

**SEVENTEENTH
ANNUAL REPORT
1998-99**



STERLING
SANITARYWARE

Certified True Copy

For G M B Ceramics Limited


Managing Director

GMB Ceramics Ltd.

GMB Ceramics Ltd.

SEVENTEENTH ANNUAL REPORT 1998-99

BOARD OF DIRECTORS

Shri B.N.R. Patnaik (Nominee of IPICOL)
Shri R. D. Bansal
Shri S. C. Jain
Shri R. N. Dey
Shri A. R. Thiagarajan
Shri Gaurang Jalan
Shri R.A. Jalan, Managing Director

AUDITORS

G. K. Tulsyan & Company
Chartered Accountants

BANKERS

Indian Bank

REGISTERED OFFICE

Rajgangpur 770 017
Sundergarh, Orissa

HEAD OFFICE

25, Ganesh Chandra Avenue
Calcutta 700 013

WORKS

IDCO Industrial Estate
Somnathpur
Balasore 756 001
Orissa

GMB Ceramics Ltd.

NOTICE

Notice is hereby given that Seventeenth Annual General Meeting of the Members of GMB CERAMICS LIMITED will be held at the Registered Office at Rajgangpur - 770 017, District Sundergarh (Orissa) on Wednesday the 29th September, 1999 at 11.00 a.m. to transact the following Business :-

ORDINARY BUSINESS

- 1) To Consider and adopt the Audited Balance Sheet as at 31st March, 1999 and Profit & Loss Accounts for the year ended on that date, together with Report of the Directors and Auditors thereon.
- 2) To appoint Director in place of Sri R. D. Bansal, who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint Director in place of Sri S. C. Jain, who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint Auditors & fix their remuneration.

By Order of the Board

Place : Calcutta

Date : 30th August, 1999.

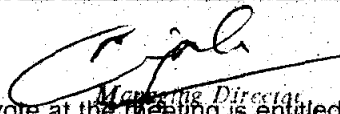
R. A. Jalan

Managing Director

Certified True Copy

For G M B Ceramics Limited

NOTES :

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Managing Director
- (a) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.
Proxy in order to be effective must be received by the company not later than 48 hours before the commencement of meeting.
 - (b) The Register of Member and Share Transfer Books of the Company will remain closed from 25-09-99 to 29-09-99 (both days inclusive).



DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the 17th Annual Report and Audited Accounts of the Company for the year ended 31st March, 1999.

REVIEW

The Company continued to be under lock-out since 15th November, 1997. Members will be glad to know that on 23.6.1999 the Company has been awarded Rs. 11,69,62,910 by sole Umpire, Sri Murari Mohon Dutt, Rtd. Supreme Court Judge, towards a prolonged arbitration proceeding against Neycer India Limited, which is to be paid by them in two months' time from the date of the Award, failing which an interest @15% thereon will be payable to the Company. Efforts are still continuing to attract either International or National Companies for revival of the Unit. The multi-national, Kohler Co., USA, has again shown interest in GMB, who has been provided with an upto date position of the Company.

Sanitaryware Industry, in general, is doing well, and, major sanitaryware companies are, in fact, doing expansions in their plants. It is also learnt that due to thrust of Govt. of India on Housing Sector, there will be growth in sanitaryware industry to the extent of 15 to 20 per cent per annum, and, therefore, our unit has great potential, if revived.

There was a hearing of BIFR held on 2.6.1999 and the Bench reserved their order on the show cause notice issued to the Company for winding up proceeding. The Company has to submit some concrete proposal for its revival.

DIRECTORS

IFCI has withdrawn its nominee Sri G. C. Mondal from the Board of Directors of the Company with effect from 23rd October, 1998.

Sri N. G. Khaitan resigned from the Board of Directors of the Company on 13th April, 1998.

The Board places on record its deep appreciation for the valuable contributions made by Sri G. C. Mondal & N. G. Khaitan during their tenure of office as Directors of the Company.

In accordance with the provisions of the Companies' Act, 1956, and the Articles of Association of the Company, Sri R. D. Bansal and Sri S. C. Jain, who retire by rotation and are eligible, offer themselves for reappointment.

GMB Ceramics Ltd.

AUDITORS

M/s G. K. Tulsyan & Co., the auditors of the Company will retire at the forthcoming Annual General Meeting and are eligible for reappointment.

The observations made in the Auditors' Report are self explanatory and do not require further clarification.

DISCLOSURES

The information as required under 217(1)(e) of the Companies Act, 1956, read with (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, is set out in the Annexure forming part of this report.

EMPLOYEES

During the year ended under review none of the employees of the company has received remuneration in excess of limits specified in Section 217(2A) of the Companies' Act, 1956.

ACKNOWLEDGEMENT

Your Directors thankfully acknowledge cooperation received by the Company from Financial Institutions, Banks, Central & State Governments, BIFR, Suppliers and Customers.



Place : Calcutta
Date : 30th August, 1999.

By Order of the Board

R. A. Jalan
Managing Director

Certified True Copy
For G M B Ceramics Limited

A handwritten signature in black ink, appearing to be 'R. A. Jalan', is written over the text 'Managing Director'.

Managing Director



ANNEXURE TO DIRECTORS REPORT

II. Information as per Section 217(1)(e) read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 1999

A. CONSERVATION OF ENERGY

- a) Energy Conservation measure taken : Factory is under lock-out therefore, measures for conservation of energy need not necessarily be taken
- b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy : Nil
- c) Impact of the measures at (a) & (b) for reduction of energy consumption and consequent result on the cost of production : Nil
- d) Total energy consumption per unit of production : Power & Fuel consumption : 31.3.99 31.3.98

I. Electricity

- (a) Purchased Units (KWH) : NIL 291030
 Total amount (Rs.) : NIL 2593264
 Cost per Unit (Rs.) : NIL 8.91
- (b) Own Generation (Captive D.G. Sets)
 Units (KWH) : NIL NIL
 Units/Ltr. of Diesel Oil (Rs.) : NIL 112699
 Rate per Ltr (Rs.) : NIL 10.72

II. L.P.G.

- Quantity (M.T.) : NIL 49
 Total cost (Rs.) (Landed cost) : NIL 797901
 Rate per M.T. (Rs.) : NIL 16284

Consumption Per Unit of Production

- Electricity Kwh : NIL 1136/ton
 L.P.G. (M.T.) : NIL 190/ton

B. TECHNOLOGY ABSORPTION

- (f) Efforts made in technology absorption : No foreign technology has been adopted and question of absorption of technology does not arise.

C. FOREIGN EXCHANGE EARNING AND OUTGO

- (g) Activities relating to exports initiatives taken to increase exports, development of new export markets for products, services and export plans : The Company is registered as manufacturer exporter, but the company has not made any export.
- (h) Total foreign exchange earned & outgo : (1) Earned Rs. NIL 2,31,685
 (2) Outgo Rs. NIL NIL

FORM - B

Form for disclosure of particulars with respect to absorption of Research and Development (R & D)
 The factory was under lock-out.