



CIN : L17120MH1984PLC033553

Regd. Office: Plot No. C-3, M.I.D.C., Tarapur Industrial Area, Boisar, Dist. Palghar 401 506

12<sup>th</sup> November, 2020

**To,**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

**To,**  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C-1,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai 400 051

Dear Sir/Madam,

**Sub: Inter-alia approval of Unaudited Financial Results for the Quarter & Half Year ended 30<sup>th</sup> September, 2020 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by Resolution Professional.**

**Ref: BSE Scrip Code - 533204 & NSE Symbol – GBGLOBAL**

This is to inform you that the undersigned Resolution Professional of GB Global Limited on **Thursday, 12<sup>th</sup> November, 2020** has approved the following:

1. Unaudited Financial Results for the **quarter & half year ended 30<sup>th</sup> September, 2020** is enclosed.
2. Limited Review on Unaudited Financial Results for the **quarter & half year ended 30<sup>th</sup> September, 2020** issued by Statutory Auditor M/s. CNK & Associate LLP, Chartered Accountants pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is enclosed.
3. Appointment of Mr. Nitish Joshi as Secretarial Auditor of the Company for the financial year ended 31<sup>st</sup> March, 2020.

Kindly take the above on your records and oblige.  
Yours faithfully,

**For GB GLOBAL LIMITED**  
(Formerly known as Mandhana Industries Limited)



**Charu Desai**

Resolution Professional of GB Global Limited (Formerly known as Mandhana Industries Limited) vide NCLT Orders dated 29th September 2017 and 5th December 2019.

E-mail Id: ipcharudesai@gmail.com

Registered Address: 2602, Fairfield A wing Lodha Luxuria, Majiwada Thane West, Thane- 400601  
IBBI Registration No.: IBBI/IPA-001/IP-P00434/2017-2018/10757

**GB GLOBAL LIMITED**

(formerly known as Mandhana Industries Limited)

Corp. Office: Marathon Futurex, Unit No.A-2402, 24th Floor, Mafatlal Mills Compound, N.M.Joshi Marg, Lower Parel, Mumbai - 400 013  
Tel.: 91-22-4353 9191 | Fax: +91-22-4353 9392 | E-mail:info@gbglobal.in | Website: www.gbglobal.in



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Charu Desai has been granted a certificate of registration to act as an Insolvency Professional by the Insolvency and Bankruptcy Board of India, her Registration No. is IBBI/IPA-001/IP-P00434/2017-2018/10757. The affairs, business and property of GB Global Limited (Formerly Known as Mandhana Industries Limited) are being managed by the Resolution Professional who acts as an agent of GB Global only and without personal liability.

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Limited Review Report on the Quarterly and year to date unaudited financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To

The Resolution Professional

GB GLOBAL LIMITED

(Formerly known as Mandhana Industries Limited)

1. We have reviewed the accompanying statement of unaudited Ind-AS financial results of **M/s. GB Global Limited (Formerly known as Mandhana Industries Limited)** ("the Company") for the quarter and half year ended September 30, 2020 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Obligations") which has been initialed by us for identification purposes

As the Corporate Insolvency Resolution Process ("CIRP") has been reinitiated in respect of the Company under the provisions of "The Insolvency and Bankruptcy Code, 2016" ("IBC/ the Code") by the National Company Law Tribunal ("NCLT"), Mumbai Bench, vide its order dated December 05, 2019, the powers of the Board of Directors of the Company stand suspended as per Section 17 of the Code and such powers are being exercised by the Resolution Professional appointed by the National Company Law Tribunal by the said order under the provisions of the Code.

2. This Statement which is the responsibility of the Company's Management and has been approved by the resolution professional and for further filing with stock exchange, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statement based on our review.
3. We conducted our review of the Statement in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. **Material Uncertainty Relating to Going Concern**

The NCLT vide its order delivered on February 5, 2020 has allowed the RP to invite fresh resolution plan from the prospective resolution applicants and complete the process of fresh bidding within 70 days. The events or conditions as mentioned in Note 1 of the accompanying statement indicate that till the time this process is completed successfully or on failure of the resolution plan, chances of NCLT ordering



Liquidation remains. This indicates that a material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern.

