTAL	<u>90,64,868</u>	<u>1,59,83,414</u>
4		<b><u>DEFERRED TAX LIABILITIES (NET)</u></b>		
		DEFERRED TAX LIABILITIES	-	23,96,299
			<u>-</u>	<u>23,96,299</u>
5		<b><u>CURRENT LIABILITIES</u></b>		
	<b>A</b>	<b><u>SECURED LOAN</u></b>		
		UNITED BANK OF INDIA - OVERDRAFT A/C, SALT LAKE BRANCH	24,92,034	25,94,483
		TAMILNAD MERCHANTILE BANK - OVERDRAFT A/C, KOLKATA BRANCH	25,491	36,758
	<b>B</b>	<b><u>UNSECURED LOANS</u></b>		
		OTHERS	-	85,11,729
			<u>25,17,526</u>	<u>1,11,42,971</u>
6		<b><u>TRADE PAYABLES</u></b>		
		TRADE PAYABLE	43,93,721	28,15,855
			<u>43,93,721</u>	<u>28,15,855</u>
7		<b><u>OTHER CURRENT LIABILITIES</u></b>		
		AUDIT FEE PAYABLE	15,000	15,000
		TDS PAYABLE	39,733	85,190
		PROFESSIONAL TAX PAYABLE	570	690
		SALARY & WAGES PAYABLE	18,455	56,915
		LIABILITIES FOR EXPENSES	-	4,63,767
			<u>73,758</u>	<u>6,21,562</u>
8		<b><u>SHORT-TERM PROVISIONS</u></b>		
		PROVISIONS FOR TAXATION	538	7,27,120
			<u>538</u>	<u>7,27,120</u>
10		<b><u>LONG TERM LOANS AND ADVANCES:</u></b>		
		(UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)		
	<b>A.</b>	<b><u>SECURITY DEPOSITS</u></b>		
		DEPOSIT WITH WBSEDCL	4,22,000	4,22,000
		VAT SECURITY DEPOSIT	25,000	25,000
		DEPOSIT WITH ANUP/ANIRUDDH FATEHPURIA FOR FACTORY PREMISES	2,11,200	6,43,500
		1% SECURITY DEPOSIT FOR IPO	4,04,490	-
		INTEREST FREE SECURITY DEPOSIT - NSE	25,000	-
			<u>10,87,690</u>	<u>10,90,500</u>

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
CIN: U17296WB2009PLC136911  
**NOTES TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017**

(AMOUNT IN RUPEES)

NOTE NO.	S.N	PARTICULARS	FIGURES AS AT THE END OF 31ST MARCH, 2017	FIGURES AS AT THE END OF 31ST MARCH, 2016
11		<b>OTHER NON-CURRENT ASSETS</b>		
	A.	<b>PRE OPERATING EXPENDITURE</b> (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)		
		INCOME FROM OPERATION	-	-
		OTHER INCOME	-	-
		COST OF OPERATION	-	-
		EMPLOYEES BENEFIT EXPENSE	-	-
		FINANCIAL COST	-	-
		OTHER EXPENSES	-	-
		TOTAL	26,08,431	39,12,646
		LESS: WRITTEN OFF DURING THE YEAR	26,08,431	13,04,215
		A	-	26,08,431
	B.	<b>PRELIMINARY EXPENSES</b>		
		OPENING BALANCE/ADDITION	-	-
		LESS: WRITTEN OFF DURING THE YEAR	-	-
		B	-	-
		TOTAL	-	26,08,431
		A+B+C	-	26,08,431
		<b>CURRENT ASSETS</b>		
12	A.	<b>CURRENT INVESTMENTS</b>		
		<u>Valued at cost</u>		
		<b>UNQUOTED</b>		
		SHERWOOD SECURITIES PRIVATE LIMITED	2,30,000	2,30,000
		SHARE OF INCOME FROM SHERWOOD SECURITIES PVT. LTD. [Goodwill - CY Rs. 11,79,263.93 (PY Capital Reserve - Rs. 37,254.28)]	(12,16,518)	2,818
		<b>TOTAL</b>	2,30,000	69,00,000
			56,86,300	69,02,818
13		<b>INVENTORIES:</b> (AS TAKEN, VALUED & CERTIFIED BY THE MANAGEMENT)		
		FINISHED GOODS	1,68,59,650	32,97,411
		SPARE PARTS	5,00,000	5,00,000
			1,73,59,650	37,97,411
14		<b>TRADE RECEIVABLES:</b> (UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)		
	A.	DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY ARE DUE	-	-
	B.	DEBTS OUTSTANDING FOR A PERIOD LESS THAN SIX MONTHS FROM THE DATE THEY ARE DUE	1,16,07,276	1,28,10,749
			1,16,07,276	1,28,10,749
15		<b>CASH &amp; CASH EQUIVALENTS :</b>		
	A.	<b>BALANCE WITH BANKS</b>		
		<u>IN FIXED DEPOSITS</u>		
		FIXED DEPOSIT WITH BANK	17,28,618	18,57,056
		<u>IN CURRENT ACCOUNTS:</u>		
		UNITED BANK OF INDIA - CURRENT ACCOUNT, SALLAKE BRANCH	36,854	34,910
		UNITED BANK OF INDIA - SHARE APPLICATION ACCOUNT, SALLAKE BRANCH	1,042	1,107
		HDFC BANK - CURRENT ACCOUNT, MUMBAI FORT BRANCH	14,164	-
	B.	<b>CASH IN HAND</b>	3,86,410	6,74,333
			21,67,088	25,67,406
16		<b>SHORT TERM LOANS &amp; ADVANCES:</b> (UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)		
	A.	<b>ADVANCES RECOVERABLE IN CASH OR IN KIND FOR THE VALUE TO BE RECEIVED</b>	1,07,496	93,500
	B.	<b>RECEIVABLE FROM REVENUE AUTHORITIES</b>		
		VAT INPUT	24,582	1,00,987
		TAX DEDUCTED AT SOURCES	60,022	40,776
		SERVICE TAX INPUT	5,09,215	2,00,850
			7,01,315	4,36,113



