



**H. R. AGARWAL & ASSOCIATES**  
CHARTERED ACCOUNTANTS

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## **Independent Auditor's Report to the Members of Gunny Chem Tex India Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Gunny Chem Tex India Limited** ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss and the Cash flow statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board Of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of the financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into 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 financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 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 Financial Statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- i. in the case of the balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2017;
- ii. in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- iii. in the case of the cash flow statement, of the cash flows for the year ended on that date.

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

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.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought & 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, the Statement of Profit and Loss and the statement of cash flow dealt with by this Report are in agreement with the books of account;



- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014, as amended;
- e. On the basis of written representations received from the directors as on 31<sup>st</sup> March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017, from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of internal financial control 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:
- The company does not have any pending litigations which would have impact on its financial position, except as stated in Clause vii (b) of Annexure A hereunder.
  - The company did not have material foreseeable losses on long term contracts including derivative contracts that require provision under any law or Accounting Standards for which there were any material foreseeable losses.
  - No amount is required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under.
- h. The company has disclosed in **Notes - 23** to the financial statements of details regarding specified banks notes properly.

For **H. R. Agarwal & Associates**

Chartered Accountants

Firm's registration no. 323029E

*Agarwal.*

**(CA. SHYAM SUNDAR AGARWAL)**

Partner

Membership number: 060033



Place: Kolkata

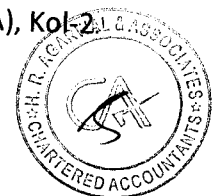
Date: 30.05.2017

The Annexure A referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March, 2017. We report that:

- i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.  
(b) As Explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company does not hold any immovable property.
- ii) As explained to us, Inventories have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable and no material discrepancies were noticed on such verification.
- iii) The company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause (iii) of paragraph 3 of the Order is not applicable to the Company.
- iv) In our opinion and according to the information and explanation given to us, the Company has complied with the Provisions of Section 185 and 186 of the Companies Act, 2013, with respect to the loans and investment made.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in pursuance to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.
- vi) Being a Non Banking Finance Company, the Central Government has not prescribed the maintenance of Cost Records under section 148 (1) of the Companies Act, 2013.
- vii) (a) According to the records of the company, the Company is generally regular in depositing with appropriate authorities in respect of undisputed statutory dues including provident fund, employees state insurance, income-tax, sales tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax, wealth-tax, sales tax, custom duty, excise duty or value added tax and cess were in arrears, as at 31st March, 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of VAT, sales tax, Service tax, duty of custom, duty of excise on account of any dispute, except a demand of Rs. 55, 61,210 /- on account of Income Tax for the Assessment year 2010-11, in respect of which an appeal has been filed before The Commissioner of Income Tax (Appeals)-CIT (A), Kol-2.



- viii) The company has not raised loans or borrowings from any financial institution or banks, government or by issue of debentures during the year. Accordingly, clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- ix) The company has not raised any funds by way of further public offer (including debt instruments) and term loans during the year. Accordingly, clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- x) According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanation given to us and on the basis of our examination of the records of the Company, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of the Section 197 read with Schedule V of the Act.
- xii) In our opinion and according to the information and explanation given to us, the company is not a nidhi Company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable to the Company.
- xiii) According to the information and explanation given to us and based on our examination of the records of the Company, the company has not entered into any transactions with the related parties that require approval under section 177 and 188 of the companies Act, 2013 and the rules made there under. Accordingly, clause (xiii) of paragraph 3 of the Order is not applicable to the Company.
- xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him;
- xvi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company is a Non- Banking Finance Company and it is registered under section 45-IA of the Reserve bank of Indian Act, 1934.

For **H. R. Agarwal & Associates**

Chartered Accountants

Firm's registration no. 323029E

*H. R. Agarwal*

**(CA. SHYAM SUNDAR AGARWAL)**

Partner

Membership number: 060033

Place: Kolkata

Date: 30.05.2017



## **Annexure B to the Auditors' Report**

(Referred to in paragraph 2(f) under "Report on other legal and regulatory requirements" of our report of even date)

### **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 Control over financial reporting of **Gunny Chem Tex India Limited** ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year then ended.

#### **Management Responsibility for the 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's 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 prescribed under Section 143(10) of the Act, 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 ICAI. 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For **H. R. Agarwal & Associates**

Chartered Accountants

Firm's registration no. 323029E

*Sagarwal*

**(CA.SHYAM SUNDAR AGARWAL)**

Partner

Membership number: 060033

Place: Kolkata

Date: 30.05.2017



# GUNNY CHEM TEX INDIA LTD

Balance Sheet as at 31st March, 2017.

