

DIRECTORS' REPORT

To,
The Members
G M B CERAMICS LIMITED

Your Directors have pleasure in presenting their **Thirty Seventh Annual** Report together with the Audited financial statements of your Company for the year ended 31st March, 2019.

KEY FINANCIAL HIGHLIGHTS

The highlights of the financial results of the Company are as follows:

(AMT. IN RUPEES)

| PARTICULARS | <i>Year Ended March 31,2019</i> | <i>Year Ended March 31,2018</i> |
|--|---------------------------------|---------------------------------|
| <i>Revenue from Operations</i> | - | - |
| <i>Other Income</i> | 3,586,769 | - |
| <i>Total Revenue</i> | 3,586,769 | - |
| <i>Total Expenses</i> | 4,750,537 | 1,751,156 |
| <i>Profit / (Loss) for the year before tax</i> | (1,163,768) | (1,751,156) |
| <i>Less : Provision for Taxation</i> | - | - |
| <i> Current Tax</i> | - | - |
| <i> Deferred Tax</i> | - | - |
| <i>Less : Minority Interest</i> | - | - |
| Profit/ (loss) during the year | (1,163,768) | (1,751,156) |
| <i>Add : Profit B/F from previous Year</i> | (135,908,660) | (134,157,504) |
| <i>Sub Total</i> | (137,072,428) | (135,908,660) |
| <i>Less: P/L Appropriation</i> | - | - |
| <i>Less : Transferred to Reserve</i> | 93,800,860 | 93,800,860 |
| <i>Less: BIFR Relief & Concession</i> | 6,481,885 | 6,481,885 |
| Balance C/f to Balance Sheet | (36,789,683) | (35,625,915) |

BUSINESS PERFORMANCE REVIEW

During the financial year 2018-19, the Company's loss amounted to Rs.11.64 (rounded off) lakh as against Rs. 17.51 (rounded off) Lakh in the previous year.

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the Financial Year and the date of the report.

PROSPECT

a) Business : Our management is looking out for diversification opportunities of industrial activity to garner revenue and is presently having serious look for commencing warehousing activity (i) by minimum modification in existing factory premises at Somnathpur Industrial Estate, Balasore with small capital outlay, (ii) by taking the opportunity of recent shifting of cargo handling in newly constructed railway siding located alongside our factory land at Somnathpur Industrial Estate in Balasore and (iii) going by the Government policy of recognising "warehousing" as an industry.

b) Arbitration Award: Directors are happy to inform the members that the favourable Arbitration Award against Neycer India Ltd, the erstwhile collaborator for the sanitary ware project, which remained pending in different judicial forum for a long time, has come to a concluding stage at the level of Supreme Court; an interim payment of Rs 4 crore, as per Supreme Court order has been received. A logical conclusion and realisation of Award proceeds is expected during the current year. Such a happening would improve considerably the Company's financial health.

DIVIDEND

Your Director's regret for not recommending any Dividend on Equity Shares due to continued losses incurred by the Company.

RESERVES

The Company has incurred losses; hence there is no amount- transfer to the statutory reserves during the Financial Year 2018-19.

CHANGE IN THE NATURE OF BUSINESS

The Company, with suspended manufacturing activity for long time and in desperate need for diversification, started in a small way trading in corporate shares in stock exchanges. This activity, though permissible as other objects in Memorandum & Articles of Associations and within the powers of the Board of Directors in terms of the Companies Act, 1956, requires alteration of the Object clause of Memorandum & Articles of Associations in terms of the provisions of the Companies Act, 2013, as pointed out by the Statutory Auditors. Besides, the activity did not give a good yield i.e., return on capital employed. The Company has therefore discontinued the share trading activity. Apart from the above stated activity, there are no changes in nature of business of the Company during the year under review.

SHARE CAPITAL

With the revocation of suspension in trading of the Company's shares, as reported in last year's Directors' Report to Annual Accounts, the arrears of allotment money of Rs 72,500 could be collected and Paid Up Equity Share Capital as on March 31, 2019 was Rs 3,50,00,000. The Company has neither issued shares with differential rights as to

dividend, voting or otherwise nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme.

PUBLIC DEPOSIT

Your Company did not accept any deposit from the public during the financial year within the meaning of Section 73 of the Companies Act, 2013 or the Companies (Acceptance of Deposits) Rules, 2014 nor does it hold any public deposit.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Company has M/s. Nafisa Trading Co Ltd., an associate company and has no subsidiary company.

LISTING

The Equity Shares of the Company continue to be listed on the CSE Limited (CSE) as on the date of this report. The scrip code number of the Equity Shares of the Company on CSE is 10017404 respectively.

