



GLOSTER LIMITED

CULTIVATING GROWTH



ANNUAL
REPORT
2015-16

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GREEN AND GROWTH. TWO INEVITABLE TRUTHS AT GLOSTER.

The colour of affinity to nature,
increasing prosperity and
youthful dynamism.

The essence of the company's
soul and reason for existence.

Gloster Limited.

A practitioner of fair trade.

An innovative and quality-conscious manufacturer.

A corporatized professional entity.

A socially responsible corporate.

An environmentally-mindful company.



**A COMPANY
THAT EPITOMIZES
SUSTAINABLE
GROWTH.**



A 'GREEN' AWARENESS THAT WILL TRANSFORM TO HIGHER RETURNS AND SUSTAINABLE GROWTH OF THE COMPANY.

At Gloster, 'growth' is a two-way street. It means an outward growth of financial metrics, product portfolio, footprints and scale. Inwardly, it means a growth in the Company's professional mindset, employee relations and corporate ethos. No growth can be singular-it is always a combined effort of multifarious forces. At Gloster, we believe this growth is the sustainable kind.

VISION

- Promote the principles of sustainability in our operations and activities
- Be committed to our workforce, consumers, suppliers, shareholders and other stakeholders at large
- Make our business a part of the society and contribute to the welfare of the larger community

MISSION

- Creating a satisfied customer base
- Win recognition as a producer of quality jute and allied products
- Provide products at a competitive price

OUR VISITING CARD

Credentials

Gloster Limited (factory established in 1872) is a leading Indian manufacturer and exporter of jute products, promoted and managed by the Bangur Group and based in Kolkata, West Bengal.

Core products and services

The Company has a rich and diverse product mix and has emerged as the one-stop shop for jute products over the last few years. Gloster manufactures Conventional Jute products like Hessian, Sacking, Twine & Yarn, etc. and also value-added Jute products like geo textiles, home furnishing, bags for automatic packaging for Industrial and Agricultural products. It is the pioneer in the area of manufacturing technical textiles both in Woven & Non woven forms, Jute Geo textiles for use in Civil and Agriculture area. Apart from the traditional products the Company has also forayed into manufacturing lifestyle products including shopping and promotional bags under "Gloster Lifestyle" brand.

Customers

In the US, Canada, Australia, New Zealand, Japan, Middle East and European nations including UK, Netherlands, Germany.

Public holding

- Listed on BSE Limited and The Calcutta Stock Exchange Ltd.
- Market capitalization ₹ 320 crores (as on 31 March 2016).
- Promoters' stake was 66.47% and Institutions held 22.17% as on 31 March 2016.

Income From Operations
(₹ in lakhs)



EBIDTA
(₹ in lakhs)



Profit After Tax
(₹ in lakhs)





HIGHLIGHTS, 2015-16

32%

growth in revenues from
₹ 321 cr. in 2014-15 to
₹ 422 cr. in 2015-16

43%

growth in EBIDTA from
₹ 34 cr. in 2014-15 to
₹ 49 cr. in 2015-16

86%

growth in PAT from ₹ 13
cr. in 2014-15 to ₹ 25 cr.
in 2015-16

45%

growth in cash profit
from ₹ 22cr. in 2014-15 to
₹ 32 cr. in 2015-16

1:1

Declared Bonus issue
in the ratio of 1:1 on
29th March, 2016

Earning Per Share
(₹)



Cash Earning Per Share
(₹)



Capital Investment
(₹ in lakhs)



“IT WAS A TIME FOR INTERNAL CONSOLIDATION THAT SPURRED GROWTH ACROSS VARIOUS LEVELS AT THE COMPANY!”

It was a time for internal consolidation that spurred growth across various levels – the Company's financial performance, product offerings that included more value-added products, expanding geographical footprints, focusing on internal efficiencies, newer product developments, technical advancements etc.



The highlights of the Company in the last financial year were:

Product differentiation with a keen focus on value-added and lifestyle products: Through persistent research and by analyzing current market demands, the company has continued to produce geo-textiles, agro-textiles, furnishing fabrics, lifestyle products, made-ups as woven and non-woven, fabrics treated for fire retardancy and microbial attacks as well as hydrocarbon-free jute bags. The Company has also added new products - Laminated jute fabrics, Cotton treated for different end use functionalities, Coated fabrics for soft luggage, Coated molleton fabrics, Yarns and non-woven products of certified organic jute.

Focus on export markets and initiatives to tap nascent export markets: The Company's aggressive marketing led to a noteworthy geographical growth. The Company has been able to maintain a steady balance between sustainability and profitability.

Focus on continuous modernization of machines resulting in better efficiency and quality: At Gloster, we completed our 5th phase of modernization and initiated the 6th phase in 2015-16. The Company installed fabric coating plant and modern fabric dyeing jigger having digital control for the operations. The ongoing modernization plans of the Company are a continuous process where high-speed looms and spinning frames are being installed to cater to higher volumes and better quality. The Company is trying to obtain all necessary certifications and accreditation towards eco-friendly manufacture. A team of Scientists and Technicians dedicated completely to research, product development and quality management have been working tirelessly round-the-clock at Gloster. Gloster has modernized and expanded its factories to extend its product line and holistic reach.





Goals for 2016-17

1. Optimise capacity utilisation of process lines
2. Tap markets for coated and backed fabrics
3. Maximise energy conservation

Company's overall R&D policy:

1. Finding ways for value addition in its products
2. Reducing process waste
3. Reduction in environmental loadings of the products



Our broad-based strategy to reinforce our business is to continuously work towards discovering new and effective uses of jute and its products, while manufacturing traditional products and preserving our time-honoured conventional practices.

At Gloster, we have heralded in a new era of growth triggered by the maxim that 'change is the only constant'!



ENVIRONMENTAL CONSCIOUSNESS AND **GREEN** SUSTAINABILITY

Being a responsible organization, we care for our environment and our surroundings where we work. We believe that, in order to survive, we must take care of the environment and our primary initiative is to keep our atmosphere green.

ENVIRONMENTAL CONSCIOUSNESS AND GREEN SUSTAINABILITY



Gloster has made substantial investments for improvement in quality of products, health & safety of employees, conservation of energy and improvement of the surrounding environment.

The Company has successfully installed and commissioned the following over the years:

- Effluent Treatment Plant for recycling and re using water and minimizing its wastage
- Use of battery-operated fork lifts, tractors, load carrier carts to minimize pollution
- Dust reduction system in plant for better quality of air
- Overhead drying conveyor for natural drying
- Boiler for using recovered process waste
- Electrostatic Precipitator to collect & precipitate dust emissions from the exhaust flue gases of boilers, preventing environment air pollution

Our Technical team, is motivating farmers in villages for cultivation of organic jute and providing the farmers with:

- Training on good farming practices
- Free certified jute seeds
- Concrete jute retting tanks and pumps
- International inspection & Certification for organic integrity of Jute produced

At Gloster, we care for the environment in which we operate. Our initiatives are our proactive 'green' concern opposed to a reactive damage control.

To conclude, growth at Gloster follows a singular maxim: Sustainable development is the pathway to the future we want for all. It offers a framework to generate economic growth, achieve social justice, exercise environmental stewardship and strengthen governance.

No growth can be by mere chance or accident. Gloster believes that there is no physical or intellectual growth without hard work, sincerity and acuteness of resolve.