	Note No.	As at 31.03.2017.		As at 31.03.2016.	
		Rs.	P.	Rs.	P.
<b>I <u>Equity &amp; Liabilities</u></b>					
<b>(1) <u>Shareholders' Funds</u></b>					
(a) Share Capital	1		25,840,000.00		25,840,000.00
(b) Reserves & Surplus	2		192,080,594.89		188,573,222.30
<b>(2) <u>Current Liabilities</u></b>					
(a) Other Current Liabilities	3		13,800.00		18,320.00
(b) Short-Term Provisions	4		1,618,800.00		939,100.00
<b>TOTAL :</b>			<b>219,553,194.89</b>		<b>215,370,642.30</b>
<b>II <u>ASSETS</u></b>					
<b><u>Non-Current Assets</u></b>					
<b>(1) (a) <u>Fixed Assets</u></b>					
(i) <u>Tangible Assets</u>	5		3,237.00		3,237.00
(b) <u>Non-Current Investment</u>	6		33,360,630.00		5,497,630.00
<b>(2) <u>Current Assets</u></b>					
(a) Inventories	7		95,753,354.06		45,703,354.06
(b) Cash and Bank Balances	8		2,340,853.23		5,133,178.79
(c) <u>Short Term Loans &amp; Advances</u>	9		88,095,120.60		159,033,242.45
<b>TOTAL :</b>			<b>219,553,194.89</b>		<b>215,370,642.30</b>

**Significant Accounting Policies**

The notes are an integral part of these financial statements

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In Terms of our Report of Even Date attached hereto.

For H.R. Agarwal & Associates  
Chartered Accountants  
Firm Regn No.323029E

Sagarwal,

**(CA. SHYAM SUNDAR AGARWAL)**

Partner

Membership No.FCA 060033

PLACE : KOLKATA.

DATE : 30.05.2017.



Vijay Agarwal,

\_\_\_\_\_  
DIRECTOR

Smit Agarwal,

\_\_\_\_\_  
DIRECTOR



**GUNNY CHEM TEX INDIA LTD**  
Statement of Profit & Loss for the year ended 31st March,2017.

Particulars	Note No.	2016-17		2015-16	
		Rs.	P.	Rs.	P.
<b>Revenue</b>					
I Revenue from Operations	10	10,207,713.54		151,837,479.87	
II Other Income	11		2,359.00		2,325,769.00
<b>Total Revenue(I+II)</b>		<b>10,210,072.54</b>		<b>154,163,248.87</b>	
<b>III Expenses</b>					
(a) Purchase of Stock in Trade		55,050,000.00		102,473,883.00	
(b) Changes in Inventories of Stock-in-trade		(50,050,000.00)		66,926,521.21	
(c) Employee Benefit Expenses	12	517,209.00		429,330.00	
(d) Finance Cost	13	Nil		172,131.00	
(e) Depreciation		Nil		7,048.00	
(f) Other Expenses	14	471,640.95		381,061.04	
(g) Contingent Provision agst. Standard Assets		(124,800.00)		197,530.00	
<b>Total Expenses</b>		<b>5,864,049.95</b>		<b>170,587,504.25</b>	
<b>PROFIT BEFORE TAX(III-IV)</b>		<b>4,346,022.59</b>		<b>(16,424,255.38)</b>	
<b>Less: Tax Expenses</b>					
Current Tax		(804,500.00)			
Income Tax for earlier years		(34,150.00)		(329,001.00)	
<b>PROFIT/(LOSS) AFTER TAX</b>		<b>3,507,372.59</b>		<b>(16,753,256.38)</b>	
<b>Earnings Per share(Rs.10/-)</b>					
Basic(in Rs.)			1.36		-6.48
Diluted(in Rs.)			1.36		-6.48

Significant Accounting Policies  
The notes are an integral Part of these  
financial statements

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In Terms of our Report of Even Date  
attached hereto.

For H.R. Agarwal & Associates  
Chartered Accountants  
Firm Regn.No.323029E.

*Agarwal,*

(CA.SHYAM SUNDAR AGARWAL)

Partner

Membership No.FCA 060033

PLACE: KOLKATA.

DATE : 30.05.2017.