**5. Emphasis of Matters**

- i. We draw attention to our observations in paragraph 4 above whereby, inspite of several factors mentioned therein, the results are prepared on "going Concern" basis;
- ii. We draw attention to Note No. 6 of the financial results relating to accounting treatment in the books of account of Rs 50 crore forfeited by Committee of Creditor (COC) out of fixed Deposit lying in the Bank of Baroda in the name of the Company and the Rs 93 crore brought in by the erstwhile resolution Applicant.
- iii. We draw attention to Note No. 4 of the financial results relating to pending outcome of certain reliefs and modification in the Resolution Plan with NCLT and its accounting effects with respect to the same.
- iv. We draw attention to Note No. 5 of the financial results about the Company has stopped providing interest on borrowings from lenders/banks from April 1, 2018 pending final resolution of the matter in Hon'ble NCLT.

Our Conclusion on this accompanying financial statement is not modified for the above matter.

**6. Conclusion**

Based on our review conducted as above read along with our observation in point 4 and 5 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited Ind AS financial results prepared in accordance with applicable Indian Accounting Standards, prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under or by the Institute of Chartered Accountants of India and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **CNK & Associates LLP**  
Chartered Accountants  
Firm Registration No: 101961W/W-100036



**Manish Sampat**  
Partner

Membership No.101684

UDIN: 20101684AAAAGL2954



Place: Mumbai

Date: November 12, 2020



**GB GLOBAL LIMITED**

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CIN: L17120MH1984PLC033553

Regd. Office : Plot No. C-3, M.I.D.C., Tarapur Industrial Area, Boisar, Dist. Palghar-401506

Statement of unaudited Financial Results for the Quarter / Half Year Ended September 30,2020

Sr. No	Particulars	For the Quarter Ended			For the Half year Ended		For the Year Ended
		UnAudited	UnAudited	UnAudited	UnAudited	UnAudited	Audited
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
	Income:						
I	Revenue from Operations	1,869.71	721.79	6,835.46	2,591.50	15,270.38	25,978.34
II	Other Income	43.14	44.19	225.48	87.33	459.43	709.36
III	<b>Total Revenue (I+II)</b>	<b>1,912.85</b>	<b>765.98</b>	<b>7,060.95</b>	<b>2,678.82</b>	<b>15,729.81</b>	<b>26,687.70</b>
	Expenses :						
IV	(a) Cost of materials consumed	313.73	(16.40)	2,897.37	297.32	5,182.35	7,719.64
	(b) Purchase of Stock in Trade	-	-	-	-	-	-
	(c) Changes in inventories of Finished Goods, Work in Progress	291.45	272.26	(185.55)	563.71	(134.25)	1,463.64
	(d) Employee Benefit expense	908.11	932.46	1,743.84	1,840.57	3,526.15	6,639.71
	(e) Manufacturing Cost	924.19	553.95	2,695.01	1,478.14	5,796.18	9,847.22
	(f) Finance Costs	19.24	21.44	32.76	40.68	32.80	92.20
	(g) Depreciation and amortisation expenses	1,032.89	1,026.80	1,052.95	2,059.69	2,042.10	4,089.28
	(h) Other expenses	1,199.43	430.51	576.39	1,629.93	1,715.51	3,053.56
	<b>Total Expenses</b>	<b>4,689.03</b>	<b>3,221.03</b>	<b>8,812.77</b>	<b>7,910.06</b>	<b>18,160.83</b>	<b>32,905.25</b>
V	Profit/(Loss) Before Tax (III-IV)	(2,776.19)	(2,455.05)	(1,751.82)	(5,231.24)	(2,431.02)	(6,217.55)
VI	Tax Expenses - Current Tax	-	-	-	-	-	-
	- Deferred Tax (Assets)/Liability	(123.29)	(138.28)	(1,014.72)	(261.57)	(1,676.51)	(1,886.63)
VII	Profit / (Loss) for the period (V-VI)	(2,652.90)	(2,316.77)	(737.10)	(4,969.66)	(754.50)	(4,330.92)
VIII	Income Tax of Earlier Year	-	-	-	-	-	-
IX	Net Profit (+)/Loss (-) (VII-VIII)	(2,652.90)	(2,316.77)	(737.10)	(4,969.66)	(754.50)	(4,330.92)
X	Other Comprehensive Income net of Taxes						
	Items that will no be classified to Profit & Loss						
	Remeasurement Gain/(Loss) on defined benefit Plans	54.05	(9.23)	(12.47)	44.83	(14.10)	(25.62)
XI	<b>Total Comprehensive Income for the period (IX+X)</b>	<b>(2,598.84)</b>	<b>(2,325.99)</b>	<b>(749.58)</b>	<b>(4,924.84)</b>	<b>(768.60)</b>	<b>(4,356.54)</b>
XII	Paid up equity share capital (Face value of Re. 10/- each)	331.43	331.43	331.43	331.43	331.43	331.43
XIII	Reserves (excluding revaluation reserves, CRR & DRR)	(109,005.83)	(106,467.99)	(100,737.08)	(109,005.83)	(100,737.08)	(104,203.01)
XIV	Revaluation Reserve	14,681.90	14,742.90	14,925.91	14,681.90	14,925.91	14,803.91
XV	Capital Reduction Reserve (CRR) & Debenture Redemption Reserve (DRR)	4,405.96	4,405.96	4,405.96	4,405.96	4,405.96	4,405.96
XVI	Earning Per Share of Rs. 10/- each: Basic & Diluted (Rs.)	(78.41)	(70.18)	(22.62)	(148.59)	(23.19)	(131.45)



