



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 Audit of the Financial Statements**

Opinion

We have audited the accompanying financial statements of **Gunny Chem Tex India Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019, the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('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 31st March 2019;
- ii. in the case of the statement of profit and loss, of the loss for the year ended on that date and,
- iii. in the case of the statement of Cash Flows, of the cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We did not determine any key audit matter to be communicated in our report.



Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders' Information but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Companies Act, 2013, we give in the Annexure "A", 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 and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 cash flow statement 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 Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; 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;

a. The Company does not have any pending litigations which would impact its financial position, except as stated in clause vii(b) of Annexure A hereunder;

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

c. 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.

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

Chartered Accountants

Firm's registration no. 323029E

Agarwal

(CA. SHYAM SUNDAR AGARWAL)

Partner

Membership number: 060033

Place: Kolkata

Date: 30.05.2019



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 31st March, 2019. 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, 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. Useful life of the fixed assets has almost exhausted.
- (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 consisting of physical shares and securities (Quoted and Unquoted) 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) The Company is a non banking financial Company so the provisions of paragraph 3(iv) of the Order is not applicable to the Company.
- 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, GST, 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, GST, custom duty, excise duty or value added tax and cess were in arrears, as at 31st March, 2019 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, GST, 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 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, no managerial remuneration has been paid or provided by the company. Accordingly, paragraph 3 (xi) of the order is not applicable.
- 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) The company is Non-banking Financial Company and is duly registered under section 45-IA of the Reserve Bank of India Act, 1934.

For H. R. Agarwal & Associates
Chartered Accountants
Firm's registration no. 323029E

Sagarwal.

(CA. SHYAM SUNDAR AGARWAL)
Partner
Membership number: 060033



Place: Kolkata
Date: 30.05.2019

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, 2019 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 and according to the information and explanations given to us, 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, 2019, 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: 30.05.2019



GUNNY CHEM TEX INDIA LTD

CIN: L51492WB1983PLC035994

BALANCE SHEET AS AT 31ST MARCH, 2019

	Note No.	As at 31.03.2019		As at 31.03.2018	
		Rs.	P.	Rs.	P.
I Equity & Liabilities					
(1) Shareholders' Funds					
(a) Share Capital	1	25,840,000.00		25,840,000.00	
(b) Reserves & Surplus	2	191,580,979.00		192,440,978.53	
(2) Current Liabilities					
(a) Other Current Liabilities	3		11,800.00		17,700.00
(b) Short-Term Provisions	4		237,800.00		1,294,100.00
TOTAL :			217,670,579.00		219,592,778.53
II ASSETS					
Non-Current Assets					
(1) (a) Property, Plant and Equipment					
(i) Tangible Assets	5		3,237.00		3,237.00
(b) Non-Current Investment	6		42,232,074.82		37,294,970.92
(2) Current Assets					
(a) Inventories	7		78,661,454.20		83,153,444.84
(b) Cash and Bank Balances	8		476,760.98		1,633,384.77
(c) Short Term Loans & Advances	9		96,297,052.00		97,507,741.00
TOTAL :			217,670,579.00		219,592,778.53

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 Reg. No. 323029E

H. R. Agarwal

CA. SHYAM SUNDAR AGARWAL
Partner
Membership No. FCA 060033

Place: Kolkata
Date: 30.05.2019



For and on behalf of the Board

Vinit Agarwal

Vinit Agarwal
Director
DIN: 06385158

Sumit Agarwal

Sumit Agarwal
Director
DIN: 07650080

Anita Bothra
Anita Bothra
Company Secretary

GUNNY CHEM TEX INDIA LTD

CIN: L51492WB1983PLC035994

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Note No.	2018-19		2017-18	
		Rs.	P.	Rs.	P.
<u>Revenue</u>					
I Revenue from Operations	10	5,581,566.95		40,334,096.63	
II Other Income	11	126,264.76		43,088.54	
Total Revenue(I+II)		5,707,831.71		40,377,185.17	
<u>Expenses</u>					
(a) Purchase of Stock in Trade		1,665,433.03		33,286,183.65	
(b) Changes in Inventories of Stock-in-trade		4,491,990.64		970,050.70	
(c) Employee Benefit Expenses	12	379,515.00		361,110.00	
(d) Other Expenses	13	440,226.57		564,261.73	
(e) Contingent Provision agst. Standard Assets		(3,300.00)		26,800.00	
Total Expenses		6,973,865.24		35,208,406.08	
PROFIT BEFORE TAX (III-IV)		(1,266,033.53)		5,168,779.09	
Less: Tax Expenses					
Current Tax				(1,053,000.00)	
Income Tax for earlier years		406,034.00		(3,755,395.45)	
PROFIT AFTER TAX		(859,999.53)		360,383.64	
Earnings Per share(Rs.10/-)					
Basic(In Rs.)			-0.33		0.14
Diluted(In Rs.)			-0.33		0.14