*Vinif Agarwal*  
\_\_\_\_\_  
DIRECTOR  
*Sundar Agarwal*  
\_\_\_\_\_  
DIRECTOR

**GUNNY CHEM TEX INDIA LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR 2016-2017**

PARTICULARS	Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
<b><u>(A) Cash flow from Operating Activities:</u></b>		
Net Profit before taxation, and extraordinary items	4,346,022.59	(16,424,255.38)
Adjustments for:		
Interest Expenses	-	172,131.00
Contingent Provisions against Standard Assets	(124,800.00)	197,530.00
Depreciation	-	7,048.00
<b>Operating Profit before Working Capital Changes</b>	<b>4,221,222.59</b>	<b>(16,047,546.38)</b>
Decrease (Increase) in Inventories	(50,050,000.00)	66,926,521.21
Decrease (Increase) in Trade Receivables	-	11,985,267.00
Decrease (Increase) in Short Term Loans & Advances	71,652,856.85	(64,365,098.00)
Increase (Decrease) in Other Current Liabilities	(4,520.00)	(485,778.00)
<b>Cash Generated from Operations</b>	<b>25,819,559.44</b>	<b>(1,986,634.17)</b>
Taxes Paid (net)	(748,885.00)	(770,108.00)
<b>Net Cash from Operating Activities</b>	<b>25,070,674.44</b>	<b>(2,756,742.17)</b>
<b><u>(B) Cash flow from Investing Activities:</u></b>		
Proceeds from (Purchases) / Sales of Investments	(27,863,000.00)	1,090,000.00
<b>Net Cash used in Investing Activities</b>	<b>(27,863,000.00)</b>	<b>1,090,000.00</b>
<b><u>(C) Cash flow from Financing Activities:</u></b>		
Interest Expenses	-	(172,131.00)
<b>Net Cash (used in) / from Financing Activities</b>	<b>-</b>	<b>(172,131.00)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>(2,792,325.56)</b>	<b>(1,838,873.17)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>5,133,178.79</b>	<b>6,972,051.96</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>2,340,853.23</b>	<b>5,133,178.79</b>

For H. R. Agarwal & Associates  
Chartered Accountants  
Firm Reg No: 323029E

*Agarwal*

(CA. SHYAM SUNDAR AGARWAL)  
Partner  
Membership No. FCA 060033

Place: Kolkata  
Date: 30.05.2017



For and on behalf of the Board of Directors

*Verif Agarwal*  
(Director)

*Smit Agarwal*  
(Director)

# GUNNY CHEM TEX INDIA LTD

(Notes to the Accounts-1 Annexed to and forming part of the Balance Sheet as at March 31, 2017 )

Particulars	As at 31.03.2017		As at 31.03.2016	
	Quantity (Nos.)	Amount Rs.	Quantity (Nos.)	Amount Rs.
<b>1) SHARE CAPITAL</b>				
<b>(a) Authorised Share Capital</b>				
Equity Shares of Rs. 10/- each	2,600,000	26,000,000.00	2,600,000	26,000,000.00
	2,600,000	26,000,000.00	2,600,000	26,000,000.00
<b>(b) Issued, Subscribed &amp; Paid-up Capital</b>				
Equity Shares of Rs. 10/- each fully paid-up	2,584,000	25,840,000.00	2,584,000	25,840,000.00
	2,584,000	25,840,000.00	2,584,000	25,840,000.00

(c) Reconciliation of Equity shares outstanding at the beginning and at the end of the reporting period	As at 31.03.2017		As at 31.03.2016	
	Quantity (Nos.)	Amount Rs.	Quantity (Nos.)	Amount Rs.
Balance at the beginning of the period	2,584,000	25,840,000.00	2,584,000	25,840,000.00
Allotment during the period	-	-	-	-
Balance at the end of the period	2,584,000	25,840,000.00	2,584,000	25,840,000.00

(d) Shareholders holding more than 5% of Equity Share capital (Either individually or in joint holding as first	As at 31.03.2017		As at 31.03.2016	
	Quantity	Amount	Quantity	Amount
(i) Wallstreet Capital Markets (P) Ltd	300,000	11.61	300,000	11.61
(ii) Punni Sanghavi	300,000	11.61	300,000	11.61
(iii) Adesh Broking House (P) Ltd	130,000	5.03	Nil	Nil
(iv) GRD Bullion House (P) Ltd	Nil	Nil	130,000	5.03
	730,000	28.25	730,000	28.25

### Terms/rights attached to Equity Shares.

1. The Company has only one class of Equity Shares having per value of Rs.10/- per share. All these shares has the same right with respect to payment of Dividend, repayment of Capital and Voting.
2. In the Event of Liquidation of Company, the holders 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 shares held by the share holders.



