

**INDEPENDENT AUDITORS' REPORT**

To the Members of Global Composites & Structurals Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Global Composites & Structurals Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the 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 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 the 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 the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors Responsibility**

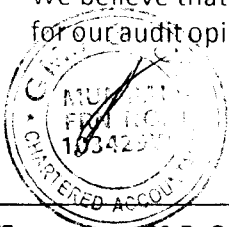
Our responsibility is to express an opinion on these financial statements based on our audit.

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 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 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 control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 financial statements.



## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March, 2017, and its loss and its cash flows for the year ended on that date.

## Emphasis of matter

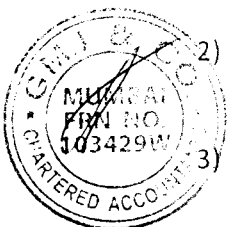
We draw attention to the following matters in Notes to the financial statements:

Note 32 regarding the appropriateness of the "going concern" basis used for the preparation of these Accounts even through the net-worth of the company has been completely eroded as at 31st March, 2017 and the validity of the "going concern" basis would depend upon the continuance of the existing financial support by the holding company. The accounts do not include adjustments, if any, that may result from discontinuances of the funding by the holding company

Our opinion is not modified in respect of this matter.

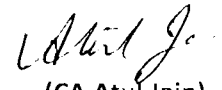
## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors report) Order, 2016 ("The Order") issued by the central government of India in terms of subsection 11 of section 143 of the Act, We give in the Annexure A, a statement on the matter specified in paragraphs 3 & 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
  - f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refers to our separate Report in Annexure B.
  - h. With respect to the other matters included in the auditor's report and to best of our information and according to the explanation given to us.
    - 1) The company does not have any pending litigation which would impact its financial statement.
    - 2) The company did not have any long-term contracts including derivate contracts for which there were any material foreseeable losses.
    - 3) There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.



- 4) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 35 to the financial statements

For **GMJ & Co**  
Chartered Accountants  
Firm No. 103429W

  
(CA Atul Jain)  
Partner  
M. No. 37097

Place: Mumbai.  
Date: 22nd May, 2017.



**Annexure A to the Independent Auditors' Report**

The Annexure referred to in paragraph 1 of the Independent Auditors' under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the members of Global Composites & Structurals Limited on the financial statements as of and for the year ended March 31, 2017

(i) In Respect of its Fixed Assets:

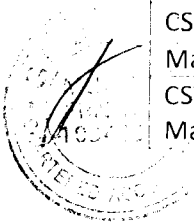
- (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company

(ii) In Respect of its inventory:

According to the information and explanations given to us, Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification during the year.

- (iii) According to information and explanations given to us, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- (iv) According to information and explanations given to us, the Company has not granted any loans or made any investments, or provided any guarantee or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- (v) According to information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act'2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The company is 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 though there have been few delays in few cases.
  - (b) According to the information and explanations given to us, following dues have not been deposited with the concerned authorities on account of dispute as at 31st March, 2017

| Name of State   | Nature of Dues   | Amount    | Period  | Form Where the dispute is Pending |
|-----------------|------------------|-----------|---------|-----------------------------------|
| CST Maharashtra | Sales Tax Demand | 13,64,449 | 2007-08 | Commissioner Appeals              |
| CST Maharashtra | Sales Tax Demand | 26,30,448 | 2009-10 | Commissioner Appeals              |



- (viii) Based on our audit and procedure and as per the information and explanation given by the management, during the year the company has defaulted in repayment of loans and interest and Principle to The Thane Janata Sahakari Bank Ltd. However the overdue had been paid on 23<sup>rd</sup> March 2017 and there is no default existing as on Balance Sheet date.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) During the year, the company has not paid managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provision of Clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where ever applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards
- (xiv) During the year, the company has not made preferential allotment of shares and the amount raised have been used for the purpose for which the funds were raised.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under Section 45-IA for the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **GMJ & Co**  
Chartered Accountants  
Firm No. 103429W



(CA Atul Jain)  
Partner  
M. No. 37097

Place: Mumbai.  
Date: 22<sup>nd</sup> May 2017



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 2(f) of the Independent Auditors' Report of even date to the members of Global Composites & Structurals Limited on the financial statements for the year ended March 31, 2017

**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 **GLOBAL COMPOSITES & STRUCTURALS LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

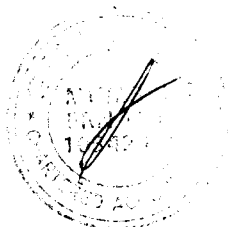
**Management's Responsibility for Internal Financial Controls**

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.

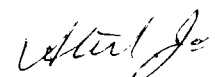
### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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, 2017, 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 **GMJ & Co**  
Chartered Accountants  
Firm No. 103429W



(CA Atul Jain)  
Partner  
M. No. 37097

Place: Mumbai.  
Date: 22<sup>nd</sup> May 2017



**GLOBAL COMPOSITES & STRUCTURALS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2017**

Amount in ₹

| PARTICULARS  | NOTE NO. | AS AT 31.03.2017     | AS AT 31.03.2016     |
|--|----------|----------------------|----------------------|
| <b>A EQUITY AND LIABILITIES</b>  |          |                      |                      |
| <b>1 Shareholders' funds</b>   |          |                      |                      |
| (a) Share capital  | 2        | 29,355,000           | 29,355,000           |
| (b) Reserves and surplus   | 3        | (186,145,670)        | (152,572,069)        |
|  |          | <b>(156,790,670)</b> | <b>(123,217,069)</b> |
| <b>2 Share application money pending allotment</b>                                 |          | -                    | -                    |
| <b>3 Non-current liabilities</b>   |          |                      |                      |
| (a) Long-term borrowings   | 4        | -                    | 34,121,951           |
| (b) Other Long Term Liabilities  | 5        | 31,698,931           | 36,243,378           |
| (c) Long-term provisions   | 6        | 31,358               | 31,358               |
|  |          | <b>31,730,289</b>    | <b>70,396,687</b>    |
| <b>4 Current liabilities</b>   |          |                      |                      |
| (a) Short-term borrowings  | 7        | 175,253,974          | 119,950,188          |
| (b) Trade payables   | 8        | 4,625,348            | 142,593              |
| (c) Other current liabilities  | 9        | 117,853,272          | 99,596,101           |
| (d) Short-term provisions  | 6        | -                    | -                    |
|  |          | <b>297,732,593</b>   | <b>219,688,882</b>   |
| <b>TOTAL</b>   |          | <b>172,672,212</b>   | <b>166,868,500</b>   |
| <b>B ASSETS</b>  |          |                      |                      |
| <b>1 Non-current assets</b>  |          |                      |                      |
| (a) Fixed assets   | 10       |                      |                      |
| (i) Tangible assets  |          | 50,097,651           | 54,650,600           |
| (ii) Intangible assets   |          | 62,727               | 122,388              |
|  |          | <b>50,160,378</b>    | <b>54,772,988</b>    |
| (b) Non-current investments  | 11       | 499,951              | 499,951              |
| (c) Long-term loans and advances   | 12       | 9,899,493            | 9,803,493            |
| (d) Other Non Current Assets   | 13       | 28,060,789           | 22,722,321           |
|  |          | <b>88,620,611</b>    | <b>87,798,753</b>    |
| <b>2 Current assets</b>  |          |                      |                      |
| (a) Inventories  | 14       | 73,836,929           | 72,116,123           |
| (b) Trade receivables  | 15       | 8,012,226            | 5,883,690            |
| (c) Cash and bank balances   | 16       | 1,790,431            | 370,654              |
| (d) Short-term loans and advances  | 17       | 412,012              | 699,277              |
|  |          | <b>84,051,598</b>    | <b>79,069,744</b>    |
| <b>TOTAL</b>   |          | <b>172,672,212</b>   | <b>166,868,500</b>   |
| Significant accounting policies and notes forming part of the financial statements | 1 to 37  |                      |                      |

