

Independent Auditor's Report

To the Members of

GMB Ceramics Ltd.

Report on the Financial Statements

We have audited the accompanying (Standalone) Ind AS financial statements of **GMB Ceramics Limited** ("the company") which comprise the Balance Sheet as at 31st March, 2018 the statement of Profit and Loss, the Cash Flow statement 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) Ind AS financial statements give, subject to non provision of depreciation on Fixed Assets, Valuation of stock at cost & non apportionment of value of lease (amount unascertained) as defined in Note- 1 of the Balance Sheet , because of which assets of the company are overstated & loss of the current year is understated by this amount, 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 including the Ind AS, of the state of affairs of the Company as at March 31, 2018, and its Profit/Loss(including other comprehensive income) its cash flow and the changes in equity 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The following key audit matters came up before us which are duly reported in the manner so required.

- Non provision of Depreciation,
- Not valuing stock at lower of Cost or NRV &
- non apportionment of value of lease over its working period.



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 including other comprehensive income and cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibility

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

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:



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 Statement(including Other Comprehensive income) and statement of changes in equity 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) Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 subject to the following:

Qualification

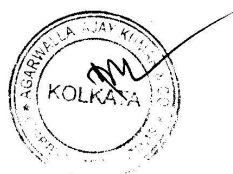
1. *The company has not provided for any depreciation on the fixed assets for the year under audit and its preceding years for the reason of which the assets of the company are over stated by the amount of depreciation. The management failed to provide the amount of depreciation not provided for.*
2. *The company valued closing stock at its cost instead of lower of cost and net realizable value which is not in compliance with the prescribed accounting standards.*
3. *The company has not apportioned the value of lease over the working life if the leased asset for the reason of which the asset of the company over stated.*

e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 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. As explained to us, the Company does not have any pending litigations which would impact its financial position.



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
For Agarwalla Ajay Kumar & Co.
Chartered Accountants
Firm Registration Number 320297E



A.K. Agarwalla
Proprietor
Membership No.55608



Place: Kolkata
Date:13.08.2018

“Annexure A” to the Independent Auditors’ Report

The Annexure referred to in our report to the members of **GMB CERAMICS LIMITED** (“the Company”) for the year ended 31st March, 2018. 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

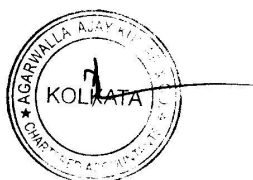
2) The inventories have not been physically verified by the management during the year .

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, 2017 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.

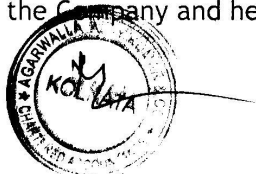
10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) The Company has not paid or 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. Refer Note No. 1D of the Balance Sheet.

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
For Agarwalla Ajay Kumar & Co.
Chartered Accountants
Firm Registrtration Number 320297E



A.K. Agarwalla
Proprietor
Membership No.55608



Place: Kolkata
Date:13.08.2018

“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 Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone Ind AS 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2018, 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
For **Agarwalla Ajay Kumar & Co.**
Chartered Accountants
Firm Registration Number 320297E


A.K. Agarwalla
Proprietor
Membership No.55608



Place: Kolkata
Date:13.08.2018

GMB CERAMICS LTD.
BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	Amount in Rs.		
		Figures as at 31/03/2018	Figures as at 31/03/2017	Figures as at 01/04/2016
<u>ASSETS</u>				
Non-current assets				
(a) Property, Plant and Equipment	2	53,702,936	53,702,936	53,702,936
Current assets				
(a) Inventories	3	4,231,341	4,231,341	4,231,341
(b) Financial Assets				
(i) Cash and cash equivalents	4	43,319	31,894	103,403
(ii) Loans	5	9,905,304	9,450,895	9,006,031
Total Assets		67,882,900	67,417,066	67,043,711
<u>EQUITY AND LIABILITIES</u>				
EQUITY				
(a) Equity Share capital	6	34,927,500	34,927,500	34,927,500
(b) Other Equity	7	-35,625,915	-33,874,759	-32,002,385
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Other financial liabilities	8	67,969,971	65,885,261	63,302,227
Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	9	105,822	180,133	191,784
(b) Other current liabilities	10	499,092	292,451	622,425
(c) Provisions	11	6,430	6,480	2,160
Total Equity and Liabilities		67,882,900	67,417,066	67,043,711

Significant Accounting Policies

1

As per Annexed report of even date.

For Agarwalla Ajay Kumar & Co.