**GUNNY CHEM-TEX INDIA LTD**  
*Vinif Agrewal*  
**Director**

**GUNNY CHEM-TEX INDIA LTD**  
*Smit Agrawal*  
**Director**

# GUNNY CHEM TEX INDIA LTD

(Notes to the Accounts-2 to 4 Annexed to and forming part of the Balance Sheet as at March 31, 2017)

	As at 31.03.2017.		As at 31.03.2016.	
	Rs.	P.	Rs.	P.
<b>NOTE- 2</b>				
<b>Reserves &amp; Surplus</b>				
<b>(a) Amalgamation Reserve</b>				
Balance as per last financial statement	202,863,264.00		202,863,264.00	
Add: Transferred during the year	Nil		Nil	
		202,863,264.00		202,863,264.00
<b>(b) Statutory Reserve u/s 45-IC of RBI Act, 1934</b>				
Balance as per last financial statement	749,146.36		749,146.36	
Add: Transferred during the year	701,480.00		Nil	
		1,450,626.36		749,146.36
		1,450,626.36		749,146.36
<b>(c) Surplus/(Deficit) in Statement of Profit &amp; Loss</b>				
Balance as per last financial statement		(15,039,188.06)		1,714,068.32
Add: Transfer during the year		3,507,372.59		(16,753,256.38)
Less: Transfer to Statutory Reserve Fund		(701,480.00)		Nil
		(12,233,295.47)		(15,039,188.06)
<b>Total: a+b+c</b>		<b>192,080,594.89</b>		<b>188,573,222.30</b>
<b>NOTE- 3</b>				
<b>Other Current Liabilities</b>				
TDS Payable		Nil		Nil
Other Payable		13,800.00		18,320.00
		<b>13,800.00</b>		<b>18,320.00</b>
<b>NOTE- 4</b>				
<b>SHORT TERM PROVISIONS</b>				
Provision for Income Tax(F.Y.2016-17)		804,500.00		Nil
Provision for Income Tax(F.Y.2014-15)		600,000.00		600,000.00
		1,404,500.00		600,000.00
Contingent Provision Agst. Standard Asset		214,300.00		339,100.00
		<b>1,618,800.00</b>		<b>939,100.00</b>

**GUNNY CHEM-TEX INDIA LTD**

*Chief Accountant*  
**Director**



**GUNNY CHEM-TEX INDIA LTD**

*Sumit Agarwal*  
**Director**

# GUNNY CHEM TEX INDIA LTD

NOTE - 5

## FIXED ASSETS AS AT 31.03.2017.

NAME OF ASSETS	GROSS BLOCK		DEPRECIATION			NET BLOCK	
	As at 31.03.16	Additions/(Disposal) during the Year	As at 31.03.17	For the Year	Deduction	As at 31.03.2017	As at 31.03.2016
<u>Tangible</u>							
Air Conditioner	22,000.00	Nil	22,000.00	Nil	Nil	20,900.00	1,100.00
Computer	30,500.00	Nil	30,499.00	Nil	Nil	30,499.00	1.00
Furniture & Fixture	1,732.00	Nil	1,731.00	Nil	Nil	1,731.00	1.00
Mobile Phone	42,700.00	Nil	40,565.00	Nil	Nil	40,565.00	2,135.00
<b>TOTAL :</b>	<b>96,932.00</b>	<b>Nil</b>	<b>96,932.00</b>	<b>Nil</b>	<b>Nil</b>	<b>93,695.00</b>	<b>3,237.00</b>
Previous Year	96,932.00	Nil	86,647.00	7,048.00	Nil	93,695.00	3,237.00

Amount in Rs.



*R. K. Agarwal*  
DIRECTOR

*S. H. J. J.*  
DIRECTOR

# GUNNY CHEM TEX INDIA LTD

(Notes to the Accounts-7 to 9 Annexed to and forming part of the Balance Sheet as at March 31, 2017)

	As at 31.03.2017.		As at 31.03.2016.		
	Rs.	P.	Rs.	P.	
<b>NOTE-7</b> Inventories (At Cost) Stock of Shares & Securities (As certified by Management)			<b>95,753,354.06</b>		<b>45,703,354.06</b>
<b>NOTE-8</b> <b>Cash &amp; Cash Equivalents</b> Balance with Scheduled Bank Cash in Hand (As Certified by Management)			1,962,352.23 378,501.00 <b>2,340,853.23</b>		4,517,833.79 615,345.00 <b>5,133,178.79</b>
<b>NOTE-9</b> <b>SHORT-TERM LOANS AND ADVANCES</b> <b>(unsecured, considered goods)</b> Loans & Advances to other Parties Margin Money Share Application Money Tax Deducted at Sources F.Y. (16-17) Tax Deducted at Sources F.Y. (15-16) Tax Deducted at Sources F.Y. (14-15) Tax Deducted at Sources F.Y. (07-08) Income Tax Refundable	714,735.00 416,167.00 1,137,060.00 47,793.00		85,702,118.15 Nil Nil 2,315,755.00 77,247.45 <b>88,095,120.60</b>	Nil 416,167.00 1,137,060.00 47,793.00	135,617,955.00 1,737,020.00 20,000,000.00 1,601,020.00 77,247.45 <b>159,033,242.45</b>

