

Independent Auditor's Report

To the Members of GMB ceramics Ltd.

Report on the Financial Statements

We have audited the accompanying (Standalone) financial statements of **GMB Ceramics Ltd.** ("the company") which comprise the Balance Sheet as at 31st March, 2019, the statement of Profit and Loss, Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

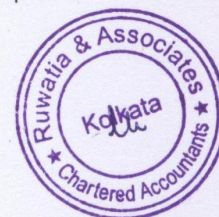
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Companies Act, 2013 and the Rules thereunder, 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:



Key Audit Matter

Following key audit matters came up in the process of our audit which are duly reported in the manner so required in our report.

1. Company carried on activity which is ultra vires to the object of the company temporarily.
2. The negative net worth of the company is indicative about the company's status as a going concern.
3. Inventory are valued at cost instead of its realisable value.
4. Company have not provided depreciation on its fixed assets.

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 Board's Report including Annexures to Board's Report, Business Responsibility Report 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 (Standalone) 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 of these (Standalone) 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

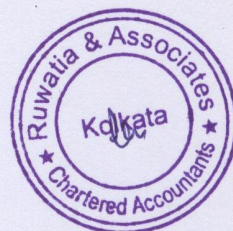
Our responsibility is to express an opinion on these (standalone) financial statements based on our audit.

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 the 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 the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the (Standalone) financial statements



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid (Standalone) financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its Profit/Loss and its Cash Flow for the year ended on that date subject to the following:

- 1. The company has carried on the activity of share trading though the same is not included in main object in the memorandum and article of association of the company. The object of share trading is included in 'object incidental and ancillary to main object'; how ever the Indian companies act 2013 allow such objects as 'ancillary' which are only for furtherance of main object of the company (clause 3rd of Table-A of Schedule 4 of Co act 2013). Thus the activity carried on by the company is ultra-vires to the object of the company. We couldn't comment about any liability that may arise in this regard. The company has discontinued the share trading activity in later part of the year under review.*
- 2. The company's accumulated loss has exceeded its capital and reserve surplus indicating a negative net worth.*
- 3. The current asset in the form of inventories carried forward for a number of years at cost instead of the realisable value. The change in value being unascertainable has not been given effect.*
- 4. The company continued to follow the practice of not providing depreciation on the unused fixed assets, and the amount of depreciation for wear and tear of unused assets is unascertainable and as such not given effect.*

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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” a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that subject to our comments in ‘opinion’ above:-

a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. the Balance Sheet, 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 (Standalone) 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 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.

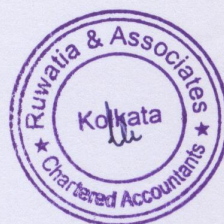
f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

g. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations that will impact its financial position significantly.

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

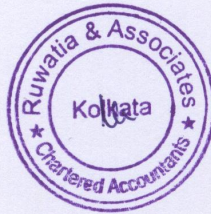


iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of
Ruwatia & Associates.
Chartered Accountants
Firm Regn.No.324276E



Mukesh Kumar Ruwatia
Proprietor
Membership number: 060231
Place: Kolkata
Date: 27th day of July, 2019
UDIN: 19060231AAAAAI5720



"Annexure A" to the Independent Auditors' Report

The Annexure referred to in our report to the members of **GMB Ceramics Ltd.** ("the Company") for the year ended 31st March, 2019. We Further report that:-

1 (a) The Company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets; we are explained that the factory of the company was in the custody of financial institution subsequent to which the relevant register kept in the factory are not available.

(b) The Fixed Assets have not been physically verified by the management during the year .

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

2) The inventories have not been physically verified by the management during the year .

3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) Since the company's manufacturing activity continues to remain suspended during the year and no other activity and transaction took place, in our opinion the provisions of sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the company.



7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) The Company has paid\provided any managerial remuneration.

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13) In our opinion, the company has entered into any transaction with the related parties under section 177 and 188 of Companies Act, 2013 in ordinary course of business .