Significant Accounting Policies

The notes are an integral Part of these financial statements

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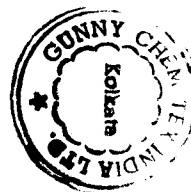
In Terms of our Report of Even Date attached hereto.

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

Sagarwal.

CA.SHYAM SUNDAR AGARWAL
Partner
Membership No. FCA 060033

Place: Kolkata
Date: 30.05.2019



For and on behalf of the Board

Vinit Agarwal
Vinit Agarwal

Director
DIN: 06385158

Sumit Agarwal

Sumit Agarwal
Director
DIN: 07650080

Anita Bothra

Anita Bothra
Company Secretary

GUNNY CHEM TEX INDIA LIMITED

CIN: L51492WB1983PLC035994

CASH FLOW STATEMENT FOR THE YEAR 2018-2019

PARTICULARS	Year ended March 31, 2019 Rs.	Year ended March 31, 2018 Rs.
<u>(A) Cash flow from Operating Activities:</u>		
Net Profit before taxation, and extraordinary items	(12,66,033.53)	51,68,779.09
Adjustments for:		
Contingent Provisions against Standard Assets	(3,300.00)	26,800.00
Loss/(Profit) on Sale of Investments	4,40,337.70	(68,12,371.25)
Depreciation	-	-
Operating Profit before Working Capital Changes	(8,28,995.83)	(16,16,792.16)
Decrease (Increase) in Inventories	44,91,990.64	1,25,99,909.22
Decrease (Increase) in Short Term Loans & Advances	13,36,929.00	(1,07,33,496.85)
Increase (Decrease) in Other Current Liabilities	(5,900.00)	3,900.00
Cash Generated from Operations	49,94,023.81	2,53,520.21
Taxes Paid (net)	(7,73,206.00)	(38,39,019.00)
Net Cash from Operating Activities	42,20,817.81	(35,85,498.79)
<u>(B) Cash flow from Investing Activities:</u>		
Proceeds from (Purchases) / Sales of Investments - Net	(53,77,441.60)	28,78,030.33
Net Cash used in Investing Activities	(53,77,441.60)	28,78,030.33
<u>(C) Cash flow from Financing Activities:</u>		
Net Cash (used in) / from Financing Activities	-	-
Net (Decrease) / Increase in Cash and Cash Equivalents	(11,56,623.79)	(7,07,468.46)
Opening Balance of Cash and Cash Equivalents	16,33,384.77	23,40,853.23
Closing Balance of Cash and Cash Equivalents	4,76,760.98	16,33,384.77

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

H. R. Agarwal

CA. SHYAM SUNDAR AGARWAL
Partner
Membership No. FCA 060033

Place: Kolkata
Date: 30.05.2019



For and on behalf of the Board

Vinit Agarwal
Vinit Agarwal
Director

DIN: 06385158

Sumit Agarwal

Sumit Agarwal
Director

DIN: 07650080

Anita Bothra
Anita Bothra
Company Secretary

GUNNY CHEM TEX INDIA LTD

(Notes to the Accounts-1 Annexed to and forming part of the Balance Sheet as at March 31, 2019)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Quantity (Nos.)	Amount Rs.	Quantity (Nos.)	Amount Rs.
1) SHARE CAPITAL				
(a) Authorised Share Capital				
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) Issued, Subscribed & Paid-up Capital				
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 31.03.2019		As at 31.03.2018	
	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 31.03.2019		As at 31.03.2018	
(i) Wallstreet Capital Markets Pvt Ltd	300,000	11.61	300,000	11.61
(ii) Punni Sanghavi	300,000	11.61	300,000	11.61
(iii) Multiplus Resources Ltd	385,000	14.90	345,000	13.35
(iv) Midcity Dealers Pvt Ltd	139,000	5.38	-	-
	1,124,000	43.50	945,000	36.57

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

(Notes to the Accounts-2 to 4 Annexed to and forming part of the Balance Sheet as at March 31, 2019)