The Company has been regular in making payment of Annual Listing Fees to the Calcutta Stock Exchange.

DIRECTOR AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Nidhi Sharma, Director of the Company retires by rotation and being eligible and offered herself for re-appointment. Further, the composition of the Board being adequate as per the provisions of the relevant Rules and Regulations.

All the directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013.

Shri Gaurang Jalan (Managing Director), Mrs. Nidhi Sharma (Company Secretary cum Director) and Shri. Dwipayana Kr. Roy Choudhury (Chief Financial Officer) are the Key Managerial Personnel (KMP) of the Company, pursuant to the provisions of the Company Act, 2013 as on the date of this report.

All the Directors, Key Managerial Personnel and senior management of the company have affirmed compliance of with the code of conduct applicable to the Directors and employees of the Company and a declaration in this regard made by the Managing Director is attached which forms a part of this report of Directors. The Code of Conduct is available on the Company's website www.gmbceramics.com

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors that they meet the criteria as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations, 2015.

The Board confirms that the said Independent Directors meet the criteria as laid down under the Companies Act, 2013 as well as the SEBI Listing Regulations, 2015.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors had, in accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, met separately and discussed and reviewed, inter alia, the performance of Non Independent Directors and the Board as a whole after taking into consideration the views of Executive and Non- Executive Directors.

BOARD AND ITS COMMITTEES

BOARD MEETINGS

The Board met 6 times during the financial year as on 27.04.2018, 16.06.2018, 13.08.2018, 12.10.2018, 07.12.2018 and 05.02.2019. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI Regulation, 2015.

COMMITTEES OF THE BOARD

The Board has formulated the following Committees:

1. Audit Committee: The Audit Committee comprises of followings Directors as members:

| Name of the Director | Category | Position |
|----------------------|----------------------|-------------------|
| Gaurang Jalan | Promoter | Managing Director |
| Arabinda De | Independent Director | Director |
| Madhav Prasad Sureka | Independent Director | Chairman |

All the members of the committee possess sound knowledge of accounts, audit. Mr. Madhav Prasad Sureka and Mr. Arabinda De are having expertise in financial management. During the year four (4) Audit Committee meetings were held i.e. on 16th June, 2018, 13th August, 2018, 7th December, 2018 and 2nd February, 2019.

2. Nomination and Remuneration Committee:-

The Nomination & Remuneration Committee comprises of followings Directors as members:

| Name of the Director | Category | Position |
|----------------------|--------------------|----------|
| Shri Ram Avtar Jalan | Executive Director | Member |

| | | |
|----------------------|----------------------|----------|
| Shri Arabinda De | Independent Director | Chairman |
| Madhav Prasad Sureka | Independent Director | Director |

During the year ended 31st March, 2019, two (2) Nomination & Remuneration committee meetings were held on 16th June, 2018 and 7th December, 2018.

3. Stakeholders Relationship Committee:-

The Stakeholders Relationship Committee comprises of followings Directors as members:

| Name of the Director | Category | Position |
|----------------------|----------------------|----------|
| Shri Ram Avtar Jalan | Executive Director | Member |
| Shri Arabinda De | Independent Director | Director |
| Madhav Prasad Sureka | Independent Director | Chairman |

During the year ended 31st March, 2019, two (2) Stakeholders Relationship Committee meetings were held on 16th June, 2018 and 7th December, 2018.

BOARD EVALUATION

The Board of Directors of the Company carried out annual evaluation of its own performance, of the Committees of the Board and individual Directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes. The Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings.

In addition, the Managing Director was evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Management. Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole.

POLICY FOR APPOINTMENT AND REMUNERATION:

The Board has, on recommendation of the Nomination and Remuneration Committee formulated a policy for selection and appointment of Directors, senior managements and their remuneration. The said policy is annexed and forms a part of this report.

INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls. This ensures that all transactions are authorised, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition.

We have documented policies and procedures covering all financial and operating functions and processes. The Company's internal control system is commensurate with its size, scale and complexities of its operations.

The Audit Committee oversees and reviews the functioning of the entire audit team and the effectiveness of internal control system at all levels and monitors the implementation of audit recommendations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

Your Directors confirm that during the year under review, there were no reportable material weaknesses in the present systems or operations of internal controls.

CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

Since your Company's manufacturing facility continued to remain inoperative and close is a non-banking finance Company and does not own any manufacturing facility, the requirement relating to providing the particulars relating to conservation of energy and technology absorption as per Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014, are not applicable. During the year, your Company did not earn any income nor incur any expenditure in foreign currency.