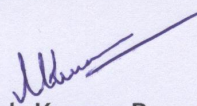


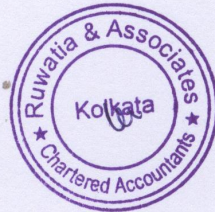
14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of
Ruwatia & Associates.
Chartered Accountants
Firm Regn.No.324276E


Mukesh Kumar Ruwatia
Proprietor
Membership number: 060231
Place: Kolkata
Date: 27th day of July 2019
UDIN:19060231AAAAAI5720



“Annexure B” to the Independent Auditor’s Report

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

We have audited the internal financial controls over financial reporting of **GMB ceramics Ltd.** (“The Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

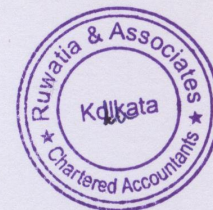
Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial



reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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

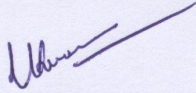
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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.



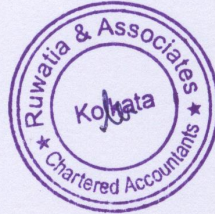
Opinion

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 March 31, 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 Institute of Chartered Accountants of India".

For and on behalf of
Ruwatia & Associates.
Chartered Accountants
Firm Regn.No.324276E



Mukesh Kumar Ruwatia
Proprietor
Membership number: 060231
Place: Kolkata
Date: 27th day of July 2019
UDIN:19060231AAAAI5720



GMB CERAMICS LTD.
BALANCE SHEET AS AT 31ST MARCH, 2019

PARTICULARS	NOTE NO	AMOUNT IN RS.	
		FIGURES AS AT 31.03.2019	FIGURES AS AT 31.03.2018
ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment	2	53,702,936	53,702,936
Current Assets			
(a) Inventories	3	4,231,341	4,231,341
(b) Financial Assets			
(i) Cash and Cash Equivalents	4	355,161	43,319
(ii) Fixed Deposit		20,000,000	
(ii) Loans	5	11,213,268	9,905,304
Total Assets		89,502,706	67,882,900

EQUITY AND LIABILITIES

EQUITY

(a) Equity Share Capital	6	35,000,000	34,927,500
(b) Other Equity	7	-36,789,683	-35,625,915

LIABILITIES

Non-current Liabilities

(a) Financial Liabilities			
(i) Other Financial Liabilities	8	51,043,937	67,969,971

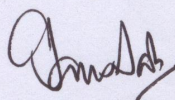
Current Liabilities

(a) Financial Liabilities			
(i) Trade payables	9	-	105,822
(b) Other Current Liabilities	10	40,244,844	499,092
(c) Provisions	11	3,608	6,430

Total Equity and Liabilities		89,502,706	67,882,900
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Significant Accounting Policies 1
As per Annexed report of even date.

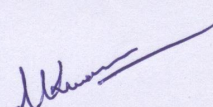
For Ruwatia & Associates
Chartered Accountants
Firm Registration No. 324276E



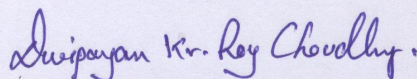
Gaurang Jalan
Managing Director
DIN : 00909769



Arabinda De
Director
DIN : 00028093

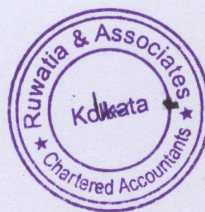


(Mukesh Kumar Ruwatia)
Proprietor
Membership No. 060231
Place : Kolkata
Dated the 27th day of July , 2019