Uday Desai



CNK



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SEGMENT-WISE REVENUE, RESULTS, SEGMENT ASSETS AND SEGMENT LIABILITIES

(Rs. In Lacs)

Sr No.	Particulars	For the Quarter Year Ended			For the Half Year Ended		For the Year Ended
		UnAudited	UnAudited	UnAudited	UnAudited	UnAudited	Audited
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
1	<b>Segment Revenue</b>						
	[a] Textiles	1,332.23	309.48	4,483.46	1,641.71	8,502.41	14,715.72
	[b] Garment	537.48	412.31	2,352.00	949.79	6,767.98	11,262.62
	<b>Total</b>	<b>1,869.71</b>	<b>721.79</b>	<b>6,835.46</b>	<b>2,591.50</b>	<b>15,270.38</b>	<b>25,978.34</b>
	<b>Total Revenue</b>	<b>1,869.71</b>	<b>721.79</b>	<b>6,835.46</b>	<b>2,591.50</b>	<b>15,270.38</b>	<b>25,978.34</b>
2	<b>Segment Profit / (Loss) Before Tax &amp; Interest</b>						
	[a] Textiles	(2,171.02)	(1,540.43)	(1,360.97)	(3,711.45)	(3,135.72)	(6,032.78)
	[b] Garment	(392.93)	(711.20)	(583.58)	(1,104.13)	278.07	911.53
	<b>Total</b>	<b>(2,563.95)</b>	<b>(2,251.63)</b>	<b>(1,944.55)</b>	<b>(4,815.58)</b>	<b>(2,857.65)</b>	<b>(5,121.25)</b>
	Less: Interest	19.24	21.44	32.76	40.68	32.80	92.20
	<b>Add: Unallocable Income</b>	<b>(193.00)</b>	<b>(181.98)</b>	<b>225.48</b>	<b>(374.98)</b>	<b>459.43</b>	<b>(1,004.10)</b>
	<b>Profit Before Tax</b>	<b>(2,776.19)</b>	<b>(2,455.05)</b>	<b>(1,751.82)</b>	<b>(5,231.24)</b>	<b>(2,431.02)</b>	<b>(6,217.55)</b>
3	<b>Segment Assets</b>						
	[a] Textiles	28,706.48	30,296.34	43,588.00	28,706.48	43,588.00	32,065.53
	[b] Garment	28,737.67	29,007.56	29,879.12	28,737.67	29,879.12	29,753.82
	[c] Other unallocable	0.25	0.25	0.25	0.25	0.25	0.25
	<b>Total</b>	<b>57,444.40</b>	<b>59,304.16</b>	<b>73,467.38</b>	<b>57,444.40</b>	<b>73,467.38</b>	<b>61,819.60</b>
4	<b>Segment Liabilities</b>						
	[a] Textiles	106,013.58	105,901.11	114,679.32	106,013.58	114,679.32	106,016.49
	[b] Garment	30,384.49	30,262.40	29,555.50	30,384.49	29,555.50	30,309.06
	[c] Other unallocable	10,632.87	10,128.35	10,306.34	10,632.87	10,306.34	10,155.77
	<b>Total</b>	<b>147,030.94</b>	<b>146,291.86</b>	<b>154,541.15</b>	<b>147,030.94</b>	<b>154,541.15</b>	<b>146,481.31</b>



