



# GRETEX INDUSTRIES LIMITED

Formerly Known As: GRETEX INDUSTRIES PRIVATE LIMITED

Formerly Known As: HERITAGE BARTER PRIVATE LIMITED

90, Phears Lane, 5<sup>th</sup> Floor, Kolkata-700012

Phone: 033 4006 9278, Mob: 9830025765

Website: www.gretexindustries.com

Email ID: arvind@gretexgroup.com, info@gretexindustries.com

CIN: L17296WB2009PLC136911

Date: 29<sup>th</sup> Day of September, 2018

To  
The Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza,  
Plot No. C/1, G-Block  
Bandra Kurla Complex  
Bandra (East),  
Mumbai - 400 051

**Scrip Symbol: GRETEX**

**Sub.: Submission of the Copy of the Annual Report for the F.Y.-2017-2018**

Dear Sir/Madam,

We are enclosing herewith the copy of the Annual Report approved and adopted by the members at the Annual General Meeting held on 29<sup>th</sup> September, 2018 as per the provisions of the Companies Act, 2013. The Annual Report inter alia consist of :

1. Audited Financial Statements i.e. Balance Sheet, Profit & Loss Statements etc.
2. Cash Flow Statement
3. Directors' Report and Auditors Report
4. Management Discussion and Analysis as part of Directors Report.

This is in compliance with Regulation 34 of the SEBI (LODR) Regulations, 2015.

Kindly acknowledge and take on record the same.

Thanking You,  
Yours Faithfully  
For Gretex Industries Limited

*Dipika Singhania*



Company Secretary and Compliance Officer  
Name: Dipika Singhania

**BRANCH :** 19B, B.B Ganguly Street, 2nd Floor, Kolkata - 700 012

**BRANCH :** Lachit Nagar, S. R. B Road, Guwahati, Assam - 781007

**FACTORY :** Jalan Industrial Complex, Gate No. 2, Jangalpur, District – Domjur, Howrah – 711 141

## GRETEX INDUSTRIES LIMITED

### Board of Directors

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

### Key Managerial Person

Mr. Pradeep Mertia, *Chief Financial Officer*  
Ms. Dipika Singhania, *Company Secretary*

### Bankers

United Bank of India, *Salt Lake 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: L17296WB2009PLC136911

### Branch Office

Lachit Nagar, S.R.B Road, Guwahati - 781 007,  
Assam

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### **NOTICE OF 9<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 9<sup>th</sup> Annual General Meeting of the members of **GRETEX INDUSTRIES LIMITED** will be held on Saturday, 29<sup>th</sup> September, 2018 at 11.30 a.m., at 90, Phears Lane, 5<sup>th</sup> Floor, Kolkata – 700 012, West Bengal to transact the following businesses:

#### **ORDINARY BUSINESS**

1. To consider and adopt the Audited Financial Statements of the Company for the Financial year ended 31<sup>st</sup> March, 2018 and the Report of the Board of Directors and the Auditors thereon.

#### **SPECIAL BUSINESS**

##### **Item No.-02**

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

**"RESOLVED THAT** pursuant to the Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with schedule V to the Act and Rule made thereunder, including any statutory modification thereof, or any other law, recommendation of the Nomination and Remuneration Committee and Audit Committee and subject to approval of shareholders in the ensuing general meeting, the Board hereby approved a monthly remuneration of Rs. 1.00 Lakh (Rupees One Lakh Only) payable to Mr. Arvind Harlalka, Managing Director (DIN-00494136) of the Company with effect from 1/04/2018 for the remaining period of his appointment, unless and otherwise modified and the other terms and conditions as contained in the original agreement dated 29.06.2015 will remain the same."

**"RESOLVED FURTHER THAT** Mr. Alok Harlalka, Director of the Company be and is hereby authorized to undertake all such acts, deeds, matter and things to finalize and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable the resolution, and to settle any question, difficulty or doubt that may arise and filling of the necessary documents and forms with the Registrar of Companies, West Bengal in this regard."

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

Place: Kolkata  
Date: 03.09.2018

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

**Sd/-  
Dipika Singhanian  
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 Friday the 21<sup>st</sup> day of September, 2018 to Saturday the 29<sup>th</sup> day of September, 2018 (both days inclusive).
4. 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 31<sup>st</sup> August, 2018.
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 2017-2018 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 EMERGE and listing fees for the current financial year 2017-2018 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 2017-2018 have been paid to all the aforesaid Depositories.
18. For any assistance or information about shares etc. members may contact the Company.
19. Mrs. Namita Agarwal, 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. Emerge Platform of The National Stock Exchange of India Ltd.

## **Annexure to the Notice**

### **Explanatory Statement Pursuant of Section 102(1) of the Companies Act, 2013:**

#### **Item-02**

The Board of Directors at their meeting held on 30<sup>th</sup> Day of May, 2018 approved increase of remuneration of Mr. Arvind Harlalka, Managing Director of the Company to Rs. 1.00 Lakh/-(Rupee One Lakh Only) per month, subject to the approval of the members of the company and subject to the ceiling as prescribed in Schedule V of the Companies Act, 2013 w.e.f. 1<sup>st</sup> Day of April, 2018. The other terms and conditions will remain the same as per the original agreement dated 29<sup>th</sup> Day of June, 2015.

The Board of Directors of your Company recommends the special resolution set out in item no.-2 for your approval.

Except Mr. Arvind Harlalka, Managing Director and his relatives, None of the Directors or Key Managerial Personnel and their relatives are interested in the said resolution.

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

Place: Kolkata  
Date: 03.09.2018

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

**Sd/-  
Dipika Singhania  
Company Secretary**

**GRETEX INDUSTRIES LIMITED**  
**CIN: L17296WB2009PLC136911**  
**Regd. Office: 90, Phears Lane, 5<sup>th</sup> Floor, Kolkata – 700012**

**9<sup>th</sup> ANNUAL GENERAL MEETING**

<i><b>ATTENDANCE SLIP</b></i>
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(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 9<sup>th</sup> Annual General Meeting of the Company being held on Saturday, 29<sup>th</sup> September, 2018 at 11.30 a.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: L17296WB2009PLC136911**

**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 9<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, 29<sup>th</sup> September, 2018 at 11.30 a.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 consider and adopt the Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2018 and the Report of the Board of Directors and the Auditors thereon.
2.	To Increase the remuneration of Mr. Arvind Harlalka, Managing Director of the Company.

Signed this ..... day of ..... 2018

Affix  
Revenue  
Stamp

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 9<sup>th</sup> Annual Report together with the Audited Financial Statements of the Company for the Year ended March 31, 2018.

### **FINANCIAL RESULTS**

**(Amount in Rs)**

<b>Particulars</b>	<b>F.Y.-2017-2018</b>	<b>F.Y.-2016-2017</b>
Revenue from Operations	8,04,71,921	2,38,19,562
Other Income	20,84,382	7,29,288
Total Income	8,25,56,303	2,45,48,850
Profit/(Loss) before Depreciation, Interest & Taxation	42,50,467	(1,30,07,574)
Less: Interest	11,21,687	14,21,231
Less: Depreciation & Amortization	13,65,770	50,23,896
Profit/(Loss) before taxation	17,63,010	(1,94,52,701)
Less: Provision for taxation	-	-
Earlier Years tax	-	-
Deferred Tax	11,16,241	(47,49,928)
Profit/(Loss) after taxation	6,46,769	(1,47,02,773)
Balance carried to Balance sheet	6,46,769	(1,47,02,773)

### **FINANCIAL AND PERFORMANCE REVIEW**

During the financial year 2017-2018 the revenue from operations of your company increased to Rs. 8,04,71,921 as against Rs. 2,38,19,562 in the previous year. In the year under review your company has entered into the business agreements with two of the companies, namely Yamaha Music India Private Limited and Music Ville Private Limited who are the importers of Yamaha Musical Instruments and D'Addario accessories of the musical instruments including its sub-brands respectively.