Dwipayan Kr. Roy Choudhury
Chief Financial Officer
PAN : AOKPR7220K

Nidhi Sharma
Company Secretary
Associate Membership:42014
Nidhi Sharma



GMB CERAMICS LTD

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

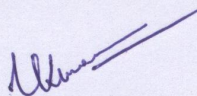
	NOTE NO	For the year ended 31.03.2019 Rs.	For the year ended 31.03.2018 Rs.
(I) REVENUE FROM OVERSEAS		0	0
(II) OTHER INCOME	12	764,916	0
Share Sale		2,821,853	0
(III) TOTAL REVENUE (I + II)		<u>3,586,769</u>	<u>0</u>
 (IV) EXPENSES			
Share Purchases		2,925,377	0
Employee Benefits Expenses	13	481,935	376,400
Other Expenses	14	1,343,225	1,374,756
TOTAL EXPENSES		<u>4,750,537</u>	<u>1,751,156</u>
 (v) Profit before Tax		-1,163,768	-1,751,156
Tax Expense			
(1) Current Tax			
(2) Deferred Tax			
(VI) Profit/(Loss) for the period		<u>-1,163,768</u>	<u>-1,751,156</u>
(VII) Other Comprehensive Income			
(VIII) Total Comprehensive Income for the period			
(IX) Earnings per Equity Share			
(1) Basic		<u>0.32</u>	<u>0.50</u>
(2) Diluted		<u>0.32</u>	<u>0.50</u>

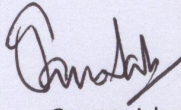
Significant Accounting Policies

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As per Annexed report of even date.

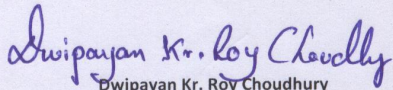
For Ruwatia & Associates
Chartered Accountants
Firm Registration No. 324276E


(Mukesh Kumar Ruwatia)
Proprietor
Membership No. 060231
Place: Kolkata
Dated the 27th day of July , 2019


Gaurang Jalan

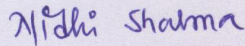
Managing Director
DIN : 00909769


Arabinda De
Director
DIN : 00028093


Dwipayan Kr. Roy Choudhury

Chief Financial Officer
PAN : AOKPR7220K

Nidhi Sharma
Company Secretary
Associate Membership:42014





GMB CERAMICS LTD.

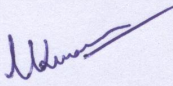
Cash Flow Statement for the year ended 31st March, 2019

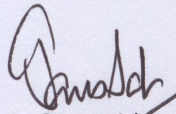
	2018-19	2017-18
	Rs.	Rs.
A. Cash Flow from Operating Activities		
Net Profit before Tax & Extra-ordinary Items	(1,163,768)	(1,751,156)
Adjustment for :		
Transfer to capital reserves	-	-
Interest charged to Profit & Loss Account	-	-
Opening Profit/(Loss) before Working Capital Charges	(1,163,768)	(1,751,156)
Adjustment for :		
(Increase) / Decrease in Trade Receivables	-	-
Increase / (Decrease) in Current Liabilities	39,745,752	206,641
Increase / (Decrease) in Short Term Provisions	(2,822)	(50)
(Increase) / Decrease Inventories	-	-
Increase / (Decrease) in Trade payables	(105,822)	(74,311)
Cash generated from Operations	38,473,340	(1,618,876)
Cash Flow before Extra-ordinary Items	72,500	-
Net Cash from Operating Activities	38,545,840	(1,618,876)
B. Cash flow from Investing Activities		
(Increase) / Decrease in Long Term Loans & Advances	(1,307,964)	(454,409)
(Increase) / Decrease in investments	(20,000,000)	-
(Increase) / Decrease in Fixed Asstes	-	-
Net Cash from investing Activities	(21,307,964)	(454,409)
C. Cash Flow from Financing Activities		
Increase/(Decrease) in Long term Borrowings	(16,926,034)	2,084,710
Increase/ (Decrease) in Short Term Borrowings	-	-
Net Cash from Financing Activities	(16,926,034)	2,084,710
Net Changes in Cash and Cash Equivalent (A+B+C)	311,842	11,425
Cash & Cash Equivalents as at 1st April, 2018 (Opening Balance)	43,319	31,894
Cash & Cash Equivalents as at 31st March, 2019 (Closing Balance)	355,161	43,319

Note : Figures in Bracket represent Cash Outflows.

