

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:

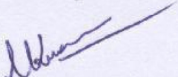
i. The Company does not have any pending litigations that will impact its financial position significantly.

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 .

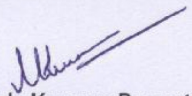


14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 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

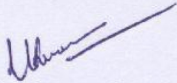
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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:19060231AAAAAI5720



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

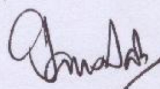
(a) Financial Liabilities			
(i) Trade payables	9	-	105,822
(b) Other Current Liabilities	10	40,244,844	499,092
(c) Provisions	11	3,608	6,430

Total Equity and Liabilities		89,502,706	67,882,900
-------------------------------------	--	-------------------	-------------------

Significant Accounting Policies 1
As per Annexed report of even date.

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

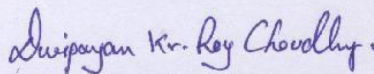
(Mukesh Kumar Ruwata)
Proprietor
Membership No. 060231
Place : Kolkata
Dated the 27th day of July , 2019



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
Nidhi Sharma



GMB CERAMICS LTD

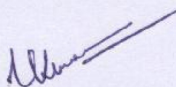
PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH,2019

	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>

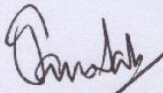
Significant Accounting Policies

As per Annexed report of even date.

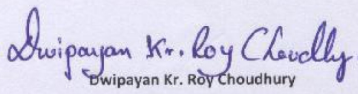
For Ruwatia & Associates
Chartered Accountants
Firm Registration No. 324276E


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

1


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

Nidhi Sharma