As per our report of even date attached

For GMJ & CO.

Chartered Accountants

F.R.No. 103429W



CA ATUL JAIN

Partner

M.No.: 037097

Mumbai

Date : 22/05/2017

For and on behalf of the board



Director



Director



**GLOBAL COMPOSITES & STRUCTURALS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

Amount in ₹

| PARTICULARS   | NOTE NO. | YEAR ENDED<br>31.03.2017 | YEAR ENDED<br>31.03.2016 |
|---|----------|--------------------------|--------------------------|
| <b>INCOME</b>   |          |                          |                          |
| Revenue from Operations(gross)  | 18       | 10,396,074               | 64,223,264               |
| Less: excise duty   |          | 253,178                  | 6,994,048                |
|   |          | <b>10,142,897</b>        | <b>57,229,216</b>        |
| Other Income  | 19       | 4,875,000                | 5,408,891                |
| <b>Total Revenue</b>  |          | <b>15,017,897</b>        | <b>62,638,107</b>        |
| <b>EXPENSES</b>   |          |                          |                          |
| (a) Cost of raw material and components consumed  | 20       | 8,177,090                | 5,304,545                |
| (b) Operating Expenses  | 21       | 7,035,671                | 5,743,645                |
| (c) Changes in Inventories of work-in-progress  | 22       | (1,555,861)              | 43,603,478               |
| (d) Employee benefits expense   | 23       | 304,560                  | 795,164                  |
| (e) Finance costs   | 24       | 24,910,294               | 30,179,279               |
| (f) Depreciation and amortisation expense   | 10       | 4,612,611                | 4,714,573                |
| (g) Other expenses  | 25       | 4,627,878                | 12,511,877               |
| <b>Total expenses</b>   |          | <b>48,112,242</b>        | <b>102,852,562</b>       |
| <b>Loss before exceptional and extraordinary items and tax</b>                            |          | <b>(33,094,345)</b>      | <b>(40,214,455)</b>      |
| Exceptional items   | 26       | 479,256                  | 484,826                  |
| <b>Loss before extraordinary items and tax</b>  |          | <b>(33,573,601)</b>      | <b>(40,699,281)</b>      |
| Extraordinary Items   | 27       | -                        | 46,787                   |
| <b>Loss before tax</b>  |          | <b>(33,573,601)</b>      | <b>(40,652,494)</b>      |
| <b>Tax expense:</b>   |          | -                        | -                        |
| <b>Loss after tax</b>   |          | <b>(33,573,601)</b>      | <b>(40,652,494)</b>      |
| Basic & Diluted Earning per share   | 28       | (11.48)                  | (13.9)                   |
| <b>Significant accounting policies and notes forming part of the financial statements</b> | 1 to 37  |                          |                          |

As per our report of even date attached

For GMJ & CO.

Chartered Accountants

F.R.No. 103429W

  
CA ATUL JAIN

Partner

M.No.: 037097

Mumbai

Date : 22/05/2017

For and on behalf of the board



Director



Director

**GLOBAL COMPOSITES & STRUCTURALS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

Amount in ₹

| PARTICULARS  | YEAR ENDED<br>31.03.2017 | YEAR ENDED<br>31.03.2016 |
|--|--------------------------|--------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>             |                          |                          |
| Net Loss Before tax                                    | (33,573,601)             | (40,652,494)             |
| Adjustments for:                                       |                          |                          |
| Depreciation   | 4,612,611                | 4,714,573                |
| Profit on sale of Fixed Assets                         | -                        | (46,787)                 |
| Interest Income  | -                        | (76,670)                 |
| Interest Expense                                       | 24,910,294               | 30,179,279               |
| Dividend (income)                                      | (75,000)                 | (75,000)                 |
| <b>Operating Loss Before Working Capital Changes</b>   | <b>(4,125,697)</b>       | <b>(5,957,099)</b>       |
| Adjustment for:  |                          |                          |
| Increase/ (decrease) in trade payables                 | (1,340,744)              | 7,784,376                |
| Increase / (decrease) in long-term provisions          | -                        | 707                      |
| Increase / (decrease) in short-term provisions         | -                        | (537,025)                |
| Increase/ (decrease) in other current liabilities      | 18,257,171               | 1,655,062                |
| Increase/ (decrease) in other Non current liabilities  | 1,279,052                | (527,089)                |
| Decrease / (increase) in trade receivables             | (7,467,004)              | (4,790,645)              |
| Decrease / (increase) in inventories                   | (1,720,806)              | 42,496,819               |
| Decrease / (increase) in long-term loans and advances  | (96,000)                 | (267,214)                |
| Decrease / (increase) in short-term loans and advances | 287,265                  | 306,012                  |
| <b>Cash Generated from Operations</b>                  | <b>5,073,237</b>         | <b>40,163,904</b>        |
| Less: Tax Paid   | -                        | -                        |
| <b>Net Cash from Operating Activities</b>              | <b>5,073,237</b>         | <b>40,163,904</b>        |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>             |                          |                          |
| Sales/(Purchase) of Fixed Assets & Capital WIP         | -                        | 170,000                  |
| Interest Received                                      | -                        | 76,670                   |
| Dividends received                                     | 75,000                   | 75,000                   |
| <b>Net Cash flow from Investing Activities</b>         | <b>75,000</b>            | <b>321,670</b>           |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>             |                          |                          |
| Borrowings (Net)                                       | 21,181,834               | (10,834,612)             |
| Interest Paid  | (24,910,294)             | (30,179,279)             |
| <b>Net Cash flow from Financing Activities</b>         | <b>(3,728,459)</b>       | <b>(41,013,891)</b>      |
| <b>INCREASE IN CASH AND CASH EQUIVALENTS</b>           | <b>1,419,778</b>         | <b>(528,317)</b>         |
| Cash & Cash Equivalents as on 01.04.2016               | 370,654                  | 898,619                  |
| <b>Cash &amp; Cash Equivalents as on 31.03.2017</b>    | <b>1,790,431</b>         | <b>370,654</b>           |

**Notes to Cash flow statement:**

- The above Cash flow statement has been prepared as per the indirect method prescribed by Accounting Standard 3 issued by the "Institute of Chartered Accountants of India".
- All Figures in bracket are outflow
- The total of cash and cash equivalent is as per balance sheet.