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UNAUDITED STATEMENT OF ASSETS AND LIABILITIES AS ON 30TH SEPTEMBER, 2020

(Rs. In Lacs)

Particulars	UnAudited	Audited
	AS AT 30.09.20	AS AT 31.03.20
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
(a) Property, Plant and Equipment	46,093.50	48,061.44
(b) Intangible assets	20.33	24.32
(c) Right of Use Assets	517.07	638.11
(d) Capital Work in Progress	25.03	-
(d) Financial Assets		
(i) Investments	0.25	0.25
(ii) Other Financial Assets	183.89	205.29
(e) Other non-current assets	619.62	599.23
<b>Sub-Total - Non-Current Assets</b>	<b>47,459.68</b>	<b>49,528.63</b>
<b>Current Assets</b>		
(a) Inventories	1,609.37	2,341.97
(b) Financial Assets		
(i) Trade Receivables	1,025.01	2,226.64
(ii) Cash and cash equivalents	5,826.78	5,754.41
(iii) Short Term Loans and Advances	78.61	263.49
(iv) Other Financial Assets	47.34	21.87
(c) Other Current Assets	1,397.60	1,682.60
<b>Sub-Total - Current Assets</b>	<b>9,984.72</b>	<b>12,290.97</b>
<b>TOTAL ASSETS</b>	<b>57,444.41</b>	<b>61,819.60</b>
<b>EQUITIES AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share Capital	331.43	331.43
(b) Other Equity	(89,917.97)	(84,993.14)
<b>Sub-Total-Equity</b>	<b>(89,586.54)</b>	<b>(84,661.71)</b>
<b>Non-Current Liabilities</b>		
(a) Financial liabilities		
(i) Long Term Borrowings		
(ii) Lease liabilities	424.13	508.53
(b) Long Term Provisions	512.69	485.00
(c) Other Non-Current Liabilities	375.00	375.00
(d) Deferred Tax Liabilities (Net)	3,945.32	4,191.14
<b>Sub-Total-Non-Current Liabilities</b>	<b>5,257.14</b>	<b>5,559.67</b>
<b>Current Liabilities</b>		
(a) Financial liabilities		
(i) Short Term Borrowings	73,360.16	73,360.16
(ii) Lease liabilities	122.04	139.66
(iii) Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	447.78	423.33
Total outstanding dues of Creditors other than micro enterprises and small enterprises	2,687.60	2,740.93
(iv) Other Current Financial Liabilities	53,099.34	53,099.34
(b) Other Current Liabilities	5,882.04	5,678.61
(c) Short Term Provisions	6,174.86	5,479.62
<b>Sub-Total-Current Liabilities</b>	<b>141,773.81</b>	<b>140,921.64</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>57,444.41</b>	<b>61,819.60</b>



*Uday Desai*



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**Unaudited Statement of Cash Flow for the Half Year Ended 30th September, 2020**