**PART II - STATEMENT OF PROFIT AND LOSS**  
**GRETEX INDUSTRIES LIMITED**  
(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)  
(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)  
CIN: U17296WB2009PLC136911

**CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

(AMOUNT IN RUPEES)

S. N	PARTICULARS	NOTE NO.	FIGURES AS AT THE END OF 31ST MARCH, 2017	FIGURES AS AT THE END OF 31ST MARCH, 2016
	<b>REVENUE FROM OPERATIONS</b>			
I	REVENUE FROM OPERATIONS	17	2,38,19,562	3,71,92,698
II	OTHER INCOME	18	7,29,288	3,78,952
	<b>TOTAL REVENUE(I+II)</b>		<b>2,45,48,850</b>	<b>3,75,71,650</b>
III	<b>EXPENSES:</b>			
a	COST OF OPERATIONS:	19	3,30,24,526	2,07,41,900
	CHANGES IN INVENTORIES OF FINISHED GOODS WORK- INPROGRESS AND STOCK-IN-TRADE		(1,35,62,239)	30,23,639
b	EMPLOYEE BENEFITS EXPENSES	20	16,39,840	20,87,347
c	FINANCE COSTS	21	15,09,416	20,46,270
d	DEPRECIATION AND AMORTIZATION EXPENSE	22	50,23,896	44,58,562
e	OTHER EXPENSES	23	12,48,769	14,00,849
	<b>TOTAL EXPENSES</b>		<b>2,88,84,209</b>	<b>3,37,58,567</b>
IV	<b>PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)</b>		<b>(43,35,359)</b>	<b>38,13,083</b>
V	EXCEPTIONAL ITEMS			
VI	<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)</b>		<b>(43,35,359)</b>	<b>38,13,083</b>
VII	EXTRAORDINARY ITEMS			
	SHARE OF INCOME FROM SHERWOOD SECURITIES PVT. LTD.		(12,16,518)	2,818
	LOSS ON SALE OF PLANT & MACHINERIES		1,51,17,342	-
VIII	<b>PROFIT BEFORE TAX (VII-VIII)</b>		<b>(2,06,69,219)</b>	<b>38,15,901</b>
IX	<b>TAX EXPENSE</b>			
	CURRENT TAX		-	7,27,120
	DEFERRED TAX		(47,49,928)	6,57,028
X	<b>PROFIT(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII-VIII)</b>		<b>(1,59,19,291)</b>	<b>24,31,753</b>
XI	PROFIT(LOSS) FROM DISCONTINUING OPERATIONS			
XII	TAX EXPENSE OF DISCONTINUING OPERATIONS			
XIII	PROFIT(LOSS) FROM DISCONTINUING OPERATIONS (AFTER TAX) (XII-XIII)			
XIV	INCOME TAX FOR EARLIER YEARS			
XV	<b>PROFIT (LOSS) FOR THE PERIOD (XI+XIV)</b>		<b>(1,59,19,291)</b>	<b>24,31,753</b>
XVI	EARNING PER EQUITY SHARE			
a	BASIC	24	(4.35)	0.95
b	DILUTED		(4.35)	0.95