Your Company posted a year of excellent performance in its profitability as compared to the previous year. The Profit of the company for the year under review stood at Rs. 6,46,769 as against the loss of Rs. 1,47,02,773 in the previous year. Your Company is confident that with immense support that it is receiving from everyone across the Board and from all its dealers, the revenue will bounce back and the coming year should see it climbing back to consolidate its leadership in the category.

### **DIVIDEND**

During the year under review the board of directors do not recommend any dividend in order to strengthen the net worth of the Company by retaining the available surplus for the year ending 31<sup>st</sup> March, 2018.

### **GENERAL RESERVE**

Your Company has not transferred any amount to general reserve for the financial year ended 31<sup>st</sup> March, 2018.

### **CHANGES IN THE NATURE OF BUSINESS**

There has been no Change in the nature of the business of your Company during the financial year ended 31<sup>st</sup> March, 2018.

## **REGISTERED OFFICE OF THE COMPANY**

The registered office of the company has been shifted from 158, Lenin Sarani, Room No.-7B, 3<sup>rd</sup> Floor, Kolkata -700 013 to 90, Phears Lane, 5<sup>th</sup> Floor, Kolkata -700 012, West Bengal, India w.e.f. 29<sup>th</sup> Day July, 2017.

## **DEPOSITS FROM PUBLIC**

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 in the year under review.

## **DIRECTORS AND KEY MANAGERIAL PERSONNELS**

Miss. Sweta Harlalka has been resigned from the post of Company Secretary and Compliance Officer w.e.f. 5<sup>th</sup> Day of October, 2017 due to personal reasons.

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

Miss. Dipika Singhania has been appointed as the Company Secretary and Compliance Officer w.e.f. 5<sup>th</sup> Day of October, 2017.

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

## **DECLARATION FROM 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.

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

The particulars of loans, guarantees or investments made under Section 186 of the Companies Act, 2013 are furnished in the notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY**

A Related Party Policy has been devised by the Board of Directors for determining the materiality of transaction with the related parties and dealing with them. The Audit Committee reviews all the related party transactions quarterly.

Further the members may note that the Company has not entered into the following kinds of related party transactions:

- Contracts/Arrangements/Transactions which are not at arm's length basis.
- Any Material Contracts/Arrangements/Transactions.

## **EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS**

No material changes and commitments affecting financial position of the Company between 31<sup>st</sup> March, 2018 and the date of Board's Report has taken place.

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

Your Company has an adequate Internal Control System, commensurate with the size, scale and complexity of its operations, which are well supplemented by surveillance of Internal Auditor. 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. The details in respect of internal financial control and their adequacy are included in management discussion and analysis report forming part of this report.

## **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 year under review there were no earnings from foreign exchange and outgo for the purpose of business.

## **BOARD EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Companies Act, 2013.

The performance of the Board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board process, information and functioning etc. 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**

The Board met Eleven (11) times during the financial year ended 31<sup>st</sup> March, 2018, the details of which are given in the Corporate Governance Report, forming part of this report. The maximum interval between any two meetings did not exceed 120 days, as prescribed under section 173 of the Companies Act, 2013.

## **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**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a) That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) That 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.
- c) That 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.
- d) That the Directors have prepared the annual accounts on a going concern basis.

- e) That 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.
- f) That 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 SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES**

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

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

In line with the provisions of the Section 177(9) of the Companies Act, 2013 and the Regulation 22 of the SEBI (LODR) Regulations, 2015 your 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. The same has been furnished in the Corporate Governance Report forming a part of this report.

#### **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.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There was no significant and material order passed by the regulators, courts and 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, 2018 does not contain any disqualification or adverse remark which requires clarification.

## **SECRETARIAL AUDIT**

In terms of Section 204 of the Companies Act, 2013 and Rules made there under, Mrs. Namita Agarwal (Formerly Ms. Nomita Verma), Practicing Company Secretary was appointed as Secretarial Auditor of the Company for the financial years 2016-2017 and 2017-2018. The Secretarial Audit report is annexed herewith as “*Annexure I*”.

## **COST AUDIT**

As per directives of the Central Government and in pursuance to the provisions of Section 148 of the Companies Act, 2013 read with rules framed there under, the Company is not required to carry out an audit of cost accounts.

## **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*” and forms a part of this report.

## **ENVIRONMENT AND SAFETY**

The Company is conscious of the importance of environmentally clean and safe operations. The Company’s policy requires the conduct of all operations in such manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

## **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 ON POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN**

The Company has adopted policy on prevention of Sexual Harassment of Women at workplace in accordance with the Sexual Harassment of Women at workplace.

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, SHAREHOLDERS COMMITTEE AND NOMINATION AND REMUNERATION COMMITTEE**

Details pertaining to composition of Audit Committee, Shareholders Committee and Nomination and Remuneration 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: 30.05.2018**

### **By Order of the Board of Directors**

For Gretex Industries Limited

Sd/-

Arvind Harlalka  
Managing Director  
DIN: 00494136

## ANNEXURE I TO DIRECTORS' REPORT

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2018

[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, Namita Agarwal, Practicing Company Secretary has conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GRETEX INDUSTRIES LIMITED (CIN: L17296WB2009PLC136911)** (hereinafter called "the Company"). The 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, 2018 complied with the statutory provisions listed hereunder and also that the Company has maintained 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, 2018 according to the provisions of the following, in so far as they are applicable to the Company:

- (i) The Companies Act, 2013 ('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'), to the extent applicable: -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - ***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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and  
The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (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**

**I have also examined compliance with the applicable Clauses/Regulations of the following:**

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The SEBI (**Listing Obligations and Disclosure Requirements**) Regulations, 2015-*To the extent applicable.*
- (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.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

Unanimously/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.

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.

For, Namita Agarwal & Co.  
Company Secretary  
COP No.14563

SD/-  
Namita Agarwal  
Proprietor  
M. No.:38222

Place: Kolkata  
Date: 30<sup>th</sup> May, 2018

## **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 records 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 contents 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 processes 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. Whereever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
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.

For, Namita Agarwal & Co.  
Company Secretary  
COP No.14563

SD/-  
Namita Agarwal  
Proprietor  
M. No.:38222

Place: Kolkata  
Date: 30<sup>th</sup> May, 2018.

## ANNEXURE II TO DIRECTORS' REPORT

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2018

[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>	L17296WB2009PLC136911
<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, on NSE Emerge
<b>Name, Address and Contact details of Registrar and Transfer Agent</b>	Bigshare Services Pvt Ltd 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East Mumbai – 400 059 Phone: 022 6263 8200 Email: info@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	31.69
2	Retail Sale of Musical Instruments	47595	68.31

*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>
Not Applicable					

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

i) *Category-wise Share Holding*

[illegible]