*Vinif Agarnaf*

\_\_\_\_\_  
DIRECTOR

*Smit Agarnaf*

\_\_\_\_\_  
DIRECTOR



# GUNNY CHEM TEX INDIA LTD

(Notes to the Accounts-10 to 14 Annexed to and forming part of the Statement of Profit & Loss  
for the year ended March 31,2017.)

	For the year ended March 31,2017.	For the year ended March 31,2016.
	Rs. P.	Rs. P.
<b>NOTE- 10</b>		
<b><u>Revenue from Operations</u></b>		
Sales	2,500,000.00	206,502,550.17
Interest on Loan	7,430,727.96	2,807,980.49
Profit/(Loss) on Share Dealings	Nil	98,352.36
Profit/(Loss) on F & O Dealings	276,985.58	(57,571,403.15)
	<b>10,207,713.54</b>	<b>151,837,479.87</b>
<b>NOTE- 11</b>		
<b><u>Other Income</u></b>		
Miscellaneous Income	2,359.00	951,302.00
Interest on Margin Money	Nil	1,374,467.00
	<b>2,359.00</b>	<b>2,325,769.00</b>
<b>NOTE- 12</b>		
<b><u>Employee Benefit Expenses</u></b>		
Salary & Incentives	505,000.00	420,000.00
Staff Weifare	12,209.00	9,330.00
	<b>517,209.00</b>	<b>429,330.00</b>
<b>NOTE- 13</b>		
<b><u>Finance Cost</u></b>		
Interest paid	Nil	172,131.00
<b>NOTE- 14</b>		
<b><u>Other Expenses</u></b>		
Bank Charges	883.95	594.22
Demat Charges	Nil	12,944.29
Advertisement	11,039.00	17,887.00
General Expenses	57,141.00	177,974.53
Printing & Stationery	26,953.00	18,365.00
Travelling & Conveyance	24,463.00	20,218.00
Postage Expenses	14,134.00	9,334.00
Office Expenses	22,574.00	16,724.00
Listing Fees	28,625.00	28,090.00
Annual Custodial Fees	20,610.00	20,610.00
Share Transfer Agent Fees	11,500.00	11,400.00
Filing Fees	7,800.00	6,500.00
Trade License Fees	Nil	4,100.00
Professional Fees	Nil	18,000.00
Sundry Balance W/Off	226,618.00	Nil
<b><u>Auditors Remuneration</u></b>		
Audit Fees	9,200.00	9,160.00
Tax Audit Fees	4,600.00	4,580.00
Certification Charges	5,500.00	4,580.00
	<b>471,640.95</b>	<b>381,061.04</b>

*Vinif Agamot*

DIRECTOR

*Smit Agamot*

DIRECTOR



# GUNNY CHEM TEX INDIA LTD

NOTE NO - 15

## SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1. **Basis of Preparation of Financial Statements**  
The financial Statements have been prepared to comply with the generally accepted accounting principles in India, including the Accounting Standard notified under the relevant provision of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention.
2. **Use of Estimates**  
The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized
3. **Fixed Assets**  
Fixed Assets are stated at cost. All costs attributable to bring the fixed assets to a working condition are capitalized.
4. **Depreciation**  
Depreciation on Fixed Assets is provided on Written down value method in accordance with the Schedule II to the Companies Act,2013.
5. **Impairment of Assets**  
An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged for when asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.
6. **Investments**  
Long Term Investment are stated at cost bearing long term in nature, Provision for diminution in the value of long term investments is made only if, such a decline is other than temporary in nature in opinion of the management.
7. **Inventories**  
Inventories are valued at cost. Cost Comprises Expenditure in the normal course of business in bringing such inventories to their Location and condition and includes appropriate overheads. Provision is made for obsolete and slow moving stocks where necessary.