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

25

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SIGNED IN TERMS OF OUR SEPARATE  
REPORT OF EVEN DATE.  
For GUPTA AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN 329001E

Sd/-  
ARVIND HARLALKA  
MANAGING DIRECTOR  
DIN: 00494136

Sd/-  
SUMIT HARLALKA  
DIRECTOR  
DIN: 00474175

Sd/-  
SWETA HARLALKA  
COMPANY SECRETARY

Sd/-  
KRITIKA RUPDA  
CFO

Sd/-  
(J.S.Gupta)  
Partner  
Membership No.059535

PLACE: KOLKATA  
DATED: 29/05/2017

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**

CIN: U17296WB2009PLC136911

**NOTES TO AND FORMING PART OF CONSOLIDATED PROFIT & LOSS STATEMENT YEAR ENDED 31ST MARCH, 2017**

(AMOUNT IN RUPEES)

NOTE NO.	S.N	PARTICULARS	FIGURES AS AT THE END OF 31ST MARCH, 2017	FIGURES AS AT THE END OF 31ST MARCH, 2016
17		<b>REVENUE FROM OPERATIONS</b>		
		<u>REVENUE FROM OPERATIONS</u>		
	A.	<u>KNITTING CHARGES</u>	44,84,052	21,75,105
	B	<u>SALES</u>	1,93,35,511	3,50,17,593
		LESS : TRANSFERRED TO PRE-OPERATIVE EXPENSES	-	-
		NET REVENUE FROM OPERATIONS	<u>2,38,19,562</u>	<u>3,71,92,698</u>
18		<b>OTHER INCOME:</b>		
		INTEREST ON TDS	-	3,057
		INTEREST ON FIXED DEPOSIT	1,79,441	1,28,839
		SALE OF SCRAP	48,858	2,47,056
		RENT RECEIVED	4,90,000	-
		WASTAGE	10,989	-
			<u>7,29,288</u>	<u>3,78,952</u>
		LESS : TRANSFERRED TO PRE-OPERATIVE EXPENSES	-	-
			<u>7,29,288</u>	<u>3,78,952</u>
19		<b>COST OF OPERATIONS:</b>		
		PURCHASES	2,87,89,589	1,56,92,352
		POWER & FUEL	11,66,707	12,77,157
		REPAIRS & MAINTENANCE	10,73,513	9,69,986
		CONSUMABLE STORES	8,88,338	12,46,743
		FACTORY RENT	7,47,850	9,65,250
		TOOLS & EQUIPMENTS	32,798	14,141
		DYEING CHARGES	1,01,883	2,19,040
		KNITTING CHARGES	34,687	1,62,911
		FRIEGHT CHARGES	1,69,150	1,47,127
		HEATING & RAISING CHARGES	8,106	47,193
		BLEACHING CHARGES	6,396	-
		LOADING & UNLOADING CHARGES	5,510	-
		TOTAL	<u>3,30,24,526</u>	<u>2,07,41,900</u>
		LESS : TRANSFERRED TO PRE-OPERATIVE EXPENSES	-	-
			<u>3,30,24,526</u>	<u>2,07,41,900</u>
20		<b>EMPLOYEE BENEFITS EXPENSE</b>		
		SALARIES & BONUS	12,56,513	14,42,321
		STAFF WELFARE EXPENSES	23,327	34,458
		SALARY TO MANAGING DIRECTOR	3,60,000	3,60,000
		LABOUR CHARGES	-	2,50,568
		TOTAL	<u>16,39,840</u>	<u>20,87,347</u>
		LESS : TRANSFERRED TO PRE-OPERATIVE EXPENSES	-	-
			<u>16,39,840</u>	<u>20,87,347</u>
21		<b>FINANCIAL COSTS:</b>		
		<u>INTEREST EXPENSE</u>		
		BANK CHARGES	88,185	67,878
		INTEREST PAID		
		- INTEREST ON UNSECURED LOAN	3,95,242	2,56,093
		- INTEREST ON UBI TERM LOAN	4,91,564	23,19,585
		LESS : REVENUE SUBSIDY RECEIVED FOR Q1, Q2, Q3, Q4 - F.Y. 2014 - 2015 & Q1 - F.Y. 2015 - 2016 @ 5% IR UNDER TECHNOLOGY UPGRADATION FUND SCHEME FOR TEXTILE & JUTE INDUSTRIES(RR TUF S SCHEME)		(12,02,087)
		- INTEREST ON BANK OD	3,24,382	3,34,047
		- INTEREST ON CAR LOAN	2,07,577	2,38,462
		- INTEREST ON GENERATOR LOAN	2,466	32,291
		TOTAL	<u>15,09,416</u>	<u>20,46,270</u>
		LESS : TRANSFERRED TO PRE-OPERATIVE EXPENSES	-	-
			<u>15,09,416</u>	<u>20,46,270</u>
22		<b>DEPRECIATION AND AMORTIZATION EXPENSE:</b>		
		DEPRECIATION	24,15,465	31,54,347
		PRE- OPERATING EXPENSES WRITTEN OFF	26,08,431	13,04,215
		PRELIMINARY EXPENSES WRITTEN OFF	-	-
			<u>50,23,896</u>	<u>44,58,562</u>