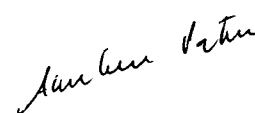
As per our report of even date attached  
For GMJ & CO.  
Chartered Accountants  
F.R.No. 103429W

  
CA ATUL JAIN  
Partner  
M.No.: 037097  
Mumbai  
Date : 22/05/2017

For and on behalf of the board



Director



Director

**GLOBAL COMPOSITES & STRUCTURALS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**SIGNIFICANT ACCOUNTING POLICIES**

**CORPORATE INFORMATION**

Global Composites & Structurals Ltd. is a public company domiciled in India and incorporated on 13th April 2006 under the provisions of the Companies Act, 1956. The company is engaged in the manufacturing and selling of Fibre glass reinforcements plastic (FRP), FRP pipings, FRP composites, cable trays, engineering products, vessels/Tanks, designing and structural fabrication of metal & steel structures.

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**

**I BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**II USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**III TANGIBLE FIXED ASSETS**

Fixed Assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition for its intended use, less accumulated depreciation and impairment loss, if any.

**IV DEPRECIATION ON TANGIBLE FIXED ASSETS**

Depreciation on fixed assets is calculated on a straight-line basis over the useful life of the assets as prescribed under Part C of Schedule II of the Companies Act 2013. The useful lives for the fixed assets are as follows:

| Assets                 |          |
|------------------------|----------|
| Bulding                | 30 years |
| Plant and Machinery    | 15 Years |
| Furniture and fittings | 10 Years |
| Office Equipments      | 5 Years  |
| Computers              | 3 years  |

**V INTANGIBLE FIXED ASSETS**

Intangible Assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over the estimated useful economic life.

| Assets             | Rates  |
|--------------------|--------|
| Computer software  | 16.21% |
| Technical Know How | 16.21% |

**VI INVESTMENTS**

Current Investments are carried at the lower of cost and quoted/ fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of Long Term investments is made only if such a decline is other than temporary in the opinion of the management.



**GLOBAL COMPOSITES & STRUCTURALS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**VII INVENTORIES**

Items of Inventories are measured at lower of cost or net realizable value.

Cost for Raw Materials is computed on F.I.F.O. basis.

Cost for work-in-progress includes raw material cost, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost for Finished Goods includes raw material cost, costs of conversion and other costs incurred in bringing the inventories to their present location/ condition and excise duty.

Cost for Stores and Spares are computed on F.I.F.O. basis.

**VIII REVENUE RECOGNITION**

Sales turnover for the year includes sales value of goods sold. The sales amount is inclusive of Excise Duties and exclusive of Sales Tax and other reimbursement of expenses etc. and is net of Sales Return during the year.

**IX FOREIGN CURRENCY TRANSLATION**

Transactions in foreign exchange are accounted for at the exchange rates prevailing on the date of transaction. Current Assets and Current liabilities are translated at the year-end rate. The difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of current assets and current liabilities at the end of the year is recognized as income or expense as the case may be.

**X RECOGNITION OF EXPENDITURE**

**a. Retirement Benefits:**

Contributions to Provident Fund are charged to the Profit & Loss Account as incurred. Expenses on training, recruitment are charged to revenue in the year of incurrence.

During the year Leave Encashment and Gratuity benefits are provided on the basis of calculation made by the management and not as per actuarial valuation.

**b. Direct Taxes**

Deferred tax for timing differences between tax profits and book profits is accounted for using tax rates and laws that have been enacted or substantially enacted as on the Balance Sheet date. Deferred tax assets are recognized to the extent there is reasonable certainty that these assets can be realized in future.

**XI EARNING PER SHARE**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**XII PROVISION**

Provisions are recognized when the company has legal and constructive obligation as a result of past event for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of obligation.

**XIII CONTINGENT LIABILITIES**

Contingent Liabilities are disclosed when the company has possible or present obligation and it is probable that cash outflow will not be required to settle that obligation.

**XIV EXCISE DUTY**

Excise Duty payable in respect of finished goods is accounted on clearance. Cenvat Credit utilized during the year is accounted in Excise Duty and unutilized balance at the end of the year is considered as advance Excise Duty.

**XV CONTINGENCIES AND EVENTS OCCURING AFTER THE BALANCE SHEET DATE**

There are no contingencies and events after the Balance Sheet dates that materially affect the financial position of the company.



**GLOBAL COMPOSITES & STRUCTURALS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

Amount in ₹

| Particulars  | AS AT<br>31.03.2017 |                   | AS AT<br>31.03.2016 |                   |
|--|---------------------|-------------------|---------------------|-------------------|
|  | No. of shares       | Rupees            | No. of shares       | Rupees            |
| (a) Authorised<br>- Equity shares of ₹10/- each with voting rights                           | 10,000,000          | 100,000,000       | 10,000,000          | 100,000,000       |
| (b) Issued, Subscribed and fully paid up<br>- Equity shares of ₹10/- each with voting rights | 2,935,500           | 29,355,000        | 2,935,500           | 29,355,000        |
| <b>Total</b>   | <b>2,935,500</b>    | <b>29,355,000</b> | <b>2,935,500</b>    | <b>29,355,000</b> |

**(i) Terms/ rights attached to equity shares**

The company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

| Particulars                             | Opening Balance | Issued during the year | Closing Balance |
|---|-----------------|------------------------|-----------------|
| <b>Equity shares with voting rights</b> |                 |                        |                 |
| Year ended 31 March, 2017               |                 |                        |                 |
| - Number of shares                      | 2,935,500       | -                      | 2,935,500       |
| - Amount (₹)                            | 28,405,500      | -                      | 28,405,500      |
| Year ended 31 March, 2016               |                 |                        |                 |
| - Number of shares                      | 2,830,000       | 105,500                | 2,935,500       |
| - Amount (₹)                            | 28,300,000      | 105,500                | 28,405,500      |