RELATED PARTY TRANSACTION

All Related Party Transactions entered into by your Company during the financial year were on arm's length basis and were in the ordinary course of business. No significant related party transactions were made by the Company with its Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

RISK MANAGEMENT POLICY

In terms of Section 134(3)(n) of the Act, your Directors wish to state that the Company has drawn and implemented a Risk Management Policy including identification of elements of risks, if any, which may threaten the existence of the

Company. The above policy is being reviewed/re-visited once a year or at such other intervals as deemed necessary for modifications and revisions, if any.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions of Section 135 of the Companies Act, 2013, in respect of Corporate Social Responsibility are not applicable to the Company.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The employees are free to report violations of applicable laws and regulations and the Code of Conduct.

The policy provides for a formal mechanism for all the directors, employees to report to the Management their genuine concerns or grievances about unethical behavior, actual or suspected fraud and any violation of the Company's Code of Business Conduct and Ethics policy.

The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning Company. The Policy is available on the Company's Website www.gmbceramics.com

During the year under review, no employee was denied access to the Audit Committee. The said policy is available on the website of the Company.

STATUTORY AUDITORS

The financial statements for the year under review have been audited by M/s. Ruwatia & Associates. (FRN-324276E), Chartered Accountants, Statutory auditors of the Company.

At the Annual General Meeting held on 27th day of September, 2018, M/s. Ruwatia & Associates., Chartered Accountants, were appointed as Statutory Auditors of the Company until the conclusion of the Annual General Meeting (AGM) of the company to be held in the year 2023, subject to ratification at every Annual General Meeting; however the requirements of ratification is no more applicable pursuant to the Companies (Amendment) Act, 2017.

SECRETARIAL AUDITOR

In terms of Section 204 of the Companies Act, 2013 and the rules framed thereunder, the Company had appointed Mr. Anil Kumar Dubey, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended 31st March, 2019 is set out as an Annexure and forms a part of this report.

AUDITORS' REPORT

STATUTORY AUDITOR'S REPORT

In terms of Sections 134(2) and 134(3)(ca) of the Act, your Directors are pleased to inform that the remarks mentioned under "Key Audit Matter" in the Auditor's Report have been adequately clarified in the "Opinion" portion

of the Auditor's Report. Directors are in agreement with the comments made by the statutory auditors of the Company in their audit report for the financial year FY 2018-19.

DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained, your Directors make the following statement in terms of Section 134 (3) (c) and 134 (5) of the Companies Act, 2013:

- (a) that in the preparation of Annual Accounts for the financial year ended March 31, 2019, the applicable Accounting Standard has been followed;
- (b) that the Directors have 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 March 31, 2019 and the Statement of Profit and Loss for financial year ended March 31, 2019;
- (c) that proper and sufficient care have been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding assets of the Company and for preventing and detecting frauds and other irregularities;
- (d) that the Annual Accounts have been prepared on a 'going concern' basis;
- (e) that proper internal financial controls laid down by the Directors is being followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) that proper system to ensure compliance with the provisions of all applicable laws as devised by the Directors are in place and that such systems are adequate and operating effectively.

PARTICULARS OF EMPLOYEES

During FY 18-19, your Company had not employed anyone with a remuneration which requires the disclosure as per the Companies Act, 2013 read with relevant Rules. The ratio of remuneration of each Director to the median of employees remuneration and such other details as required under Sec 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, is provided in the annexure and forms part of this report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of loans given, guarantees given and investments made along with the purpose for which they are proposed to be utilized by the recipient are provided in notes to the Financial Statements which are within the limits prescribed under Section 186 of the Companies Act, 2013.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading for its Designated Persons in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down Guidelines, which advise the insiders on procedures to be followed and disclosures to be made, while dealing with the shares of the Company, and cautioning them of the consequences of violations. The Code requires pre- clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated

employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

The code of conduct for Prevention of Insider Trading is posted on the website of the Company and can be accessed at: www.gmbceramics.com.

All the Board of Directors and designated employees have confirmed compliance with the Code.

EXTRACT OF ANNUAL RETURN

In terms of the provisions of Section 92 (3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return for the financial year March 31, 2019 in Form MGT-9 is given in annexure and forms part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report on the operations of the Company is provided as a separate section and forms part of the Annual Report.

CORPORATE GOVERNANCE

In terms of Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, Company is exempted from the mandatory provisions of the Corporate Governance. However, The Company has taken adequate steps to ensure that all provisions of Corporate Governance should be complied with as far as applicable.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

Your Directors confirm that there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's future operations.

INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes or events affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial Statements relates and the date of this report.

POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under.

The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint of sexual harassment during the financial year 2018-19.

APPRECIATION

Your Directors would like to acknowledge the role of all its stakeholders' viz., shareholders, bankers, lenders, borrowers and all others for their continued support to your Company and the confidence and faith that they have always reposed in your Company.