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**

CIN: U17296WB2009PLC136911

**NOTES TO AND FORMING PART OF CONSOLIDATED PROFIT & LOSS STATEMENT YEAR ENDED 31ST MARCH, 2017**

(AMOUNT IN RUPEES)

NOTE NO.	S.N	PARTICULARS	FIGURES AS AT THE END OF 31ST MARCH, 2017	FIGURES AS AT THE END OF 31ST MARCH, 2016
23		<b><u>OTHER EXPENSES:</u></b>		
		ADVERTISEMENT	3,000	31,063
		DISCOUNT ALLOWED	28,721	88,960
		DONATION	7,679	5,151
		PAYMENT TO AUDITOR	15,000	15,000
		INSURANCE EXPENSES	1,23,013	95,125
		FILING FEES	21,400	3,76,600
		GENERAL EXPENSES	23,044	1,51,853
		PROFESSIONAL CHARGES	1,06,517	50,616
		PRINTING & STATIONARY	17,964	16,477
		COMMISSION PAID	1,54,984	473
		COMPUTER EXPENSES	20,000	3,400
		INTEREST & PENALTY ON STATUTORY DUES	91,172	4,530
		LEGAL & LICENCE EXPENSES	8,828	1,01,554
		TELEPHONE EXPENSES	44,484	1,00,593
		TRAVELLING & CONVEYANCE	2,72,538	72,840
		PACKING & FORWARDING	7,544	31,596
		CAR EXPENSES	-	2,36,049
		TAXES PAID	17,988	2,720
		RTA FEES	46,500	16,250
		BAD DEBTS	57,819	-
		BROKERAGE PAID	44,744	-
		COURIER EXP.	2,303	-
		CAR RENT	90,000	-
		OFFICE EXPENSES	26,373	-
		SERVICE CHARGES	16,910	-
		MISCELLANEOUS EXPENSES	100	-
		ROOUND OFF	146	-
		TOTAL	12,48,769	14,00,849
		LESS : TRANSFERRED TO PRE-OPERATIVE EXPENSES	-	-
			12,48,769	14,00,849

**24 EARNINGS PER SHARE (EPS)**

The calculation of Earning Per Share (EPS) has been made in accordance with Accounting Standard - 20. A statement on calculation of Basic and Diluted EPS is as under :

Net Profit After Taxation (in `)	(1,59,19,291)	24,31,753
No. of Equity Shares	42,11,600	42,11,600
Weighted average number of Equity Shares	36,56,115	25,56,900
Add: Dilutive Potential Equity Shares	-	-
No. of Equity Shares for Dilutive EPS	36,56,115	25,56,900
Nominal Value of Shares (in `)	10.00	10.00
Basic Earnings Per Share (in `)	(4.35)	0.95
Diluted Earnings Per Share (in `)	(4.35)	0.95

**PART III - STATEMENT OF CASH FLOW**  
**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

(AMOUNT IN RUPEES)