Chartered Accountants

Firm Registration Number 320297E

A.K. Agarwalla

Proprietor

Membership No.55608

Dated the 13th day of Aug, 2018



[Signature]

Directors

[Signature]

Nidhi Sharma

GMB CERAMICS LTD.
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	<u>Note No.</u>	<u>For the</u> <u>year ended</u> <u>31.03.2018</u> Rs.	<u>For the</u> <u>year ended</u> <u>31.03.2017</u> Rs.
(I) REVENUE FROM OPERATIONS		-	-
(II) OTHER INCOME		-	-
(III) TOTAL REVENUE (I +II)		-	-
(IV) <u>EXPENSES</u>			
Employee Benefits Expense	12	376,400	614,647
Other Expenses	13	1,374,756	1,257,727
TOTAL EXPENSES		1,751,156	1,872,374
(V) Profit before tax		(1,751,156)	(1,872,374)
Tax Expense			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
(VI) Profit/(Loss) for the period		(1,751,156)	(1,872,374)
(VII) Other Comprehensive Income		-	-
(VIII) Total Comprehensive Income for the period		(1,751,156)	(1,872,374)
(VIII) Earnings per Equity Share			
(1) Basic		(0.50)	(0.53)
(2) Diluted		(0.50)	(0.53)

Significant Accounting Policies

1

As per Annexed report of even date.

For Agarwalla Ajay Kumar & Co.

Chartered Accountants

Firm Registration Number 320297E

A.K. Agarwalla

Proprietor

Membership No.55608



Dated the 13th day of Aug, 2018

Directors

Nidhi Sharma

GMB CERAMICS LTD.**Cash Flow Statement for the year ended 31st March, 2018**

	2017-18 Rs.	2016-17 Rs.
A. Cash Flow from Operating Activities		
Net Profit before Tax & Extra-ordinary Items	(1,751,156)	(1,872,374)
Adjustment for :		
Transfer to capital reserves	-	-
Interest charged to Profit & Loss Account	-	-
Opening Profit/(Loss) before Working Capital Charges	(1,751,156)	(1,872,374)
Adjustment for :		
(Increase) / Decrease in Trade Receivables	-	-
Increase / (Decrease) in Current Liabilities	206,641	(329,974)
Increase / (Decrease) in Short Term Provisions	(50)	4,320
(Increase) / Decrease Inventories	-	-
Increase / (Decrease) in Trade payables	(74,311)	(11,651)
Cash generated from Operations	(1,618,876)	(2,209,679)
Cash Flow before Extra-ordinary Items	-	-
Net Cash from Operating Activities	(1,618,876)	(2,209,679)
B. Cash flow from Investing Activities		
(Increase) / Decrease in Long Term Loans & Advances	(454,409)	(444,864)
(Increase) / Decrease in investments	-	-
(Increase) / Decrease in Fixed Asstes	-	-
Net Cash from investing Activities	(454,409)	(444,864)
C. Cash Flow from Financing Activities		
Increase/(Decrease) in Long term Borrowings	2,084,710	2,583,034
Increase/ (Decrease) in Short Term Borrowings	-	-
Net Cash from Financing Activities	2,084,710	2,583,034
Net Changes in Cash and Cash Equivalent (A+B+C)	11,425	(71,509)
Cash & Cash Equivalents as at 1st April, 2017 (Opening Balance)	31,894	103,403
Cash & Cash Equivalents as at 31st March, 2018 (Closing Balance)	43,319	31,894

Note : Figures in Bracket represent Cash Outflows.

As per Annexed report of even date.

For Agarwalla Ajay Kumar & Co.

Chartered Accountants

Firm Registrtration Number 320297E

A.K. Agarwalla

Proprietor

Membership No.55608

Dated the 13th day of Aug, 2018



Directors

Nidhi Sharma

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, 2018, March 31, 2017 and April 1, 2016 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, 2018, March 31, 2017 and April 1, 2016) 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 recognised 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 continue 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, fulfilment 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, 2017, 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, 2018, together with the comparative period data as at and for the year ended March 31, 2017. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS.

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

D. Related Party Disclosure

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

Nature of Transaction		2017-18
Compensation to KMP-Remuneration to Nidhi Sharma		125000
Loan taken from Related Party		3252710
Loan repaid to Related party		168000