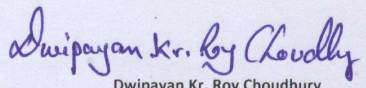
As per Annexed report of even date.

For Ruwatia & Associates
Chartered Accountants
Firm Registration No. 324276E

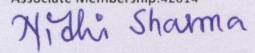

(Mukesh Kumar Ruwatia)
Proprietor
Membership No. 060231
Place : Kolkata
Dated the 27th day of July , 2019

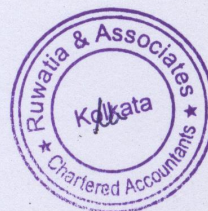

Gaurang Jain
Managing Director
DIN : 00909769


Arabinda De
Director
DIN : 00028093


Dwipayan Kr. Roy Choudhury
Chief Financial Officer
PAN : AOKPR7220K

Nidhi Sharma
Company Secretary
Associate Membership:42014





Note:1

A. Basis of preparation of financial statements

(i) Statement of compliance and basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Up to the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of the Indian GAAP ("Previous GAAP"), which included Standards notified under the Companies (Accounting Standards) Rules, 2006. The date of transition to Ind AS is April 1, 2016.

Accounting policies have been applied consistently to all periods presented in these financial statements

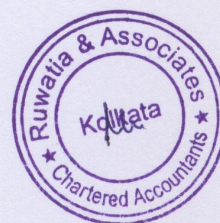
The financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable

(ii) Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

a) Income taxes: The major tax jurisdictions for the Company are India. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax



positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

b) **Deferred taxes:**Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

c) **EPS:** The following reports basic and diluted earning per equity shares in accordance with basic earning per share has been computed by dividing net profit or loss by weighted average number of equity shares outstanding for the period. Diluted earning per share has been computed using the weighted average number of equity shares and diluted potential equity shares outstanding for the period.

B. Significant accounting policies

(i) Functional and presentation currency

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company.

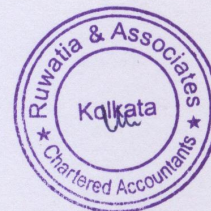
(ii) Financial instruments

Non derivative financial instruments consist of:

- Financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;
- Financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

Non derivative financial instruments are recognized initially at fair value. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:



A. Cash and cash equivalents

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the balance sheet, bank overdrafts are presented under borrowings within current liabilities.

B. Other financial assets:

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses. These comprise trade receivables, unbilled revenues, cash and cash equivalents and other assets.

C. Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

(iii) Equity

a) Share capital and share premium

The authorized share capital of the Company as of March 31, 2019, is 55 million consisting 55,00,000 equity shares of 10 each. Par value of the equity shares is recorded as share capital

Every holder of the equity shares, as reflected in the records of the Company as of the date of the shareholder meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

b) Capital Reserve

Capital reserve amounting to 9,10,00,860 (March 31, 2019) is not freely available for distribution.

c) Profit & Loss A/c

Profit & Loss A/c comprises of the Company's undistributed earnings after taxes



d) Other comprehensive income

Changes in the fair value of financial instruments measured at fair value through other comprehensive income and actuarial gains and losses on defined benefit plans are recognized in other comprehensive income (net of taxes), and presented within equity as other comprehensive income.

e) Other reserves

Other reserve includes Central investment subsidy, Project Subsidy & BIFR relief & concession of amount Rs 25,00,000 , Rs 3,00,000, Rs 64,81,885.

(iv) Property, plant and equipment

a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost

b) Transition to Ind AS

The Company has elected to continue with the carrying value of all its properties, plant & equipment recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant & equipment.

c) Depreciation

i) The Company has not charged depreciation since March, 2001 as the company's plant continues to remain inoperative since 15th November, 1997

(v) Inventories

Inventories are valued at cost.