Particulars	(Rs. In Lacs)	
	For the Half year ended 30th September, 2020	For the Half year ended 30th September, 2019
<b>A. Cash flow from operating activities</b>		
Net profit/ (loss) before taxation	(5,231.24)	(2,431.02)
Adjustments for:		
Depreciation and amortisation	2,059.69	2,042.10
Interest expense on lease liability	40.56	32.69
Interest on Fixed Deposit	(35.89)	(170.43)
Exchange gain on debtors	(22.51)	(247.23)
Expected Credit loss (ECL) on trade receivable	159.27	7.76
Expected Credit loss (ECL) on Vendor Advances	107.84	
Provision for EPCG License Expired	689.73	-
Lease Liabilities Written /back	(2.40)	-
Interest Income ROU Deposit	(4.51)	(2.96)
Remeasurements of post-employment benefit obligations	60.58	(19.05)
	3,052.36	1,642.88
Changes in working capital:		
Decrease (Increase) in Inventories	732.60	(290.80)
Decrease (Increase) in Debtors	1,064.87	313.97
Decrease (Increase) in loan and Advances & Other Current Assets	339.32	(124.68)
(Decrease) Increase in Creditors	(28.88)	832.18
(Decrease) Increase in other liabilities	236.62	399.57
	2,344.54	1,130.25
Net income tax (paid) (Refund)	(23.16)	(56.34)
<b>Net (decrease)/ increase in cash from operating activities</b>	<b>142.50</b>	<b>285.78</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(0.51)	(493.30)
Capital Work in Progress	(25.03)	
Proceeds from sales of fixed assets		
Capital Advances against Fixed Asset		
FD Proceed Deposited with banks	(508.83)	(168.16)
Interest on fixed Deposit	35.89	170.43
Long Term Security Deposits	25.91	(8.29)
<b>Net (decrease)/ increase in cash from investing activities</b>	<b>(472.56)</b>	<b>(499.32)</b>
<b>C. Cash flow from financing activities</b>		
Resolution Applicant Money		
Payment towards Working Capital finance		
Interest paid		
Principal Repayment of lease liability	(65.84)	(31.67)
Interest payment of lease	(40.56)	(32.69)
<b>Net (decrease)/ increase in cash from financing activities</b>	<b>(106.40)</b>	<b>(64.36)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(436.46)</b>	<b>(277.91)</b>
<b>Components of Cash and Cash equivalents at the beginning of the Period</b>		
Cash in Hand	2.57	3.70
Balances in bank with current accounts	4,411.12	4,505.15
<b>Cash and Cash equivalent at end of the Period</b>	<b>3,977.23</b>	<b>4,230.95</b>
<b>Components of Cash and Cash equivalent at end of the Period</b>		
Cash in hand	1.13	2.50
Balance with Schedule Bank	3,976.09	4,228.45
	<b>3,977.23</b>	<b>4,230.95</b>

**NOTES TO CASH FLOW STATEMENT:-**

- Cash flow statement has been prepared under the Indirect Method as set out in the Ind AS 7 - Statement of CashFlow
- Cash and Cash equivalents includes:

Particulars	30.09.2020	30.09.2019
Cash on Hand	1.13	2.50
Balances in bank with current accounts	177.09	429.44
Balances in Escrow Account with Bank of Baroda- (Refer Note -6 of Financial Results)	3,799.01	3,799.01
Balances with banks as Fixed Deposits & Margin Money	1,849.55	6,897.75
<b>Cash and Cash equivalents at the end of the Period</b>	<b>5,826.78</b>	<b>11,128.69</b>
Less: Fixed Deposits & Margin Money Shown as Investment Activity	1,849.55	6,897.75
<b>Cash and Cash equivalents at the end of the Period</b>	<b>3,977.23</b>	<b>4,230.95</b>