i) Individual shareholders holding nominal share capital up to Rs. 2 lakhs	276000	Nil	276000	6.55	184500	Nil	184500	4.38	(2.17)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	948000	Nil	948000	22.51	936000	Nil	936000	22.22	(0.29)
Others Clearing Members	180000	Nil	180000	4.26	102000	Nil	102000	2.42	(1.84)
NRI's	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(2)</b>	<b>1980000</b>	<b>Nil</b>	<b>1980000</b>	<b>47.02</b>	<b>1980000</b>	<b>Nil</b>	<b>1980000</b>	<b>47.02</b>	<b>Nil</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1980000</b>	<b>Nil</b>	<b>1980000</b>	<b>47.02</b>	<b>1980000</b>	<b>Nil</b>	<b>1980000</b>	<b>47.02</b>	<b>Nil</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>4211600</b>	<b>Nil</b>	<b>4211600</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	53400	1.27	--	53400	1.27	--	--
2	Sumit Harlalka	53400	1.27	--	53400	1.27	--	--
3	Arvind Harlalka HUF	276000	6.55	--	276000	6.55	--	--
4	Sumit Harlalka HUF	100000	2.37	--	100000	2.37	--	--
5	Ambuja Technologies Pvt Ltd	527000	12.51	--	527000	12.51	--	--
6	Ambition Tie Up Pvt Ltd	348000	8.26	--	348000	8.26	--	--
7	Bonanza Agency Pvt Ltd	324700	7.71	--	324700	7.71	--	--
8	Talent Investment Co Pvt Ltd	549100	13.04	--	549100	13.04	--	--
	<b>Total</b>	<b>2231600</b>	<b>52.98</b>	<b>--</b>	<b>2231600</b>	<b>52.98</b>	<b>--</b>	<b>--</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>	53,400	1.27	-	-
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	There is no change in holding during the year			
At the end of the year			53,400	1.27
<b>Sumit Harlalka</b>	53,400	1.27		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	There is no change in holding during the year			
At the end of the year			53,400	1.27
<b>Arvind Harlalka HUF</b>	2,76,000	6.55		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	There is no change in holding during the year			
At the end of the year			2,76,000	6.55
<b>Sumit Harlalka HUF</b>	1,00,000	2.37		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	There is no change in holding during the year			
At the end of the year			1,00,000	2.37
<b>Ambuja Technologies Pvt Ltd</b>	5,27,000	12.51		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	There is no change in holding during the year			
At the end of the year			5,27,000	12.51
<b>Ambition Tie Up Pvt Ltd</b>	3,48,000	8.26		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	There is no change in holding during the year			
At the end of the year			3,48,000	8.26
<b>Bonanza Agency Pvt Ltd</b>	3,24,700	7.71		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	There is no change in holding during the year			
At the end of the year			3,24,700	7.71
<b>Talent Investment Co Pvt Ltd</b>	5,49,100	13.04		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	There is no change in holding during the year			
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	6,06,000	14.39		
Date wise Increase (+)/ Decrease (-) with reasons, during the year	There is no change in holding during the year			
At the end of the year			6,06,000	14.39
<b>Navin Kumar Gupta</b>				
At the beginning of the year	2,70,000	6.41		
Date wise Increase (+)/ Decrease (-) with reasons, during the year	There is no change in holding during the year			
At the end of the year			2,70,000	6.41
<b>Miker Financial Consultants Private Limited</b>				
At the beginning of the year	-	-		
Increase/(Decrease) in Shareholding during the year				
03.11.2017	18,000	0.43	18,000	0.43
09.03.2018	1,92,000	4.56	2,10,000	4.98
23.03.2018	48,000	1.14	2,58,000	6.13
At the end of the year			2,58,000	6.13
<b>Visagar Financial Services Limited</b>				
At the beginning of the year	2,10,000	4.99		
Increase/(Decrease) in Shareholding during the year				
09.03.2018	(1,98,000)	(4.70)	12,000	0.28
At the end of the year			12,000	0.28
<b>Pantomath Stock Brokers Pvt Ltd</b>				
At the beginning of the year	1,26,000	2.99		
Increase/(Decrease) in Shareholding during the year				
14.04.2017	(6,000)	(0.14)	1,20,000	2.85
21.04.2017	(6,000)	(0.14)	1,14,000	2.71
05.05.2017	(6,000)	(0.14)	1,08,000	2.56
09.06.2017	(6,000)	(0.14)	1,02,000	2.42
16.06.2017	(6,000)	(0.14)	96,000	2.28
23.06.2017	6,000	0.14	1,02,000	2.42
30.06.2017	(6,000)	(0.14)	96,000	2.28
11.08.2017	6,000	0.14	1,02,000	2.42
25.08.2017	18,000	0.42	1,20,000	2.85
01.09.2017	(12,000)	(0.28)	1,08,000	2.56
08.09.2017	(6,000)	(0.14)	1,02,000	2.42
29.09.2017	6,000	0.14	1,08,000	2.56
03.11.2017	(6,000)	(0.14)	1,02,000	2.42
10.11.2017	6,000	0.14	1,08,000	2.56
17.11.2017	6,000	0.14	1,14,000	2.71
01.12.2017	(12,000)	(0.28)	1,02,000	2.42
22.12.2017	12,000	0.28	1,14,000	2.71
29.12.2017	6,000	0.14	1,20,000	2.85
12.01.2018	12,000	0.28	1,32,000	3.13
19.01.2018	6,000	0.14	1,38,000	3.28
02.02.2018	(6,000)	(0.14)	1,32,000	3.13

09.03.2018	(12,000)	(0.28)	1,20,000	2.85
16.03.2018	24,000	0.56	1,44,000	3.42
23.03.2018	(36,000)	(0.85)	1,08,000	2.56
30.03.2018	(54,000)	(1.28)	54,000,	1.28
At the end of the year			54,000	1.28
<b>Ayushman Commotrade Pvt Ltd</b>				
At the beginning of the year	66,000	1.57		
Date wise Increase (+)/ Decrease (-) with reasons, during the year	There is no change in holding during the year			
At the end of the year			66,000	1.57
<b>Jajoo Commercial Pvt Ltd</b>				
At the beginning of the year	60,000	1.42		
Date wise Increase (+)/ Decrease (-) with reasons, during the year	There is no change in holding during the year			
At the end of the year			60,000	1.42
<b>Ruchi Gupta</b>				
At the beginning of the year	36,000	0.85		
Increase/(Decrease) in Shareholding during the year				
14.07.2017	24,000	0.57	60,000	1.42
At the end of the year			60,000	1.42
<b>Unicon Tie Up Private Limited</b>				
At the beginning of the year	-	-		
Increase/(Decrease) in Shareholding during the year				
30.06.2017	60,000	1.42	60,000	1.42
At the end of the year			60,000	1.42
<b>SSJ Finance &amp; Securities Pvt Ltd</b>				
At the beginning of the year	42,000	0.99		
Date wise Increase (+)/ Decrease(-) with reasons, during the year	There is no change in holding during the year			
At the end of the year			42,000	0.99
<b>Guiness Securities Ltd</b>				
At the beginning of the year	36,000	0.85		
Date wise Increase (+)/ Decrease (-) with reasons, during the year	There is no change in holding during the year			
At the end of the year			36,000	0.85
<b>Resonate Commercial Pvt Ltd</b>				
At the beginning of the year	36,000	0.85		
Date wise Increase (+)/ Decrease (-) with reasons, during the year	There is no change in holding during the year			
At the end of the year			36,000	0.85
<b>Sairam Commodity Trade Pvt Ltd</b>				
At the beginning of the year	42,000	0.99		
Date wise Increase (+)/ Decrease (-) with reasons, during the year	There is no change in holding during the year			
At the end of the year			42,000	0.99

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

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	53,400	1.27		
Date wise Increase (+)/ Decrease (-) with reasons,	There is no change in holding during the year			



during the year				
At the end of the year			53,400	1.27

## **INDEBTEDNESS**

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

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,15,82,394	—	—	1,15,82,394
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>1,15,82,394</b>	<b>—</b>	<b>—</b>	<b>1,15,82,394</b>
Change in Indebtedness during the financial year	—	—	—	—
Addition	—	—	—	—
Reduction	3,39,615	—	—	3,39,615
Net Change Indebtedness	<b>3,39,615</b>	<b>—</b>	<b>—</b>	<b>3,39,615</b>
At the end of the financial year	1,12,42,779	—	—	1,12,42,779
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>1,12,42,779</b>	<b>—</b>	<b>—</b>	<b>1,12,42,779</b>

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

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Mr. Arvind Harlalka, MD	Total Amount
1	Gross salary	3,60,000/-	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>3,60,000/-</b>	<b>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
		Alok 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 Directors			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			

\*Mr. Alok Harlalka has been appointed as the Director of the Company w.e.f. 29/07/2017.

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

*(Amount in Rs.)*

Sl.No	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		*Ms. Dipika Singhania (Company Secretary)	*Ms. Sweta Harlalka (Company Secretary)	**Ms. Kritika Rupda (CFO)	**Mr. Pradeep Mertia (CFO)	
1	Gross salary	2,21,667	66,000	1,34,587	5,94,915	10,17,169
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (C)</b>	<b>2,21,667</b>	<b>66,000</b>	<b>1,34,587</b>	<b>5,94,915</b>	<b>10,17,169</b>

\*Ms. Sweta Harlalka has been resigned from the post of Company Secretary of the Company w.e.f. 05/10/2018 and Ms. Dipika Singhania has been appointed as the Company Secretary of the Company w.e.f 05/10/2018.

