GMJ & Co
Chartered Accountants
3rd & 4th Floor, Vaastu Darshan,
'B'wing, Above Central Bank of India,
Azad Road, Andheri (East),
Mumbai - 400 069.
Tel. : 022- 6191 9293 / 222 /200
Fax : 022- 2684 2221 / 6191 9256
E-mail : admin@gmj.co.in
info@gmj.co.in

INDEPENDENT AUDITORS' REPORT

To
The Members of
Global Composite & Structural Limited

Report on Indian Accounting Standards ("Ind AS") Financial Statements

We have audited the accompanying Ind AS financial statements of Global Composite & Structural Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as ' Ind AS Financial Statements')

Management's Responsibility for the IndAS 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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS Financial Statements based on our audit. In conducting 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 Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS Financial Statements.

GMJ & CO. MUMBAI FRN No. 103429W CHARTERED ACCOUNTANTS

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the financial position of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, the changes in equity 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, 2018 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 (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in **"ANNEXURE A"** statement on the matters specified in paragraphs 3 and 4 of the Order;

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and statement of changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the relevant rules issued thereunder;

   (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**; and

   (g) With respect to the matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

GMJ & CO. MUMBAI FRN No. 103429W CHARTERED ACCOUNTANTS

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements. Refer Note No. 34 to the Ind AS Financial Statements

ii. The Company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses if any, on long term contracts.

iii. The company has no amount to be transferred to the Investor Education and Protection Fund by the Company.

For GMJ & Company
Chartered Accountants
FRN : 103429W

(CA Atul Jain)
Partner
M.No. 37097
Place: Mumbai
Date : 22nd May 2018

GMJ & CO. ★ MUMBAI FRN No. 103429W ★ CHARTERED ACCOUNTANTS

ANNEXURE A

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 Ind AS financial statements as of and for the year ended March 31, 2018.

(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) 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 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) In our opinion and according to the information and explanations given to us, the Company has not advanced any loan, provided guarantee and security covered in Section 185 of the Act. The Company has complied with the provisions of section 186 of the Act to the extent applicable, with respect to the loans and investments made, guarantees given and security provided;

(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) (a) The company is generally regular in depositing undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues with the appropriate authorities though there have been few delays in certain cases. There have been no dues which are outstanding for more than six months from the date they become payable.

(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, 2018.

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) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a bank;

(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. Therefore, the provision of Clause 3(ix) of the said Order is not applicable to the Company;

(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 Ind AS Financial Statements etc., as required by the applicable accounting standards;

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company;

(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 & Company
Chartered Accountants
FRN : 103429W

Atul Jain

(CA Atul Jain)
Partner
M.No. 37097
Place: Mumbai
Date : 22nd May 2018

GMJ & CO. MUMBAI FRN No. 103429W CHARTERED ACCOUNTANTS

ANNEXURE B

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Global Composite & Structural Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). 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 Act.

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 deemed to be prescribed under section 143(10) of the Act, 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 ICAI. 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 auditors' judgment, including the assessment of the risks of material misstatement of the IndAS 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 Ind AS 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 Ind AS 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 unauthorised

GMJ & CO MUMBAI FRN No. 103429W CHARTERED ACCOUNTANTS acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS 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 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For GMJ & Company
Chartered Accountants
FRN : 103429W

Atul Jain

GMJ & CO. MUMBAI FRN No. CHARTERED ACCOUNTANTS

(CA Atul Jain)
Partner
M.No. 37097
Place: Mumbai
Date : 22nd May 2018

GLOBAL COMPOSITE & STRUCTURES LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

(Amount in INR)

Particulars	Notes	March 31, 2018	March 31, 2017	April 1, 2016
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	4	45,632,938	50,097,650	54,650,600
(b) Other Intangible Assets	5	-	62,727	122,389
(c) Financial Assets				
(i) Investments	6	499,951	499,951	499,951
(d) Other Non-Current Assets	10	8,886,052	8,717,169	8,765,356
		55,018,941	**59,377,497**	**64,038,296**
Current assets				
(a) Inventories	7	48,598,556	73,836,929	72,116,123
(b) Financial Assets				
(i) Trade Receivables	8	18,765,516	18,770,428	20,367,986
(ii) Cash and Cash Equivalents	9	434,443	1,790,435	370,654
(iii) Other Financial Assets	6	1,425,257	1,425,257	1,425,257
(d) Other Current Assets	10	153,097	169,079	312,157
		69,376,870	**95,992,129**	**94,592,177**
Total		**124,395,810**	**155,369,625**	**158,630,472**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	11	29,355,000	29,355,000	29,355,000
(b) Other Equity	12	(205,156,874)	(186,145,671)	(152,571,197)
		(175,801,874)	**(156,790,671)**	**(123,216,197)**
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	-	-	34,121,951
		-	**-**	**34,121,951**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	180,745,072	175,253,974	119,950,188
(ii) Trade Payables	14			
Micro, Small and Medium Enterprises		-	-	-
Others		32,384,909	36,375,515	38,189,352
(iii) Other Financial Liabilities	13	-	-	21,603,980
(b) Other Current Liabilities	15	87,067,702	100,530,807	67,981,198
		300,197,684	**312,160,295**	**247,724,718**
TOTAL		**124,395,810**	**155,369,625**	**158,630,472**

Significant accounting policies and notes forming part of the financial statements — 1 to 36

For GMJ & Co
Chartered Accountants
Firm No. 103429W

CA Atul Jain
Partner
M. No. 37097

For and on behalf of the Board of Directors

Dinesh Sharma	Aankur Patni
Director	Director
00051986	00090657

Place : Mumbai
Dated : 22nd May 2018

GLOBAL COMPOSITE & STRUCTURES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in INR)