Charu Desai

CNK

**Note to financial Results:**

- 1a. On September 29, 2017 the Hon'ble National Company Law Tribunal ("NCLT") had admitted the petition under Section 7 of the Insolvency Bankruptcy Code, 2016 ("IBC") for initiating the corporate insolvency resolution process ("CIRP") of the Company and Mrs. Charu Desai was appointed as the interim resolution professional ("IRP") of the Company. Pursuant to the said order, in terms of Section 17 of the IBC, the powers of the Board of Directors of the Company stood suspended, and such powers and the management of the Company vested with the IRP. Subsequently, Mrs. Charu Desai was confirmed as the as the Resolution Professional ("RP") of the Company by the Committee of Creditors ("CoC").
- 1b. Vide order dated November 30, 2018 ("Resolution Plan Approval Order"), the Hon'ble NCLT approved the Resolution Plan submitted for the Company by Formation Textiles LLC ("Resolution Applicant"). Subsequently, as per Board meeting held on January 31, 2019, the Resolution Applicant took over the management / control of the affairs of the Company.
- 1c. However, after taking over the management/control of the Company, the Resolution Applicant filed an application dated June 13, 2019 before the Hon'ble NCLT, inter alia, seeking leave for making certain revisions/modifications in the approved Resolution Plan ("RA Application").
- 1d. Further, an application was filed by Bank of Baroda on behalf of the CoC, before the Hon'ble NCLT on June 26, 2019, inter alia seeking directions to the Resolution Applicant to comply with the plan or as an interim relief hand over possession of the Corporate Debtor, with the aim of reviving the Company as a going concern and to prevent further deterioration to the business of the Company.
- 1e. Subsequently, the Resolution Applicant filed an amendment application in the RA Application, seeking directions for setting aside the NCLT order approving the resolution plan. The Resolution Applicant also informed the Hon'ble NCLT that it had no objection to handover of the possession of the Corporate Debtor back to the CoC without prejudice to the rights and contentions.
- 1f. On December 5, 2019, the Hon'ble NCLT noted that while a separate hearing was required to decide the merits of the application, as an interim measure, directed that the CIRP of the Corporate Debtor to be restored and thereafter, the possession of the Corporate Debtor be handed over to the Committee of Creditors and the erstwhile RP.
- 1g. Accordingly, at a meeting of the CoC held on January 8, 2020 the Resolution Applicant handed over the possession of the Company to the CoC, which in turn handed it over to Mrs. Charu Desai, the RP of the Company. As per the relevant provisions of the IBC, the powers of the Board of Directors of the Company therefore stand suspended and such powers and the management of the affairs of the Company vest with the RP.
- 1h. Further, vide order dated February 5, 2020, the Hon'ble NCLT allowed the RP to invite fresh resolution plans from prospective resolution applicants by providing an additional period of 70 days to undertake the process. In view of the restoration of CIRP of the Company, the financial statements are presented on a "going concern" basis.



CNK



- 1i. On March 23, 2020, a nationwide lockdown was declared due to sudden outbreak of Covid-19 pandemic. Insolvency and Bankruptcy Board of India ("IBBI"), vide its notification dated March 29, 2020, has brought an amendment to the provisions of the Insolvency and Bankruptcy Code, wherein period of lockdown imposed by Central Government in wake of Covid-19 outbreak shall not be counted for the purpose of time line for any activity that could not be completed due to the lockdown, in relation to a CIRP. Further, on March 30, 2020, the National Company Law Appellate Tribunal, New Delhi ("NCLAT") took suo-moto cognizance of hardships faced by resolution professionals to conduct the CIRP of the corporate debtors amid Covid-19 concerns. The Hon'ble NCLAT ordered that the period of lockdown ordered by Central Government and State Governments shall be excluded from the period for completing the CIRP of a corporate debtor prescribed under Section 12 of the Code. Hence the period of 70 days to undertake the sale process stands extended till the lockdown continues. However, all efforts are being made to cater the information requirements of the PRAs as also arranging for the visits after taking due care.
2. The above financial result have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India and has been approved by the by the Company Management (refer to note 1g and 10).
3. The above financial results for the quarter and Half Year ended September 30, 2020 which have been approved by the Company Management (refer to note 1g and 10) and are subjected to limited review by the statutory auditors of the Company, in terms of Regulations 33 of the SEBI (listing obligations and disclosures requirements.) Regulation 2015 as amended. Their limited review does not have any qualification / modification.
4. The erstwhile Resolution Applicant had filed an application in the Hon'ble NCLT seeking directions for setting aside the NCLT order approving the resolution plan. Since the matter sub-judice, the accounting impact of the November 30, 2018 order approving the Resolution Plan has not been given in the books of accounts other than reduction of the equity Shares of the Company which have been reduced to 1/10th and any fractional Equity Share have been rounded to 1 Equity Share on 31st May, 2019. Accordingly, the no. of equity share reduced from 3,31,23,913 to 33,14,295 and equity Share Capital reduced from Rs.33,12,39,130 to Rs.3,31,42,950/-. An amount of Rs.29,80,96,180/- has been transferred to Capital Reserve.