PARTICULARS		FIGURES AS AT THE END OF 31ST MARCH, 2017	FIGURES AS AT THE END OF 31ST MARCH, 2016
<b>A</b>	<b>Cash Flow from Operating Activities :</b>		
	Net Profit/(Loss) before tax	(2,06,69,219)	38,15,901
	<b>Adjustments for:</b>		
	Finance Cost	15,09,416	20,46,270
	Depreciation	24,15,465	31,54,347
	Loss on Sale of Plant & Machineries	1,51,17,342	-
	Interest Income	(1,79,441)	(1,28,839)
	<b>Operating Profit before working capital changes</b>	<b>(18,06,437)</b>	<b>88,87,678</b>
	Increase / (Decrease) in Loans & Advances	(86,25,445)	(96,05,254)
	Increase / (Decrease) in Trade Payables	15,77,866	(27,10,887)
	Increase / (Decrease) in Other Current Liabilities	(5,47,804)	5,21,613
	Increase / (Decrease) in Short Term Provisions	(7,26,582)	(69,997)
	(Increase) / Decrease in Inventories	(1,35,62,239)	30,23,639
	(Increase) / Decrease in Trade Receivable	12,03,473	3,95,922
	(Increase) / Decrease in Short Term Loans & Advances	(2,65,203)	8,711
	<b>Operating Profit after working capital changes</b>	<b>(2,27,52,371)</b>	<b>4,51,425</b>
	Less: Income Tax Paid	-	-
	<b>Net Cash from/ (used in) Operating Activities</b>	<b>(2,27,52,371)</b>	<b>4,51,425</b>
	(A)		
<b>B</b>	<b>Cash Flow from Investing Activities :</b>		
	(Purchase)/ Sale of Fixed Assets	71,59,448	(3,31,802)
	(Purchase)/ Sale of Current Investments	12,16,518	(46,97,818)
	(Increase) / Decrease in Long Term Loans & Advances	2,810	-
	(Increase) / Decrease in Other Non-current assets	26,08,431	13,04,215
	Interest Income	1,79,441	1,28,839
	<b>Net Cash from/ (used in) Investing Activities</b>	<b>1,11,66,648</b>	<b>(35,96,566)</b>
	(B)		
<b>C</b>	<b>Cash Flow from Financing Activities :</b>		
	Increase / (Decrease) in Long Term Borrowings	(69,18,545)	(51,76,855)
	Proceeds from Issue of shares	1,96,13,367	1,10,00,000
	Finance Cost paid	(15,09,416)	(20,46,270)
	<b>Net Cash from/ (used in) Financing Activities</b>	<b>1,11,85,406</b>	<b>37,76,876</b>
	(C)		
	<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(4,00,318)</b>	<b>6,31,735</b>
	(A+B+C)		
	Cash & Cash Equivalents as at the beginning of the year	25,67,406	19,35,671
	Cash & Cash Equivalents as at the end of the year	21,67,088	25,67,406

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SIGNED IN TERMS OF OUR SEPARATE  
REPORT OF EVEN DATE.  
For GUPTA AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN 329001E

Sd/-  
**ARVIND HARLALKA**  
MANAGING DIRECTOR  
DIN: 00494136

Sd/-  
**SUMIT HARLALKA**  
DIRECTOR  
DIN: 00474175

Sd/-  
**(J.S.Gupta)**  
Partner  
Membership No.059535

Sd/-  
**SWETA HARLALKA**  
COMPANY SECRETARY

Sd/-  
**KRITIKA RUPDA**  
CFO

PLACE: KOLKATA  
DATED: 29/05/2017

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
**CIN: U17296WB2009PLC136911**

NOTE NO. 9

**FIXED ASSETS AND DEPRECIATION FOR THE YEAR ENDED 31ST MARCH, 2017**

(As per Companies Act, 2013)