Particulars	Notes	2017-18	2016-17
REVENUE			
Revenue from operations	16	43,915,065	10,396,075
Other income	17	5,810,406	4,875,000
Total Revenue (I)		**49,725,471**	**15,271,075**
EXPENSES			
Cost of materials consumed	18	4,948,954	8,177,090
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	19	24,447,307	(1,555,861)
Excise duty		43,985	253,178
Employee benefits expense	20	147,785	317,381
Finance costs	21	24,507,265	25,450,440
Depreciation and amortization expense	22	4,527,439	4,612,611
Other expenses	23	11,869,579	12,210,581
Total Expenses (II)		**70,492,315**	**49,465,420**
(loss) before exceptional items and tax (I-II)		**(20,766,844)**	**(34,194,345)**
Exceptional Items	24	44,360	479,256
(loss) before tax		**(20,811,204)**	**(34,673,601)**
Tax expense:			
Current tax		-	-
(loss) for the period		**(20,811,204)**	**(34,673,601)**
OTHER COMPREHENSIVE INCOME			
Other Comprehensive income for the year, net of tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**(20,811,204)**	**(34,673,601)**
Earnings per share for profit attributable to equity shareholders	25		
Basic and Diluted		(7.09)	(11.81)
Significant accounting policies and notes forming part of the financial statements	1 to 36		

For GMJ & Co
Chartered Accountants
Firm No. 103429W

CA Atul Jain
Partner
M. No. 37097

Place : Mumbai
Dated : 22nd May 2018

For and on behalf of the Board of Directors

Dinesh Sharma
Director
00051986

Aankur Patni
Director
00090657

GMJ & CO. MUMBAI FRN No. 103429W CHARTERED ACCOUNTANTS

GLOBAL COMPOSITE & STRUCTURES LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in INR)

Particulars	Notes	2017-18	2016-17
CASH FLOWS FROM OPERATING ACTIVITIES:			
(Loss) before income tax		(20,811,204)	(34,673,601)
Loss before income tax		(20,811,204)	(34,673,601)
Adjustments for:			
Depreciation and amortisation expense		4,527,439	4,612,611
Finance costs		24,507,265	25,450,440
Dividend and interest income classified as investing cash flows		(75,000)	(75,000)
Change in operating assets and liabilities:			
(Increase)/Decrease in trade receivables		4,912	1,597,558
(Increase)/Decrease in inventories		25,238,373	(1,720,806)
Increase/(decrease) in trade payables		(3,990,606)	(1,814,712)
(Increase)/decrease in other non-current assets		(168,883)	48,187
(Increase)/decrease in other current assets		15,982	143,078
Increase/(decrease) in other Current Liabilities		(13,463,104)	32,549,609
Cash generated from operations		15,785,174	4,513,383
Less: Income taxes paid			
Net cash inflow from operating activities		15,785,174	4,513,383
CASH FLOWS FROM INVESTING ACTIVITIES:			
Dividends received		75,000	75,000
Net cash outflow from investing activities		75,000	75,000
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings (net)		5,491,099	21,181,838
Interest paid		(22,707,265)	(24,350,440)
Net cash inflow (outflow) from financing activities		(17,216,166)	(3,168,602)
Net increase (decrease) in cash and cash equivalents		(1,355,992)	1,419,782
Cash and Cash Equivalents at the beginning of the financial year		1,790,435	370,654
Cash and Cash Equivalents at end of the year		434,443	1,790,435
NON-CASH FINANCING AND INVESTING ACTIVITIES:			
Acquisition of property, plant and equipment			
Reconciliation of cash and cash equivalents as per the cash flow statement:			
Cash and cash equivalents as per above comprise of the following:			
Cash and cash equivalents		247,629	249,430
Bank overdrafts		186,814	1,541,005
Balances per statement of cash flows		434,443	1,790,435
Significant accounting policies and notes forming part of the financial statements	1 to 36		

For GMJ & Co
Chartered Accountants
Firm No. 103429W

CA Atul Jain
Partner
M. No. 37097

Place : Mumbai
Dated : 22nd May 2018

For and on behalf of the Board of Directors

Dinesh Sharma	**Aankur Patni**
Director	**Director**
00051986	**00090657**

GLOBAL COMPOSITE & STRUCTURES LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2018

A Equity Share Capital

Particulars	Balance at the Beginning of the period	Changes in Equity share capital during the year	Balance at the end of the period
March 31, 2016			
Numbers	2,935,500	-	2,935,500
Amount	29,355,000	-	29,355,000
March 31, 2017			
Numbers	2,935,500	-	2,935,500
Amount	29,355,000	-	29,355,000

B Other Equity

	Reserves and Surplus	
Particulars	**Retained Earnings**	**Total**
As at April 1, 2016	**(152,571,197)**	**(152,571,197)**
Loss for the period	(34,673,601)	**(34,673,601)**
Other comprehensive income	-	-
Total comprehensive income for the year	(187,244,798)	(187,244,798)
Fair Valuation of Financial Guarantee	1,100,000	**1,100,000**
As at March 31, 2017	**(186,144,798)**	**(186,144,798)**
Loss for the period	(20,811,204)	**(20,811,204)**
Other comprehensive income	-	-
Total comprehensive income for the year	(206,956,002)	(206,956,002)
Fair Valuation of Financial Guarantee	1,800,000	**1,800,000**
As at March 31, 2018	**(205,156,002)**	**(205,156,002)**

Global Composites & Structurals Limited

Notes to financial statements for the year ended 31/03/2018

1. **Significant Accounting Policies**

Overview of the Company

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, vesseles/Tanks, desgining and structural fabrication of metal & steel structures.