The same was given effect, keeping in view, that by the time the erstwhile Resolution Applicant had filed application for setting aside the Resolution Plan, the process for reduction of the equity share capital of the Company as per terms of the Resolution plan had already been completed.
5. The Company has stopped providing interest on borrowings from lenders/banks from April 1,2018 pending final resolution of the matter in Hon'ble NCLT.
- 6a. An amount of Rs. 50 crore was received on July 11, 2018 from the erstwhile RA, Formation Textiles LLC in lieu of performance bank guarantee as part of the CIRP in terms of the process memorandum and later on November 6, 2018 the funds were transferred to a fixed deposit with Bank of Baroda. Further on December 24, 2019 the CoC, citing the RA's failure to implement the Resolution Plan, invoked the Performance Guarantee and forfeited the amount and distributed the proceeds to all lenders. However, since the Company has received the fund as a conduit, the Company has presented the amount forfeited by the CoC as reduction from the Rs.50 crore received from the RA.



- 6b. However, Rs. 5 crore of Earnest Money Deposit given by the Resolution Applicant as per terms of the process memorandum in the form of a Bank Guarantee was also encashed by Bank of Baroda upon its expiry in 2018 and is shown under current liabilities. Further the funds are parked in fixed deposits with Bank of Baroda. Further the infusion of Rs.38 crore by the erstwhile Resolution Applicant toward share application money has also been shown under current liabilities and these funds are kept in escrow account with Bank of Baroda.

The erstwhile RA has filed additional application praying the NCLT to refund Rs. 93 crore deposited in the Company towards the resolution plan along with interest. The NCLT is still to hear on this additional application moved by the RA. Till the NCLT gives its verdict, the treatment given in the books of accounts for the performance bank guarantee and EMD is subject to settlement by erstwhile RA and the CoC.

- 7a. The "Property, Plant & Equipment" includes land shown as Freehold land located at Dodballapur near Bengaluru. The said land was leased under a lease cum sales agreement dated June 23, 2008 with Karnataka Industrial Area Development Board ("KIADB") for 10 years and after Completion of 10 years the lessor was to sell the land to the Company. As per letter dated 14<sup>th</sup> May 2019, KIADB raised demand against the Company to deposit Rs. 76.63 lacs towards cost difference of land and various other outstanding dues for transferring the said property in the name of the Company. The Company is in possession of a receipt which mentions that the said amount is already paid, however the RP is still ascertaining the details of the said transaction.

Since the appointment of RP post restoration, the RP has written to KIADB regarding the status of pending formalities to be complied or amounts due to be paid to KIADB and sought support in completing the registration in the name of the Company. As on date no response has been received from the KIADB. Hence the Company has not accounted for the various amounts demanded by KIADB as per their letter dated May 14, 2019, due to uncertainty relating to the action that the erstwhile RA may have taken in regard to the demand notice referred to above. As the said amount is not paid from the company's bank accounts and as there is uncertainty involved relating to the said payment, till the time the response is received from KIADB the company has not accounted for the said payment in the books and the effect will be given based on the response received from KIADB. Pending outcome of the said demand, the company has disclosed the same as a contingent liability.

The Company continues to disclose the said property in the financial statement as free hold land. The Company had also entered into a Memorandum of Understanding ("MoU") with Bombay Rayon Fashions Limited ("BRFL") for sale of the above referred property once the title is transferred in the name of the Company and had received the Deposit of Rs. 2.25 crore as sale consideration in 2010. The said amount is reflected as Deposit under other long - term liabilities.

- 7b. A Factory Building located at Sewri -Mumbai, for an amount Rs.1475.45 lacs was capitalized in the Financial Year 2007-2008, the WDV of the said property as on September 30, 2020 is Rs. 859.08 lacs. For the said property, no title deeds or documents are available in the Company records. However, the property remains in the physical possession of the Company.

8. Impact of the COVID-19 Pandemic on the Business:

The lockdown and restrictions due to COVID -19 Pandemic have posed various challenges to the operations and business of the Company. The Company's manufacturing facilities at all locations and offices remained shut down from March 23, 2020, Company has partially resumed its manufacturing operation in some of its units in April (Bangalore) and May (Tarapur) after taking all the necessary precautions on safety of its employees and other parameters as stipulated in the government directives.