Note 2:- Property, Plant & Equipment

	Land	Buildings	Plant and Machinery	Furniture and Fixtures	Total
Gross carrying value:					
As at April 1, 2015	4,400,229.00	35,666,779.00	54,765,683.00	905,767.00	95,738,458.00
Additions	-	-	-	-	-
Disposal / adjustments	-	-	1,287,281.00	-	1,287,281.00
As at March 31, 2016	4,400,229.00	35,666,779.00	53,478,402.00	905,767.00	94,451,177.00
As at April 1, 2016	4,400,229.00	35,666,779.00	53,478,402.00	905,767.00	94,451,177.00
Additions	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
As at March 31, 2017	4,400,229.00	35,666,779.00	53,478,402.00	905,767.00	94,451,177.00
As at April 1, 2017	4,400,229.00	35,666,779.00	53,478,402.00	905,767.00	94,451,177.00
Additions	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
As at March 31, 2018	4,400,229.00	35,666,779.00	53,478,402.00	905,767.00	94,451,177.00
Accumulated depreciation/ impairment:					
As at April 1, 2015	-	10,838,039.00	29,339,086.00	571,116.00	40,748,241.00
Depreciation	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
As at March 31, 2016	-	10,838,039.00	29,339,086.00	571,116.00	40,748,241.00
As at April 1, 2016	-	10,838,039.00	29,339,086.00	571,116.00	40,748,241.00
Depreciation	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
As at March 31, 2017	-	10,838,039.00	29,339,086.00	571,116.00	40,748,241.00
As at April 1, 2017	-	10,838,039.00	29,339,086.00	571,116.00	40,748,241.00
Depreciation	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
As at March 31, 2018	-	10,838,039.00	29,339,086.00	571,116.00	40,748,241.00
Net carrying value					
As at April 1, 2015	4,400,229.00	24,828,740.00	25,426,597.00	334,651.00	54,990,217.00
As at March 31, 2016	4,400,229.00	24,828,740.00	24,139,316.00	334,651.00	53,702,936.00
As at March 31, 2017	4,400,229.00	24,828,740.00	24,139,316.00	334,651.00	53,702,936.00
As at March 31, 2018	4,400,229.00	24,828,740.00	24,139,316.00	334,651.00	53,702,936.00



GMB CERAMICS LTD.**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2018**

	31 March, 2018 Rs.	31 March, 2017 Rs.	Friday, April 01, 2016 Rs.
3 INVENTORIES			
Stores & Spares (At cost)	417,880	417,880	417880
Stock of Electricals goods (At Cost)	15,016	15,016	15016
Stock of Klin Materials (At cost)	61,025	61,025	61025
Raw Materials (At Cost)	125,507	125,507	125507
Packing Materials (At Cost)	23,195	23,195	23195
Finished Goods (At Cost)	2,949,459	2,949,459	2949459
Finished Moulds & Other Items (At cost)	639,259	639,259	639259
	4,231,341	4,231,341	4,231,341
4 CASH & CASH EQUIVALENTS			
Cash on Hand	3,641	8,006	41644
UCO BANK KOLKATA 5,020			
SBI BALASORE 34,659	39,678	23,888	61759
	43,319	31,894	103,403
5 Financial Asset-Loans			
ADVANCES			
- Advance Against Expense -			
Expenditure -Arbitration			
Award 9,509,213	9,186,773	8,752,869	
-Advance to IDCO 222,008	216,002	216,002	
-Advance to Staff -	30,940	19,980	
- Advance to Creditors 109,247	9,840,468	9,433,715	8,988,851
Security Deposit 10,000	10,000	10,000	10,000
Central Excise(Excess Paid)	1,773	1,773	1,773
GST input receivable 47,656	5,407	-	-
Sales Tax (Excess Paid)	5,407	5,407	5,407
	9,905,304	9,450,895	9,006,031
6 SHARE CAPITAL			
(a) Capital Structure			
<u>Authorised</u>			
55,00,000 Equity Shares of Rs. 10/- each.	55,000,000	55,000,000	55,000,000
	55,000,000	55,000,000	55,000,000
<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	35,000,000
Less: Allotment Money in Arrear 72,500	72,500	72,500	72,500
	34,927,500	34,927,500	34,927,500



(b) Share Capital Reconciliation

Equity Shares

	Nos.	Amount	Amount	Amount
Opening balance	3,500,000	35,000,000	35,000,000	350,000,000
Issued during the period	-	-	-	-
Closing Balance	3,500,000	35,000,000	35,000,000	350,000,000

(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	No. of shares	% holding
INDSTL Promn & Invest Corp of Orissa Ltd	525,000	15	525,000	15	525,000	15
Neiveli Ceramics & Refractories Ltd	180,000	5	180,000	5	180,000	5
Nafisa Trading Co Ltd	859,500	25	859,500	25	859,500	25
Swati Nivesh & Services Pvt Ltd	309,700	9	309,700	9	309,700	9
Rupak Trading Pvt Ltd	253,062	7	253,062	7	253,062	7
Pratish Consultants Pvt Ltd	254,362	7	254,362	7	254,362	7

7 RESERVES & SURPLUS

Capital Reserves	91,000,860	91,000,860	91,000,860
Other Reserves -			
- Central Investment Subsidy	2,500,000	2,500,000	2,500,000
- Project Subsidy	300,000	300,000	300,000
- BIFR Relief & Concession	6,481,885	6,481,885	6,481,885
Profit & Loss Statement			
As per last Balance Sheet	(134,157,504)	(134,157,504)	(132,285,130)
Add : Profit/(Loss) for the year	(1,751,156)	(135,908,660)	(132,285,130)
Total Reserves & Surplus	(35,625,915)	(33,874,759)	(32,002,385)