Financial Highlights

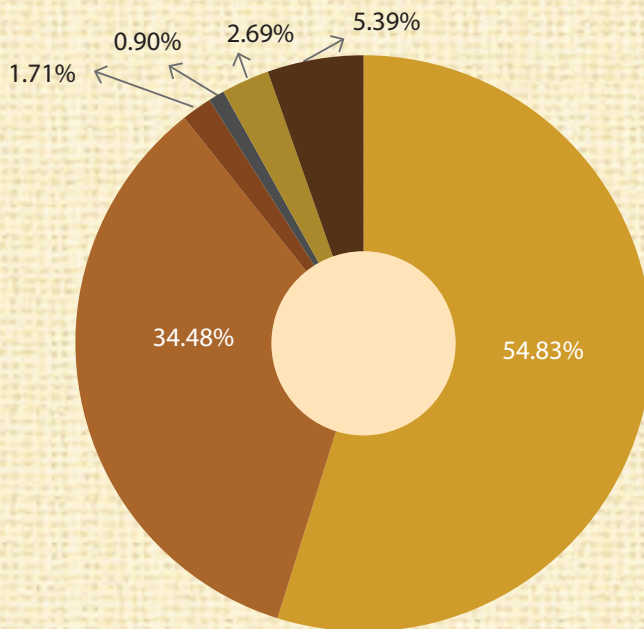
Year Ended	Share Capital (₹ lakhs)	Reserves (₹ lakhs)	Net Worth (₹ lakhs)	Income From Operations (₹ lakhs)	Net Profit (₹ lakhs)	Cash Profit (₹ lakhs)	Earnings Per Share (₹)	Cash Earnings Per Share (₹)	Book Value (₹)	Dividend (%)
31/3/1993	22	26	48	3,909	30	65	1	1	1	20%
31/3/1998	65	773	838	6,983	331	390	6	7	16	35%
31/3/2003	131	1,744	1,875	11,052	377	505	7	10	36	35%
31/3/2008	131	4,251	4,382	15,816	1,104	1,616	21	31	84	50%
31/3/2009	262	4,875	5,137	16,794	908	1,419	17	27	98	50%
31/3/2010	262	26,251	26,513	19,529	975	1,515	19	29	507	60%
31/3/2011	262	26,653	26,915	30,686	1,408	2,010	27	38	514	70%
31/3/2012	262	27,254	27,516	30,860	1,894	2,536	36	48	526	200%
31/3/2013	262	39,775	40,037	34,623	2,021	2,732	39	52	765	100%
31/3/2014	523	38,893	39,416	33,602	1,408	2,163	27	41	753	60%
31/3/2015	523	35,749	36,272	32,542	1,324	2,237	25	43	693	60%
31/3/2016	523	32,436	32,959	42,711	2,464	3,244	47	62	630	30%

- Reserves, Networth includes Revaluation Reserves arising on revaluation of Fixed Assets.
- Book Value, Earning Per Share & Cash Earning Per Share calculated on expanded Capital for all years .



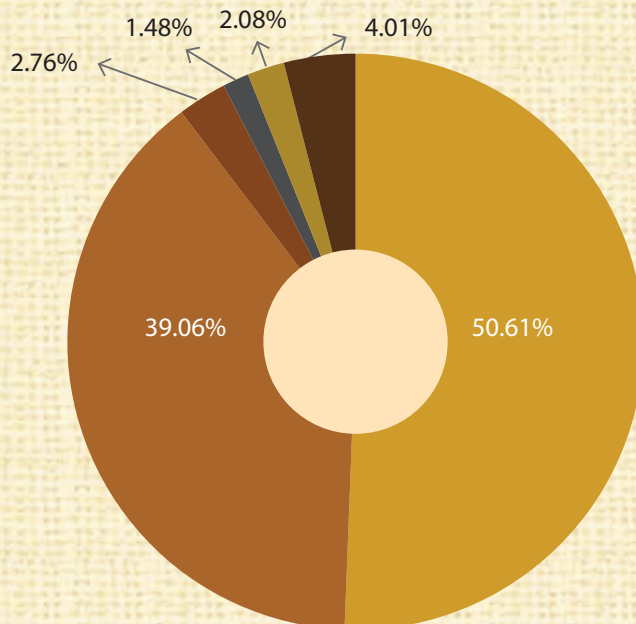
Distribution of Revenue for the year 2015-16

Cost of Raw Material	54.83%
Mfg. & Other Expenses	34.48%
Depreciation	1.71%
Finance Cost	0.90%
Tax	2.69%
Profit (PAT)	5.39%



Distribution of Revenue for the year 2014-15

Cost of Raw Material	50.61%
Mfg. & Other Expenses	39.06%
Depreciation	2.76%
Finance Cost	1.48%
Tax	2.08%
Profit (PAT)	4.01%





CORPORATE INFORMATION

Board of Directors	: Hemant Bangur – <i>Executive Chairman</i> D.C. Baheti - <i>Managing Director</i> Nandita Sen S.N. Bhattacharya K. Mahapatra Dr. Prabir Ray
Company Secretary	: Ajay Kumar Agarwal
Chief Financial Officer	: Shankar Lal Kedia
Bankers	: State Bank of India Yes Bank Ltd. Bank of Baroda HDFC Bank ICICI Bank Ltd.
Auditors	: Lovelock & Lewes <i>Chartered Accountants</i> Kolkata
Registrar & Share Transfer Agents	: Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane Kolkata – 700 001 Phone : +91 33 2243 5809 Fax : +91 33 2248 4787 E-mail : mdpldc@yahoo.com
Registered & Administrative Office	: 21, Strand Road Kolkata – 700 001 (India) Corporate Identity No. L17119WB1992PLC054454 Phone : +91 33 2230 9601 (4 lines) Fax : +91 2210 6167, 2231 4222 E-mail : info@glosterjute.com Website : www.glosterjute.com
Mills	: P.O. Fort Gloster Bauria, Howrah – 711 310 West Bengal (India) Phone : +91 33 2661 8327 / 8271 Fax : +91 33 2661 8940

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors take pleasure in presenting the Twenty Fourth Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS

The highlights of the financial results of the Company for the year ended 31st March, 2016 are as under:

(₹ lakhs)

Particulars	Standalone		Consolidated	
	Year Ended 31.3.2016	Year Ended 31.3.2015	Year Ended 31.3.2016	Year Ended 31.3.2015
Revenue from operations	42,710.70	32,542.33	42,710.70	32,927.14
Total Expenses	38,994.11	29,630.99	38,995.81	30,016.75
Operating Profit Before Depreciation & Finance Costs	3,716.59	2,911.34	3,714.89	2,910.39
Finance Costs	411.50	488.01	478.97	488.63
Depreciation/Amortization	780.03	912.50	780.03	912.50
Operating Profit After Depreciation & Finance Costs	2,525.06	1,510.83	2,455.89	1,509.26
Other Income	1,167.13	500.55	1,342.46	657.84
Gross Profit before Tax & Exceptional Items	3,692.19	2,011.38	3,798.35	2,167.10
Tax Expense (including Deferred Tax)	1,228.17	687.83	1,246.93	711.57
Profit for the year	2,464.02	1,323.55	2,551.42	1,455.53
Balance brought forward from previous year	423.20	495.55	677.05	617.42
Amount available for appropriation	2,887.22	1,819.10	3,228.47	2,072.95
Appropriations:				
Provision for Proposed Dividend	314.01	314.01	314.01	314.01
Dividend Tax	63.92	63.92	63.92	63.92
Transfer to General Reserve	2,000.00	800.00	2,000.00	800.00
Adjustment on evaluation of useful life of Fixed Assets	–	217.97	–	217.97
Balance carried forward	509.29	423.20	850.54	677.05

DIVIDEND AND RESERVES

Your Directors are pleased to recommend for your approval a dividend of 30% i.e ₹ 3/- per equity share for the year ended 31st March, 2016 after taking into consideration the Bonus Issue passed by the shareholders vide Postal Ballot on 11th May, 2016. The total outflow for dividend will be ₹ 377.93 lakhs including ₹ 63.92 lakhs by way of dividend tax.

During the year under review, a sum of ₹ 2,000 lakhs was transferred to General Reserve.

BONUS

During the last few years, there has been an impressive growth in the performance of the Company and consequently significant additions have been made to the free reserves. Therefore, your Directors have recommended issue of bonus

shares in the ratio of one bonus equity share to be issued for every one equity share of face value of ₹ 10/- held by the members at their meeting held on 29.03.2016. The members of the Company have approved the same through postal ballot process. The Bonus Shares shall rank pari passu in all respects with existing fully paid up equity shares.