(vi) Employee benefits

The Company has the following employee benefit plan:

A. Provident fund

Employees receive benefits from a provident fund, which is a defined benefit plan. The employer and employees each make periodic contributions to the plan. A portion of the contribution is made to the approved provident fund trust managed by the Company while the remainder of the contribution is made to the government administered pension fund. The contributions to the trust managed by the Company is accounted for as a defined benefit plan as the Company is liable for any shortfall in the fund assets based on the government specified minimum rates of return.



(vii) Provision, Contingent Liability &Contingent Asset

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(viii) Finance cost

Finance cost comprise interest cost on borrowings, gain or losses arising on re-measurement of financial assets at FVTPL, gains/(losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

(viii) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is, or contains a lease if, fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. Proportionate cost of leasehold land has not been written off

C. Notes on Transition to Ind AS

These financial statements are prepared in accordance with Ind AS. For years up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with Indian GAAP (i.e. Previous GAAP). Exemptions from retrospective application: In preparation of the Ind AS financial statements, the Company has:

1. Elected to adopt the Previous GAAP carrying value of Property, Plant and Equipment as deemed cost on date of transition.

Accordingly, the Company has prepared financial statements which comply with Ind AS for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018.



2. There is no significant reconciliation items in its financial position prepared under previous GAAP and those prepared under Ind AS.

3. There is no significant reconciliation items between profit prepared under previous GAAP and those prepared under Ind AS.

4. There is no significant reconciliation items between cash flow prepared under previous GAAP and those prepared under Ind AS.

5. Arbitration Award dated 23.06.1999 in Company's favour has been confirmed by the Division Bench of Hon'ble High Court of Calcutta vide its Order dated 24.09.2018 against Neycer India Ltd., which preferred a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India; pending disposal of SLP, the Supreme Court of India directed Neycer India Ltd., vide its Order dated 22.11.2018, for depositing of Rs.4 Crore to our Company returnable if so ordered by the Supreme Court of India. Accordingly, the deposit of Rs.4 Crore was received on 30.01.2019.

D. Related Party Disclosure

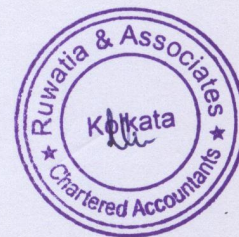
Following transaction were carried out with related party in ordinary course of Business

Nature of Transaction	2018-19
Compensation to KMP-Remuneration to Nidhi Sharma	1,50,000
Loan taken from Related Party	21,45,000
Loan repaid to Related party	35,22,034



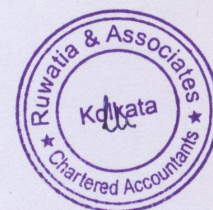
GMB CERAMICS LTD
Note 2 :- property, Plant & Equipment

	LAND	BUILDINGS	PLANT AND MACHINERY	FUNITURE AND FIXTURES	TOTAL
Gross Carrying Value :					
As at APRIL 1,2017	4400229.00	35666779.00	53478402.00	905767.00	94451177.00
Additions	0.00	0.00	0.00	0.00	0.00
Disposal / adjutments	0.00	0.00	0.00	0.00	0.00
As at March 31,2018	4400229.00	35666779.00	53478402.00	905767.00	94451177.00
As at APRIL 1,2018	4400229.00	35666779.00	53478402.00	905767.00	94451177.00
Additions	0.00	0.00	0.00	0.00	0.00
Disposal / adjutments	0.00	0.00	0.00	0.00	0.00
As at March 31,2019	4400229.00	35666779.00	53478402.00	905767.00	94451177.00
Accumulated Depreciation / impairment					
As at APRIL 1,2017	0.00	10838039.00	29339086.00	571116.00	40748241.00
Depreciation					
Disposal / adjutments					
As at March 31,2018	0.00	10838039.00	29339086.00	571116.00	40748241.00
As at APRIL 1,2018	0.00	10838039.00	29339086.00	571116.00	40748241.00
Depreciation					
Disposal / adjutments					
As at March 31,2019	0.00	10838039.00	29339086.00	571116.00	40748241.00
Net Carrying Value					
As at APRIL 1,2017	4400229.00	24828740.00	24139316.00	334651.00	53702936.00
As at March 31,2018	4400229.00	24828740.00	24139316.00	334651.00	53702936.00
As at March 31,2019	4400229.00	24828740.00	24139316.00	334651.00	53702936.00