2. **Basis of preparation**

Statement of compliance

The company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of sections 133 read with sub-section (1) of Section 210A of the Companies Act, 1956 (1 of 1956). In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied.

These standalone financial statements are the first standalone financial statements prepared in accordance with Ind AS. For all periods upto and including the year ended March 31, 2017, the Company reported its Financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'IGAAP'). The Financial statements for the year ended 31st March 2017 and the opening Balance Sheet as at 1st April 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from IGAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 31.

The standalone financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

a) Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is also the Company's functional currency. All amounts have been rounded off to the nearest INR, unless otherwise indicated.

b) Basis of measurement

The standalone financial statements have been prepared on a historical cost convention, except for the following:

- certain financial assets and liabilities that are measured at fair value; and
- net defined benefit (asset)/ liability that are measured at fair value of plan assets less present value of defined benefit obligations.

Use of estimates

The preparation of the standalone financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2018 are as follows:

a) Property, plant and equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

GMJ & CO. MUMBAI FRN No. 103429W CHARTERED ACCOUNTANTS

b) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)."

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. Summary of significant accounting policies

a) Property, plant and equipment and depreciation

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost includes taxes, duties, freight and other incidental expenses directly related to acquisition/construction and installation of the assets. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation is provided on straight line basis based on life assigned to each asset in accordance with Schedule II of the Act or as per life estimated by the Management, whichever is lower, as stated below.

Assets	Useful lives
Factory Buildings	30 years
Plant and machinery	15 years
Furniture and fixtures	10 years
Office equipments	5 years
Computers	3 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

An item of property, plant and equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the Statement of Profit and Loss.

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

b) Intangible assets

Computer Software is amortized on a straight-line basis over the period of 5 years.

An intangible asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the Statement of Profit and Loss.

The Company has elected to continue with the carrying value of all its intangible assets as recognized in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

c) Impairment

Impairment loss, if any, is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal/external factors. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at end of its useful life. In assessing value in use, the present value is discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Net selling price is the amount obtainable from sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

d) 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.

e) Financial instruments

Financial assets and financial liabilities are recognised in the Balance sheet when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.

A. Financial assets

(i) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The financial assets include debt instruments, equity investments, trade and other receivables, loans, cash and bank balances and derivative financial instruments.

(ii) Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:
a) At amortised cost,
b) At fair value through other comprehensive income (FVTOCI), and
c) At fair value through profit or loss (FVTPL).

(iii) Equity investments

All equity investments in the scope of Ind AS 109 are measured at fair value.
Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in profit or loss. The Company may make an irrevocable election to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.
If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment.

However, the Company may transfer the cumulative gain or loss within equity.

(iv) Impairment of financial assets

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

(v) De-recognition

The company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset

B. Financial liabilities

(i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities classified at amortised cost, net of directly attributable transaction costs.

The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, etc.

(ii) Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process.

f) Retirement and other employee benefits

(i) Retirement benefit in the form of provident fund is charged to the statement of profit and loss of the year when the contribution to the respective fund is due.

(ii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit method made at the end of each financial year.

g) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sales are accounted for excluding sales tax, VAT & GST. Sale of goods is recognized when the property and all significant risks and reward of ownership is transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods.

Interest:
Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included in finance income in the statement of profit and loss.

h) Taxation

(i) Provision for current taxation has been made in accordance with the Indian Income tax laws prevailing for the relevant assessment years.

(ii) Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset is not recognised unless there are timing difference, the reversal of which, will result in sufficient income or there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

i) Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

GMJ & CO. MUMBAI FRN No. 103429W CHARTERED ACCOUNTANTS

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

j) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) 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.

k) Cash and cash equivalents:

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset till such time that it is required to complete and prepare the assets to get ready for its intended use. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

4. PROPERTY, PLANT AND EQUIPMENT

(Amount in INR)

Particulars	Land	Buildings	Plant and Equipments	Furniture and Fixtures	Office Equipments	Computer Hardwares	Total
GROSS CARRYING VALUE							
As at April 1, 2016	13,834,457	14,718,988	25,766,024	104,626	201,522	24,983	54,650,600
Additions							-
Disposals							-
As at March 31, 2017	**13,834,457**	**14,718,988**	**25,766,024**	**104,626**	**201,522**	**24,983**	**54,650,600**
Additions							-
Disposals							-
As at March 31, 2018	**13,834,457**	**14,718,988**	**25,766,024**	**104,626**	**201,522**	**24,983**	**54,650,600**
ACCUMULATED DEPRECIATION/IMPAIRMENT							
As at April 1, 2016							
Depreciation for the year		673,270	3,733,435	65,176	81,069		4,552,950
Deductions\Adjustments during the period							-
As at March 31, 2017	-	673,270	3,733,435	65,176	81,069	-	4,552,950
Depreciation for the year		673,270	3,733,435	14,479	43,528		4,464,712
							-
As at March 31, 2018	**-**	**1,346,540**	**7,466,870**	**79,655**	**124,597**	**-**	**9,017,662**
Net Carrying value as at March 31, 2018	**13,834,457**	**13,372,448**	**18,299,154**	**24,971**	**76,925**	**24,983**	**45,632,938**
Net Carrying value as at March 31, 2017	**13,834,457**	**14,045,718**	**22,032,589**	**39,450**	**120,453**	**24,983**	**50,097,650**
Net Carrying value as at April 1, 2016	**13,834,457**	**14,718,988**	**25,766,024**	**104,626**	**201,522**	**24,983**	**54,650,600**

Notes:

Property, Plant and Equipment mortgaged as security against borrowings by the company

Refer to Note 30 for information on property, plant and equipment mortgaged as security by the company