OPERATIONS & STATE OF COMPANY'S AFFAIRS

The production during the year under review has been 49,158 MT in comparison to 44,752 MT in the previous year resulting in a growth of 9.85%. Sales & Turnover for the year under review stood at 48,604 MT & ₹ 42,212.88 lakhs as against 45,151 MT & ₹ 32,056.02 lakhs in the previous year resulting in an increase of 7.65% & 31.68% respectively.

During the year net profit of the Company stood at ₹ 2,464.02



lakhs as against ₹ 1,323.55 lakhs registering an increase of 86.17% over last year due to better pricing and operational efficiencies. The current financial year i.e. 2016-17 is expected to be normal. First half of the financial year 2015-16 was difficult for the jute industry with sluggish demand from Government, sugar industry and other quarters. The second half of the year witnessed an unprecedented increase in the prices due to short supply of raw-material of raw jute resulting in the Office of Jute Commissioner to put in place various control measures to ensure equal distribution of available raw jute.

The initial forecast of raw jute crop in the forthcoming jute season seems to be very good due to better sowing and expected good monsoon. The prices of raw jute in the current jute season are likely to be firm at the beginning with a sharp correction in prices as fresh arrivals from the new crop hits the market.

EXPORTS

Your Company's continuous thrust on developing new products and new overseas market and aggressive efforts have helped increase its export performance from ₹ 8,919.91 lakhs in the year 2014-15 to ₹ 10,632.88 lakhs in the year 2015-16 i.e. increase by 19.20%. Your Directors are hopeful of a good export performance during the current financial year also.

MODERNIZATION

Your Company believes in sustainable development and continues to maintain its thrust on modernization and diversification. The 5th Phase of modernization is completed and the Company has taken up the 6th Phase of modernization.

CREDIT RATING

Various bank facilities of the Company are rated by CRISIL Limited based on Basel II norms followed by the banks under the guidelines of Reserve Bank of India. During the year ratings for all existing & proposed bank facilities have been reviewed and rated by CRISIL Limited.

CRISIL has reaffirmed its rating for long-term bank facilities to CRISIL A/Stable and for short-term bank facilities to CRISIL A1.

The rating affirmation reflects the consistency in Company's business risk profile marked by sustained scale of operations and profitability.

CHANGE IN NATURE OF BUSINESS, IF ANY

During the year, there was no change in the nature of business of the Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

SCHEME OF AMALGAMATION BETWEEN "THE COMPANY" AND KETTLEWELL BULLEN & COMPANY LIMITED

During the year under review, the Board of Directors of the Company at its meeting held on 29th March, 2016 has approved the Scheme of Amalgamation of the Company with Kettlewell Bullen & Company Limited in terms of the provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 & Companies Act, 2013 to the extent applicable with effect from the Appointment Date i.e. 1st January, 2015. As the Scheme will come into effect after the approval from the statutory authorities, shareholders and court, with effect from the Appointment Date, no effects of the above Scheme of Amalgamation has been recognized in the financial statements.

SUBSIDIARY COMPANIES

Gloster Lifestyle Limited and Gloster Specialities Limited continue to be wholly owned subsidiaries of your Company.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, and Accounting Standard-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial statement of its subsidiaries.

Further, a separate statement containing the salient features of the financial statements of subsidiaries of the Company in the prescribed Form AOC 1 is attached with this Report.

The Annual accounts of the subsidiary companies and other related detailed information will be kept at the Registered Office of the Company and also at the Registered Office of the subsidiary company and will be available to the investors seeking information at any time during the working hours of the Company except Saturday. Further as per section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of the subsidiaries are available at www.glosterjute.com/Acctssubco.html. A Policy has been formulated for determining the Material Subsidiaries of the Company pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations,



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2015 ('Listing Regulations'). The said Policy has been posted on the Company's website at the weblink www.glosterjute.com/documents/PDMS/pdf.

PERFORMANCE OF SUBSIDIARY COMPANIES

Gloster Lifestyle Limited

The Gross revenue of the Company stood at ₹ 87.79 lakhs (Previous Year ₹ 269.12 lakhs). Profit after tax for the year stood at ₹ 42.95 lakhs (Previous Year ₹ 64.24 lakhs).

Gloster Specialities Limited

The Gross revenue of the Company stood at ₹ 89.07 lakhs (Previous Year ₹ 271.86 lakhs). Profit after tax for the year stood at ₹ 44.46 lakhs (Previous Year ₹ 66.65 lakhs).

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements are prepared in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (accounts) Rules, 2014 forms part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report, as required under the Listing Regulation, Report is attached as Annexure –I and forms part of this Report.

CORPORATE GOVERNANCE

The Company has been practicing the principles of good corporate governance over the years and lays strong emphasis on transparency, accountability and integrity. As per Regulation 34 (3) read with Schedule V of the Listing Regulations, the detailed report on Corporate Governance and a certificate from the practising Company Secretary, confirming compliance with the requirements of the Corporate Governance is separately attached and forms part of this Annual Report.

SHARE CAPITAL

The Paid-up share capital of the Company as on 31st March, 2016 stood at ₹ 523.34 lakhs. During the year under review, the Company has not issued any shares with or without differential voting rights nor has granted any stock options or sweat equity. As on 31st March, 2016, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

NUMBER OF BOARD MEETINGS HELD

During the financial year ended 31st March, 2016, five Board

Meetings were held on 16.05.2015, 13.08.2015, 06.11.2015, 12.02.2016 and 29.03.2016. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The details of number of meetings of the Board held during the Financial Year 2015-16 forms part of Corporate Governance Report.

MEETINGS OF INDEPENDENT DIRECTORS

During the financial year 2015-16, the Independent Directors met separately on 12th February, 2016, and inter-alia discussed the following:

- Evaluation of performance of Non- Independent Directors and the Board of Directors as a whole.
- Evaluation of performance of the Executive Chairman of the Company, taking into account the views of Executive and Non-Executive Directors.
- Evaluation of the quality, contents and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors have evaluated its own effectiveness for the financial year 2015-16 along with that of its various committees and details of such evaluation has been mentioned in the Corporate Governance Report.

The Board of Directors expressed their satisfaction with the evaluation process.

COMMITTEES OF THE BOARD

Audit Committee: The composition and terms of reference of the Audit Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report. There has been no instance where the Board has not accepted the recommendations of the Audit Committee.

Nomination and Remuneration Committee:

The composition and terms of reference of the Nomination and Remuneration committee has been furnished in the Corporate Governance Report forming a part of this Annual Report.

Stakeholders Relationship Committee:

The composition and terms of reference of the Stakeholders Relationship committee has been furnished in the Corporate Governance Report forming a part of this Annual Report.

The details pertaining to Audit Committee, Nomination &



Remuneration Committee and Stakeholder's Relationship Committee are included in the Corporate Governance Report which forms part of this Annual Report.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Your Directors express their profound grief and sorrow on the sad demise of Shri Gopal Das Bangur (DIN 00040856), Executive Chairman of the Company on 8th June, 2016. His demise is a great loss to your Company. Your Directors pay their respectful homage and tribute to this extraordinary human being, a great leader and an iconic industrialist.

During the year, Shri Hemant Bangur (DIN 00040903) was appointed as Managing Director designated as Executive Chairman of the Company for a period of three years with effect from 1st September, 2015 in the Board meeting held on 13th August, 2015. The said appointment was subsequently approved by the Members of the Company at the Annual General Meeting held on 26th September, 2015. The office of Shri Hemant Bangur shall be liable to retire by rotation.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Company's Articles of Association Shri Hemant Bangur, Executive Chairman (DIN 00040903) retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment.

As per the provisions of Section 149(1) of the Companies Act, 2013 and Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has one Woman Director on its Board.

The independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A Formal Letter setting out the terms and conditions of appointment has been issued to all the Independent Directors as per the provisions of Companies Act, 2013 and the Listing Regulation. The same has been hosted on the Company's website and can be accessed at <http://www.glosterjute.com/documents/appntdir.pdf>.

None of the Directors of the Company are disqualified for being appointed as Directors, as specified in section 164(2) of the Companies Act, 2013 and rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules 2014.