**FIXED ASSETS:-**

PARTICULARS	Life	GROSS BLOCK (AT COST)				DEPRECIATION				SALE/ADJ.	NET BLOCK	
		AS AT 31.03.2016 (Rs.)	ADDITION DURING YEAR (Rs.)	DEDUCTION DURING YEAR (Rs.)	TOTAL COST 31.03.2017 (Rs.)	UPTO 31.03.2016 (Rs.)	FOR THE YEAR (Rs.)	ADJUSTMENT DURING YEAR (Rs.)	TOTAL 31.03.2017 (Rs.)		AS AT 31.03.2017 (Rs.)	AS AT 31.03.2016 (Rs.)
Furniture & Fixtures	10	11,55,419	57,055		12,12,474	2,28,257	1,20,827	-	3,49,084	-	8,63,390	9,27,162
Plant & Machinaries	15	4,02,45,586	34,000	2,71,90,726	1,30,88,860	53,99,179	19,26,664	(48,22,881)	25,02,962	-	1,05,85,898	3,48,46,407
Car	8	29,45,805	-		29,45,805	6,78,483	3,67,974	-	10,46,457	-	18,99,348	22,67,322
<b>Total</b>		<b>4,43,46,810</b>	<b>91,055</b>	<b>2,71,90,726</b>	<b>1,72,47,139</b>	<b>63,05,919</b>	<b>24,15,465</b>	<b>(48,22,881)</b>	<b>38,98,503</b>	<b>-</b>	<b>1,33,48,636</b>	<b>3,80,40,891</b>
Previous Year Figures		4,43,96,222	3,31,802	-	4,47,28,024	35,32,786	31,54,347	-	63,05,919	-	3,80,40,891	4,08,63,436

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
**CIN: U17296WB2009PLC136911**  
**ANNEXURE-1**

**PARTICULARS OF DEPRECIATION ALLOWABLE UNDER THE INCOME TAX ACT, 1961**

**Asst. Year : 2017-18**

**Annexure - A**

*(Amount In Rs)*

Particulars	Rate	W.D.V. As on 01.04.2016	Addition /Put to use Before 30.09.2016	Addition /Put to use After 30.09.2016	Total	Depreciation	W.D.V. As on 31.03.2017
Server for Dialer	60%	434	-	-	434	260	174
Computer	60%	6,003	-	-	6,003	3,602	2,401
Pri Card	60%	394	-	-	394	236	158
Furniture & Fixtures	10%	9,00,436	57,055	-	9,57,491	95,749	8,61,742
Plant & Machinaries	15%	2,21,28,109	-	34,000	2,21,62,109	33,21,766	1,88,40,343
		<b>2,30,35,376</b>	<b>57,055</b>	<b>34,000</b>	<b>2,31,26,431</b>	<b>34,21,613</b>	<b>1,97,04,818</b>

Particulars	31.03.16	Rate	Deferred Tax	31.03.17	Rate	Deferred Tax Liability	Difference of Deferred Tax for the year
as per ROC	3,80,40,891			1,33,48,636			
as per Income Tax	3,02,85,879			1,97,04,818			
Difference	<u>77,55,012</u>	30.90%	23,96,299	<u>(63,56,182)</u>	30.90%	(19,64,060)	(43,60,359)

Deferred Tax on Adjustment of Pre operative expenses:

Written off as per Companies Act	26,08,430.86	
Written off as per Income Tax Act	<u>13,04,215.86</u>	
Difference	13,04,215.00	
Deferred Tax @ 29.87% Assets/(Liabilities)	3,89,569.02	3,89,569.02

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
**CIN: U17296WB2009PLC136911**

**NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**25 IT IS GROUP CORPORATE POLICY**

**25.1 CONVENTION**

To prepare financial statements in accordance with applicable Accounting Standards in India. A summary of important accounting policies is set out below. The financial statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 2013.

**A BASIS OF CONSOLIDATION**

To prepare Consolidated Financial Statements (CFS) in accordance with Accounting Standard - 23 (AS 23) on "Accounting for Investments in Associates in Consolidated Financial Statements" as notified.

On acquisition of an associate, the goodwill / capital reserve arising from such acquisition is included in the carrying amount of the investment and also disclosed separately. Only share of net profits / losses of associates is considered in Consolidated Statement of Profit and Loss. The carrying amount of the investment in associates is adjusted by the share of net profits / losses in the Consolidated Balance Sheet.

**25.2 CORPORATE INFORMATION**

GRETEX INDUSTRIES LIMITED (the Company) is a unlisted public limited company domiciled in India originally incorporated as private limited company under the provisions of the Companies Act, 1956 named as Heritage Barter Private Limited and consequently the name of the company was changed from M/s Heritage Barter Private Limited to Gretex Industries Private Limited on 7th February, 2013 and again the company was converted from Pvt Ltd Company to closely held Public Limited Co. on 20th November 2013 from M/s Gretex industries Private Limited to Gretex Industries Limited. The equity shares of the company got listed in SME Platform of NSE Ltd. w.e.f 14th October, 2016.