GMB CERAMICS LTD**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019**

	31 MARCH,2019	31 MARCH,2018
3 INVENTORIES		
Stores & Spares (At cost)	417,880	417,880
Stock of Electrical goods (At cost)	15,016	15,016
Stock of Kiln Materials (At cost)	61,025	61,025
Raw Materials (At cost)	125,507	125,507
Packing Materials (At cost)	23,195	23,195
Finished Goods (At cost)	2,949,459	2,949,459
Finished Moulds & Other items (At cost)	639,259	639,259
	<u>4,231,341</u>	<u>4,231,341</u>
4 CASH & CASH EQUIVALENTS		
Cash in Hand	144,242	3,641
UCO Bank , Kolkata	154,923	
SBI, Balasore	55,996	
	<u>210,919</u>	<u>39,678</u>
	<u>355,161</u>	<u>43,319</u>
5 FINANCIAL ASSET-LOANS		
Advances		
- Advance Against Expense :		
Expenditure- Arbitration Award	10,858,309	9,509,213
- Advance to IDCO	172,976	222,008
- Advance to Creditors	-	109,247
Security Deposit	10,000	10,000
Central Excise (Excess Paid)	-	1,773
GST Input Receivable	157,953	47,656
Sales Tax (Excess Paid)	-	5,407
TDS Receivable	14,030	-
	<u>11,213,268</u>	<u>9,905,304</u>
6 SHARE CAPITAL		
(a) Capital Structure		
<u>Authorised</u>		
55,00,000 Equity Shares of Rs.10/- each	55,000,000	55,000,000
	<u>55,000,000</u>	<u>55,000,000</u>
<u>Issued, Subscribed and Fully Paid-up</u>		
35,00,000 Equity Shares of Rs.10/- each fully paid in cash	35,000,000	35,000,000
Less : Allotment Money in Arrear	0	-72500
	<u>35,000,000</u>	<u>34,927,500</u>



GMB CERAMICS LTD.**(b) Share Capital Reconciliation**

	Nos.	Amount	Nos.	Amount
Equity Shares				
Opening Balance	3,500,000	35,000,000	3,500,000	35,000,000
Issued during the period	-	-	-	-
Closing Balance	3,500,000	35,000,000	3,500,000	35,000,000

(c) Particulars of Equity Shareholders holding more than 5% shares at Balance Sheet date

Name of the Shareholder	No. of shares	%holding	No. of shares	%holding
Industrial Promotion & Investment Corporation of Orissa Ltd	525,000	15	525,000	15
Neiveli Ceramics & Refractories Ltd	180,000	5	180,000	5
Nafisa Trading Co Ltd	859,500	25	859,500	25
Swati Nivesh & Services Ltd	309,700	9	309,700	9
Rupak Trading Pvt Ltd	253,062	7	253,062	7
Pratush Consultants Pvt Ltd	254,362	7	254,362	7

7 RESERVES & SURPLUS

Capital Reserves	91,000,860	91,000,860
Other Reserves :		
- Central Investment Subsidy	2,500,000	2,500,000
- Project Subsidy	300,000	300,000
- BIFR Relief & Concession	6,481,885	6,481,885
- Profit & Loss Statement as per last Balance Sheet	-135,908,660	
Add : Profit/(Loss) for the year	-11,63,768	
Total Reserves & Surplus	-137,072,428	-135,908,660
	-36,789,683	-35,625,915

8 Other Financial Liabilities**(a) Loans & Advances from related Parties**

Advances :