A brief resume of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting is incorporated in the Notice calling the said meeting.

During the year the Company had four Key Managerial Personnel – Shri Gopal Das Bangur, Executive Chairman upto 7th June, 2016, Shri Hemant Bangur, Executive Chairman (w.e.f. 1st September, 2016), Shri Dharam Chand Baheti, Managing Director, Shri Ajay Kumar Agarwal, Company Secretary and Shri Shankar Lal Kedia, CFO.

NOMINATION & REMUNERATION POLICY

The Nomination and Remuneration Committee has formulated a policy relating to the remuneration for the Directors, Key Managerial Personnel and Senior Managerial Personnel. The philosophy for remuneration is based on the commitment of fostering a culture of leadership with trust. The remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013, Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination & Remuneration Policy is attached as Annexure-II and forms part of this report.

FAMILIARIZATION PROGRAMME

The Independent Directors have been familiarized with the nature of operations of the Company & the industry in which it operates, business model of the Company. The details of familiarization programme have been posted in the website of the Company and can be accessed at <http://www.glosterjute.com/documents/FPID.pdf>.

WHISTLE BLOWER POLICY

The Company has adopted a Vigil Mechanism / Whistle Blower Policy and has established the necessary mechanism, for employees to report concerns about unethical behavior or suspected fraud in violation of Company's Code of Conduct or any other point of concern. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The policy has been uploaded in the website of the Company and can be accessed at <http://www.glosterjute.com/documents/WBPolicy.pdf>.

RELATED PARTY TRANSACTIONS

The contracts/arrangements/transactions entered into by the Company with the related parties during the financial year under reporting were in ordinary course of business and were negotiated on an arms' length basis with the intention to further the Company's interest. No material Contracts or arrangement with related parties were entered into during the year under review. There are no material related party transactions during the year under review with the Promoters, Directors or Key



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Managerial Personnel. Accordingly, no transactions are being reported in Form No. AOC – 2 in terms of section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval. Where required, prior omnibus approval of the Audit Committee is obtained for transactions which are of a foreseen and repetitive in nature and the corresponding actual transactions become a subject of review at subsequent Audit Committee Meetings.

The policy on Related Party Transactions has been uploaded on the website of the Company and can be accessed at <http://www.glosterjute.com/documents/RPTPolicy.pdf>.

The details of the transactions with related parties during 2015-16 are provided in the accompanying financial statements.

None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a CSR Committee and has simultaneously approved and adopted a CSR policy based on the recommendations of the CSR Committee. The said policy is available on the website of your Company and can be accessed at <http://www.glosterjute.com/documents/CSRPpolicy.pdf>.

As on 31st March, 2016 the Committee consists of four Members, comprising:

Name of the Members	Category
Shri Hemant Bangur	Executive Chairman
Shri Dharam Chand Baheti	Managing Director
Smt Nandita Sen	Independent Director
Shri Krutibas Mahapatra	Independent Director

The Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in Annexure III and forms part of this Report.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has effective internal controls in place which are constantly reviewed. The Company's internal control system is commensurate with its size, scale and operations. Detailed procedures are in place to ensure that all assets are safeguarded and protected against loss.

The Internal Audit is carried on by M/s. S.S. Kothari & Co. Chartered Accountants. The Internal Audit function gives thrust

to test and review controls and systems that are in place. The Audit Committee of the Board also reviews the Internal Audit functions

The Audit Committee of the Board reviews the Internal Audit Report and corrective actions taken on the findings are also reported to the Audit Committee.

RISK MANAGEMENT

The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. The Company has been addressing various risks impacting the Company through a Risk Management procedure in place. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

AUDITORS & AUDITOR'S REPORT

The members had at the 22nd Annual General Meeting held on 6th September 2014, approved the appointment of Messrs Lovelock & Lewes, Chartered Accountants, (Firm Registration No. 301056E) as Statutory Auditors of the Company from the conclusion of 22nd Annual General Meeting till the conclusion of the 25th Annual General Meeting of the Company. The said appointment of the Statutory Auditors would be proposed for ratification at the ensuing Annual General Meeting

The Auditor's Report on the financial statements for the year 2015-16 does not contain any qualifications, reservations or adverse remarks.

COST AUDITORS

The Board of Directors have appointed M/s D. Radhakrishnan & Co. Cost Accountants as Cost Auditors for conducting the audit of cost records of the Company for the financial year 2016-17.

In accordance with section 148 of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) rules, 2014, the remuneration payable to the Cost Auditors for the financial year 2016-17 would be placed at the ensuing Annual General Meeting for ratification.

SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of the Companies Act, 2013, and rules made there under, the Board has appointed M/s. M K B & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended 31st March, 2016 is attached as Annexure IV and forms part of this Report.

The Secretarial Audit Report does not contain any qualification,



reservation or adverse remark.

EXTRACT OF THE ANNUAL RETURN

The extracts of Annual return pursuant to Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached as Annexure V and forms part of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO.

Information required under section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is attached as Annexure VI and forms part of this Report.

PARTICULARS OF EMPLOYEES

The information required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure VII A and forms part of this Report.

The details of employees who are in receipt of remuneration exceeding the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure VII B and forms part of this Report.

DEPOSITS

Your company has not accepted deposits from public as envisaged under Section 73 to 76 of Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(3)(c) of the Companies Act, 2013 your Directors confirm that :

- i) In the preparation of Annual Accounts, the applicable Standards have been followed and that there are no material departures;

- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv) The annual accounts have been prepared on a going concern basis;

- v) The Directors have laid down internal financial controls for the Company which are adequate and are operating effectively;

- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires the conduct of all operations in such manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

TRADE RELATIONS

The Board desires to place on record its appreciation for the support and co-operation that the Company has received from suppliers, brokers, customers and others associated with the Company as its enterprise partners. The Company has always looked upon them as partners in its progress and has happily shared with them rewards of growth. It will be Company's endeavor to build and nurture strong links with trade, based on mutuality, respect and co-operation with each other.

DEPOSITORY SYSTEM

As the members are aware, your Company's shares are tradable compulsorily in electronic form. In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialization of the Company's shares either in National Securities Depository Ltd or Central Depository Services (India) Ltd.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN



CULTIVATING GROWTH

AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013

The Company has zero tolerance for sexual harassment at work place and has adopted a policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the Rules thereunder for prevention, prohibition and redressal of complaints of sexual harassment at workplace. During the year, no complaint was lodged with the Internal Complaints Committee.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the contribution made by the employees at all levels but for whose hard work, solidarity, and support, your Company's achievements would not have been possible. Your Directors also wish to thank its customers, brokers dealers, agents, suppliers, investors and bankers for their continued support and faith reposed in the Company.

The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry despite increased competition from several existing and new players.

Your Directors take this opportunity to thank all investors,

customers, vendors, bankers, regulatory and government authorities, depositories and stock exchanges for their continued support and faith reposed in the Company.

For & on behalf of the Board

Hemant Bangur -Executive Chairman

Dharam Chand Baheti -Managing Director

Place : Kolkata

Dated : 14th May, 2016



ANNEXURE-I TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry structure and developments

By a notification during the year under review the Government of India has maintained the compulsory packing norms for food grains and sugar under Jute Packaging Materials (Compulsory use for Packing Commodities) Act, 1987 (JPMA) at the 90% & 20% of production respectively. The said notification was valid upto 31st March, 2016 and is expected to be extended further.

b) Opportunities and Threats/Risks & Concerns

Opportunities

- Weak rupee may offer better opportunity for export of jute products at competitive prices;
- More & more concerns are being shown for reducing carbon foot prints world over and this opens doors for use of more biodegradable & sustainable products made from natural fibers like jute;
- Demand for promotional bags, lifestyle products & made ups and jute geo textiles are expected to see an upsurge;
- The industry is getting incentives under different schemes as below:
 - i. Government of India, Ministry of Textiles have launched a new scheme "Amended Technology Upgradation Fund Scheme (ATUFS)", which provides 15% Capital Investment Subsidy on eligible machines with a Capital Investment Subsidy per individual entity of ₹ 30.00 crores for the period 13.01.2016 to 31.03.2022
 - ii. Incentive Scheme for Acquisition of Plants & Machinery (ISAPM) from National Jute Board has been made effective

for installation of Plant & Machinery from 1st October, 2013 and will continue upto 31st March, 2017. The incentive shall be 20% of cost of Plant & Machinery with a ceiling of ₹ 2.50 crores per jute mill during the period.