*\*\*Kritika Rupda has resigned from the post of CFO of the Company w.e.f. 01/08/2017 and Mr. Pradeep Mertia has been appointed as the CFO of the Company w.e.f. 01/08/2017.*

**PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

(Amount in Rs.)

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: 30.05.2018**

**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**

Gretex 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, 2018*

<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)	5
Mr. Alok Harlalka*	Non-Executive (Non - Independent Director)	5
Mrs. Soma Nath	Non-Executive (Independent Director)	Nil
Mr. Rahul Kumar	Non-Executive (Independent Director)	Nil

*\*Alok Harlalka has been appointed as Director of the Company w.e.f 29<sup>th</sup> July, 2017*

### ***Number of Board Meetings***

During the financial year ended 31<sup>st</sup> March, 2018, Eleven Board Meetings were held i.e on 29.05.2017, 09.06.2017, 23.06.2017, 29.07.2017, 02.08.2017, 17.08.2017, 02.09.2017, 05.10.2017, 14.12.2017, 07.02.2018 and 21.03.2018. 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 December 14, 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, 2017. The attendance record of the Directors at the Board Meetings during the year ended on 31<sup>st</sup> March, 2018, 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	11 out of 11	Yes
Mr. Sumit Harlalka*	4 out of 13	No
Mr. Alok Harlalka*	7 out of 13	No
Mrs. Soma Nath	7 out of 11	Yes
Mr. Rahul Kumar	2 out of 11	Yes

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

### ***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 6 times during the financial year ended 31<sup>st</sup> March, 2018. 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	6	6
2.	Mrs. Soma Nath	Member	Independent/Non-Executive	6	6
3.	Mr. Arvind Harlalka	Member	Non-Independent/Executive	6	6
4.	Ms. Dipika Singhania*	Secretary	Company Secretary	6	2

*\* Ms. Dipika Singhania has been appointed as Company Secretary of the Company w.e.f. 05/10/2018, hence She has attended two (2) Audit Committee Meetings of the Company.*

### ***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 considers 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. Alok Harlalka*	Member	Non-Independent/Non-Executive

*\*Mr. Alok Harlalka has been appointed as the Director of the Company 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 consider 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***

<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. Alok Harlalka*	Member	Non-Independent/Non-Executive

*\*Mr. Alok Harlalka has been appointed as the Director of the Company 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:

<b>Financial Year</b>	<b>Date &amp; Time</b>	<b>Venue</b>
2016-2017	26 <sup>th</sup> September, 2017, at 1.00 P.M.	90, Phears Lane, 5 <sup>th</sup> Floor, Kolkata-700 012.
2015-2016	26 <sup>th</sup> September, 2016, at 11.00 A.M.	158, Lenin Sarani, 3 <sup>rd</sup> Floor, Room No. 7B, Kolkata – 700 013.
2014-2015	26 <sup>th</sup> September, 2015, at 11.00 A.M.	158, Lenin Sarani, 3 <sup>rd</sup> Floor, Room No. 7B, Kolkata – 700 013.

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

<b>Date &amp; Time</b>	<b>Venue</b>
28 <sup>th</sup> July, 2017 by Postal Ballot Resolution(s) under Section 110	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, 2018 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 newspaper 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: Saturday, 29<sup>th</sup> September, 2018

Time: 11.30 a.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 Friday, the 21<sup>st</sup> day of September, 2018 to Saturday, the 29<sup>th</sup> day of September, 2018 (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:*** L17296WB2009PLC136911

***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, 2018 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 requiring 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.

### **SUBSIDIARY COMPANIES**

The Company does not have any subsidiary during the Financial Year ended 31<sup>st</sup> March, 2018.

### **DEMATERILISATION 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, 2018**

Shareholding of Nominal value (In Rs)	Number of Shareholder	Number of Shares	% of no. of shares	Share Amount	% of Shareholding
Upto 5000	--	--	--	--	--
5001-10000	--	--	--	--	--
10001-20000	1	1500	0.04	15000	0.04
20001-30000	--	--	--	--	--
30001-40000	--	--	--	--	--
40001-50000	1	4500	0.11	45000	0.11
50001-100000	23	138000	3.27	1380000	3.27
100001 and above	34	4067600	96.58	40676000	96.58
<b>Total</b>	<b>59</b>	<b>4211600</b>	<b>100</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 01.04.2017 to 31.03.2018

S. No.	Month	High Price	Low Price	Volume
1	April, 2017	16.00	14.65	1,44,000
2	May, 2017	16.35	16.35	6,000
3	June, 2017	17.20	15.10	1,08,000
4	July, 2017	17.00	15.80	30,000
5	August, 2017	15.80	11.70	54,000
6	September, 2017	13.00	12.20	12,000
7	October 2017	14.60	13.60	18,000
8	November 2017	14.00	13.10	60,000
9	December 2017	20.35	12.60	1,32,000
10	January 2018	16.00	13.60	36,000
11	February 2018	14.05	13.60	12,000
12	March 2018	14.80	10.90	5,76,000

### **REPORT ON CORPORATE GOVERNANCE**

The Corporate Governance report forms part of the Annual Report. Your Company has complied 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: 30.05.2018**

#### **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) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure, according to JM Financial.

The tax collection figures between April 2017- February 2018 show an increase in net direct taxes by 19.5 per cent year-on-year and an increase in net direct taxes by 22.2 per cent year-on-year.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves were US\$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI.

### ***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 13 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 105 million people directly and indirectly. India's overall textile exports during FY 2017-18 stood at US\$ 37.74 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 Sinker 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.

In the year under review your company has entered into the business agreements with two of the companies, namely Yamaha Music India Private Limited and Music Ville Private Limited who are the importers of Yamaha Musical Instruments and D'Addario accessories for the musical instruments including its sub-brands respectively for the whole of West Bengal, Orissa and North East India. 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 2017-18, the Revenue from Operations generated by the Company was Rs. 8,04,71,921/- and during the previous year it was Rs. 2,38,19,562/-. Profit/(Loss) after tax for the fiscal year 2017-18 was Rs. 6,46,769/- as compared to the previous year's Rs. (1,47,02,773)/-.

Basic Earnings per share for fiscal 2018 was Rs. 0.15.

### ***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 opportunity 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.

### **CFO CERTIFICATION**

**Mr. Pradeep Mertia, Chief Financial Officer of the company has certified to the Board that:**

- a) He has reviewed the financial statements and the cash flow statement of Gretex Industries Limited for the Financial Year ended 31<sup>st</sup> March, 2018 and to the best of his 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 follow current accounting standards, applicable laws and regulations.
- b) There are, to the best of his 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) He accepts responsibility for establishing and maintaining internal controls for financial reporting. He has evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and he has disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which he was aware and steps taken and/or proposed to be taken to rectify these deficiencies.
- d) He 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 he 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: 30.05.2018

## **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, 2018, the Statement of Profit and Loss for the year ended March 31, 2018, Cash Flow Statement for the year ended March 31, 2018 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, 2018, and its profit

- a) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2018;
- b) in the case of the Statement of Profit & Loss, of the Profit for the year ended March 31, 2018;
- c) in the case of the Cash Flow Statement, of the cash flow for the year ended March 31, 2018.

## **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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under 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, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 2018 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.

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

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

**Date: 30.05.2018**  
**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, 2018; 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 the 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, service tax, value added tax, good and service 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 or goods and service 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 not raised money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, the paragraph 3(ix) of the order is not applicable to the company and hence not commented upon.