**(iii) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**

Out of equity issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

| Numbers   | 31-Mar-17<br>Rupees | 31-Mar-16<br>Rupees |
|---|---------------------|---------------------|
| <b>M/s Ion Exchange (I) Limited the holding company</b><br>2,170,000 (31 March 2015: 2,170,000 ) equity shares of ₹10 each fully paid | 21,700,000          | 21,700,000          |
| <b>M/s Rockman Merchants Ltd.the Associate company</b><br>7,15,500 (31 March 2015: 610,000) equity shares of ₹10 each fully paid      | 7,155,000           | 7,155,000           |
|   | <b>28,855,000</b>   | <b>28,855,000</b>   |

**(iv) Details of shares held by each shareholder holding more than 5% shares:**

| Class of shares / Name of shareholder   | AS AT<br>31-Mar-17    |                                   | AS AT<br>31-Mar-16    |                                   |
|---|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
|   | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| <b>Equity shares with voting rights</b> |                       |                                   |                       |                                   |
| M/s Rockman Merchants Ltd.              | 715500                | 24.37%                            | 715500                | 24.4%                             |
| Ion Exchange India Ltd.                 | 2170000               | 73.92%                            | 2170000               | 73.92%                            |

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**NOTE 3 - RESERVES & SURPLUS**

Amount in ₹

|  | AS AT<br>31/03/2017  | AS AT<br>31.03.2016  |
|--|----------------------|----------------------|
| <u>Balance in Statement of Profit and Loss</u> |                      |                      |
| Opening Balance                                | (152,572,069)        | (111,919,576)        |
|  | -                    | -                    |
| Add: Balance in Profit and Loss Account        | (33,573,601)         | (40,652,494)         |
|  | (186,145,670)        | (152,572,069)        |
|  | <b>(186,145,670)</b> | <b>(152,572,069)</b> |

**GLOBAL COMPOSITES & STRUCTURALS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**NOTE 4 - LONG TERM BORROWINGS**

Amount in ₹

|   | Non - Current Maturities |                   | Current Maturities |                   |
|---|--------------------------|-------------------|--------------------|-------------------|
|   | AS AT                    |                   | AS AT              |                   |
|   | 31.03.2017               | 31.03.2016        | 31.03.2017         | 31.03.2016        |
| <b>Secured</b>                              |                          |                   |                    |                   |
| Loan From The Thane Janta Sahkari Bank Ltd. |                          |                   |                    |                   |
| Term loan                                   | -                        | -                 | -                  | 4,309,529         |
| Property loan                               | -                        | -                 | -                  | 6,264,783         |
| Corporate Loan                              | -                        | 34,121,951        | -                  | 11,029,668        |
|   | -                        | <b>34,121,951</b> | -                  | <b>21,603,980</b> |

**4(A) Details of Terms of repayment for Long term borrowings and security provided in respect of the secured Long-term borrowings**

Amount in ₹

| Particulars                  | Security  | Terms of repayment  | Non - Current Maturities |                   | Current Maturities |                   |
|------------------------------|---|---|--------------------------|-------------------|--------------------|-------------------|
|                              |   |   | AS AT                    |                   | AS AT              |                   |
|                              |   |   | 31.03.2017               | 31.03.2016        | 31.03.2017         | 31.03.2016        |
| <b>Term loans from banks</b> |   |   |                          |                   |                    |                   |
| Term loan in Rupees          | The loan is secured against Hypothecation of Plant & Machinery , tools & equipments, & Furniture & Fixtures, both present & future. | The loan is repayable in 75 monthly installments of Rs.418000/- along with interest, from the date of loan.(ROI Carries @ 13.75% p.a)                   | -                        | -                 | -                  | 4,309,529         |
| Property loan                | The loan is Secured against Equitable Mortgage of Land & Building situated at Village Nichole, Tal. Wada, Dist. Thane.              | The loan is repayable in 71 monthly installments of Rs.570000/- along with interest, from the date of loan.(ROI Carries @ 13.75% p.a.)                  | -                        | -                 | -                  | 6,264,783         |
| Corporate Loan               | The loan is Secured against supplementary Mortgage of factory Land & Building situated at Village Nichole, Tal. Wada, Dist. Thane   | The loan is repayable in 96 monthly installments of Rs.919139/- along with interest, after six months from the date of loan.(ROI Carries @ 13.75% p.a.) | -                        | 34,121,951        | -                  | 11,029,668        |
|                              |   |   | -                        | <b>34,121,951</b> | -                  | <b>21,603,980</b> |

**NOTE 5 - OTHER LONG TERM LIABILITIES**

Amount in ₹

|  | AS AT<br>31.03.2017 | AS AT<br>31.03.2016 |
|--|---------------------|---------------------|
| Trade payables (including acceptances) | 25,859,027          | 31,682,526          |
| <b>Other liabilities</b>               |                     |                     |
| Sundry Creditors for Expenses          | 3,433,261           | 1,333,824           |
| Sundry Creditors for Job Work          | 2,406,644           | 3,227,029           |
|  | <b>31,698,931</b>   | <b>36,243,378</b>   |

**NOTE 6 - PROVISIONS**

Amount in ₹

|                                    | Long Term     |               | Short Term |            |
|------------------------------------|---------------|---------------|------------|------------|
|                                    | AS AT         |               | AS AT      |            |
|                                    | 31.03.2017    | 31.03.2016    | 31.03.2017 | 31.03.2016 |
| Others:                            |               |               |            |            |
| (a) Provision for gratuity         | 14,423        | 14,423        | -          | -          |
| (b) Provision for Leave Encashment | 16,935        | 16,935        | -          | -          |
|                                    | <b>31,358</b> | <b>31,358</b> | -          | -          |

**GLOBAL COMPOSITES & STRUCTURALS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

| <b>NOTE 7 - SHORT TERM BORROWINGS</b>                 |                             | <b>Amount in ₹</b>          |  |
|---|-----------------------------|-----------------------------|--|
|   | <b>AS AT<br/>31.03.2017</b> | <b>AS AT<br/>31.03.2016</b> |  |
| <b>Secured Loans</b>                                  |                             |                             |  |
| Cash Credit with The Thane Janta Sahakari Bank Ltd    | -                           | 119,950,188                 |  |
| Bank Overdraft with The Thane Janta Sahakari Bank Ltd | 175,253,974                 | -                           |  |
|   | <b>175,253,974</b>          | <b>119,950,188</b>          |  |

Cash credit from banks is secured against hypothecation of Stock and Book debts and supplementary Mortgage of Factory Land & Building at Village Nichole, Wada, Dist. Thane covering total exposure and Hypothecation of Plant and Machinery present and future covering total exposure and Personal guarantee of Directors and Corporate Guarantee of M/s. Ion Exchange India Ltd. The cash credit is repayable on demand and carries interest @ 13.75% p.a.