- iii. The Government has introduced a new export incentive scheme named as Merchandise Exports from India Scheme (MEIS) for export of specified goods to specified countries. Incentive under MEIS shall be payable as percentage of realised FOB value in free foreign currency in the form of duty free scrips of 5% on products exported by the Company .

Risk & Concern/ Threat

- Further dilution of compulsory Jute Packing Order and lower order from government quarters can adversely affect the market of jute products;
- Ever increasing dearness allowance and related increase in employee cost lead to regular increase in overall cost of production;
- Import of jute goods in India from Bangladesh and Nepal at significantly lower prices may adversely affect the domestic jute sector / industry;
- More competition from synthetic packaging materials specifically because of falling crude prices ;

c) Segment-wise or product-wise performance

The Company is engaged in the business of manufacturing Jute goods and is managed organizationally as a single unit. Accordingly the company has only one business. However, the Company has customers in India as well as outside India and thus segment reporting on the Geographical location of its customers is as below:

(₹ lakhs)

Particulars	Inside India		Outside India		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Segment revenue by location of customers	31,580.00	23,136.11	10,632.88	8,919.91	42,212.88	32,056.02
Carrying amount of segment assets	2,044.08	1,458.73	508.44	309.65	2,552.52	1,768.38
Additions to tangible and intangible assets	1,507.37	989.79	-	-	1,507.37	989.79



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d) Outlook

The initial forecast of raw jute crop in the forthcoming jute season seems to be good. There is low carryover of raw jute stock at the beginning of current year. Prices of raw jute at the beginning of the current jute season are likely to be firm with a sharp fall in prices as fresh crop hits the market..

The 5th Phase of modernization was completed during the year and the Company has taken up the 6th Phase of modernization.

Your management is continuing its efforts to improve the efficiency which should result into better performance.

e) Internal control systems and their adequacy

The Company has adequate internal control system commensurate with the size, scale and complexity of its operations which provides reasonable assurance with regard to safeguarding the Company's assets, promoting operational efficiency by cost control, preventing revenue leakages and ensuring adequate financial and accounting controls and compliance with various statutory provisions. A qualified and independent Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them.

A summary of Internal Audit observations and Action Taken Reports are placed before the Audit Committee on a periodical basis, for review.

f) Discussion on financial performance with respect to operational performance

The following are the significant areas of financial performance:

₹ lakhs

Particulars	2015-16	2014-15	Increase/ (Decrease)
Revenue from operations	42,710.70	32,542.33	10,168.37
Raw material cost	25,030.46	16,714.41	8,316.05
Finance costs	411.50	488.01	(76.51)
Profit for the year	2,464.02	1,323.55	1,140.47

g) Human Resources & Industrial Relations

The Company is continuing its efforts through training to enhance competence of its manpower to make them more resourceful in their present job and also to prepare them for future roles. The Company has also introduced staff welfare schemes under which benefits are provided to deserving members of staff.

h) Cautionary statement

Statements made in this section of the report are based on assumptions and expectations of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference include finished goods prices, raw material cost and its availability, change in Government regulations, tax laws, economic developments within the country, currency fluctuation and other factors such as litigation.



ANNEXURE-II TO THE DIRECTORS' REPORT

NOMINATION & REMUNERATION POLICY

1. Preamble

1.1 The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board") Key Managerial Personnel ("KMP") and Senior Managerial Personnel ("SMP"). The expression 'Senior Management Personnel' means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads. In terms of Section 178 of the Companies Act, 2013 this Policy is being framed and formulated for laying down criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of Executives.

2. Aims & Objectives

The aims and objectives of this nomination & remuneration policy ("Policy") may be summarized as follows:

- 2.1 The Policy aims to enable the company to attract, retain and motivate highly qualified members for the Board, KMP and SMP.
- 2.2 The Policy aims to enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
- 2.3 The Policy seeks to ensure that the interests of Board members, KMP and SMP are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
- 2.4 The policy will ensure that remuneration to Directors involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

3. Principles of remuneration

- 3.1 **Support for Strategic Objectives:** Remuneration and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.
- 3.2 **Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of

confidentiality.

- 3.3 **Internal equity:** The Company shall remunerate the Board members, KMP and SMP in terms of their roles within the organisation.
- 3.4 **External equity:** The Company shall strive to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.
- 3.5 **Flexibility:** Remuneration shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.
- 3.6 **Performance-Driven Remuneration:** The Company shall entrench a culture of performance driven remuneration.
- 3.7 **Affordability and Sustainability:** The Company shall ensure that remuneration is affordable on a sustainable basis.

4. Policy for selection and appointment of the Board Members and determining Directors' independence

4.1 Board membership criteria

- 4.1.1 The Nomination & Remuneration Committee, along with the Board shall review on an annual basis, appropriate skills, characteristics and experience required of the Board Members for the better management of the Company. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.
- 4.1.2 In evaluating the suitability of individual Board members, the Committee will take into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements.
- 4.1.3 The policy seeks to ensure that Directors should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in



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arriving at decisions, rather than advancing the interests of a particular constituency. The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance.

- 4.1.4 The Directors must devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.
- 4.1.5 The proposed appointee shall also fulfill the following requirements:
- 4.1.5.1 Shall not be disqualified under the Companies Act, 2013;
 - 4.1.1.2 Shall give his written consent to act as a Director;
 - 4.1.1.3 Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
 - 4.1.1.4 Shall abide by the Code of Conduct established by the Company for Directors, KMP and SMP;
 - 4.1.1.5 Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals.
- 4.1.6 The Nomination and Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.
- 4.1.7 The Nomination and Remuneration Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2 **Selection of Board Members/ extending invitation to a potential director to join the Board**

The Nomination & Remuneration Committee will periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take

decisions commensurate with the size and scale of operations of the Company. The Nomination & Remuneration Committee shall also identify suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member.

5. **Compensation Structure**

5.1 **Remuneration to Non-Executive Directors:**

The Non-executive Directors of the Company will be paid remuneration by way of sitting fees for attending the meetings of the Board of Directors and its Committees. The said sitting fees paid to the Non-executive Directors for the Board Meetings and Committee meetings will be fixed by the Board and reviewed from time to time in accordance with applicable law. The Non-executive Directors may be paid such commission as the Board may approve from time to time subject to limits prescribed from time to time in the Act or Rules made thereunder.

5.2 **Remuneration to Executive Directors, KMP & SMP:**

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), KMP and SMP. Their remuneration are governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards.

The remuneration determined for Managing Director / Whole Time Directors (MD/WTDs), is approved by the Board of Directors, by the members at the next general meeting of the Company and by the Central Government if required.

6. **Supplementary provisions**

- 6.1 Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant State laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.
- 6.2 The right to interpret this Policy vests in the Board of Directors of the Company.



ANNEXURE-III TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES

1. The Company is conscious of its social responsibilities and acts as a responsible corporate citizen. The Company believes that integrating social, environmental and ethical responsibilities into the governance of businesses ensures their long term success, competitiveness and sustainability. In terms of section 135 of the Companies Act, 2013, the Board of Directors of the Company has constituted a CSR Committee.

The CSR Committee has developed a CSR Policy which lays down basic principles and the general framework of action for the Company to fulfill its CSR obligations in accordance with the framework of the Companies Act, 2013. The CSR policy is available on the website of the Company and can be accessed at <http://www.glosterjute.com/documents/CSRPolicy.pdf>.

During the year the CSR activities of the Company focused on eradicating hunger, poverty, malnutrition, promoting health care including preventive health care; and Promoting education, including special education. The Company will

continue to give thrust on the activities initiated during the year under review.