- from Directors (Unsecured)	21,238,937	22,615,971
- from Body Corporates (Unsecured)	29,805,000	45,354,000
	51,043,937	67,969,971



GMB CERAMICS LTD

9	TRADE PAYABLES		
	Sundry Creditors	-	850
	Integrated Capital Services Ltd	-	-
	NFS Maintenance & Services	-	104,972
		<u>-</u>	<u>105,822</u>
10	OTHER CURRENT LIABILITIES		
	- Security Deposit	5,000	5,000
	Advance from Debtors		
	Balasore Scrap	-	169,681
	Other Advance		
	Suparna Mukherjee	-	7,650
	Deposit Received Against		
	Arbitration Award (see note no. C- 5)	40,000,000	-
	Other Liabilities	239,844	316,761
		<u>40,244,844</u>	<u>499,092</u>
11	SHORT TERM PROVISIONS		
	Employees Provident Fund	3,608	6,430
		<u>3,608</u>	<u>6,430</u>



GMB CERAMICS LTD.

12 OTHER INCOME		
Misc Income	585,590	0.00
Share Profit	26,018	0.00
Sweep Interest	6,953	0.00
Interest on F.D.	140,300	0.00
Dividend	6,055	0.00
	<u>764,916</u>	<u>0.00</u>
13 EMPLOYEE BENEFITS EXPENSE		
Director Reumneration	150,000	125,000
Salary & Allowances	288,360	216,000
Employers' Provident Fund	39,554	35,400
Staff Welfare A/c	4,021	-
	<u>481,935</u>	<u>376,400</u>
14 OTHER EXPENSES		
Administrative Charges		
(Paid to The Registrar, Supreme Court of India)	15,000	-
Avertisement & Publicity	10,472	20,520
Bank Charges	2,973	1,565
Computer soft ware expenses	10,620	-
Conveyance Expenses	2,273	1,202
D-Mat Charges	407	1,180
Factory Expenses	605,500	613,200
Filing Fees	13,600	39,855
General Expenses	150,917	73,411
Intersst on TDS	280	-
Lease Rent	49,032	-
Listing fees	25,000	28,750
Late fee	500	-
Postage & Telegram	28,418	52,699
Penalty	-	6,250
Printing & Stationery	5,892	64,392
Power & Fuel Charges	239,860	239,860
Professional Charges	48,790	42,363
Professional Tax	2,500	2,500
Repair & Maintenance	24,700	63,710
Service Tax	-	18,472
Share Loss	1,664	-
Telephone Expenses	2,299	-
Trade Licence	4,310	2,150
Travelling Charges	49,917	76,099
Website Expenses - email	3,121	2,978
Written off	7,180	-
Audit Fees :	-	-
Statutory Audit Fees	30,000	20,000
Review Report	8,000	-
GST on above	-	3,600
	<u>1,343,225</u>	<u>1,374,756</u>



GMB CERAMICS LTD.

Statement of Changes in Equity for the year ended March 31, 2019

Particulars	As at 31 March 2019		As at 31 March 2018		
	No. of Shares	Amount	No. of Shares	Amount	
a) Equity Share Capital					
Balance at beginning of reporting period	3,500,000	35,000,000	3,500,000	35,000,000	
Changes in Equity Share Capital	0	0	0	0	
Balance at the end of reporting period	3,500,000	35,000,000	3,500,000	35,000,000	
b) Other Equity					
Particulars	Capital Reserve	Other Reserves	BFIR Relief & Concession	Profit & loss A/C	Total other Equity
Balance as at April 1, 2018	91,000,860.00	2,800,000.00	6,481,885.00	-135,908,990.00	-35,625,915.00
Profit for the period				-1,163,768.00	-1,163,768.00
Other comprehensive income for the period					
Total comprehensive income for the period	91,000,860.00	2,800,000.00	6,481,885.00	-137,072,758.00	-36,790,013.00
Balance as at March 31, 2019	91,000,860.00	2,800,000.00	6,481,885.00	-137,072,758.00	-36,790,013.00