Bank Overdraft from banks is secured against hypothecation of Stock and Book debts and supplementary Mortgage of Factory Land & Building at Village Nichole, Wada, Dist. Thane covering total exposure and Hypothecation of Plant and Machinery present and future covering total exposure and Personal guarantee of Directors and Corporate Guarantee of M/s. Ion Exchange India Ltd. The cash credit is repayable on demand and carries interest @ 12.50% p.a.

| <b>NOTE 8 - TRADE PAYABLES</b>   |                             | <b>Amount in ₹</b>          |  |
|--|-----------------------------|-----------------------------|--|
|  | <b>AS AT<br/>31.03.2017</b> | <b>AS AT<br/>31.03.2016</b> |  |
| <b>Unsecured</b>   |                             |                             |  |
| - Outstanding for a period exceeding six months from the date they are due for payment | 4,625,348                   | 142,593                     |  |
|  | <b>4,625,348</b>            | <b>142,593</b>              |  |

| <b>NOTE 9 - OTHER CURRENT LIABILITIES</b> |                             | <b>Amount in ₹</b>          |  |
|---|-----------------------------|-----------------------------|--|
|   | <b>AS AT<br/>31.03.2017</b> | <b>AS AT<br/>31.03.2016</b> |  |
| (a) Current maturities of long-term debt  | -                           | 21,603,980                  |  |
| (b) Advances from Customers               | 111,872,525                 | 69,881,463                  |  |
| (c) Sundry Creditors for Expenses         | 1,257,355                   | 3,578,417                   |  |
| (d) Other payables                        | 463,806                     |                             |  |
| (e) Duties and Taxes                      | 4,259,586                   | 4,532,242                   |  |
|   | <b>117,853,272</b>          | <b>99,596,101</b>           |  |



**GLOBAL COMPOSITES & STRUCTURALS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**NOTE 10 - FIXED ASSETS**

| DETAILS                  | GROSS BLOCK         |  |                                     |                     | DEPRECIATION       |                   |                                 | NET BLOCK           |                     | Amount in ₹         |
|--------------------------|---------------------|--|-------------------------------------|---------------------|--------------------|-------------------|---------------------------------|---------------------|---------------------|---------------------|
|                          | AS AT<br>01.04.2016 | Purchase/<br>Additions/<br>Adjustments | Sale/<br>Deductions/<br>Adjustments | AS AT<br>31.03.2017 | Upto<br>01.04.2016 | For the<br>Period | Withdrawals/<br>Written<br>back | AS AT<br>31.03.2017 | As at<br>31.03.2017 | As at<br>31.03.2016 |
|                          | (Rs.)               | (Rs.)                                  | (Rs.)                               | (Rs.)               | (Rs.)              | (Rs.)             | (Rs.)                           | (Rs.)               | (Rs.)               | (Rs.)               |
| <b>TANGIBLE ASSETS</b>   |                     |  |                                     |                     |                    |                   |                                 |                     |                     |                     |
| Land                     | 13,834,457          | -                                      | -                                   | 13,834,457          | -                  | -                 | -                               | -                   | 13,834,457          | 13,834,457          |
| Building                 | 21,672,923          | -                                      | -                                   | 21,672,923          | 6,953,935          | 673,270           | -                               | 7,627,205           | 14,045,718          | 14,718,988          |
| Plant and Machinery      | 48,699,892          | -                                      | -                                   | 48,699,892          | 22,933,867         | 3,733,435         | -                               | 26,667,302          | 22,032,590          | 25,766,024          |
| Computers                | 1,336,954           | -                                      | -                                   | 1,336,954           | 1,311,972          | -                 | -                               | 1,311,972           | 24,983              | 24,983              |
| Office Equipments        | 1,631,464           | -                                      | -                                   | 1,631,464           | 1,429,942          | 81,069            | -                               | 1,511,011           | 120,453             | 201,522             |
| Furniture & Fittings     | 448,250             | -                                      | -                                   | 448,250             | 343,624            | 65,176            | -                               | 408,800             | 39,450              | 104,626             |
| <b>Total (A)</b>         | <b>87,623,940</b>   | <b>-</b>                               | <b>-</b>                            | <b>87,623,940</b>   | <b>32,973,340</b>  | <b>4,552,949</b>  | <b>-</b>                        | <b>37,526,289</b>   | <b>50,097,651</b>   | <b>54,650,600</b>   |
| <b>INTANGIBLE ASSETS</b> |                     |  |                                     |                     |                    |                   |                                 |                     |                     |                     |
| Technical know How       | 194,445             | -                                      | -                                   | 194,445             | 132,814            | 31,520            | -                               | 164,334             | 30,111              | 61,631              |
| Computer software        | 173,608             | -                                      | -                                   | 173,608             | 112,850            | 28,142            | -                               | 140,992             | 32,616              | 60,758              |
| <b>Total (B)</b>         | <b>368,053</b>      | <b>-</b>                               | <b>-</b>                            | <b>368,053</b>      | <b>245,665</b>     | <b>59,661</b>     | <b>-</b>                        | <b>305,326</b>      | <b>62,727</b>       | <b>122,388</b>      |
| <b>AS AT 31.03.2017</b>  | <b>87,991,993</b>   | <b>-</b>                               | <b>-</b>                            | <b>87,991,993</b>   | <b>33,219,005</b>  | <b>4,612,611</b>  | <b>-</b>                        | <b>37,831,615</b>   | <b>50,160,378</b>   | <b>54,772,988</b>   |
| <b>AS AT 31.03.2016</b>  | <b>88,161,993</b>   | <b>-</b>                               | <b>170,000</b>                      | <b>87,991,993</b>   | <b>28,551,219</b>  | <b>4,714,574</b>  | <b>46,787</b>                   | <b>33,219,005</b>   | <b>54,772,988</b>   | <b>59,610,775</b>   |

Depreciation and amortisation relating to continuing operations:

| Particulars  | Amount in `              |                          |
|--|--------------------------|--------------------------|
|  | YEAR ENDED<br>31.03.2017 | YEAR ENDED<br>31.03.2016 |
| Depreciation and amortisation for the year on                          |                          |                          |
| Tangible Assets  | 4,552,949                | 4,654,912                |
| Intangible Assets  | 59,661                   | 59,661                   |
| <b>Depreciation and amortisation relating to continuing operations</b> | <b>4,612,611</b>         | <b>4,714,573</b>         |