2. The Composition of the CSR Committee is as under:

Name of the Director	Position
Shri Hemant Bangur	Chairman
Shri Dharam Chand Baheti	Member
Smt. Nandita Sen	Member
Shri Krutibas Mahapatra	Member

3. Average net profit of the company for last three financial years - ₹ 2,763.60 lakhs

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) – ₹ 55.27 lakhs

5. Details of CSR spent during the financial year:

a) Total amount to be spent for the financial year - ₹ 55.27 lakhs

b) Total Amount spent during the year - ₹ 18.70 lakhs

c) Amount unspent, if any – ₹ 36.57 lakhs

d) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Project or activity identified	Sector in which the project is covered (vide schedule VII to the Companies Act, 2013)	Projects or programs Local area or other Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ in lakhs)	Amount spent on the projects or programs Sub heads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
A	Eradicating hunger, poverty, malnutrition, promoting health care including preventive health care	Item (i)	Kolkata & Bauria, West Bengal	17.70	17.70	17.70	Direct
B	Promoting education, including special education	Item (ii)	Bauria, West Bengal	1.00	1.00	1.00	Direct

The Company has been judicious to choose the activities and also to identify the areas. During the year, applications were received from a few organizations activities of which were aligned to the CSR policy of Company. The contributions made to the shortlisted organisations and the amount spent directly by the Company however fell short of the total obligation. The Company is committed to fulfill its CSR obligations during the coming financial years. The

Company has no Committed Unspent Amount towards its CSR activities.

6. We hereby declare that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Dharam Chand Baheti Managing Director	Hemant Bangur Chairman, CSR Committee
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ANNEXURE-IV TO THE DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Gloster Limited
21, Strand Road,
Kolkata - 700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Gloster Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on the verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investments, Foreign Direct Investments and External Commercial Borrowings;

- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ('SEBI Act') or by SEBI, to the extent applicable:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
 - b) The Securities and Exchange Board of India (Prohibition Of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition Of Insider Trading) Regulations, 2015
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - e) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing/ trading companies, the following laws/ acts are also, inter alia, applicable to the Company:
 - a) The Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1987
 - b) The Jute Manufactures Cess Act, 1983
 - c) The Essential Commodities Act, 1955
 - d) The National Jute Board Act, 2008

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India [Applicable from 1st July, 2015];
- b) The Listing Agreements entered into by the Company with BSE Limited (BSE) and the Calcutta Stock Exchange Limited (CSE) and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure



Requirements) Regulations, 2015 [Applicable from 1st December, 2015];

During the period under review the Company has generally complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, Directions etc. mentioned above.

We further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under audit, the Company has adopted a new set of Articles of Association in substitution and entire exclusion of existing Articles of Association as approved by shareholders by postal ballot on 17th April, 2015 pursuant to section 14 of the Companies Act, 2013 and rules made there under;

This report is to be read with our letter of even date which is annexed as **Annexure – I** which forms an integral part of this report.

For **MKB & Associates**
Company Secretaries

Manoj Kumar Banthia
[Partner]
FCS no. 11470
COP no. 7596

Date: 13th May, 2016
Place: Kolkata

Annexure- I

To
The Members,
Gloster Limited
21, Strand Road,
Kolkata - 700001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **MKB & Associates**
Company Secretaries

Manoj Kumar Banthia
[Partner]
FCS no. 11470
COP no. 7596

Date: 13th May, 2016
Place: Kolkata



ANNEXURE-V TO THE DIRECTORS' REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2016

(Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS

1. CIN	L17119WB1992PLC054454
2. Registration Date	18.02.1992
3. Name of the Company	Gloster Limited
4. Category/Sub-category of the Company	Public Company limited by Shares
5. Address of the Registered Office & contact details	21, Strand Road, Kolkata 700 001 Phone: +91 33 22309601 (4lines) Fax: +91 33 22106167, +91 33 22314222 email: info@glosterjute.com
6. Whether listed company	Yes
7. Name, Address & contact details of the Registrar & Transfer Agent, if any,	Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, Kolkata 700 001 Phone: +91 33 22435809 email: mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Name and Description of main products/services	NIC Code of the products/services	% to total turnover of the Company
Jute Products	1,31, 139	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of shares Held	Applicable Section
1.	Gloster Lifestyle Limited	U18100WB2011PLC159678	Subsidiary Company	100%	Section2(87)
2.	Gloster Specialities Limited	U18109WB2011PLC159677	Subsidiary Company	100%	Section2(87)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2015)				No. of Shares held at the end of the year (As on 31st March, 2016)				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A.	Promoters									
1)	Indian									
a)	Individual/HUF	8,38,385	5,712	8,44,097	16.13	8,84,833	5,712	8,90,545	17.01	0.88
b)	Central Govt.	0	0	0	0	0	0	0	0	0
c)	State Govt(s)	0	0	0	0	0	0	0	0	0
d)	Bodies Corporate	26,35,305	0	26,35,305	50.36	25,88,325	0	25,88,325	49.46	(0.90)
e)	Banks/FI	0	0	0	0	0	0	0	0	0
f)	Any other	0	0	0	0	0	0	0	0	0
	Sub total (A) (1)	34,73,690	5,712	34,79,402	66.49	34,73,158	5,712	34,78,870	66.47	(0.02)
2)	Foreign									
a)	NRIs Individuals	0	0	0	0	0	0	0	0	0
b)	Other Individuals	0	0	0	0	0	0	0	0	0
c)	Bodies Corporate	0	0	0	0	0	0	0	0	0
d)	Banks/FI	0	0	0	0	0	0	0	0	0
e)	Any other	0	0	0	0	0	0	0	0	0
	Subtotal (A)(2)	0	0	0	0	0	0	0	0	0
	Total shareholding of Promoter (A) =(A)(1)+(A)(2)	34,73,690	5,712	34,79,402	66.49	34,73,158	5,712	34,78,870	66.47	(0.02)
B.	Public Shareholding									
1)	Institutions									
a)	Mutual Funds/UTI	0	0	0	0	0	0	0	0	0
b)	Banks/FI	2,492	6,042	8,534	0.17	2,492	6,042	8,534	0.17	0
c)	Central Govt.	0	0	0	0	0	0	0	0	0
d)	State Govt(s)	0	0	0	0	0	0	0	0	0
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f)	Insurance companies	11,51,597	0	11,51,597	22.00	11,51,597	0	11,51,597	22.00	0
g)	FIs	0	0	0	0	0	0	0	0	0
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i)	Others(specify)	0	0	0	0	0	0	0	0	0
	Sub-total(B)(1)	11,54,089	6,042	11,60,131	22.17	11,54,089	6,042	11,60,131	22.17	0



Category-wise Share Holding (contd.)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2015)				No. of Shares held at the end of the year (As on 31st March, 2016)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	77,963	7,884	85,847	1.64	103,606	7,860	1,11,466	2.13	0.49
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,91,930	74,047	4,65,977	8.90	3,47,543	72,017	4,19,560	8.02	(0.88)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	28,112	0	28,112	0.53	26,658	0	26,658	0.51	(0.02)
c) Others (Specify)									
Non Resident Indians	2,123	2,682	4,805	0.09	3,222	2,682	5,904	0.11	0.02
Clearing Members	402	0	402	0.01	22,087	0	22,087	0.42	0.41
Trusts	8,764	0	8,764	0.17	8,764	0	8,764	0.17	0
Sub-total(B)(2)	5,09,294	84,613	5,93,907	11.34	5,11,880	82,559	5,94,439	11.36	0.02
Total Public Shareholding (B)=(B)(1)+ (B)(2)	16,63,383	90,655	17,54,038	33.51	16,65,969	88,601	17,54,570	33.53	0.02
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	51,37,073	96,367	52,33,440	100.00	51,39,127	94,313	52,33,440	100.00	0



ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April, 2015)			Shareholding at the end of the year (As on 31st March, 2016)			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Kettlewell Bullen and Company Limited	8,93,903	17.08	0	8,93,903	17.08	0	0
2	The Oriental Company Limited	7,55,008	14.43	0	7,55,008	14.43	0	0
3	Madhav Trading Corporation Limited	5,91,564	11.30	0	5,91,840	11.31	0	0
4	Credwyn Holdings (India) Pvt Limited	3,05,190	5.83	0	3,05,190	5.83	0	0
5	Gopal Das Bangur	1,78,570	3.41	0	0	0.00	0	(3.41)
6	Pushpa Devi Bangur	1,70,210	3.25	0	3,95,228	7.55	0	4.30
7	Gopal Das Bangur HUF	49,186	0.94	0	49,186	0.94	0	0
8	Hemant Kumar Bangur HUF	1,69,912	3.25	0	1,69,912	3.25	0	0
9	Hemant Bangur	1,36,666	2.61	0	1,36,666	2.61	0	0
10	Vinita Bangur	1,33,441	2.55	0	1,33,441	2.55	0	0
11	The Cambay Investment Corporation Limited	83,192	1.59	0	42,384	0.81	0	(0.78)
12	Purushottam Dass Bangur	5,712	0.11	0	5,712	0.11	0	0
13	Pranov Bangur	400	0.01	0	400	0.01	0	0
14	Wind Power Vinimay Pvt. Limited	6,448	0.12	0	0	0.00	0	(0.12)



iii. Change in Promoters' Shareholding

Sr. No.	Shareholder's Name	Share holding/ Transaction Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	The Cambay Investment Corporation Limited					
	At the beginning of the year	01.04.2015	83,192	1.59	83,192	1.59
	Disposal	16.10.2015	(40,808)	0.78	42,384	0.81
	At the end of the year	31.03.2016	–	–	42,384	0.81
2	Wind Power Vinimay Pvt. Limited					
	At the beginning of the year	01.04.2015	6,448	0.12	6,448	0.12
	Disposal	16.10.2015	(6,448)	0.12	–	–
	At the end of the year	31.03.2016	–	–	–	–
3	Madhav Trading Corporation Limited					
	At the beginning of the year	01.04.2015	5,91,564	11.30	5,91,564	11.30
	Acquisition	10.04.2015	276	0.01	5,91,840	11.31
	At the end of the year	31.03.2016	–	–	5,91,840	11.31
4	Gopal Das Bangur					
	At the beginning of the year	01/04/2015	1,78,570	3.41	1,78,570	3.41
	Disposal	17.07.2015	(1,78,570)	3.41	–	–
	At the end of the year	31.03.2016	–	–	–	–
5	Pushpa Devi Bangur					
	At the beginning of the year	01.04.2015	1,70,210	3.25	1,70,210	3.25
	Acquisition	17.07.2015	1,78,570	3.41	3,48,780	6.66
	Acquisition	23.10.2015	46,448	0.89	3,95,228	7.55
	At the end of the year	31.03.2016	–	–	3,95,228	7.55



iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding/ Transaction Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Life Insurance Corporation of India					
	At the beginning of the year	01.04.2015	11,51,597	22.00	11,51,597	22.00
	At the end of the year	31.03.2016	–	–	11,51,597	22.00
2	KB Capital Markets Pvt. Ltd.					
	At the beginning of the year	01.04.2015	24,500	0.47	24,500	0.47
	Disposal	25.12.2015	(570)	(0.01)	23,930	0.46
	At the end of the year	31.03.2016	–	–	23,930	0.46
3	BRN Commodities and Trading Co Private Limited					
	At the beginning of the year	01.04.2015	–	–	–	–
	Acquisition	11.09.2015	6,000	0.11	6,000	0.11
	Acquisition	18.09.2015	10,000	0.19	16,000	0.31
	Acquisition	16.10.2015	1,100	0.02	17,100	0.33
	At the end of the year	31.03.2016	–	–	17,100	0.33
4	Jitendra Baldwa					
	At the beginning of the year	01.04.2015	–	–	–	–
	Acquisition	19.02.2016	2,086	0.04	2,086	0.04
	Acquisition	04.03.2016	1,067	0.02	3,153	0.06
	Acquisition	11/03/2016	852	0.02	4,005	0.08
	Acquisition	18.03.2016	2,085	0.04	6,090	0.12
	Acquisition	25.03.2016	4,189	0.08	10,279	0.20
	Acquisition	31.03.2016	5,172	0.10	15,451	0.30
At the end of the year	31.03.2016	–	–	15,451	0.30	
5	Harimohan Bangur					
	At the beginning of the year	01.04.2015	15,040	0.29	15,040	0.29
	At the end of the year	31.03.2016	–	–	15,040	0.29
6	Nirsau Consultancy LLP					
	At the beginning of the year	01.04.2015	–	–	–	–
	Acquisition	11.03.2016	14,459	0.28	14,459	0.28
	At the end of the year	31.03.2016	–	–	14,459	0.28



CULTIVATING GROWTH

Shareholding Pattern of top ten Shareholders (contd.)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding/ Transaction Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	Arcadia Share & Stock Brokers Pvt Ltd					
	At the beginning of the year	01.04.2015	200	0.00	200	0.00
	Acquisition	31.07.2015	100	0.00	300	0.01
	Disposal	07.08.2015	(100)	(0.00)	200	0.00
	Acquisition	14.08.2015	120	0.00	320	0.01
	Acquisition	21.08.2015	10	0.00	330	0.01
	Acquisition	27.11.2015	11,500	0.22	11,830	0.23
	Disposal	11.12.2015	(10)	(0.00)	11,820	0.23
	Disposal	31.12.2015	(25)	(0.00)	11,795	0.23
	Acquisition	08.01.2016	509	0.01	12,304	0.24
	Acquisition	22.01.2016	36	0.00	12,340	0.24
	Acquisition	12.02.2016	50	0.00	12,390	0.24
	Disposal	19.02.2016	(50)	(0.00)	12,340	0.24
	Acquisition	26.02.2016	50	0.00	12,390	0.24
	Disposal	31.03.2016	(595)	(0.01)	11,795	0.23
At the end of the year	31.03.2016	-	-	11,795	0.23	
8	Wallfort Financial Services Ltd					
	At the beginning of the year	01.04.2015	-	-	-	-
	Acquisition	27.11.2015	100	0.00	100	0.00
	Disposal	11.12.2015	(100)	(0.00)	0	0.00
	Acquisition	25.12.2015	25	0.00	25	0.00
	Disposal	31.12.2015	(25)	(0.00)	0	0.00
	Acquisition	15.01.2016	1,500	0.03	1,500	0.03
	Acquisition	22.01.2016	3,500	0.07	5,000	0.10
	Acquisition	29.01.2016	5,000	0.10	10,000	0.19
At the end of the year	31.03.2016	-	-	10,000	0.19	
9	Sheth Azam Hazi Aref Bham Wakaf					
	At the beginning of the year	01.04.2015	8,744	0.17	8,744	0.17
	At the end of the year	31.03.2016	-	-	8,744	0.17
10	Benu Gopal Bangur					
	At the beginning of the year	01.04.2015	7,808	0.15	7,808	0.15
	At the end of the year	31.03.2016	-	-	7,808	0.15