	As at 31.03.2019		As at 31.03.2018	
	Rs.	P.	Rs.	P.
NOTE- 2				
Reserves & Surplus				
(a) Securities Premium				
Balance as per last financial statement	202,860,000.00		202,860,000.00	
Add: Transferred during the year	-		-	
		202,860,000.00		202,860,000.00
(b) Statutory Reserve u/s 45-IC of RBI Act, 1934				
Balance as per last financial statement	1,522,703.36		1,450,626.36	
Add: Transferred during the year	-		72,077.00	
		1,522,703.36		1,522,703.36
		1,522,703.36		1,522,703.36
(c) Surplus/(Deficit) in Statement of Profit & Loss				
Balance as per last financial statement		(11,941,724.83)		(12,230,031.47)
Add: Transfer during the year		(859,999.53)		360,383.64
Less: Transfer to Statutory Reserve Fund		-		(72,077.00)
		(12,801,724.36)		(11,941,724.83)
Total: a+b+c		191,580,979.00		192,440,978.53
NOTE- 3				
Other Current Liabilities				
Other Payable				
		11,800.00		17,700.00
		11,800.00		17,700.00
NOTE- 4				
SHORT TERM PROVISIONS				
Provision for Income Tax(F.Y.2017-18)				
		-		1,053,000.00
		-		1,053,000.00
Contingent Provision Agst. Standard Asset				
		237,800.00		241,100.00
		237,800.00		1,294,100.00



GUNNY CHEM TEX INDIA LTD

NOTE - 5

PROPERTY, PLANT AND EQUIPMENT AS AT 31.03.2019

Amount in Rs.

NAME OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.18	As at 31.03.2019	As at 01.04.18	For the Year	Deductions	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
<u>Tangible</u>								
Air Conditioner	22,000.00	22,000.00	20,900.00	-	-	20,900.00	1,100.00	1,100.00
Computer	30,500.00	30,500.00	30,499.00	-	-	30,499.00	1.00	1.00
Furniture & Fixture	1,732.00	1,732.00	1,731.00	-	-	1,731.00	1.00	1.00
Mobile Phone	42,700.00	42,700.00	40,565.00	-	-	40,565.00	2,135.00	2,135.00
TOTAL :	96,932.00	96,932.00	93,695.00	-	-	93,695.00	3,237.00	3,237.00
Previous Year	96,932.00	96,932.00	93,695.00	-	-	93,695.00	3,237.00	-



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, 2019)

	As at 31.03.2019		As at 31.03.2018	
	Rs.	P.	Rs.	P.
NOTE-7				
Inventories				
(Cost or net realisable value which ever is lower)				
Stock of Shares & Securities				
(As certified by Management)		78,661,454.20		83,153,444.84
NOTE-8				
Cash & Cash Equivalents				
Balance with Scheduled Bank		315,004.98		1,087,254.77
Cash in Hand (As Certified by Management)		161,756.00		546,130.00
		476,760.98		1,633,384.77
NOTE-9				
SHORT-TERM LOANS AND ADVANCES				
(unsecured, cosidered goods)				
Loans & Advances to other Parties		95,098,686.00		96,435,615.00
Advance Income Tax F.Y. (17-18)	-		200,000.00	
Tax Deducted at Sources F.Y.(18-19)	379,526.00		-	
Tax Deducted at Sources F.Y.(17-18)	13,000.00		424,926.00	
Tax Deducted at Sources F.Y.(15-16)	30,000.00		30,000.00	
Tax Paid on Regular Asst F.Y.(11-12)	358,640.00			
Tax Paid on Regular Asst F.Y.(09-10)	417,200.00		-	
Income Tax Refundable		1,198,366.00		654,926.00
		-		417,200.00
		96,297,052.00		97,507,741.00