GMJ & CO. CHARTERED ACCOUNTANTS

GLOBAL COMPOSITE & STRUCTURES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

S. INTANGIBLE ASSETS

(Amount in INR)

Particulars	Computer Software	Technical Know How	Total
GROSS CARRYING VALUE			
As at April 1, 2016	60,758	61,631	122,389
Additions			-
Deletions			-
As at March 31, 2017	60,758	61,631	122,389
Additions			-
Deletions			-
As at March 31, 2018	**60,758**	**61,631**	**122,389**
ACCUMULATED AMORTISATION AND IMPAIRMENT			-
As at April 1, 2016			-
Amortisation for the year	28,142	31,520	59,662
Deductions\Adjustments during the period			-
As at March 31, 2017	28,142	31,520	59,662
			-
Amortisation for the year	32,616	30,111	62,727
Deductions\Adjustments during the period			-
As at March 31, 2018	**60,758**	**61,631**	**122,389**
Net Carrying value as at March 31, 2018	**-**	**-**	**-**
Net Carrying value as at March 31, 2017	**32,616**	**30,111**	**62,727**
Net Carrying value as at April 1, 2016	**60,758**	**61,631**	**122,389**

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CHARTERED ACCOUNTANTS

GLOBAL COMPOSITE & STRUCTURES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

FINANCIAL ASSETS

(Amount in INR

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Investments carried at Fair Value through Profit & Loss			
Unquoted			
Investments in Equity Instruments			
750 (750) Equity Shares of Process Automation Engineering Limtied of `10/- each	1	1	1
9,999 (9,999) Equity Shares of The Thane Janata Sahakari Bank Limited of `50/- each	499,950	499,950	499,950
Total	**499,951**	**499,951**	**499,951**
Aggregate amount of unquoted investments	499,951	499,951	499,951
Investments carried at fair value through profit and loss	499,951	499,951	499,951
Current			
Financial assets carried at amortised cost			
Security Deposits	1,425,257	1,425,257	1,425,257
Total	**1,425,257**	**1,425,257**	**1,425,257**

INVENTORIES

(Amount in INR)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
(As certified by Management)			
(Valued at lower of Cost and Net Realisable value)			
Raw materials	16,002,782	16,838,374	16,538,480
Work-in-process	30,085,651	54,532,958	52,977,097
Stores, consumables and packing material	2,510,123	2,465,597	2,600,546
Total	**48,598,556**	**73,836,929**	**72,116,123**

TRADE RECEIVABLES

(Amount in INR)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Trade Receivables from customers	18,765,516	18,770,428	20,367,986
	18,765,516	**18,770,428**	**20,367,986**

CASH AND CASH EQUIVALENTS

(Amount in INR)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Balances with banks:			
- On current accounts	186,814	1,541,005	89,926
Cash on hand	247,629	249,430	280,727
	434,443	**1,790,435**	**370,654**

10. OTHER ASSETS

(Amount in INR)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Non Current			
Advances other than Capital advances			
- Other Advances	265,031	147,234	220,195
Others			
- Balances with Statutory, Government Authorities	8,621,021	8,569,935	8,545,161
Total	**8,886,052**	**8,717,169**	**8,765,356**
Current			
Others			
- Prepaid expenses	150,709	169,079	220,084
- Other current assets	2,388	-	92,073
Total	**153,097**	**169,079**	**312,157**

GLOBAL COMPOSITE & STRUCTURES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

11. SHARE CAPITAL

i. Authorised Share Capital

(Amount in INR)

	Equity Share	
	Number	**Amount**
At April 1, 2016	10,000,000	100,000,000
Increase/(decrease) during the year		
At March 31, 2017	10,000,000	100,000,000
Increase/(decrease) during the year		
At March 31, 2018	10,000,000	100,000,000

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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. Issued Capital

	Number	**Amount**
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2016	2,935,500	**29,355,000**
Issued during the period		
At March 31, 2017	2,935,500	**29,355,000**
Issued during the period		
At March 31, 2018	**2,935,500**	**29,355,000**

iii. Shares held by holding/ ultimate holding company and / or their subsidiaries / associates

Out of equity shares issued by the company, shares held by its holding company / associate company are as below:

	March 31, 2018	**March 31, 2017**
M/s Ion Exchange (I) Limited the holding company	2,170,000	2,170,000
M/s Rockman Merchants Ltd.the Associate company	715,500	715,500

iv. Details of shareholders holding more than 5% shares in the company

Name of the shareholder	**As at March 31, 2018**		**As at March 31, 2017**	
	Number	% holding	Number	% holding
M/s Ion Exchange (I) Limited	2,170,000	73.92%	2,170,000	73.92%
M/s Rockman Merchants Ltd	715,500	24.37%	715,500	24.37%

GMJ & CO. MUMBAI FRN No. 103429W CHARTERED ACCOUNTANTS

GLOBAL COMPOSITE & STRUCTURES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

12. OTHER EQUITY

Reserves and Surplus

(Amount in INR)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Retained Earnings	(205,156,874)	(186,145,671)	(152,571,197)
	(205,156,874)	(186,145,671)	(152,571,197)

13. BORROWINGS

(Amount in INR)

Particulars		March 31, 2018	March 31, 2017	April 1, 2016
Non Current Borrowings				
Secured/Unsecured				
(a) Term Loans				
From Banks		-	-	55,725,931
	(A)	-	-	55,725,931
Current Maturity of Non Current Borrowings				
(a) Term Loans				
From Banks		-	-	21,603,980
	(B)	-	-	21,603,980
	Total (A)-(B)	-	-	34,121,951
Current Borrowings				
Secured/Unsecured				
Loans repayable on demand				
Overdraft against security		180,745,072	175,253,974	-
Cash Credit		-	-	119,950,188
	Total	180,745,072	175,253,974	119,950,188