### **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: 30.05.2018**

**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, 2018 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, 2018, 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: 30.05.2018**

**Place: Kolkata**

PART I - BALANCE SHEET  
**GRETEX INDUSTRIES LIMITED**  
(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)  
(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)  
CIN: L17296WB2009PLC136911  
**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018**

(AMOUNT IN RUPEES)

S. N	PARTICULARS	NOTE NO.	FIGURES AS AT THE END OF 31ST MARCH, 2018		FIGURES AS AT THE END OF 31ST MARCH, 2017	
<b>I</b>	<b><u>EQUITY AND LIABILITIES</u></b>					
<b>1</b>	<b><u>SHAREHOLDERS FUNDS</u></b>					
	(a) SHARE CAPITAL	1		42,116,000		42,116,000
	(b) RESERVES AND SURPLUS	2		(1,993,819)		(2,640,588)
	TOTAL(1)			40,122,181		39,475,412
<b>2</b>	<b><u>NON-CURRENT LIABILITIES</u></b>					
	(a) LONG TERM BORROWINGS	3		8,934,954		9,064,868
	TOTAL(2)			8,934,954		9,064,868
<b>3</b>	<b><u>CURRENT LIABILITIES</u></b>					
	(a) SHORT TERM LOANS & ADVANCES	4		2,307,825		2,517,526
	(b) TRADE PAYABLES	5		1,278,519		4,393,721
	(c) OTHER CURRENT LIABILITIES	6		269,575		75,208
	(d) SHORT TERM PROVISIONS	7		-		-
	TOTAL(3)			3,855,919		6,986,454
	<b>TOTAL(1+2+3)</b>			<b>52,913,055</b>		<b>55,526,734</b>
<b>II</b>	<b><u>ASSETS</u></b>					
<b>1</b>	<b><u>NON-CURRENT ASSETS</u></b>					
	(a) FIXED ASSETS	8		12,007,805		13,348,636
	(b) LONG TERM LOANS AND ADVANCES	9		687,690		1,087,690
	(c) OTHER NON-CURRENT ASSETS	10		-		-
	(d) DEFERRED TAX ASSET	11		1,237,388		2,353,629
	TOTAL(1)			13,932,883		16,789,955
<b>2</b>	<b><u>CURRENT ASSETS</u></b>					
	(a) CURRENT INVESTMENTS	12		2,280,000		6,900,000
	(b) INVENTORIES	13		11,086,195		17,359,650
	(c) TRADE RECEIVABLES	14		21,184,951		11,606,476
	(d) CASH AND CASH EQUIVALENTS	15		2,388,295		2,167,088
	(e) SHORT-TERM LOANS AND ADVANCES	16		2,040,731		703,565
	TOTAL(2)			38,980,172		38,736,779
	<b>TOTAL(1+2)</b>			<b>52,913,055</b>		<b>55,526,734</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/-  
ALOK HARLALKA  
DIRECTOR  
DIN: 02486575

Sd/-  
DIPIKA SINGHANIA  
COMPANY SECRETARY

Sd/-  
PRADEEP MERTIA  
CFO

Sd/-  
(JAY SHANKER GUPTA)  
PARTNER  
MEMBERSHIP NO.059535

PLACE: KOLKATA  
DATED: 30/05/2018

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
**CIN: L17296WB2009PLC136911**

**NOTES TO AND FORMING PART OF STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018**

		(AMOUNT IN RUPEES)			
NOTE NO.	S.N	PARTICULARS	FIGURES AS AT THE END OF 31ST MARCH, 2018		FIGURES AS AT THE END OF 31ST MARCH, 2017
1		<b>SHARE CAPITAL:</b>			
	A.	<b>AUTHORISED:</b>			
		4500000 (L.Y. 3500000) EQUITY SHARES OF RS.10/- EACH	45,000,000		45,000,000
	B.	<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>			
		SHARES AT THE BEGINNING OF THE ACCOUNTING PERIOD			
		4211600 (L.Y. 3155600) EQUITY SHARES OF RS.10/- EACH	42,116,000		31,556,000
		ADDITIONS DURING THE YEAR	-		10,560,000
		SHARES AT THE END OF THE ACCOUNTING PERIOD	42,116,000		42,116,000
		4211600 (L.Y. 4211600) EQUITY SHARES OF RS.10/- EACH			
	C.	<b>Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period</b>			
			<b>31ST MARCH 2018</b>	<b>31ST MARCH 2017</b>	
			Nos	Nos	Amount
		Shares outstanding at the beginning of the year	4,211,600	3,155,600	31,556,000
		Shares issued during the year	-	1,056,000	10,560,000
		Shares outstanding at the end of the year	4,211,600	4,211,600	42,116,000
	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 2018</b>	<b>31ST MARCH 2017</b>	
		<b>(EQUITY SHARES OF RS 10/ EACH FULLY PAID UP )</b>	<b>Nos</b>	<b>Nos</b>	<b>%</b>
		VIVEK PHUMRA	606,000	606,000	14.39%
		TALENT INVESTMENT COMPANY PRIVATE LIMITED	549,100	549,100	13.04%
		AMBUJA TECHNOLOGIES PRIVATE LIMITED	527,000	527,000	12.51%
		AMBITION TIE -UP PRIVATE LIMITED	348,000	348,000	8.26%
		BONANZA AGENCY PRIVATE LIMITED	324,700	324,700	7.71%
		ARVIND HARLALKA HUF	276,000	276,000	6.55%
		NAVIN KUMAR GUPTA	270,000	270,000	6.41%
		MIKER FINANCIAL CONSULTANTS PRIVATE LIMITED	258,000	-	-
		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>			
		Nil			
2		<b>RESERVE &amp; SURPLUS:</b>			
	A.	<b>SECURITIES PREMIUM ACCOUNT</b>			
		AT THE BEGINNING OF THE ACCOUNTING PERIOD	10,053,367		1,000,000
		ADDITIONS DURING THE YEAR - PUBLIC ISSUE	-		10,560,000
		LESS: IPO EXPENSES	-		(1,506,633)
		AT THE END OF THE ACCOUNTING PERIOD	10,053,367		10,053,367
	B.	<b>SURPLUS</b>			
		AT THE BEGINNING OF THE ACCOUNTING PERIOD	(12,693,955)		2,008,818
		ADJUSTMENT OF DEPRECIATION	-		-
		ADDITIONS DURING THE YEAR	646,769		(14,702,773)
		(BALANCE IN STATEMENT OF PROFIT & LOSS A/C)			
		AT THE END OF THE ACCOUNTING PERIOD	(12,047,186)		(12,693,955)
		<b>GRAND TOTAL</b>	<b>(1,993,819)</b>		<b>(2,640,588)</b>

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
**CIN: L17296WB2009PLC136911**