**25.3 A BASIS OF PREPARATION**

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) in India, in compliance with the provisions of the Companies Act, 2013 and the Accounting Standards as specified in the Companies (Accounting Standards) (Second Amendment) Rules, 2011, prescribed by the Central Government. Management evaluates all recently used or revised accounting standards on an ongoing basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

**B Presentation and disclosure of financial statement**

During the year ended 31st March 2015, Schedule III notified under the Companies Act 2013, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of Schedule III does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

The Schedule III allows line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the company's financial position or performance or to cater to industry/sector-specific disclosure requirements.

**C Use of Estimates**

The preparation of the Financial Statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amount of income and expenses during the period. Examples of such estimates includes future obligation with respect to employees benefits, income taxes, useful lives of fixed assets etc. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

**D Property, Plant & Equipment**

**(i) Tangible Assets**

Property, plant and equipment (PPE), being fixed assets are tangible items held for use or for administrative purposes and are measured at cost less accumulated depreciation and any accumulated impairment. Cost comprises of the purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Management. Financing costs relating to acquisition of assets relating to acquisition of assets which take substantial period of time to get ready for intended use are also included to the extent they relate to the period up to such assets are ready for their intended use.

Gains or losses arising from derecognition of property, plant & equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**(ii) Depreciation**

Depreciation on Property, Plant and equipment are provided under straight line method as per the useful lives and manner prescribed under schedule II to the Companies Act, 2013. i) Furniture - 10 years, Plant & Machineries - 15 years and Car - 8 years.

**(iii) Intangible Assets**

Intangible Assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

**E Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investment. Current investment are carried at lower of cost and fair value determined on an individual item basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

**F Revenue Recognition**

Income and expenditure is recognized and accounted for on accrual basis. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods is recognised on transfer of significant risks and rewards of

ownership to the customer and when no significant uncertainty exists regarding realisation of the consideration. Sales are recorded net of sales returns, sales tax/VAT, cash and trade discounts.

**G Earning Per Share**

The Company reports Basic and Diluted earnings per equity share in accordance with the Accounting Standard - 20 on Earning Per Share. In determining earning per share, the Company considers the net profit after tax and includes the post tax effect of any extraordinary/exceptional items. The number of shares used in computing basic earning per share is the weighted average number of equity shares outstanding during the period. The numbers of shares used in computing diluted earning per share comprises the weighted average number of equity shares that would have been issued on the conversion of all potential equity shares. Dilutive potential equity shares have been deemed converted as of the beginning of the period, unless issued at a later date.

**H Taxes on Income**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred Income taxes reflect the impact of timing differences between taxable income and accounting Income originating during the current year and reversal. The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to

**I Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

**J Dues to Micro & Small Enterprises Under the MSME Act 2006**

There are no dues to Micro, Small and Medium Enterprises (MSMEs) as defined in the Micro, Small, Medium Enterprises Development Act, 2006 within the appointed date during the year and no MSMEs to whom the Company owes dues on account of principal amount together with interest at the balance sheet date and hence no additional disclosures have been made.

**K The Company is a small and medium sized company (SMC) as defined in the general instructions in respect of accounting standards notified under the**

Companies Act, 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to a small and medium sized Company.

**SIGNED IN TERMS OF OUR SEPARATE  
REPORT OF EVEN DATE.  
For GUPTA AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN 329001E**

Sd/-  
ARVIND HARLALKA  
MANAGING DIRECTOR  
DIN: 00494136

Sd/-  
SUMIT HARLALKA  
DIRECTOR  
DIN: 00474175

Sd/-  
SWETA HARLALKA  
COMPANY SECRETARY

Sd/-  
KRITIKA RUPDA  
CFO

Sd/-  
(J.S.Gupta)  
Partner  
Membership No.059535

PLACE: KOLKATA  
DATED: 29/05/2017



**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
**CIN: U17296WB2009PLC136911**

**NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**L Managerial Remuneration**

A. Detail of payments and provisions on account of remuneration to managerial personnel is as under:

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Salary - Arvind Harlalka	3,60,000	3,60,000
Total	3,60,000	3,60,000

**M RELATED PARTY DISCLOSURES**

(a) **List of Related Parties**

Name of related parties with whom transactions have taken place during the year:

(i)	Key Management Personnel	Arvind Harlalka Alok Harlalka Sumit Harlalka
(ii)	Enterprise where control exists	Gretex Corporate Services Private Limited Sherwood Securities Private Limited
(iii)	Relatives of Key Management Personnel	-