Considering that the situation is exceptional, unprecedented and is changing dynamically, the Company is not in position to gauge with certainty, the future impact on its operations. The profitability during the financial year 20-21 will be affected. In view of the prevailing uncertainty, the full extent of the impact of COVID -19 pandemic on the financials of the Company cannot be accurately ascertained at this juncture. The Company is making Continuous efforts to adapt to the changing business environment & respond Suitably to fulfil the needs of its Customers and there by considerably reduce the impact due to COVID-19. Based on the assessment done by the management, the Company, does not see any immediate impairment requirement for any assets due to the pandemic. There are several signs of economy opening up again and as the demand for the product have resumed, the Company is positioned to fulfil its obligations and existing Contracts/arrangements.

9. Contingent liability not provided for:

- Following are the other contingent liabilities with various statutory authorities:

Authority	YEAR	TAX DEMAND (Rs in crore)	STATUS
Income Tax	FY 2016-17	35.87	CIT(A)
VAT (Maharashtra)	FY 2012-13	VAT – 0.0063	Writ petition filed with Bombay High Court.
	FY 2014-15	VAT - 24.33 CST - 22.78	
	FY 2015-16	VAT – 13.64 CST – 10.86	
VAT (Delhi)	FY 2014-15	0.17	
Excise	FY 2001-03	2.91	CESTAT

- The Company had taken benefit of Export Promotion Capital Goods (EPCG) Scheme under the Foreign Trade Policy to the tune of Rs 31.51 crore in the past against fulfillment of export obligations . Of these:
  - Licenses amounting to Rs. 5.76 crore are valid and continuing;
  - Licenses amounting to Rs. 18.85 crore are eligible for extension upon the Company seeking approval from Directorate General of Foreign Trade (DGFT) authorities.
  - licenses worth Rs. 6.90 crore which have expired and been provided during the quarter. Interest/penalty on non fulfillment of obligation (if any) is disclosed as contingent liability pending determination, quantification and procedural compliances.
- Demand from Karnataka Industrial Area Development Board (“KIADB”) amounting to Rs. 76.63 lac (refer note 7a)
- There is a Contingent liability in the form of Bank Guarantees of Rs 3.48 crore issued to MSEDCL/MCGM/MPCB as per the norms for continuation of services.
- The Company is in receipt of a show cause notice from Joint Commissioner of Customs (Export) as to why penalty u/s 114AA and/or 117 of the Customs Act, 1962 should not be imposed on them. However, the amount is not quantified in the notice. The Company management has filed a suitable reply to it and waiting for department response.



10. Mrs. Charu Desai in her capacity as RP took control and custody of the management and operations of the Company from January 08, 2020. Since for the period April 1, 2019 to January 07, 2020 the Company was under the previous management, the RP has relied on the certifications, representations and statements made by the previous management for such period.
11. The Resolution Professional has filed an application with Hon'ble NCLT seeking clarification on the treatment of dues accrued during the tenure of the erstwhile Resolution Applicant i.e. Formation Textile LLC (01<sup>st</sup> February 2019 to 04<sup>th</sup> December 2019). The same is pending for hearing.
12. The balance lying in bank balance, trade receivable, trade payable, loans and advances are subject to confirmation by concerned parties.
13. Previous period figures have been regrouped/rearranged, wherever necessary.

**Date:** November 12, 2020

**Place:** Mumbai

**For GB GLOBAL LIMITED**  
**(Formerly known as Mandhana Industries Limited)**

*Charu Desai*



**Charu Desai**

Resolution Professional of GB Global Limited (Formerly known as Mandhana Industries Limited) vide NCLT Orders dated 29th September 2017 and 5th December 2019

E-mail Id: ipcharudesai@gmail.com

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IBBI Registration No.: IBBI/IPA-001/IP-P00434/2017-2018/10757

Charu Desai has been granted a certificate of registration to act as an Insolvency Professional by the Insolvency and Bankruptcy Board of India, her Registration No. is IBBI/IPA-001/IP-P00434/2017-2018/10757. The affairs, business and property of GB Global Limited (Formerly Known as Mandhana Industries Limited) are being managed by the Resolution Professional who acts as an agent of GB Global only and without personal liability.