GUNNY CHEM-TEX INDIA LTD  
*Vinif Agarwal*  
Director

GUNNY CHEM-TEX INDIA LTD  
*Smit Agrawal*  
Director



# GUNNY CHEM TEX INDIA LTD

8. **Revenue Recognition**

Income & Expenditure are recognized on accrual basis and provision is made for all known expenses.

9. **Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable /virtual certainty that the asset will be realized in future.

10. **Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimate in measurement are recognized 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 recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

11. **Employee Benefits**

Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques.

The company does not have any statutory liability towards employee benefit due to non applicability of any such act and hence no provision is made in financial statement in this respect.

12. **Foreign Currency Transactions**

- i) Transactions in foreign exchange are accounted at the exchange rates prevailing on the date of the transaction.
- ii) Changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognized in the Statement of profit & Loss as they arise.
- iii) No foreign currency transactions took place during the year



GUNNY CHEM-TEX INDIA LTD GUNNY CHEM-TEX INDIA LTD

*Deep Agarwal*  
Director

*Sant Agarwal*  
Director

# GUNNY CHEM TEX INDIA LTD

13. **Events occurring after the Balance Sheet Date**  
No significant events occurring after the balance sheet date that provide additional evidence to assist the estimation of amounts relating to conditions existing at the balance sheet date.
14. **Borrowing Costs**  
Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such as asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.
15. **Segment Reporting**  
The accounting policies adopted for segment reporting are in a line with the accounting policies of the company.
16. **Contingent Liabilities**  
The company does not have any contingent liabilities as on the date of Balance sheet.
17. **Employee Benefit -**  
The company does not have any statutory liability towards employee Benefit due to non-applicability of any such act and hence no provision is made in financial statement in this respect.
18. **Related Party Disclosure**  
Information given in accordance with Accounting Standard-18: -
- i. **Key Management Personnel**  
(a) Sumit Agarwal -Director  
(b) Vinit Agarwal-Director
- ii. **Transactions with Related Parties**  
Director Remuneration paid to Mr. Dilip Todi Rs.25,000/-  
(P.Y.Rs.3,00,000/-)
19. **Public Deposits**  
The Company has not accepted any public deposit during the year.



GUNNY CHEM-TEX INDIA LTD

*Vinit Agarwal*  
Director

GUNNY CHEM-TEX INDIA LTD

*Sumit Agarwal*  
Director

# GUNNY CHEM TEX INDIA LTD

## 20. Earning per Share

<u>Particulars</u>	<u>2016-17</u>	<u>2015-16</u>
Profit / (Loss) after Tax (Rs.)	35,07,372.59	(1,67,53,256.38)
Number of Equity Shares Outstanding	25,84,000	25,84,000
Nominal Value of Equity Shares - Rs.	10/-	10/-
Basic & Diluted Earning per share	1.36	(6.48)

## 21. Segment Reporting

The Company's operation predominantly comprises of only one segment "Activity relating to Granting of Loans & Advances" and therefore segment reporting is not applicable to the Company.

## 22. Remuneration to Auditors:

	<u>2016-2017</u>		<u>2015-2016</u>	
	Rs.	P.	Rs.	P.
For Audit	9,200.00		9,160.00	
For Taxation Matters	4,600.00		4,580.00	
For Certification Fees (inclusive of Service Tax)	5,500.00		4,580.00	

## 23. Disclosure Specified Bank Notes

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 30, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

<u>Particular</u>	<u>SBNs</u>	<u>(Amount in Rs.)</u>	
		<u>Other Denomination Notes</u>	<u>Total</u>
Closing cash in hand as on 08.11.2016	Nil	5,30,119.00	5,30,119.00
(+) Permitted Receipts	Nil	1,00,000.00	1,00,000.00
(-) Permitted Payments	Nil	62,759.00	62,759.00
(-) Amount deposited in Banks	Nil	Nil	Nil
Closing cash in hand as on 30.12.2016	Nil	5,67,360.00	5,67,360.00

**Note:** For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.



GUNNY CHEM-TEX INDIA LTD  
*Vinif Agarwal*  
 Director

GUNNY CHEM-TEX INDIA LTD  
*Sunit Agarwal*  
 Director

# GUNNY CHEM TEX INDIA LTD

24. The Company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act has not been given.
25. As a matter of prudence, the company has given effect to an RBI Circular No.DNBS.PD.CC.No.207/03.02.002/2010-11 dated 17<sup>th</sup> January, 2011 and accordingly created contingent provision against standard assets in its financial statement.
26. Figures for the previous year have been re-grouped and /or re arranged wherever found necessary.