**NOTES TO AND FORMING PART OF STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018**

			(AMOUNT IN RUPEES)	
NOTE NO.	S.N	PARTICULARS	FIGURES AS AT THE END OF 31ST MARCH, 2018	FIGURES AS AT THE END OF 31ST MARCH, 2017
3		<b><u>LONG TERM BORROWINGS</u></b>		
		<b><u>SECURED TERM LOANS</u></b>		
		<b><u>FACTORY</u></b>		
		SECURED LOAN FROM UNITED BANK OF INDIA	7,411,550	7,198,224
		(SECURED AGAINST HYPOTHECATION & FIRST CHARGE ON THE FIXED ASSETS AT FACTORY PREMISES - JALAN COMPEX)		
		<b><u>UNALLOCABLE</u></b>		
		BMW INDIA FINANCIAL SERVICES PVT LTD	1,523,404	1,866,644
		(SECURED AGAINST HYPOTHECATION OF BMW CAR - JALAN COMPEX)		
			<u>8,934,954</u>	<u>9,064,868</u>
4		<b><u>SHORT TERM LOANS AND ADVANCES</u></b>		
A		<b><u>CASH CREDIT FACILITY</u></b>		
		<b><u>FACTORY</u></b>		
		UNITED BANK OF INDIA - OVERDRAFT A/C, SALT LAKE BRANCH	2,297,881	2,492,034
		TAMILNAD MERCHANTILE BANK - OVERDRAFT A/C, KOLKATA BRANCH	9,944	25,491
				-
			<u>2,307,825</u>	<u>2,517,526</u>
5		<b><u>TRADE PAYABLES</u></b>		
		FACTORY	4,508,031	4,393,721
		MUSICAL INSTRUMENTS	(3,229,512)	-
			<u>1,278,519</u>	<u>4,393,721</u>
6		<b><u>OTHER CURRENT LIABILITIES</u></b>		
		<b><u>FACTORY</u></b>		
		TDS PAYABLE	9,030	39,733
		PROFESSIONAL TAX PAYABLE	720	570
		RENT PAYABLE	28,215	-
		SALARY PAYABLE	(7,130)	17,655
		<b><u>MUSICAL INSTRUMENTS</u></b>		
		TDS PAYABLE	5,000	-
		PROFESSIONAL TAX PAYABLE	500	-
		SALARY PAYABLE	59,629	-
		RENT PAYABLE	14,400	-
		<b><u>UNALLOCABLE</u></b>		
		AUDIT FEE PAYABLE	30,000	15,000
		CAR RENT PAYABLE	81,000	-
		SALARY PAYABLE	34,850	-
		PROFESSIONAL TAX PAYABLE	150	-
		SWACH BHARAT PAYABLE	-	2,250
		LIABILITIES FOR EXPENSES	13,211	-
			<u>269,575</u>	<u>75,208</u>
7		<b><u>SHORT-TERM PROVISIONS</u></b>		
		PROVISIONS FOR TAXATION	-	-
			<u>-</u>	<u>-</u>
9		<b><u>LONG TERM LOANS AND ADVANCES</u></b>		
		(UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)		
A.		<b><u>SECURITY DEPOSITS</u></b>		
		<b><u>FACTORY</u></b>		
		DEPOSIT WITH WBSEDCL	22,000	422,000
		VAT SECURITY DEPOSIT	25,000	25,000
		DEPOSIT WITH ANUP/ANIRUDDH FATEHPURIA FOR FACTORY PREMISES	211,200	211,200
		<b><u>UNALLOCABLE</u></b>		
		1% SECURITY DEPOSIT FOR IPO	404,490	404,490
		INTEREST FREE SECURITY DEPOSIT - NSE	25,000	25,000
			<u>687,690</u>	<u>1,087,690</u>

**NOTES TO AND FORMING PART OF STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018**

No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
-	-	230,000	6,900,000
<b>2,280</b>	<b>2,280,000</b>	-	-
<b>2,280</b>	<b>2,280,000</b>	<b>230,000</b>	<b>6,900,000</b>



**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: L17296WB2009PLC136911  
**STANDALONE PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

(AMOUNT IN RUPEES)						
S. N	PARTICULARS	NOTE NO.	FIGURES AS AT THE END OF 31ST MARCH, 2018		FIGURES AS AT THE END OF 31ST MARCH, 2017	
	<b>REVENUE FROM OPERATIONS</b>					
I	REVENUE FROM OPERATIONS	17		80,471,921		23,819,562
II	OTHER INCOME	18		2,084,382		729,288
	<b>TOTAL REVENUE(I+II)</b>			82,556,303		24,548,850
III	<b>EXPENSES:</b>					
a	COST OF OPERATIONS	19		9,743,705		33,024,526
b	PURCHASES STOCK IN TRADE	20		58,237,331		-
c	CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE	21		6,023,455		(13,562,239)
d	EMPLOYEE BENEFITS EXPENSES	22		2,817,081		1,639,840
e	FINANCE COSTS	23		1,212,509		1,509,416
f	DEPRECIATION AND AMORTIZATION EXPENSE	24		1,365,770		5,023,896
g	OTHER EXPENSES	25		1,393,442		1,248,769
	<b>TOTAL EXPENSES</b>			80,793,293		28,884,209
IV	<b>PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)</b>			1,763,010		(4,335,359)
V	EXCEPTIONAL ITEMS					
VI	<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)</b>			1,763,010		(4,335,359)
VII	EXTRAORDINARY ITEMS					
VIII	LOSS ON SALE OF PLANT & MACHINERIES			-		15,117,342
	<b>PROFIT BEFORE TAX (VII-VIII)</b>			1,763,010		(19,452,701)
IX	<b>TAX EXPENSE</b>					
	CURRENT TAX			-		-
	EARLIER YEARS TAX			-		-
	DEFERRED TAX			1,116,241		(4,749,928)
X	<b>PROFIT(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII-VIII)</b>			646,769		(14,702,773)
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>			646,769		(14,702,773)
XVI	<b>EARNING PER EQUITY SHARE</b>					
a	BASIC	26		0.15		(4.02)
b	DILUTED			0.15		(4.02)

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

27

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/-  
ALOK HARLALKA  
DIRECTOR  
DIN: 02486575

Sd/-  
DIIPIKA SINGHANIA  
COMPANY SECRETARY

Sd/-  
PRADEEP MERTIA  
CFO

Sd/-  
(JAY SHANKER GUPTA)  
PARTNER  
MEMBERSHIP NO.059535

PLACE: KOLKATA  
DATED: 30/05/2018

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
**CIN: L17296WB2009PLC136911**

**NOTES TO AND FORMING PART OF STANDALONE PROFIT & LOSS STATEMENT YEAR ENDED 31ST MARCH, 2018**

(AMOUNT IN RUPEES)				
NOTE NO.	S.N	PARTICULARS	FIGURES AS AT THE END OF 31ST MARCH, 2018	FIGURES AS AT THE END OF 31ST MARCH, 2017
17		<b><u>REVENUE FROM OPERATIONS</u></b>		
	A.	<b><u>KNITTING CHARGES</u></b>		
		FACTORY	2,398,650	4,484,052
	B.	<b><u>SALES</u></b>		
		FACTORY	23,103,627	19,335,511
		MUSICAL INSTRUMENTS	54,969,644	-
			<b>80,471,921</b>	<b>23,819,562</b>
18		<b><u>OTHER INCOME</u></b>		
		<b><u>MUSICAL INSTRUMENTS</u></b>		
		INCENTIVE RECEIVED	1,285,165	-
		<b><u>FACTORY</u></b>		
		INTEREST ON FIXED DEPOSIT	145,541	179,441
		SALE OF SCRAP	18,788	48,858
		INPUT TAX FOR STOCK AS ON 30.06.2017	22,820	-
		WASTAGE	9,734	10,989
		<b><u>UNALLOCABLE</u></b>		
		CAR RENT RECEIVED	600,000	490,000
		INTEREST ON TDS REFUND	2,334	-
			<b>2,084,382</b>	<b>729,288</b>
19		<b><u>COST OF OPERATIONS</u></b>		
		<b><u>FACTORY</u></b>		
		PURCHASES	7,348,037	28,789,589
		POWER & FUEL	520,116	1,166,707
		REPAIRS & MAINTENANCE	663,087	1,073,513
		CONSUMABLE STORES	506,704	888,338
		FACTORY RENT	422,400	747,850
		TOOLS & EQUIPMENTS	59,618	32,798
		DYEING CHARGES	162,989	101,883
		KNITTING CHARGES	-	34,687
		FRIEGHT CHARGES	44,279	169,150
		HEATING & RAISING CHARGES	-	8,106
		BLEACHING CHARGES	-	6,396
		LOADING & UNLOADING CHARGES	3,164	5,510
		FABRIC PRINTING CHARGES	13,310	-
			<b>9,743,705</b>	<b>33,024,526</b>
20		<b><u>PURCHASES OF STOCK IN TRADE</u></b>		
		<b><u>MUSICAL INSTRUMENTS</u></b>		
		PURCHASES	58,208,306	-
		CARRIAGE INWARD	29,025	-
			<b>58,237,331</b>	<b>-</b>
21		<b><u>CHANGES OF INVENTORIES OF FINISHED GOODS</u></b>		
		<b><u>FACTORY</u></b>		
		OPENING STOCK IN HAND	16,859,650	3,297,411
		LESS: CLOSING STOCK	(3,005,995)	(16,859,650)
			<b>13,853,655</b>	<b>(13,562,239)</b>
		<b><u>MUSICAL INSTRUMENTS</u></b>		
		OPENING STOCK IN HAND	-	-
		LESS: CLOSING STOCK	(7,830,200)	-
			<b>(7,830,200)</b>	<b>-</b>
			<b>6,023,455</b>	<b>(13,562,239)</b>
22		<b><u>EMPLOYEE BENEFITS EXPENSE</u></b>		
		<b><u>FACTORY</u></b>		
		SALARIES & BONUS	404,464	574,700
		STAFF WELFARE EXPENSES	23,673	20,067
		<b><u>MUSICAL INSTRUMENTS</u></b>		
		SALARIES & BONUS	1,274,983	-
		STAFF WELFARE EXPENSES	169,524	-
		<b><u>UNALLOCABLE</u></b>		
		OFFICE STAFF SALALRIES & BONUS	578,653	681,813
		SALARY TO MANAGING DIRECTOR	360,000	360,000
		OFFICE STAFF WELFARE EXPENSES	5,784	3,260
			<b>2,817,081</b>	<b>1,639,840</b>
23		<b><u>FINANCIAL COSTS</u></b>		
		<b><u>UNALLOCABLE</u></b>		
		BANK CHARGES	90,822	88,185
		INTEREST PAID		
		- INTEREST ON UNSECURED LOAN	-	395,242
		- INTEREST ON UBI TERM LOAN	916,326.00	-
		- LESS : REVENUE SUBSIDY RECEIVED FOR Q3, Q4 - F.Y. 2016 - 2017 @ 5% IIR UNDER TECHNOLOGY UPGRADATION FUND SCHEME FOR TEXTILE & JUTE INDUSTRIES(RR TUPS SCHEME)	(238,084.00)	491,564
		- INTEREST ON BANK OD	270,185	324,382
		- INTEREST ON CAR LOAN	173,260	207,577
		- INTEREST ON GENERATOR LOAN	-	2,466
			<b>1,212,509</b>	<b>1,509,416</b>
24		<b><u>DEPRECIATION AND AMORTIZATION EXPENSE:</u></b>		
		DEPRECIATION	1,365,770	2,415,465
		PRE- OPERATING EXPENSES WRITTEN OFF	-	2,608,431
			<b>1,365,770</b>	<b>5,023,896</b>