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
			(Amount in INR)
OTHER FINANCIAL LIABILITIES			
Current			
Financial Liabilities at amortised cost			
Current maturities of long term debts	-	-	21,603,980
Total	-	-	21,603,980

Current Borrowings			
Secured			
Loans repayable on demand			
Overdraft against security	180,745,072	175,253,974	-
Cash Credit	-	-	119,950,188
Total	180,745,072	175,253,974	119,950,188

The carrying amounts of financial and non-financial assets pledge as security for current borrowings are disclosed in Note 30

Amount and period of default in repayment of borrowings

Particulars	Amount	Period of Default
Loans from Banks		
March 31, 2018		
Principal	-	-
interest	-	-
March 31, 2017		
Principal	-	-
interest	-	-
April 1, 2016		
Principal	218.11 Lacs	
interest	91.77 Lacs	20-325 days

14. TRADE PAYABLES

(Amount in INR)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Trade Payables to Others	32,384,909	36,375,515	38,189,352
Total	32,384,909	36,375,515	38,189,352

15. OTHER LIABILITIES

(Amount in INR)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Advance received from Customers	77,867,726	94,569,938	61,643,438
Others			
Statutory Liabilities	7,104,988	4,259,586	4,532,242
Others	2,094,988	1,701,283	1,805,519
Total	87,067,702	100,530,807	67,981,198

GLOBAL COMPOSITE & STRUCTURES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

16. REVENUE FROM OPERATIONS

(Amount in INR)

Particulars	2017-18	2016-17
Sale of products (inclusive of excise duty)		
Sale of products	43,915,065	10,396,075
	43,915,065	**10,396,075**

17. OTHER INCOME

(Amount in INR)

Particulars	2017-18	2016-17
Dividend income	75,000	75,000
Other Non Operating Income		
Others		
Miscellaneous Income	5,735,406	4,800,000
	5,810,406	**4,875,000**

18. COST OF MATERIALS CONSUMED

(Amount in INR)

Particulars	2017-18	2016-17
As at beginning of the year	16,838,374	16,538,480
Add: Purchases	4,113,362	8,476,984
Less : As at end of the year	(16,002,782)	(16,838,374)
	4,948,954	**8,177,090**

19. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Amount in INR)

Particulars	2017-18	2016-17
Inventories as at the beginning of the year		
Work - in - process	54,532,958	52,977,097
Total	54,532,958	**52,977,097**
Less : Inventories as at the end of the year		
Work - in - process	30,085,651	54,532,958
Total	30,085,651	**54,532,958**
Net decrease / (increase) in inventories	**24,447,307**	**(1,555,861)**

20. EMPLOYEE BENEFITS EXPENSE

(Amount in INR)

Particulars	2017-18	2016-17
Salaries, wages and bonus	2,500	176,800
Contribution to provident and other funds	-	13,250
Staff welfare expenses	145,285	127,331
	147,785	**317,381**

GMJ & CO. MUMBAI FRN No. 103429W CHARTERED ACCOUNTANTS

GLOBAL COMPOSITE & STRUCTURES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

21. FINANCE COST

(Amount in INR)

Particulars	2017-18	2016-17
Interest expense on debts and borrowings	22,357,265	24,350,440
Other borrowing costs		
Guarantee Commission Expense	1,800,000	1,100,000
Others	350,000	-
	24,507,265	25,450,440

22. DEPRECIATION AND AMORTISATION EXPENSE

(Amount in INR)

Particulars	2017-18	2016-17
Depreciation on tangible assets	4,464,712	4,552,949
Amortisation on intangible assets	62,727	59,661
	4,527,439	4,612,611

23. OTHER EXPENSES

(Amount in INR)

Particulars	2017-18	2016-17
Manufacturing Expenses		
Electric power, fuel and water	1,426,660	1,768,950
Job Work charges	4,972,367	4,485,431
Stores, consumables and packing material	90,637	805,690
	6,489,664	7,060,071
Selling, Administration and Other Expenses		
Clearing,Forwarding,Labour and Packing Charges	2,300	39,140
Guest House Expense	132,850	147,900
Payments to auditors (Refer note below)	240,000	236,476
House Keeping Expenses	4,151	2,440
Insurance	181,791	183,275
Legal and professional fees	438,800	332,801
Printing and Stationery	7,930	7,522
Rates and taxes	785,769	636,401
Rent	1,015,139	1,089,752
Repairs & maintenance - other	129,962	124,115
Security charges	1,465,484	1,487,005
Telephone and internet expenses	130,765	129,017
Travelling & conveyance expenses	342,345	146,281
Miscellaneous expenses	27,476	28,532
Bank charges	475,154	559,854
	5,379,915	5,150,510
Total	11,869,579	12,210,581

24. EXCEPTIONAL ITEMS

(Amount in INR)

Particulars	March 31, 2018	March 31, 2017
Prior Period Items	44,360	479,256
	44,360	479,256

Details of Payments to auditors

(Amount in INR)

	2017-18	2016-17
As auditor		
Audit Fee	120,000	120,000
Tax audit fee	30,000	30,000
In other capacity		
Other services	90,000	86,476
	240,000	236,476

CHARTERED ACCOUNTANTS FRN NO. 103429W

GLOBAL COMPOSITE & STRUCTURES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

25. EARNINGS PER SHARE

(Amount in INR)

Particulars	March 31, 2018	March 31, 2017
(a) Basic earnings per share		
From continuing operations attributable to the equity holders of the company	(7.09)	(11.81)
Total basic earnings per share attributable to the equity holders of the company	**(7.09)**	**(11.81)**
(b) Reconciliations of earnings used in calculating earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	(20,811,204)	(34,673,601)
	(20,811,204)	**(34,673,601)**
Weighted average number of equity shares used as the denominator in calculating dilluted earnings per share	**2,935,500**	**2,935,500**

The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

GMJ & CO. CHARTERED ACCOUNTANTS MUMBAI FRN No. 103429W

GLOBAL COMPOSITE & STRUCTURES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

26. RELATED PARTY TRANSACTIONS

Related party transaction has been identified by the management and relied on by auditors.