**GLOBAL COMPOSITES & STRUCTURALS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**NOTE 11 - INVESTMENTS**

Amount in ₹

|   | Non Current |            | Current    |            |
|---|-------------|------------|------------|------------|
|   | AS AT       |            | AS AT      |            |
|   | 31.03.2017  | 31.03.2016 | 31.03.2017 | 31.03.2016 |
| <b>Unquoted</b>   |             |            |            |            |
| <b>Non-trade investments (valued at cost)</b>                                       |             |            |            |            |
| <b><u>In Equity Shares</u></b>  |             |            |            |            |
| 750 (750) Equity Shares of Process Automation Engineering Limited of ₹10/- each     | 1           | 1          | -          | -          |
| 9,999 (9,999) Equity Shares of The Thane Janata Sahakari Bank Limited of ₹50/- each | 1           | 1          | -          | -          |
|   | 499,950     | 499,950    | -          | -          |
|   | 499,951     | 499,951    | -          | -          |
|   | 499,951     | 499,951    | -          | -          |

Aggregate amount of quoted investments

- -

Aggregate amount of unquoted investments

499,951 499,951

**GLOBAL COMPOSITES & STRUCTURALS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

| NOTE 12 - LONG TERM LOANS & ADVANCES              |                     | Amount in ₹         |  |
|---|---------------------|---------------------|--|
|   | AS AT<br>31.03.2017 | AS AT<br>31.03.2016 |  |
| <b>Unsecured, considered good</b>                 |                     |                     |  |
| (a) Security deposits                             | 1,425,257           | 1,425,257           |  |
| (b) Balance With Government / Revenue Authorities | 8,254,041           | 8,158,041           |  |
| (c) Other Loans & Advances                        | 220,195             | 220,195             |  |
|   | <b>9,899,493</b>    | <b>9,803,493</b>    |  |

| NOTE 13 - OTHER NON CURRENT ASSETS                      |                     | Amount in ₹         |  |
|---|---------------------|---------------------|--|
|   | AS AT<br>31.03.2017 | AS AT<br>31.03.2016 |  |
| <b>(a) Trade receivables</b>                            |                     |                     |  |
| Unsecured, considered good unless stated otherwise      |                     |                     |  |
| <b>Due more than one year</b>                           |                     |                     |  |
| Unsecured, considered good                              | 28,058,401          | 22,720,349          |  |
| (b) Non-current bank balances (Bill Discounting Margin) | 2,388               | 1,972               |  |
|   | <b>28,060,789</b>   | <b>22,722,321</b>   |  |

| NOTE 14 - INVENTORIES                     |                     | Amount in ₹         |  |
|---|---------------------|---------------------|--|
|   | AS AT<br>31.03.2017 | AS AT<br>31.03.2016 |  |
| <b>Inventories at the end of the year</b> |                     |                     |  |
| Raw Material                              | 16,838,374          | 16,538,480          |  |
| Works-In-Progress                         | 54,532,958          | 52,977,097          |  |
| Stores/Spares                             | 2,465,597           | 2,600,546           |  |
|   | <b>73,836,929</b>   | <b>72,116,123</b>   |  |

| NOTE 15 - TRADE RECEIVABLES  |                     | Amount in ₹         |  |
|--|---------------------|---------------------|--|
|  | AS AT<br>31.03.2017 | AS AT<br>31.03.2016 |  |
| <b>Secured, considered good:</b>   |                     |                     |  |
| - Outstanding for a period exceeding six months from the date they are due for payment | -                   | -                   |  |
| - Others   | -                   | -                   |  |
| <b>Unsecured, considered good:</b>   |                     |                     |  |
| - Outstanding for a period exceeding six months from the date they are due for payment | -                   | 823                 |  |
| - Others   | 8,012,226           | 5,882,867           |  |
| <b>Unsecured, considered doubtful:</b>   |                     |                     |  |
| - Outstanding for a period exceeding six months from the date they are due for payment | -                   | -                   |  |
| - Others   | -                   | -                   |  |
| Less: Provision for Doubtful Debts   | -                   | -                   |  |
|  | <b>8,012,226</b>    | <b>5,883,690</b>    |  |

| NOTE 16 - CASH & BANK BALANCES                |                     | Amount in ₹         |  |
|---|---------------------|---------------------|--|
|   | AS AT<br>31.03.2017 | AS AT<br>31.03.2016 |  |
| <b>Cash and bank Balances</b>                 |                     |                     |  |
| <u>(a) Cash in hand</u>                       |                     |                     |  |
| Cash in Indian Rupees                         | 249,426             | 280,727             |  |
| <u>(b) Bank Balances with Scheduled Banks</u> |                     |                     |  |
| In Current Accounts                           | 1,541,005           | 89,926              |  |
|   | <b>1,790,431</b>    | <b>370,654</b>      |  |

| NOTE 17 - SHORT TERM LOANS & ADVANCES    |                     | Amount in ₹         |  |
|--|---------------------|---------------------|--|
|  | AS AT<br>31.03.2017 | AS AT<br>31.03.2016 |  |
| <b>Unsecured, considered good</b>        |                     |                     |  |
| (a) Balances with government authorities | 315,894             | 387,120             |  |
| (b) Others Loans & Advances              | 96,118              | 312,157             |  |
|  | <b>412,012</b>      | <b>699,277</b>      |  |

**GLOBAL COMPOSITES & STRUCTURALS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**NOTE 18 - REVENUE FROM OPERATIONS**

|  | Amount in ₹              |                          |
|--|--------------------------|--------------------------|
|  | YEAR ENDED<br>31.03.2017 | YEAR ENDED<br>31.03.2016 |
| <b>Revenue from Operations</b>         |                          |                          |
| <b>a) Sale of Products</b>             |                          |                          |
| Finished Goods                         | 10,245,299               | 64,109,706               |
| Sale Of Scrap                          | 150,775                  | 113,558                  |
| <b>b) Sale of Services</b>             |                          |                          |
| <b>Revenue From Operations (Gross)</b> | 10,396,074               | 64,223,264               |
| Less: Excise Duty                      | 253,178                  | 6,994,048                |
| <b>Revenue From Operations (Net)</b>   | <b>10,142,897</b>        | <b>57,229,216</b>        |

**NOTE 19 - OTHER INCOME**

|                                     | Amount in ₹              |                          |
|-------------------------------------|--------------------------|--------------------------|
|                                     | YEAR ENDED<br>31.03.2017 | YEAR ENDED<br>31.03.2016 |
| (a) Interest                        |                          |                          |
| i. Electricity Deposits             | -                        | 76,670                   |
| (b) Dividends (Current Investments) | 75,000                   | 75,000                   |
| (c) Miscellaneous Income            | 4,800,000                | 5,257,221                |
|                                     | <b>4,875,000</b>         | 5,408,891                |