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

**CIN: L17296WB2009PLC136911**

**NOTES TO AND FORMING PART OF STANDALONE PROFIT & LOSS STATEMENT YEAR ENDED 31ST MARCH, 2018**

(AMOUNT IN RUPEES)

NOTE NO.	S.N	PARTICULARS	FIGURES AS AT THE END OF 31ST MARCH, 2018	FIGURES AS AT THE END OF 31ST MARCH, 2017
25		<b><u>OTHER EXPENSES</u></b>		
		<b><u>FACTORY</u></b>		
		BAD DEBTS	-	57,819
		BROKERAGE PAID	22,552	44,744
		CAR EXPENSES	13,617	11,810
		CHARITY & DONATION	5,309	5,979
		COMMISSION PAID	-	154,984
		CONVEYANCE EXPENSES	1,549	5,496
		COURIER EXPENSES	130	1,263
		DISCOUNT ALLOWED	14,951	28,721
		FACTORY INSURANCE	-	10,294
		GENERAL EXPENSES	23,213	19,344
		PACKING & FORWARDING	2,670	7,544
		PRINTING & STATIONARY	1,482	1,965
		SERVICE CHARGES	-	16,910
		TELEPHONE EXPENSES	1,800	7,000
		<b><u>MUSICAL INSTRUMENTS</u></b>		
		CARRIAGE OUTWARD	18,312	-
		CONVIENCE FEE	339	-
		CONVEYANCE EXPENSES	12,239	-
		COURIER EXPENSES	16,581	-
		FREIGHT CHARGES	5,450	-
		LABOUR CHARGES	58,524	-
		OFFICE EXPENSES	10,848	-
		PRINTING & STATIONARY	1,430	-
		GUWAHATI OFFICE RENT	100,800	-
		REPAIRS AND MAINTAINANCE	6,049	-
		ROUND OFF	17	-
		TELEPHONE EXPENSES	23,795	-
		TOOLS & EQUIPMENTS	12,104	-
		TRAVELLING EXPENSES	224,163	490,651.12
		<b><u>UNALLOCABLE</u></b>		
		ADVERTISEMENT	37,904	3,000
		ANNUAL LISTING FEES	10,000	-
		AUDITOR FEES	30,000	15,000
		CAR EXPENSES	192,397	124,432
		CAR RENT PAID	120,000	90,000
		CDSL ANNUAL CUSTODIAL FEES	9,000	-
		CHARITY & DONATION	3,600	1,700
		COMPUTER EXPENSES	5,746	-
		COURIER EXPENSES	2,434	1,040
		CONVEYANCE EXPENSES	5,653	8,698
		DIRECTOR FEES	45,000	-
		FILING FEES	9,100	21,400
		GENERAL EXPENSES	-	3,700
		INSURANCE EXPENSES	83,418	112,719
		INTEREST & PENALTY ON STATUTORY DUES	588	91,172
		LEGAL & LICENSE EXPENSES	7,876	8,828
		OFFICE EXPENSES	55,889	26,373
		PRINTING & STATIONARY	10,812	15,999
		PROFESSIONAL FEES PAID	22,500	106,517
		PROMOTIONAL EXPENSES	10,000	-
		ROUND OFF	864	145
		RTA FEES	24,000	46,500
		TAXES PAID	2,715	17,988
		TELEPHONE EXPENSES	30,754	37,584
		TRAVELLING EXPENSES INCLUDING FOREIGN TRAVELLING	90,268	122,102
		WEBSITE EXPENSES	5,000	20,000
			<b><u>1,393,442</u></b>	<b><u>1,248,769</u></b>
26		<b><u>EARNINGS PER SHARE (EPS)</u></b>		
		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 `)	646,769	(14,702,773)
		No. of Equity Shares	4,211,600	4,211,600
		Weighted average number of Equity Shares	-	3,656,115
		Add: Dilutive Potential Equity Shares	-	-
		No. of Equity Shares for Dilutive EPS	-	3,656,115
		Nominal Value of Shares (in `)	10.00	10.00
		Basic Earnings Per Share (in `)	0.15	(4.02)
		Diluted Earnings Per Share (in `)	0.15	(4.02)

**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, 2018**

		(AMOUNT IN RUPEES)	
	PARTICULARS	FIGURES AS AT THE END OF 31ST MARCH, 2018	FIGURES AS AT THE END OF 31ST MARCH, 2017
A	<b>Cash Flow from Operating Activities :</b>		
	Net Profit/(Loss) before tax	1,763,010	(19,452,701)
	<b>Adjustments for:</b>		
	Finance Cost	1,212,509	1,509,416
	Depreciation	1,365,770	2,415,465
	Loss on Sale of Plant & Machineries	-	15,117,342
	Interest Income	(145,541)	(179,441)
	<b>Operating Profit before working capital changes</b>	<b>4,195,749</b>	<b>(589,918)</b>
	Increase / (Decrease) in Loans & Advances	(209,701)	(8,625,445)
	Increase / (Decrease) in Trade Payables	(3,115,202)	1,577,866
	Increase / (Decrease) in Other Current Liabilities	194,367	(546,354)
	Increase / (Decrease) in Short Term Provisions	-	(726,582)
	(Increase) / Decrease in Inventories	6,273,455	(13,562,239)
	(Increase) / Decrease in Trade Receivable	(9,578,475)	1,204,273
	(Increase) / Decrease in Short Term Loans & Advances	(1,337,166)	(267,453)
	<b>Operating Profit after working capital changes</b>	<b>(3,576,972)</b>	<b>(21,535,852)</b>
	Less: Income Tax Paid	-	-
	<b>Net Cash from/ (used in) Operating Activities</b>	<b>(3,576,972)</b>	<b>(21,535,852)</b>
B	<b>Cash Flow from Investing Activities :</b>		
	(Purchase)/ Sale of Fixed Assets	(24,939)	7,159,448
	(Purchase)/ Sale of Current Investments	4,620,000	
	(Increase) / Decrease in Long Term Loans & Advances	400,000	2,810
	(Increase) / Decrease in Other Non-current assets	-	2,608,431
	Interest Income	145,541	179,440
	<b>Net Cash from/ (used in) Investing Activities</b>	<b>5,140,602</b>	<b>9,950,129</b>
C	<b>Cash Flow from Financing Activities :</b>		
	Increase / (Decrease) in Long Term Borrowings	(129,914)	(6,918,545)
	Proceeds from Issue of shares	-	19,613,367
	Finance Cost paid	(1,212,509)	(1,509,416)
	<b>Net Cash from/ (used in) Financing Activities</b>	<b>(1,342,423)</b>	<b>11,185,406</b>
	<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>221,207</b>	<b>(400,317)</b>
	Cash & Cash Equivalents as at the beginning of the year	2,167,089	2,567,406
	Cash & Cash Equivalents as at the end of the year	2,388,296	2,167,089