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Name of Related Party	Nature of Relationship	Country of Incorporation
Ion Exchange India Limited	Holding Company	India
Ion Exchange Enviro Farms Limited	Associate Company	India
Ion Exchange Waterleau Limited	Associate Company	India
Ion Exchange Projects and Engineering Limited	Associate Company	India
Astha Technical Services Limited	Associate Company	India
Headway Corporate Resources Limited	Associate Company	India
Process Automation Engineers Limited	Associate Company	India
Aquanomcs Systems Limited	Associate Company	India
Aankur Patni	Key Management Personnel KMP	
Dinesh Sharma	Key Management Personnel KMP	
Rajesh Sharma	Key Management Personnel KMP	

(ii) Transactions with related parties

The following transactions occurred with related parties

Name	Nature of Relationship	Nature of Transaction	March 31, 2018	March 31, 2017
Ion Exchange Projects and Engineering Limited	Associate Company	Sales	2,294,913	86,000
Ion Exchange (India) Limited	Holding Company	Purchases	1,530,887	4,416,233
Ion Exchange (India) Limited	Holding Company	Financial Guarantee Charges	1,800,000	1,100,000
Ion Exchange (India) Limited	Holding Company	Sales	39,970,184	9,448,026
Ion Exchange (India) Limited	Holding Company	Other Income	4,800,000	4,800,000

(iii) Outstanding balances arising from sales/purchases of goods and services

Name	Nature of Relationship	March 31, 2018	March 31, 2017	April 1, 2016
Trade Receivables				
Aquanomics Systems Ltd	Associates	1,975,659	1,975,659	1,975,659
Advance received from Customers	Holding Company	77,867,726	94,569,938	61,643,438

Ion Exchange (India) Ltd, an Holding company has given Corporate Guarantee for the amount agreeting to Rs. 18.00 Crore against the overdraft against security of Rs. 18,97,45,072/- (PY Rs. 17,52,53,974/-) availed from TJSB Sahakari Bank Ltd.

27. FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category

(Amount in INR)

Particulars	Carrying Amount			Fair Value		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
FINANCIAL ASSETS						
Trade Receivables	18,765,516	18,770,428	20,367,986	18,765,516	18,770,428	20,367,986
Cash and Cash Equivalents	434,443	1,790,435	370,654	434,443	1,790,435	370,654
Other Financial Assets	1,425,257	1,425,257	1,425,257	1,425,257	1,425,257	1,425,257
FVTPL						
Investment in Equity Instruments	499,951	499,951	499,951	499,951	499,951	499,951
Total	19,199,959	20,560,864	20,738,640	19,199,959	20,560,864	20,738,640

Particulars	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
FINANCIAL LIABILITIES						
Amortised cost						
Borrowings	180,745,072	175,253,974	175,676,119	180,745,072	175,253,974	175,676,119
Trade Payables	32,384,909	36,375,515	38,189,352	32,384,909	36,375,515	38,139,352
Other financial liabilities	77,867,726	94,569,938	61,643,438	77,867,726	94,569,938	61,643,438
Total	290,997,708	306,199,427	275,508,909	290,997,708	306,199,427	275,508,909

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. The Company has not disclosed the fair value of current financial instruments such as trade receivables, cash and cash equivalent, bank balances - others, loans, others, borrowings, trade payables and other financial liabilities because their carrying amounts are a reasonable approximation of fair value.

ii. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determing fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

Assets and liabilities measured at fair value - recurring fair value measurement:

Particulars	March 31, 2018 Fair value measurement using				March 31, 2017 Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial Assets								
Financial Investments at FVTPL								
Unquoted equity shares		499,951		499,951	-	499,951		499,951
Total Financial Assets	-	499,951	-	499,951	-	499,951	-	499,951
Total Assets	-	499,951	-	499,951	-	499,951	-	499,951

Particulars	March 31, 2016 Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial Assets				
Financial Investments at FVTPL				
Unquoted equity shares		499,951		499,951
Total Financial Assets	-	499,951	-	499,951
Total Assets	-	499,951	-	499,951

There have been no transfers among Level 1, Level 2 and Level 3 during the period

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification assets included in level 3.

iii. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments

All the resulting fair value estimates are included in level 2 except for unlisted equity securities, contingent consideration and indemnification assets, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

(Amount in INR)

28. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:
• Credit risk;
• Liquidity risk

(i) Risk management framework
The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.
The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

(i) Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities.

Trade receivables
Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. In respect of trade receivables, the company is not exposed to any significant credit risk exposure to any single counter party or any group of counterparties having similar characteristics. Based on historical information about customer default rates management consider the credit quality of trade receivable.

Cash and cash equivalents
The Company held cash and cash equivalents of INR 4.34 Lacs as at 31st March 2018 (as at 31st March 2017: INR 17.90 Lacs, as at 1st April 2016: INR 3.71 Lacs). The cash and cash equivalents are held with banks.

Investments
The Company does not expect any losses from non-performance by the investment made.

Other financial assets
Other financial assets mainly comprises of tender deposits and security deposits which are given to customers or other governmental agencies and are assessed by the Company for credit risk on a continuous basis.