For and on behalf of the Board

For H.R. Agarwal & Associates  
Chartered Accountants  
Firm Regn. No. 323029E.

*S. Agarwal*  
(CA. SHYAM SUNDAR AGARWAL)  
Partner  
Membership No.FCA 060033



*H.R. Agarwal*  
Director  
*Sund. Agarwal*  
Director

Place: Kolkata  
Date: 30.05.2017

# GUNNY CHEM TEX INDIA LTD

	As at 31.03.2017.		As at 31.03.2016.	
	Rs.	P.	Rs.	P.
<b>ANNEXURE OF NOTE - 3</b>				
<b>Other Current Liabilities</b>				
For Expenses				
Audit Fees Payable		13,800.00		18,320.00
		13,800.00		18,320.00

*Vinif Agarwal*  
\_\_\_\_\_  
DIRECTOR

*Sunit Agarwal*  
\_\_\_\_\_  
DIRECTOR

**Annual Report: 2016-2017**  
**GUNNY CHEM TEX INDIA LIMITED**

DIRECTORS' REPORT

To  
The Members

Your Directors have pleasure in presenting the 34<sup>th</sup> Annual Report on the affairs of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2017.

**1. FINANCIAL RESULTS**

The financial performance of the Company, for the year ended March 31, 2017 is summarized below:

Particulars	Year Ended 31.03.2017 Rs.	Year Ended 31.03.2016 Rs.
Profit/(Loss) before Tax	43,46,022.59	(1,64,24,255.38)
Less: Current Tax	8,04,500.00	--
Less: Taxes for Earlier Years	34,150.00	(3,29,001.00)
Profit/(Loss) after Tax	35,07,372.59	(1,67,53,256.38)

**2. DIVIDEND**

Your Directors have decided not to recommend any dividend for the year ended 31st March, 2017.

**3. RESERVE**

The Company has transferred amount of Rs. 7,01,480/- to Statutory Reserve Fund Created in terms of Section 45-IC of the RBI Act, 1934 during the year under review. However, the remaining part after setting aside statutory reserve fund amount from Profit & Loss Account has been transferred to Balance Sheet under the Reserves and Surplus.

**4. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE ENDS OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT**

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

**Annual Report: 2016-2017**  
**GUNNY CHEM TEX INDIA LIMITED**

- 5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**  
In view of the nature of activities carried out by the Company, Section 134(3)(m) of the Companies Act, 2013 relating to conservation of energy and technology absorption do not apply to our Company. There was no foreign exchange inflow or Outflow during the year under review.
- 6. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**  
A Risk Management Policy was framed and approved by the Board. The Objective of this policy is to minimize the adverse impact of various risks to business goals and objectives and to enhance the value to the stakeholders.
- 7. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**  
The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.
- 8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**  
The Company is exempted from the applicability of the provision of Section 186 of the Companies Act, 2013, Since the Company is NBFC.
- 9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**  
There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.
- 10. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**  
There was no qualification, reservations or adverse remarks made by the Auditors in their report.
- 11. COMPANY'S POLICY RELATING TO PAYMENT OF REMUNERATION.**  
In pursuant to rules and regulation laid down by listing agreement and companies act for listed companies it is required to formulate a nomination and remuneration committee but at present company do not formed any such committee.
- 12. ANNUAL RETURN**  
The extract of Annual Return pursuant to the provisions of Section 92 (3) of the Companies Act, 2013 is annexed herewith as Annexure I.

**Annual Report: 2016-2017**  
**GUNNY CHEM TEX INDIA LIMITED**

**13. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

During the year under review, 8 (Eight) board meetings were held.

**14. DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(3)(c) read with section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:-

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the Company being unlisted, sub clause (e) of section 134(5) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**15. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or an Associate Company.

**16. DEPOSITS**

The Company has not accepted any deposits falling within the ambit of Section 73 of the Companies Act, 2013 during the year under review.

**17. DIRECTORS**

During the year under Review detail of director, who were appointed/ceased/re-elected/reappointed are give below. Company is not mandatorily required to appoint any whole time Key Management Personnel (KMP).

S.No	Name of Director	Date of appointment in F.Y 2016-17, if any	Date of cessation in F.Y 2016-17, if any
1.	Dilip Todi	--	11/11/2016
2.	Tapan Sodani	--	22/02/2017
3.	Sumit Agarwal	11/11/2016	--
4.	Vinit Agarwal	09/02/2017	--



**Annual Report: 2016-2017**  
**GUNNY CHEM TEX INDIA LIMITED**

**18. DECLARATION OF INDEPENDENT DIRECTORS**

The Company has received declaration from Independent Directors pursuant to Section 149(6) of the Companies Act, 2013.