**GLOBAL COMPOSITES & STRUCTURALS LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017****NOTE 20 - COST OF RAW MATERIAL AND COMPONENTS CONSUMED**

|  | Amount in ₹              |                          |
|--|--------------------------|--------------------------|
|  | YEAR ENDED<br>31.03.2017 | YEAR ENDED<br>31.03.2016 |
| Inventory at the beginning of the year       | 16,538,480               | 14,873,856               |
| Add: Purchases                               | 8,476,984                | 6,969,169                |
|  | 25,015,464               | 21,843,025               |
| Less: inventory at the end of the year       | 16,838,374               | 16,538,480               |
| Cost of raw material and components consumed | <b>8,177,090</b>         | <b>5,304,545</b>         |

**NOTE 21 - OPERATING EXPENSES**

|                                      | Amount in ₹              |                          |
|--------------------------------------|--------------------------|--------------------------|
|                                      | YEAR ENDED<br>31.03.2017 | YEAR ENDED<br>31.03.2016 |
| (a) Consumption of stores and spares | 805,690                  | 699,828                  |
| (b) Job Work charges                 | 4,485,431                | 3,364,561                |
| (c) Electricity Charges (Factory)    | 1,744,550                | 1,679,256                |
|                                      | <b>7,035,671</b>         | <b>5,743,645</b>         |



**GLOBAL COMPOSITES & STRUCTURALS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**NOTE 22 - CHANGES IN INVENTORIES OF WORK-IN-PROGRESS**

Amount in ₹

|  | YEAR ENDED<br>31.03.2017 | YEAR ENDED<br>31.03.2016 |
|--|--------------------------|--------------------------|
| <b>Inventories at the end of the year:</b>       |                          |                          |
| Work-in-progress                                 | 54,532,958               | 52,977,097               |
|  | <b>54,532,958</b>        | 52,977,097               |
| <b>Inventories at the beginning of the year:</b> |                          |                          |
| Work-in-progress                                 | 52,977,097               | 96,580,575               |
|  | <b>52,977,097</b>        | 96,580,575               |
|  |                          |                          |
| <b>Net (increase) / decrease</b>                 | <b>(1,555,861)</b>       | 43,603,478               |

**NOTE 23 - EMPLOYEES BENEFITS EXPENSES**

Amount in ₹

|   | YEAR ENDED<br>31.03.2017 | YEAR ENDED<br>31.03.2016 |
|---|--------------------------|--------------------------|
| (a) Salaries and Wages                        | 184,000                  | 643,533                  |
| (b) Contribution to Provident and Other Funds | 13,250                   | 45,300                   |
| (c) Staff Welfare Expenses                    | 107,310                  | 74,973                   |
| (d) Gratuity and leave encashment             | -                        | 31,358                   |
|   | <b>304,560</b>           | <b>795,164</b>           |

**NOTE 24 - FINANCE COST**

Amount in ₹

|                                | YEAR ENDED<br>31.03.2017 | YEAR ENDED<br>31.03.2016 |
|--------------------------------|--------------------------|--------------------------|
| (a) Interest on Term Loan      | 31,613                   | 742,231                  |
| (b) Interest on Cash Credit    | 19,056,572               | 20,591,327               |
| (c) Interest on Property Loan  | 4,961,722                | 1,079,615                |
| (d) Interest on OBD            | 907                      | 1,000                    |
| (e) Interest on Corporate loan | 299,626                  | 7,518,021                |
| (f) Bank Charges               | 559,854                  | 247,085                  |
|                                | <b>24,910,294</b>        | <b>30,179,279</b>        |

**GLOBAL COMPOSITES & STRUCTURALS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**NOTE 25 - OTHER EXPENSES**

|  | Amount in ₹              |                          |
|--|--------------------------|--------------------------|
|  | YEAR ENDED<br>31.03.2017 | YEAR ENDED<br>31.03.2016 |
| 1 Power and Fuel Expense                       | 24,400                   | 43,772                   |
| 2 Hydra (Crain) and Equipment Hire Charges     | 70,390                   | 26,154                   |
| 3 Repairs and Maintenance (Mfg)                | 8,490                    | 30,748                   |
| 4 Security Service Charges                     | 1,487,005                | 1,473,442                |
| 5 Rent, Rates and Taxes                        | 173,282                  | 721,698                  |
| 6 Printing and Stationery Expenses             | 7,522                    | 23,068                   |
| 7 Travelling and Conveyance Expenses           | 108,516                  | 47,919                   |
| 8 Postage and Courier Charges                  | 2,440                    | 2,360                    |
| 9 Repairs and Maintenance (Others)             | 112,025                  | 112,126                  |
| 10 Telephone, Mobile and Internet Expenses     | 129,017                  | 122,368                  |
| 11 Labour Charges                              | 23,200                   | -                        |
| 13 Car Hire Charges                            | 1,019,362                | 1,103,079                |
| 14 Loading and Unloading Charges               | 15,940                   | 16,850                   |
| 15 Guest House Expenses                        | 126,000                  | 145,215                  |
| 16 Membership and Subscription Charges         | -                        | 19,800                   |
| 17 Inspection and Testing Charges              | 9,900                    | 21,740                   |
| 18 Insurance Charges                           | 198,275                  | 180,284                  |
| 19 Legal, Professional and Consultancy Charges | 316,401                  | 764,071                  |
| 20 Pooja Expenses                              | 6,050                    | -                        |
| 21 Donation                                    | 500                      | -                        |
| 22 Miscellaneous Expenses                      | 136,801                  | 33,934                   |
| 23 Discount Allowed                            | -                        | 7,156,651                |
| 24 Other Administrative Expenses               | 66,471                   | -                        |
| 25 Conference Expenses                         | 180                      | -                        |
| 26 Transportation Charges                      | 37,765                   | 8,767                    |
| 27 Maharashtra Pollution control expenses      | 228,360                  | -                        |
| 28 Payment to auditor (Refer details below)    | 236,476                  | 150,000                  |
| 29 Penalty/Interest Paid                       | 83,110                   | 280,286                  |
| 30 Excise Duty and Interest thereon            | -                        | 27,545                   |
|  | <b>4,627,878</b>         | <b>12,511,877</b>        |

|                          | Amount in ₹              |                          |
|--------------------------|--------------------------|--------------------------|
| PAYMENT TO AUDITORS      | YEAR ENDED<br>31.03.2017 | YEAR ENDED<br>31.03.2016 |
| (a) Statutory Audit Fees | 120,000                  | 120,000                  |
| (b) Tax Audit Fees       | 30,000                   | 30,000                   |
| (C) Other Service        | 86,476                   | -                        |
|                          | <b>236,476</b>           | <b>150,000</b>           |

**NOTE 26 - EXCEPTIONAL ITEMS**

|                           | Amount in ₹              |                          |
|---------------------------|--------------------------|--------------------------|
|                           | YEAR ENDED<br>31.03.2017 | YEAR ENDED<br>31.03.2016 |
| (a) Prior Period Expenses | 479,256                  | 484,826                  |
|                           | <b>479,256</b>           | <b>484,826</b>           |