8 Other Financial Liabilities

(a) Loans & Advances from Related Parties

Advances

- from directors (Unsecured)	22,615,971	19,468,261	11,368,227
- from body corporates (Unsecured)	45,354,000	46,417,000	51,934,000
	67,969,971	65,885,261	63,302,227

9 TRADE PAYABLES

Sundry Creditors	850	1,661	1,661
Integrated Capital Services Ltd	-	73,500	82,856
NFS Maintenance & Services	104,972	104,972	107,267
	105,822	180,133	191,784

10 OTHER CURRENT LIABILITIES

- Security Deposit	5,000	5,000	5,000
Advance From debtors			
Balasore Scrap	169,681	169,681	169,681
- Other Advance			
Suparna Mukherjee	7,650	-	20,655
Rajan Deb	-	-	183,600
Kirin Negel	-	-	18,360
- Other Liabilities	316,761	117,770	225,129
	499,092	292,451	622,425

11 SHORT TERM PROVISIONS

- Employees Provident fund	6,430	6,480	2,160
	6,430	6,480	2,160

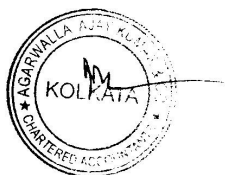


12 EMPLOYEE BENEFITS EXPENSE

Director remuneration	125,000	-
Salary & allowances	216,000	216,000
Employers PF	35,400	39,720
Arrears Of Provident Fund	-	341,617
Gratuity payment	-	17,000
Staff Welfare A/c	-	310
	<u>376,400</u>	<u>614,647</u>

13 OTHER EXPENSES

Advertisement & Publicity	20,520	-
Bank Charges	1,565	2,541
Certification Fess	-	-
Conveyance Expenses	1,202	470
D-Mat Charges	1,180	-
Factory expenses	613,200	311,160
Filing Fees	39,855	68,024
General Expenses	73,411	20,460
Interest	-	4,500
Interest on TDS	-	80
Listing fees	28,750	57,125
Postage & Telegram	52,699	53,715
Penalty	6,250	10,188
Printing & Stationary	64,392	77,510
Power & Fuel Charges	239,860	-
Processing Fees	-	11,500
Professional Charges	42,363	61,700
Professional Tax	2,500	2,500
Repair & Maintenance	63,710	-
Security Expenses	-	504,819
Service Tax	18,472	-
Trade Licence	2,150	1,900
Travelling Charges	76,099	-
Transportation charges	-	37,957
Website expenses - email	2,978	7,978
Audit fees -	-	-
- Statutory Audit Fees	20,000	20,000
- Co's Law matters	-	-
- GST on above	3,600	3,600
	<u>1,374,756</u>	<u>1,257,727</u>



Statement of Changes in Equity for the year ended March 31, 2018

a) Equity Share Capital

Particulars	Note No.	As at 31 Mar, 2018		As at 31 Mar, 2017	
		No. of shares	Amount	No. of shares	Amount
Balance at beginning of reporting period		3500000	3500000	3500000	3500000
Changes in Equity share capital		0	0	0	0
Balance at the end of reporting period		3500000	3500000	3500000	3500000

b) Other Equity

Particulars	Capital Reserve	Other Reserves	BIFR Relief & Concession	Profit & Loss A/c	Total other equity
Balance as at April 1, 2017	91,000,860.00	2,800,000.00	6,481,885.00	-134,157,504.00	-33,874,759.00
Profit for the period	-	-	-	-1,751,156.00	-1,751,156.00
Other comprehensive income for the period	-	-	-	-	-
Total Comprehensive income for the period	91,000,860.00	2,800,000.00	6,481,885.00	-135,908,660.00	-35,625,915.00
Balance as at March 31, 2018	91,000,860.00	2,800,000.00	6,481,885.00	-135,908,660.00	-35,625,915.00



Messrs. GMB Ceramics Limited

**Computation of Taxable Income for the Assessment Year 2017-18
Relating to Previous Year 2016-17**

	Amount Rs.
Net Profit as per Profit & Loss Account	(1,751,156)
Total Income	<u>(1,751,156)</u>
Tax on above income	<u>NIL</u>

Position of Carried Forward of Loss as per Income Tax Act

Assessment Year	Business Loss	Set off of business loss in AY 2012 - 13	Carryforward
2013-2014	879,864	-	879,864
2014-2015	1,986,924	-	1,986,924
2015-2016	1,951,562	-	1,951,562
2016-2017	1,532,564	-	1,532,564
2017-2018	1,872,374	-	1,872,374
2018-2019	1,751,156	-	1,751,156
	<u>9,974,444</u>	<u>-</u>	<u>9,974,444</u>