GUNNY CHEM TEX INDIA LTD

NOTE FORMING PART OF THE BALANCE SHEET AS AT 31.03.2019

	As at 31.03.2019		As at 31.03.2018			
	Rs.	P.	Rs.	P.	Rs.	P.
NOTE-9						
Loans & Advances						
To Parties						
Advance against Office	9,441,511.00				9,441,511.00	
Arvind Shroff	216,673.00				209,673.00	
Arvind Shroff (HUF)	-				100,799.00	
Boast Traders Pvt Ltd	2,104,512.00				-	
Columbia Bio Fuels Pvt Ltd	-				17,000,000.00	
Coral Softwares Ltd	370,000.00				370,000.00	
Emichem Pvt Ltd	-				2,500,000.00	
Global Vision Securities Pvt Ltd	8,100,000.00				6,000,000.00	
GRA Estates LLP	9,680,799.00				8,737,183.00	
Highgrowth Suppliers Pvt Ltd	-				702,500.00	
KNA Share Brokers Pvt Ltd	4,200,000.00				-	
Maniam Properties Pvt Ltd	11,453,000.00				7,202,000.00	
N.K.Sales Corporation	-				41,571.00	
Parwati Capital Market Pvt Ltd	4,000,000.00				-	
Purti West Enclave Pvt Ltd	30,000,000.00				30,000,000.00	
Reena Shroff	670,652.00				628,652.00	
Roshan Sharma	36,543.00				616,422.00	
Sandeep Poddar	1,613,462.00				2,013,462.00	
Shreya Steel	2,000,000.00				-	
Tejendra Promoters Pvt Ltd	8,079,890.00				8,079,890.00	
Transcon Enterprises	-				54,500.00	
Wearit Global Ltd	3,131,644.00				2,737,452.00	
			95,098,686.00			96,435,615.00



GUNNY CHEM TEX INDIA LTD

(Notes to the Accounts - 10 to 13 Annexed to and forming part of the Statement of Profit & Loss
for the year ended March 31, 2019)

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Rs.	P.	Rs.	P.
NOTE- 10				
Revenue from Operations				
Sales	2,100,000.00		29,310,590.58	
Interest on Loan	3,911,591.45		3,912,914.15	
Interest on Debentures	-		407,000.00	
Profit/(Loss) on Sale of Investments	(440,337.70)		6,812,371.25	
Profit/(Loss) on Speculation in Shares & Securities	10,313.20		(108,779.35)	
	5,581,566.95		40,334,096.63	
NOTE- 11				
Other Income				
Miscellaneous Income	126,264.76		12,055.54	
Interest on Income Tax Refund	-		31,033.00	
	126,264.76		43,088.54	
NOTE- 12				
Employe Benefit Expenses				
Salary & Incentives	367,500.00		350,000.00	
Staff Welfare	12,015.00		11,110.00	
	379,515.00		361,110.00	
NOTE- 13				
Other Expenses				
Advertisement	12,985.00		12,508.00	
Annual Custodial Fees	21,240.00		20,700.00	
Bank Charges	15,930.00		797.30	
Filing Fees	11,400.00		1,200.00	
Listing Fees	29,500.00		28,750.00	
Miscellaneous Expenses	68,700.57		63,670.43	
Office Expenses	49,090.00		16,317.00	
Postage Expenses	14,811.00		20,795.00	
Printing & Stationery	31,381.00		39,567.00	
Professional Fees	119,700.00		98,500.00	
S. T. T. (Investments)	35,258.00		110,917.00	
Share Transfer Agent Fees	11,800.00		11,800.00	
Sundry Balance W/Off	-		87,630.00	
Travelling & Conveyance	27,221.00		24,090.00	
Auditors Remuneration				
Audit Fees	11,800.00		11,800.00	
Tax Audit Fees	-		5,900.00	
Certification Charges	9,410.00		9,320.00	
	440,226.57		564,261.73	



GUNNY CHEM TEX INDIA LTD

NOTE NO - 14

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**

Inventory consists of shares and securities purchased for trading purposes. These are valued at lower of cost and net realizable value. Cost is computed on FIFO basis.



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

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: Nil**
19. **Public Deposits**
The Company has not accepted any public deposit during the year.



GUNNY CHEM TEX INDIA LTD

20. Earning per Share

<u>Particulars</u>	<u>2018-2019</u>	<u>2017-2018</u>
Profit after Tax (Rs.)	(8,59,999.53)	3,60,383.64
Number of Equity Shares Outstanding	25,84,000	25,84,000
Nominal Value of Equity Shares - Rs.	10/-	10/-
Basic & Diluted Earning per share	-0.33	0.14

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.

<u>22. <u>Remuneration to Auditors:</u></u>	<u>2018-2019</u>	<u>2017-2018</u>
	<u>Rs.</u>	<u>Rs.</u>
For Audit	11,800.00	11,800.00
For Tax Audit	--	5,900.00
For Certification Fees (inclusive of GST)	9,410.00	9,320.00

23. 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.

24. 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 17th January, 2011 and accordingly created contingent provision against standard assets in its financial statement.