**19. STATUTORY AUDITORS**

M/s H. R. Agarwal & Associates, Chartered Accountants were appointed as Statutory Auditors for a period of 5 years in the Annual General Meeting held in the year 2014 and are eligible for reappointment, subject to ratification of members at ensuing Annual General Meeting of the Company.

The Company has received letters from Statutory Auditors to the effect that their reappointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013 and they are not disqualified for reappointment.

**20. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS**

There are no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

**21. INTERNAL FINANCIAL CONTROL**

There are adequate internal control procedures commensurate with the size of the Company and nature of its business.

**22. SECRETARIAL AUDIT**

Pursuant to the provision of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Dinesh Agarwal, Practising Company Secretary to undertake the Secretarial Audit of the Company. There is no adverse remark, qualification or reservation in the Secretarial Audit Report.

**23. ACKNOWLEDGEMENTS**

The Directors place on record their sincere thanks to bankers, business associates, consultants, and other stakeholders for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on the Company.

For and on behalf of the Board of Director

*Vinit Agarwal*

Vinit Agarwal  
Director  
DIN: 06385158

Place: Kolkata  
Date: 30.05.2017

Annexure to the Report of the Board of Directors

**Form No.MR-3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017.

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
M/s GUNNY CHEM TEX INDIA LIMITED,  
23B, Netaji Subhash Road,  
2nd Floor, Room No. 8B,  
Kolkata-700001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 'M/s GUNNY CHEM TEX INDIA LIMITED' (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 'M/s GUNNY CHEM TEX INDIA LIMITED', 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 31st March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by 'M/s GUNNY CHEM TEX INDIA LIMITED' ("the Company") for the financial year ended on 31st March 2016, according to the provisions of:

- (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 there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

**Not applicable as the Company has no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.**



Cont.Pg-2

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(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

**Not applicable as the company has not raised share capital during the financial year under review.**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

**Not applicable as the Company has not granted any Options to its employees during the financial year under review.**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

**Not applicable as the Company has not issued any debt securities during the financial year under review.**

(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

**Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review.**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

**Not applicable as the Company has not bought back any of its securities during the financial year under review.**

(vi) I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof the Company has complied with the following laws applicable specifically to the Company:

➤ Reserve Bank of India Directions, Guidelines and Circulars applicable to Systemically Important Non Deposit Accepting or Holding NBFCs.



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

- (i) Secretarial Standard-1 and Secretarial Standard-2 issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with 'The Calcutta Stock Exchange Limited'.

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

- a) The Company has appointed non designated CEO or CFO. The detail of designated CEO or CFO needs to be furnished with ROC/ MCA in compliance of corporate governance.
- b) The Company has not complied with the provision of Section 203 of Companies act 2013, for appointment of whole time Company Secretary.
- c) The Company has not complied with the provision of Section 179(3) of Companies act 2013, for filing of board resolution through form MGT-14 for appointment of secretarial auditor and internal auditor for financial year 2016-2017.

**I further report that:**

- a) 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.
- b) The Listing Agreement entered into by the Company with 'The Calcutta Stock Exchange Limited' has not been complied with.

Adequate notice is 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.

During the audit period under review all decisions at Board meeting and Committee Meeting were carried out unanimously

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period the Company has no specific events/ actions having major bearing the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.



**Dinesh Agarwal**  
(Practicing Company Secretary)  
FCS No. 6315  
C P No. 5881

**Place: Kolkata**  
**Date: 30/05/2017**

**Note:** This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this report.

**Dinesh Agarwal, ACMA, FCS**



**Practicing Company Secretary**.....

16/1A, Abdul Hamid Street, 4th Floor, Room No.4B, Kolkata-700069(W.B.)  
Mobile: +91 9339740007|| E-Mail: agarwaldcs@yahoo.co.in

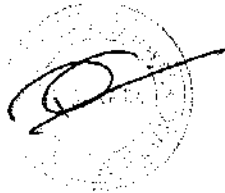
**“ANNEXURE A”**

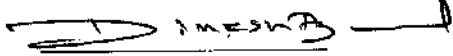
To,  
The Members,  
M/s GUNNY CHEM TEX INDIA LIMITED,  
23B, Netaji Subhash Road,  
2nd Floor, Room No. 8B,  
Kolkata-700001

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata  
Date: 30/05/2017



  
**Dinesh Agarwal**  
(Practicing Company Secretary)  
FCS No. 6315  
C P No. 5881