

**NINETEENTH
ANNUAL REPORT
2000-2001**



STERLING

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for GMB Ceramics Limited

Quarrell
Director

GMB Ceramics Ltd.

GMB Ceramics Ltd.

NINETEENTH ANNUAL REPORT 2000-2001

BOARD OF DIRECTORS

Shri R. D. Bansal
Shri S. C. Jain
Shri R. N. Dey
Shri S. P. Malhotra
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

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WORKS

IDCO Industrial Estate
Somnathpur
Balasore 756 001
Orissa



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NOTICE

Notice is hereby given that Nineteenth 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 Friday, the 31st August, 2001 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, 2001 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 S. P. Malhotra who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint Director in place of Sri R. D. Bansal 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 : Kolkata

R. A. Jalan

Date : 20th July 2001

Managing Director

NOTES :

- (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 25-08-2001 to 31-08-2001 (both days inclusive).

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DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the 19th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2001.

REVIEW

The Company continues to be under lock-out as reported last year. Due to dismissal of the appeal filed with AAIFR against the winding up order of BIFR dated 2nd May, 2000, the Company has filed a Writ Petition in the High Court of Calcutta which is pending.

Although the Arbitration Award given in favour of the Company has been submitted to the High Court of Calcutta as per the directive of the Court, Neycer India Ltd., filed an application in the High Court of Calcutta for setting aside of the award and subsequently preferred a Special Leave Petition and the Supreme Court of India has passed an order in the said proceedings on January 15, 2001 staying further proceedings in the Calcutta High Court. Accordingly, the matter is now before the Supreme Court of India and shall be heard expeditiously and as far as possible within six months.

Meanwhile, the Company made repeated efforts and submissions before the Bench No. 1, BIFR which is dealing with Neycer's rehabilitation scheme and it had directed the Operating Agency and Financial Institutions of Neycer India Ltd. to submit their assessment regarding repayment capacity of Neycer in meeting the crystallized liability of GMB.

The management is still trying to revive the unit of the Company and some overseas parties have shown interest in the unit for which all the necessary details have been furnished to them.

In view of the suspension of production/operations by the Company effective November 15, 1997 and the directive of BIFR for winding up of the unit, it has been advised that it is not necessary for the Company to provide for interest/depreciation in its books for the accounting year ended as on March 31, 2001.

DIRECTORS

Sri A. R. Thiagarajan resigned from the Board of Directors of the Company on 17th November, 2000.

IPICOL has withdrawn its nominee, Mr. B. N. R. Patnaik on 2-3-2001.

The Board places on record its deep appreciation for the valuable contributions made by Sri Thiagarajan and Sri B. N. R. Patnaik 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 S. P. Malhotra and Sri R. D. Bansal, who retire by rotation and being eligible, offer themselves for reappointment.

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

DEPOSITS

The Company has not accepted / renewed any deposits from the public during the year under review.

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.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 212 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed :

- i) that in the preparation of the annual accounts for the financial year ended 31st March, 2001, the applicable accounting standards had been followed except, the valuation of inventory on cost instead of valuing the same at cost or market price whichever is lower, valuation of work-in-progress and finished goods at net realisation value instead of valuing the same at net realised value or at cost whichever is lower according to the Accounting Standard 2 issued by The Institute of Chartered Accountants of India. Your directors would like to mention that since inception your company has continuously followed the practice of valuation.

Further provisions of gratuity and other retirement benefits has not been made during the year. Your directors would like to mention that since the Company has been sick and under lock-out, it has no fund for making such provisions as provided under Accounting Standard 15 issued by the said Institute.

Further provisions of interest on NSC has not been made during the year. According to the

GMB Ceramics Ltd.

Accounting Standard 9 issued by The Institute of Chartered Accountants of India, provisions for interest on NSC must be made during the year when it is due. Your directors would like to mention that the said provisions will be made as and when the NSC will be matured and due for payment.

- ii) that the directors had selected such accounting policies, applied them consistently and made judgements and estimates that were responsible and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review.
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities ;
- iv) that the directors had prepared the accounts for the financial year ended 31st March, 2001 on a 'going concern' basis.

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.

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Place : Kolkata
Date : 20th July, 2001

By Order of the Board
R. A. Jalan
Managing Director