(ii) Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.
The Company has obtained fund and non-fund based working capital limits from various banks.

Exposure to liquidity risk
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Particulars	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
As at 31st March 2018						
Financial liabilities						
Borrowings	180,745,072	180,745,072	180,745,072	-	-	-
Trade Payables	32,384,909	32,384,909	32,384,909	-	-	-
Other financial liabilities	77,867,726	77,867,726	77,867,726	-	-	-
	290,997,708	**290,997,708**	**290,997,708**	-	-	-
As at 31st March 2017						
Financial liabilities						
Borrowings	175,253,974	175,253,974	175,253,974	-	-	-
Trade Payables	36,375,515	36,375,515	36,375,515	-	-	-
Other financial liabilities	94,569,938	94,569,938	94,569,938	-	-	-
	306,199,427	**306,199,427**	**306,199,427**	-	-	-
As at 1st April 2016						
Financial liabilities						
Borrowings	175,676,119	175,676,119	149,072,189	22,059,336	10,110,529	-
Trade Payables	38,189,352	38,189,352	38,189,352	-	-	-
Other financial liabilities	61,643,438	61,643,438	61,643,438	-	-	-
	275,508,909	**275,508,909**	**248,904,979**	-	-	-

GMJ & CO. MUMBAI FRN NO. 1034 CHARTERED

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises primarily from borrowings. The interest rate profile of the Company's interest-bearing financial instruments is as follows.

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Financial liabilities - measured at amortised cost			
Short term borrowings	180,745,072	175,253,974	175,676,119
	(180,745,072)	(175,253,974)	(175,676,119)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	2017-18		2016-17	
	1% Increase	1% Decrease	1% Increase	1% Decrease
1% Movement	-	-	-	-

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

CHARTERED ACCOUNTANTS

(Amount in INR

29. CAPITAL MANAGEMENT

For the purpsoe of the company's capital management, capital includes issued equity capital, convertible preference shares, share premium and al other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financia covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital tc shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Borrowings	180,745,072	175,253,974	175,676,119
Trade payables	32,384,909	36,375,515	38,189,352
Other payables	87,067,702	100,530,807	67,981,198
Less: cash and cash equivalents	(434,443)	(1,790,435)	(370,654)
Net Debt	**299,763,241**	**310,369,860**	**281,476,016**
Equity	29,355,000	29,355,000	29,355,000
Total Capital	**29,355,000**	**29,355,000**	**29,355,000**
Capital and net debt	329,118,241	339,724,860	310,831,016
Gearing ratio	**91**	**91**	**91**

GLOBAL COMPOSITE & STRUCTURES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in INR)

30. ASSETS PLEDGED AS SECURITY

The carrying amount of assets pledged as security for current and non current borrowings are:

	March 31, 2018	March 31, 2017	April 1, 2016
CURRENT ASSETS			
i. **Financial Assets**			
First Charge			
Trade Receivable	18,765,516	18,770,428	20,367,986
ii. Non Financial Assets			
First Charge			
Inventories	48,598,556	73,836,929	72,116,123
Total current assets pledge as security	**67,364,072**	**92,607,358**	**92,484,109**
NON CURRENT ASSETS			
First Charge			
Freehold land			
Equitable Mortgage of Land & Building located at Gut.69-A & B70,71,73 & 89-A, Village Nichole, Post Kanivali Tal Wada, Dist, Thane	13,834,457	13,834,457	13,834,457
Plants and equipments			
Hyp of Plant & Machinery present and future covering total exposure.	18,299,154	22,032,589	25,766,024
Total non current assets pledge as security	**32,133,611**	**35,867,046**	**39,600,481**

MJ & CO CHARTERED ACCOUNTANTS

31. FIRST TIME ADOPTION OF IND AS

These are the company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Explanation of transition to Ind AS

In preparing the financial statement, the company has applied the below mentioned optional exemptions and mandatory exceptions.

Property, plant and equipment and intangible assets exemption:

The company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment, and intangible assets as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2016).

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i. Reconciliation of equity as at date of transition (April 1, 2016) (Amount in INR)

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	1	54,650,600		54,650,600
(b) Other Intangible Assets		122,389		122,389
(c) Financial Assets				-
(i) Investments		499,951		499,951
(d) Other Non-Current Assets		8,765,356		8,765,356
		64,038,296	**-**	**64,038,296**
Current assets				
(a) Inventories		72,116,123		72,116,123
(b) Financial Assets				-
(ii) Trade Receivables		20,367,986		20,367,986
(iii) Cash and Cash Equivalents		370,654		370,654
(vi) Other Financial Assets		1,425,257		1,425,257
(c) Current Tax Assets (Net)				-
(c) Other Current Assets		312,157		312,157
		94,592,177	**-**	**94,592,177**
TOTAL		**158,630,473**	**-**	**158,630,473**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		29,355,000		29,355,000
(b) Other Equity		(152,571,197)		(152,571,197)
		(123,216,197)	**-**	**(123,216,197)**
Liabilities				
Non Current Liabilities				
Financial Liabilities				-
		-	-	-
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		175,676,119		175,676,119
(ii) Trade Payables				-
Micro, Small and Medium Enterprises		-		-
Others		38,189,352		38,189,352
(b) Other Current Liabilities		67,981,198		67,981,198
		281,846,669	**-**	**281,846,669**
			-	-
TOTAL		**158,630,472**	**-**	**158,630,472**

GLOBAL COMPOSITE & STRUCTURES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