**NOTE 27 - EXTRA ORDINARY ITEMS**

|                                    | Amount in ₹              |                          |
|------------------------------------|--------------------------|--------------------------|
|                                    | YEAR ENDED<br>31.03.2017 | YEAR ENDED<br>31.03.2016 |
| (a) Profit on sale of Fixed Assets | -                        | 46,787                   |
|                                    | <b>-</b>                 | <b>46,787</b>            |

**NOTE 28 EARNING PER SHARE**

|   |                | Amount in ₹              |                          |
|---|----------------|--------------------------|--------------------------|
|   |                | YEAR ENDED<br>31.03.2017 | YEAR ENDED<br>31.03.2016 |
| Loss after tax                                | (A)            | (33,573,601)             | (40,621,136)             |
| Weighted average number of equity shares      | (B)            | 2,924,835                | 2,924,835                |
| <b>Basic &amp; Diluted earnings per share</b> | <b>(A)/(B)</b> | <b>(11.48)</b>           | <b>(13.89)</b>           |

**GLOBAL COMPOSITES & STRUCTURALS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**NOTE 29 RELATED PARTY DISCLOSURE:**

| Description of relationship    | Names of related parties  |
|--------------------------------|---|
| Holding Company                | Ion Exchange (India) Limited  |
| Associates                     | Ion Exchange Enviro Farms Limited<br>Ion Exchange Waterleau Limited<br>Astha Technical Services Limited<br>Headway Corporate Resources Limited<br>Process Automation Engineers Limited<br>Ion Exchange Projects and Engineering Limited<br>Aquanomics Systems Limited |
| Key Management Personnel (KMP) | Mahabir Prasad Patni<br>Ankur Patni<br>Dinesh Sharma<br>Rajesh Sharma   |

**Note:** Related parties have been identified by the Management and relied on by the auditors.

Details of related party transactions during the year ended 31.03.2017 and balances outstanding as at 31.03.2017

Amount in ₹

| Name of Party                                 | Nature of Transaction       | Amount (Rs.) |            | Outstanding Credit (Debit) Balance (Rs.) |
|---|-----------------------------|--------------|------------|--|
|   |                             | 2016-17      | 2015-16    |  |
| Ion Exchange Projects and Engineering Limited | Sales & Services Rendered   | 86,000       |            | -  |
| Ion Exchange Asia Pacific Pvt. Ltd.           |                             |              |            | (1,737,013)                              |
| Ion Exchange Enviro Farms Limited             | Diwali Gift/Expense         |              |            | 35,330                                   |
| Aquanomics Systems Ltd.                       | Sales & Services Rendered   |              | 136,301    | (1,975,660)                              |
|   | Purchase of Goods           |              |            |  |
| Ion Exchange (India) Limited                  | Purchase of Goods           | 4,416,233    | 6,651,034  |  |
|   | Sales and Services Rendered | 9,448,026    | 67,071,853 | 64,411,160                               |

**Other transactions**

Ion Exchange (India) Ltd, Holding concern of the company has given Corporate Guarantee for amount aggregating to Rs. 18 Crores against the Bank Overdraft facility of Rs 17,52,53,973/- availed from Thane Janta Sahakari Bank Ltd.

**NOTE 30**

The Company has initiated the process of obtaining confirmation from suppliers regarding the registration under the "Micro, Small and Medium Enterprises Development Act, 2006". The suppliers are not registered wherever the confirmation are received and in other cases, the Company is not aware of their registration status and hence information relating to outstanding balance or interest due is not disclosed as it is not determinable.



**GLOBAL COMPOSITES & STRUCTURALS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**NOTE 31**

Imported and indigenous raw materials, components and spare parts consumed

| Raw Materials         | % of total consumption<br>31-Mar-17 | Value<br>31-Mar-17 | % of total consumption<br>31-Mar-16 | Value<br>31-Mar-16 |
|-----------------------|-------------------------------------|--------------------|-------------------------------------|--------------------|
| Imported              | -                                   | -                  | -                                   | -                  |
| Indigenously obtained | 100.00                              | 8,177,090          | 100.00                              | 5,304,545          |
|                       | 100.00                              | 8,177,090          | 100.00                              | 5,304,545          |

**NOTE 32**

**Networth**

The net worth of the Company has been eroded completely as at 31st March 2017. The Management has undertaken various cost reduction programs during the year and it expects better returns in the coming years from manufacturing of composites, FRP storage tank, FRP tanks for swimming Pools and fabrication of FRP/GRP pipes and fitting as a result of improved business sentiments.

In addition to the above the management has decided to provide manufacturing facilities at Wada to Ion Exchange India Ltd to manufacture their products on Job work basis. This will generate additional revenue to the company.

In view of the present financial position of the company the Holding Company has assured that it is not their intention to withdraw the existing financial support to the Company and also to provide and maintain sufficient financial supports and assistance as may be needed to enable the business activities of the company to continue to be conducted as a going concern.

In view of these, the accounts of the Company have been prepared on a 'going concern' basis.

**NOTE 33**

The balances of sundry debtors, creditors and loans & advances are subject to confirmation and reconciliation, if any.

**NOTE 34 Contingent Liabilities**

| Particulars                          | As at 31st March<br>2017 |
|--------------------------------------|--------------------------|
| Sales Tax demand disputed by Company | 1,364,449                |

**NOTE 35**

The Company is in process of identifying the small scale industrial undertaking(s) to whom the company owes any sum together with interest outstanding for more than thirty days exceeding Rs.1,00,000/-

**NOTE 36 Disclosure on Specified Bank Notes (SBNs)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

| Particulars   | SBNs*    | Amount in ₹        |               |
|---|----------|--------------------|---------------|
|   |          | Other denomination | Total         |
| Closing cash in hand as on November 8, 2016         | -        | 51,396             | 51,396        |
| (+) Withdrawl from Bank                             | -        | 50,200             | 50,200        |
| (+) Permitted receipts                              | -        | -                  | -             |
| (-) Permitted payments                              | -        | 83,966             | 83,966        |
| (-) Amount deposited in Banks                       | -        | -                  | -             |
| <b>Closing cash in hand as on December 30, 2016</b> | <b>-</b> | <b>17,630</b>      | <b>17,630</b> |

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

**NOTE 37**


Previous year figures have been regrouped / rearranged wherever necessary to conform to the current years' presentation.

As per our report of even date attached  
 For GMJ & CO.  
 Chartered Accountants  
 F.R.No. 103429W

  
 CA ATUL JAHN  
 Partner  
 M.No.: 037097  
 Mumbai  
 Date : 22/05/2017

For and on behalf of the board

  
 Director

  
 Director