(b) **Transactions with Related Parties**

Particulars	Related Parties			
	Key Mgm. Personnel and Relative of Key Management Personnel		Enterprise where control exists	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	( )	( )	( )	( )
<b>CURRENT INVESTMENTS</b>				
Sherwood Securities Private Limited 230000 shares @ 30/-			69,00,000.00	69,00,000.00
<b>Loan Taken</b>				
Alok Harlalka		4,50,000.00	-	-
Gretex Corporate Services Private Limited	-	-	-	1,81,85,000.00
<b>Loan Repaid</b>				
Gretex Corporate Services Private Limited	-	-	-	1,81,85,000.00
Alok Harlalka	4,50,000.00	-	-	-
<b>Loan Refund</b>				
Dynamic Trading Co	-	-	-	2,108.00
<b>Car Rent Received</b>				
Gretex Corporate Services Private Limited			4,50,000.00	-
<b>Car Rent Paid</b>				
Sumit Harlalka	90,000.00	-		

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**

CIN: U17296WB2009PLC136911

**NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**Salary**

Arvind Harlalka	3,60,000.00	3,60,000.00	-	-
-----------------	-------------	-------------	---	---

**Reimbursement of ROC Filing Fees**

Arvind Harlalka	19,200.00	3,76,600.00	-	-
Sumit Harlalka	600.00	-	-	-

**Telephone Expenses Reimbursement**

Arvind Harlalka - 9830025765	23,238.38	26,659.47		
------------------------------	-----------	-----------	--	--

**BALANCES AT THE YEAR END**

<b>Payable</b>				
Arvind Harlalka	-	4,63,767.39		
Alok Harlalka	-	4,50,000.00		

**(c) List of Holding, Subsidiary and Associate company**

- **Holding Company**      The Company does not have any holding company.
- **Subsidiary Company**      The Company does not have any subsidiary company.
- **Associate Company**      Sherwood Securities Private Limited

**UTILISATION OF AMOUNT LYING IN SECURITIES PREMIUM ACCOUNT**

The company has adjusted the expenses in relation to public issue of equity shares amounting to Rs. 15,06,633 (Rupees Fifteen lakh six thousand six hundred thirty three only)

**Disclosure of the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016.**

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	37,99,000	2,03,301	40,02,301
(+) Permitted receipts	-	3,02,989	3,02,989
(-) Permitted payments	-	2,72,035	2,72,035
(-) Amount deposited in Banks	37,99,000	-	37,99,000
Closing cash in hand as on 30.12.2016	-	2,34,255	2,34,255

**There is no adjustment required to be made to the profits or loss for complying with ICDS notified u/s 145(2).**

**Disclosure as Per ICDS mentioned below:**

ICDS	Name of ICDS	Disclosure
1	Accounting Policies	
2	Valuation of Inventories	
3	Construction Contract	
4	Revenue Recognition	
5	Tangible Fixed Assets	
6	Effects of Changes in Foreign Exchange Rates	
7	Government Grants	
8	Securities	
9	Borrowing Costs	
10	Provisions, Contingent Liabilities and Contingent Assets	

**PREVIOUS YEAR FIGURES**

The Company has reclassified, rearranged and regrouped the previous year figures in accordance with the requirements applicable in the current year.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**AUDITOR'S REPORT**  
**SIGNED IN TERMS OF OUR SEPARATE**  
**REPORT OF EVEN DATE.**  
For GUPTA AGARWAL & ASSOCIATES  
**CHARTERED ACCOUNTANTS**  
FRN 329001E

Sd/-  
**ARVIND HARLALKA**  
MANAGING DIRECTOR  
DIN: 00494136

Sd/-  
**SUMIT HARLALKA**  
DIRECTOR  
DIN: 00474175

Sd/-  
**SWETA HARLALKA**  
COMPANY SECRETARY

Sd/-  
**KRITIKA RUPDA**  
CFO

Sd/-  
**(J.S.Gupta)**  
Partner  
Membership No.059535

ROUTE MAP



IF UNDELIVERED PLEASE RETURN TO:  
GRETEX INDUSTRIES LIMITED  
90, PHEARS LANE, 5<sup>TH</sup> FLOOR  
KOLKATA- 700 012  
WEST BENGAL



**GRETEX INDUSTRIES LTD**  
[www.gretexindustries.com](http://www.gretexindustries.com)

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