II. Reconciliation of equity as at March 31, 2017 **(Amount in INR)**

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	1	50,097,650	-	50,097,650
(b) Other Intangible Assets		62,727	-	62,727
(c) Financial Assets				
(i) Investments		499,951	-	499,951
(d) Other Non-Current Assets		8,717,169	-	8,717,169
		59,377,497	-	**59,377,497**
Current assets				
(a) Inventories		73,836,929	-	73,836,929
(b) Financial Assets				
(i) Trade Receivables		18,770,428	-	18,770,428
(ii) Cash and Cash Equivalents		1,790,431	-	1,790,431
(iii) Other Financial Assets		1,425,257	-	1,425,257
(c) Other Current Assets		169,079	-	169,079
		95,992,125	-	**95,992,125**
TOTAL		**155,369,621**	-	**155,369,621**
EQUITY AND LIABILITIES			-	-
Equity			-	-
(a) Equity Share capital		29,355,000		29,355,000
(b) Other Equity		(186,145,671)		(186,145,671)
		(156,790,671)	-	**(156,790,671)**
Liabilities				
Non Current Liabilities				
Financial Liabilities			-	-
Current Liabilities			-	-
(a) Financial Liabilities				
(i) Borrowings		175,253,974	-	175,253,974
(ii) Trade Payables			-	-
Micro, Small and Medium Enterprises		-	-	-
Others		36,375,515	-	36,375,515
(iii) Other Financial Liabilities		-		
(b) Other Current Liabilities		100,530,807		100,530,807
		312,160,295	-	**312,160,295**
			-	-
TOTAL		**155,369,625**	-	**155,369,625**

GLOBAL COMPOSITE & STRUCTURES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

iii. Reconciliation of total comprehensive income for the year ended March 31, 2017 (Amount in INR)

Particulars	Notes	IGAAP	Adjustments	IND AS Balance
CONTINUING OPERATIONS				
REVENUE			-	-
Revenue from operations (net)	1	10,142,897	253,178	10,396,075
Other income		4,875,000	-	4,875,000
Total Revenue (I)		15,017,897	253,178	15,271,075
EXPENSES			-	-
Cost of materials consumed		8,177,090	-	8,177,090
Changes in inventories of finished goods, work-in-process and Stock-in-Trade		(1,555,861)	-	(1,555,861)
Excise duty on sale of goods	1	-	253,178	253,178
Employee benefits expense		317,381	-	317,381
Finance costs		24,350,440	1,100,000	25,450,440
Depreciation and amortization expense		4,612,611	-	4,612,611
Impairment of non-current assets		-		-
Other expenses		12,210,581	-	12,210,581
Total Expenses (II)		48,112,242	1,353,178	49,465,420
(loss) before exceptional items and tax (I-II)		(33,094,345)	(1,100,000)	(34,194,345)
Exceptional Items		479,256		479,256
(loss) before tax		(33,573,601)	(1,100,000)	(34,673,601)
Tax expense:				
Current tax				
(loss) for the period		(33,573,601)	(1,100,000)	(34,673,601)
(loss) for the period		(33,573,601)	(1,100,000)	(34,673,601)
OTHER COMPREHENSIVE INCOME				
Other Comprehensive income for the year, net of tax		(33,573,601)	(1,100,000)	(34,673,601)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		(33,573,601)	(1,100,000)	(34,673,601)

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

iv. Reconciliation of total equity as at March 31, 2017 and April 1, 2016 (Amount in INR)

Particulars	March 31, 2017	April 1, 2016
Total equity (shareholder's funds) as per previous GAAP	(156,790,671)	(123,216,197)
Adjustments		
Total adjustments	-	-
Total equity as per Ind AS	(156,790,671)	(123,216,197)

v. Reconciliation of total comprehensive income for the year ended March 31, 2016 (Amount in INR)

Particulars	March 31, 2017
Profit after tax as per previous GAAP	(33,573,601)
Adjustments:	
Financial Guarantee charges	(1,100,000)
Total adjustments	(1,100,000)
Profit after tax as per Ind AS	(34,673,601)
Other comprehensive income	0
Total comprehensive income as per Ind AS	(34,673,601)

vi. Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2017

There are no material adjustemnts to the Statement of Cash Flows as reported under the previous GAAP.

1. Notes to first-time adoption:

In preparing the financial statement, the company has applied the below mentioned optional exemptions and mandatory exceptions.

Property, plant and equipment and intangible assets exemption:

The company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment, and intangible assets as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2016).

Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. There is no impact on the total equity and profit.

Notional Expense for corporate guarantees.

The Company has taken financial guarantees from Ion exchange India Limited. Under Ind AS, the financial guarantee issued by company to the lender of the associate company for its borrowings are recognised as Finance expense to the Statement of Profit and Loss. This transaction was not recorded under the previous GAAP.

GMJ & CO.
MUMBAI
FRN No.
103429W
CHARTERED ACCOUNTANTS

GLOBAL COMPOSITE & STRUCTURES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

32. Networth

The net worth of the Company has been eroded completely as at 31st March 2018. The Management has undertaken various cost reduction programs during the year and it expects better returns in the coming years from manufacturing of composits, 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 mangement has decided to provide manufactruing facilities at Wada to Ion Exchange India Ltd to manufacture their products on Job work basis. This will generarte 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 maitain 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.

33. 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.

34. Contingent Liabilities

Particulars	As at 31st March 2018
Sales Tax demand disputed by Company	39,94,897

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

36. Previous year figures have been regrouped/ reclassified wherever considered necessary to confirm to the current year presentation.

As per our report of even date attached For GMJ & CO. Chartered Accountants F.R.No. 103429W	For and on behalf of the Board of Directors
CA ATUL JAIN Partner M.No.: 037097 Mumbai Date : 22/05/18	Dinesh Sharma Director 00051986 Aankur Patni Director 00090657

GMJ & CO. MUMBAI FRN NO. 103429W CHARTERED ACCOUNTANTS