25. 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

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

Place: Kolkata
Date: 30.05.2019



Kirif Agarwal

Director

S. J. Agarwal

Director

Anita Bothra

Company Secretary

GUNNY CHEM TEX INDIA LTD

	As at 31.03.2019		As at 31.03.2018	
	Rs.	P.	Rs.	P.
ANNEXURE OF NOTE - 3				
Other Current Liabilities				
<u>For Expenses</u>				
Audit Fees Payable		11,800.00		17,700.00
		11,800.00		17,700.00



Annual Report: 2018-2019
GUNNY CHEM TEX INDIA LIMITED

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the 36th Annual Report on the affairs of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2019.

1. FINANCIAL RESULTS

The financial performance of the Company, for the year ended March 31, 2019 is summarized below:

Particulars	Year Ended 31.03.2019 Rs.	Year Ended 31.03.2018 Rs.
Profit /(Loss) before Tax	(12,66,033.53)	51,68,779.09
Less: Current Tax	-	10,53,000.00
Less / (Add): Taxes for Earlier Years	(4,06,034.00)	37,55,395.45
Profit /(Loss) after Tax	(8,59,999.53)	3,60,383.64

2. DIVIDEND

Your Directors have decided not to recommend any dividend for the year ended 31st March, 2019.

3. RESERVE

No amount, which the Board proposes to carry to any reserves.

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.

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.

Annual Report: 2018-2019
GUNNY CHEM TEX INDIA LIMITED

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. MAINTENANCE OF COST RECORDS

The Central Government has not prescribed for the maintenance of cost records under Section 148(1) of the Companies Act, 2013.

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

During the year under review, 6 (Six) board meetings were held.

Annual Report: 2018-2019
GUNNY CHEM TEX INDIA LIMITED

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

There was no Director who was appointed or ceased during the year under review.

18. DECLARATION OF INDEPENDENT DIRECTORS

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

19. 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.

Annual Report: 2018-2019
GUNNY CHEM TEX INDIA LIMITED

20. STATUTORY AUDITORS

M/s H. R. Agarwal & Associates, Chartered Accountants, the Company Auditor's will retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Directors recommend their reappointment for another term of 5 years.

21. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013.

The Company is committed to provide a safe and conducive work environment to Women at Workplace. During the year under review, no case of sexual harassment was reported.

22. INTERNAL FINANCIAL CONTROL

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

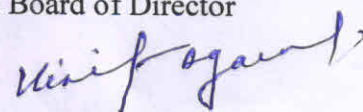
23. SECRETARIAL AUDIT

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.

24. 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
Director
DIN: 06385158

Place: Kolkata
Date: 30.05.2019

Annexure to the Report of the Board of Directors

Form No.MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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 2019 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 2019, 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.



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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

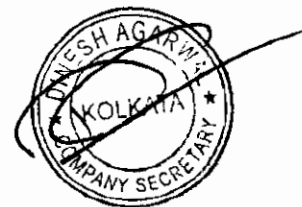
Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review.

(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.



Cont.Pg-3

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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 not complied with some of the applicable regulations of Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- b) The Company has not complied with the provision of Section 203 of Companies Act 2013, for appointment of Managing Director, CEO or Whole Time Director (Key Managerial Personnel). However, the Company has complied with the provisions during the current Financial Year in respect of appointment of Managing Director.
- c) The Company has not formed any Committees of Board of Directors as required under Section 177 and 178 of Companies Act, 2013.
- d) The Company has not complied with the provision of the Section 149 of Companies Act 2013, for composition of Board of Directors.
- e) The company has filled all the forms within due date except two which has been filed with additional fees/penalty.

I further report that:

- a) The Board of Directors of the Company is not 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 not 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. Accordingly the Company is suspended from the Stock Exchange.

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 were carried out unanimously



Cont.Pg-4

Dinesh Agarwal, ACMA, FCS



Practicing Company Secretary.....

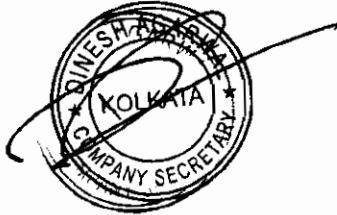
16/1A, Abdul Hamid Street, 4th Floor, Room No.4B, Kolkata-700069(W.B.)

Mobile: +91 9339740007|| E-Mail: agarwaldcs@yahoo.co.in

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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.



Place: Kolkata
Date: 30/05/2019

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

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: 30/05/2019

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