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/-  
ALOK HARLALKA  
DIRECTOR  
DIN: 02486575

Sd/-  
(JAY SHANKER GUPTA)  
PARTNER  
MEMBERSHIP NO.059535

Sd/-  
DIPIKA SINGHANIA  
COMPANY SECRETARY

Sd/-  
PRADEEP MERTIA  
CFO

PLACE: KOLKATA  
DATED: 30/05/2018

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
**CIN: L17296WB2009PLC136911**

NOTE NO. 8

**FIXED ASSETS AND DEPRECIATION FOR THE YEAR ENDED 31ST MARCH, 2018**  
(As per Companies Act, 2013)

**FIXED ASSETS:-**

		GROSS BLOCK (AT COST)				DEPRECIATION					NET BLOCK	
PARTICULARS	Life	AS AT 31.03.2017 (Rs.)	ADDITION DURING YEAR (Rs.)	DEDUCTION DURING YEAR (Rs.)	TOTAL COST 31.03.2018 (Rs.)	UPTO 31.03.2017 (Rs.)	FOR THE YEAR (Rs.)	ADJUSTMENT DURING YEAR (Rs.)	TOTAL 31.03.2018 (Rs.)	SALE/ADJ.	AS AT 31.03.2018 (Rs.)	AS AT 31.03.2017 (Rs.)
Furniture & Fixtures	10	1,212,474	-	-	1,212,474	349,084	121,482	-	470,566	-	741,908	863,390
Plant & Machinaries	15	13,088,860	24,939	-	13,113,799	2,502,962	875,306	-	3,378,268	-	9,735,531	10,585,898
Car	8	2,945,805	-	-	2,945,805	1,046,457	368,982	-	1,415,439	-	1,530,366	1,899,348
<b>Total</b>		<b>17,247,139</b>	<b>24,939</b>	<b>-</b>	<b>17,272,078</b>	<b>3,898,503</b>	<b>1,365,770</b>	<b>-</b>	<b>5,264,273</b>	<b>-</b>	<b>12,007,805</b>	<b>13,348,636</b>
Previous Year Figures		44,346,810	91,055	27,190,726	17,247,139	6,305,919	2,415,465	(4,822,881)	3,898,503	-	13,348,636	38,040,891

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
**CIN: L17296WB2009PLC136911**  
**ANNEXURE-1**

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

**Asst. Year : 2018-19**

**Annexure - A**

*(Amount In Rs)*

Particulars	Rate	W.D.V. As on 01.04.2017	Addition /Put to use Before 30.09.2017	Addition /Put to use After 30.09.2017	Total	Depreciation	W.D.V. As on 31.03.2018
Server for Dialer	60%	174	-	-	174	104	70
Computer	60%	2,401	-	-	2,401	1,441	960
Pri Card	60%	158	-	-	158	95	63
Furniture & Fixtures	10%	861,742	-	-	861,742	86,174	775,568
Plant & Machinaries	15%	18,840,343	10,999	13,940	18,865,282	2,828,747	16,036,535
		<b>19,704,818</b>	<b>10,999</b>	<b>13,940</b>	<b>19,729,757</b>	<b>2,916,561</b>	<b>16,813,196</b>

Particulars	31.03.17	Rate	Deferred Tax	31.03.18	Rate	Deferred Tax	Difference of Deferred Tax for the year
as per ROC	13,348,636			12,007,805			
as per Income Tax	19,704,818			16,813,196			
Difference	<u>(6,356,182)</u>	30.90%	(1,964,060)	<u>(4,805,391)</u>	25.75%	(1,237,388)	726,672

**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
**CIN: L17296WB2009PLC136911**

**NOTES TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**27**      **CORPORATE INFORMATION**

GRETEX INDUSTRIES LIMITED (the Company) is a listed 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.

**27.1**    **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.

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

**ARVIND HARLALKA  
MANAGING DIRECTOR  
DIN: 00494136**

**ALOK HARLALKA  
DIRECTOR  
DIN: 02486575**

**DIPIKA SINGHANIA  
COMPANY SECRETARY**

**PRADEEP MERTIA  
CFO**

**(JAY SHANKER GUPTA)  
PARTNER  
MEMBERSHIP NO.059535**

**PLACE: KOLKATA  
DATED: 30/05/2018**



**GRETEX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS GRETEX INDUSTRIES PRIVATE LIMITED)**  
**(FORMERLY KNOWN AS HERITAGE BARTER PRIVATE LIMITED)**  
**CIN: L17296WB2009PLC136911**

**NOTES TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**K Managerial Remuneration**

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

	For the year ended 31st March, 2018	For the period ended 31st March, 2017
Salary - Arvind Harlalka	360,000	360,000
Total	<u>360,000</u>	<u>360,000</u>

**L 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 - Managing Director  
Alok Harlalka - Director  
Dipika Singhania - Company Secretary  
Pradeep Mertia - CFO
- (ii) Enterprise where control exists
- Gretex Corporate Services Private Limited  
Gretex Share Broking Pvt Ltd (Formerly known as 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, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017
	(₹)	(₹)	(₹)	(₹)
<b>CURRENT INVESTMENTS</b>				
Gretex Share Broking Pvt Ltd (Formerly Known as Sherwood Securities Private Limited) 230000 shares @ 30/-			-	6,900,000.00
<b>Loan Taken</b>				
Alok Harlalka	-		-	-
Gretex Corporate Services Private Limited	-	-	-	
<b>Loan Repaid</b>				
Gretex Corporate Services Private Limited	-	-	-	
Alok Harlalka		450,000.00	-	-
<b>Loan Refund</b>				
Dynamic Trading Co	-	-	-	
<b>Car Rent Received</b>				
Gretex Corporate Services Private Limited				450,000.00
<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: L17296WB2009PLC136911**

**NOTES TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Salary**

Arvind Harlalka	360,000.00	360,000.00	-	-
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**Reimbursement of ROC Filing Fees**

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

**Telephone Expenses Reimbursement**

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

**Payable**

Arvind Harlalka	-
Alok Harlalka	-

(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	The Company does not have any associate company.

M **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	-

N **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/-  
**ALOK HARLALKA**  
**DIRECTOR**  
**DIN: 02486575**

Sd/-  
**DIPIKA SINGHANIA**  
**COMPANY SECRETARY**

Sd/-  
**PRADEEP MERTIA**  
**CFO**

Sd/-  
**(JAY SHANKER GUPTA)**  
**PARTNER**  
**MEMBERSHIP NO.059535**

**PLACE: KOLKATA**  
**DATED: 30/05/2018**

## Route map of the venue of 9<sup>th</sup> Annual General Meeting

### Gretex Industries Limited

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