Your Directors acknowledge and appreciate the guidance and support extended by all the Regulatory authorities including Securities Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Registrar of Companies, Cuttack, the Stock Exchanges and the NSDL.

We value the professionalism of all the employees who have proved themselves in a challenging environment and whose efforts have stood the Company in good stead and taken it to present level.

For and on behalf of the Board



Gaurang Jalan
Managing Director
DIN – 00909769



Arabinda De
Director
DIN - 00028093

Place: Rajgangpur
Dated: 27th July, 2019

Registered Office:
Rajgangpur, Sundergarh
Odisha – 770 017

Annexure - 1 to the Directors' Report - FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES Part "A" - Subsidiaries

(Amount in Rs.)

| Sl. No. | Particulars | 1 | 2 |
|---------|---|---|---|
| 1 | Name of the Subsidiary | - | - |
| 2 | Reporting period for the subsidiary concerned | - | - |
| 3 | Share capital | - | - |
| 4 | Reserves & Surplus | - | - |
| 5 | Total Assets | - | - |
| 6 | Total Liabilities | - | - |
| 7 | Investments | - | - |
| 9 | Turnover | - | - |
| 10 | Profit before taxation | - | - |
| 11 | Provision for Taxation (Tax Expenses) | - | - |
| 12 | Profit after taxation | - | - |
| 13 | Proposed Dividend (Inclusive of DDT) | - | - |
| 14 | % of shareholding | - | - |

1. Names of subsidiaries which are yet to commence operations: **NOT APPLICABLE.**
2. Names of subsidiaries which have been liquidated or sold during the year : **NOTAPPLICABLE**
3. No Company has become a Joint venture or associate during the financial year 2018-19, hence Part – B of form AOC- 1 is not reported.

For and on behalf of the Board



Gaurang Jalan
Managing Director
DIN - 00909769



Arabinda De
Director
DIN - 00028093

Annexure -2 to the Directors' Report

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

I.

A. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19:

| Name of Director | Designation | Ratio to median remuneration of Employees |
|------------------|--------------------|---|
| Gaurang Jalan | Managing Director | NIL |
| Ram Avtar Jalan | Executive Director | NIL |

The Non-Executive Directors of the Company are entitled for sitting fees as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Non-executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase in remuneration for Non-executive Directors is therefore not considered for the above purpose.

B. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial Year 2018-19:

| Sl.No. | Name of Director / KMP | Designation | % increase in Remuneration |
|--------|------------------------|-------------------|----------------------------|
| 1. | Gaurang Jalan | Managing Director | NIL |
| 2. | Ram Avtar Jalan | Director | NIL |
| 3. | Arabinda De | Director | NIL |
| 4 | Madhav Prasad Sureka | Director | NIL |
| 5 | Nidhi Sharma | Company Secretary | NIL |

C. **The percentage increase in the median remuneration of the employees in the FY 2018 - 2019:-**
There has been no increase in the median remuneration of the employees of the Company in FY 2018 - 2019 as compared to FY 2017 - 2018.

D. **The number of permanent employees on the rolls of the Company as on 31st March, 2019:-**
There were 2 employees on the rolls of the Company.

E. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:-**There is no increase in the salaries of employees other than managerial personnel.

Justification for increase: The increase is in line with the increase in the Company's performance, anticipation of future growth of the Company and the Industrial standards.

F. **Affirmation that the remuneration is as per Remuneration Policy of the Company:** It is hereby affirmed that the remuneration paid to KMPs and other employees are as per the Nomination & Remuneration Policy of the Company.

II. During the year the Company had not engaged any employee drawing remuneration in exceeding the limit specified under Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014.

For and on behalf of the Board



Gaurang Jalan
Managing Director
DIN - 00909769



Arabinda De
Director
DIN - 00028093

Place: Rajgangpur

Date: 27th July, 2019



CS Anil Kumar Dubey
Practicing Company Secretary, LL.B
Mob.: 8334984350

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

To

**The Members,
G M B Ceramics Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by G M B Ceramics 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 Company's 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 and subject to my separate letter attached as "ANNEXURE – A", I hereby report that in my opinion, the Company has, during the financial year ended on March 31, 2018 (the audit period) 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 the Company during the audit period according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under; in terms of section 203 of the Companies Act, 2013.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under; (*The status of the Company becomes "Active" at Calcutta Stock Exchange during the Audit period under Review*)
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; (*Entire shareholding of the company is in physical form and Company has failed to avail the services of the Depository*)
- 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 Borrowing. (**Not applicable on the Company during the Audit Period**)

Todi Mansion, 22 Madan Mohan Talla Street, Kolkata-700005

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www.csanildubey.com