Shareholding Pattern of top ten Shareholders (contd.)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding/ Transaction Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	Vijay Kumar Agarwala					
	At the beginning of the year	01.04.2015	5,300	0.10	5,300	0.10
	Acquisition	10.07.2015	500	0.01	5,800	0.11
	Acquisition	14.08.2015	30	0.00	5,830	0.11
	Acquisition	28.08.2015	100	0.00	5,930	0.11
	Acquisition	11.09.2015	70	0.00	6,000	0.11
	Acquisition	12.02.2016	300	0.01	6,300	0.12
	Acquisition	19.02.2016	900	0.02	7,200	0.14
	Acquisition	11.03.2016	150	0.00	7,350	0.14
	Acquisition	18.03.2016	240	0.00	7,590	0.15
	Acquisition	25.03.2016	150	0.00	7,740	0.15
	At the end of the year	31.03.2016	-	-	7,740	0.15
12	Bachh Raj Nahar					
	At the beginning of the year	01.04.2015	-	-	-	-
	Acquisition	23.10.2015	9,540	0.18	9,540	0.18
	Acquisition	30.10.2015	1,016	0.02	10,556	0.20
	Acquisition	06.11.2015	896	0.02	11,452	0.22
	Disposal	18.12.2015	(3,065)	(0.06)	8,387	0.16
	Disposal	18.03.2016	(1,000)	(0.02)	7,387	0.14
	Disposal	31.03.2016	(895)	(0.02)	6,492	0.12
	At the end of the year	31.03.2016	-	-	6,492	0.12
13	Mili Consultants & Investment Pvt. Ltd.					
	At the beginning of the year	01.04.2015	870	0.02	870	0.02
	Acquisition	24.04.2015	1,910	0.04	2,780	0.05
	Acquisition	01.05.2015	468	0.01	3,248	0.06
	Acquisition	08.05.2015	370	0.01	3,618	0.07
	Disposal	22.05.2015	(500)	(0.01)	3,118	0.06
	Acquisition	12.06.2015	1,718	0.03	4,836	0.09
	Acquisition	19.06.2015	296	0.01	5,132	0.10
	Acquisition	03.07.2015	1,222	0.02	6,354	0.12
	Acquisition	10.07.2015	332	0.01	6,686	0.13
	Acquisition	17.07.2015	683	0.01	7,369	0.14
	Acquisition	24.07.2015	2,783	0.05	10,152	0.19



Shareholding Pattern of top ten Shareholders (contd.)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding/ Transaction Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Acquisition	31.07.2015	1,573	0.03	11,725	0.22
	Acquisition	07.08.2015	1,754	0.03	13,479	0.26
	Acquisition	14.08.2015	222	0.00	13,701	0.26
	Acquisition	21.08.2015	484	0.01	14,185	0.27
	Acquisition	28.08.2015	682	0.01	14,867	0.28
	Acquisition	04.09.2015	558	0.01	15,425	0.29
	Disposal	11.09.2015	(3,656)	(0.07)	11,769	0.22
	Disposal	18.09.2015	(9,406)	(0.18)	2,363	0.05
	Acquisition	30.09.2015	1,492	0.03	3,855	0.07
	Acquisition	09.10.2015	3,096	0.06	6,951	0.13
	Acquisition	16.10.2015	2,699	0.05	9,650	0.18
	Disposal	23.10.2015	(9,042)	(0.17)	608	0.01
	Acquisition	30.10.2015	640	0.01	1,248	0.02
	Acquisition	06.11.2015	54	0.00	1,302	0.02
	Disposal	11.12.2015	(300)	(0.01)	1,002	0.02
	Acquisition	18.12.2015	47	0.00	1,049	0.02
	Disposal	25.12.2015	(1,000)	(0.02)	49	0.00
	Acquisition	29.01.2016	525	0.01	574	0.01
	Acquisition	05.02.2016	330	0.01	904	0.02
	Acquisition	12.02.2016	750	0.01	1,654	0.03
	Acquisition	26.02.2016	289	0.01	1,943	0.04
	Acquisition	04.03.2016	100	0.00	2,043	0.04
	Disposal	11.03.2016	(1,034)	(0.02)	1,009	0.02
	Disposal	18.03.2016	(1,000)	(0.02)	9	0.00
	At the end of the year	31.03.2016	-	-	9	0.00
14	Nirmal Bang Sec Pvt Ltd					
	At the beginning of the year	01.04.2015	524	0.01	524	0.01
	Acquisition	24.04.2015	10	0.00	534	0.01
	Acquisition	01.05.2015	5,190	0.10	5,724	0.11
	Acquisition	29.05.2015	10	0.00	5,734	0.11
	Acquisition	05.06.2015	40	0.00	5,774	0.11


Shareholding Pattern of top ten Shareholders (contd.)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding/ Transaction Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Disposal	12.06.2015	(50)	(0.00)	5,724	0.11
	Acquisition	03.07.2015	550	0.01	6,274	0.12
	Disposal	10.07.2015	(550)	(0.01)	5,724	0.11
	Acquisition	31.07.2015	201	0.00	5,925	0.11
	Disposal	07.08.2015	(201)	(0.00)	5,724	0.11
	Acquisition	14.08.2015	800	0.02	6,524	0.12
	Disposal	21.08.2015	(100)	(0.00)	6,424	0.12
	Disposal	04.09.2015	(700)	(0.01)	5,724	0.11
	Disposal	11.09.2015	(4,541)	(0.09)	1,183	0.02
	Disposal	18.09.2015	(659)	(0.01)	524	0.01
	Acquisition	09.10.2015	10	0.00	534	0.01
	Disposal	16.10.2015	(10)	(0.00)	524	0.01
	Acquisition	06.11.2015	54	0.00	578	0.01
	Disposal	13.11.2015	(54)	(0.00)	524	0.01
	Acquisition	18.12.2015	100	0.00	624	0.01
	Disposal	25.12.2015	(21)	(0.00)	603	0.01
	Disposal	31.12.2015	(288)	(0.01)	315	0.01
	Acquisition	08.01.2016	47	0.00	362	0.01
	Acquisition	15.01.2016	1,636	0.03	1,998	0.04
	Disposal	22.01.2016	(1,735)	(0.03)	263	0.01
	Acquisition	19.02.2016	100	0.00	363	0.01
	Disposal	26.02.2016	(108)	(0.00)	255	0.00
	Disposal	11.03.2016	(5)	(0.00)	250	0.00
	Acquisition	25.03.2016	75	0.00	325	0.01
	Disposal	31.03.2016	(39)	(0.00)	286	0.01
	At the end of the year	31.03.2016	-	-	286	0.01
15	Sanjiv Dhiresbhai Shah					
	At the beginning of the year	01.04.2015	6,127	0.12	6,127	0.12
	Disposal	27.11.2015	(6,127)	(0.12)	-	-
	At the end of the year	31.03.2016	-	-	-	-



Shareholding Pattern of top ten Shareholders (contd.)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding/ Transaction Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
16	Equanimity Realty Private Limited					
	At the beginning of the year	01.04.2015	14,459	0.28	14,459	0.28
	Disposal	21.08.2015	(14,459)	(0.28)	-	-
	At the end of the year	31.03.2016	-	-	-	-
17	Chetan Dhiresbhai Shah					
	At the beginning of the year	01.04.2015	13,072	0.25	13,072	0.25
	Disposal	28.08.2015	(138)	(0.00)	12,934	0.25
	Disposal	27.11.2015	(3,159)	(0.06)	9,775	0.19
	Disposal	04.12.2015	(210)	(0.00)	9,565	0.18
	Disposal	18.12.2015	(6,048)	(0.12)	3,517	0.07
	Disposal	08.01.2016	(3,517)	(0.07)	-	-
	At the end of the year	31.03.2016	-	-	-	-
18	Nirsau Consultancy Pvt. Ltd.					
	At the beginning of the year	01.04.2015	-	-	-	-
	Acquisition	21.08.2015	14,459	0.28	14,459	0.28
	Disposal	11.03.2016	(14,459)	(0.28)	-	-
	At the end of the year	31.03.2016	-	-	-	-
19	Vimal Sagarmal Jain					
	At the beginning of the year	01.04.2015	-	-	-	-
	Acquisition	27.11.2015	3,600	0.07	3,600	0.07
	Acquisition	18.12.2015	12,580	0.24	16,180	0.31
	Disposal	15.01.2016	(4,703)	(0.09)	11,477	0.22
	Disposal	22.01.2016	(3,877)	(0.07)	7,600	0.15
	Disposal	29.01.2016	(7,600)	(0.15)	-	-
At the end of the year	31.03.2016	-	-	-	-	



v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding/ Transaction Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Hemant Bangur					
	At the beginning of the year	01.04.2015	1,36,666	2.61	1,36,666	2.61
	At the end of the year	31.03.2016	-	-	1,36,666	2.61
2	Dharam Chand Baheti					
	At the beginning of the year	01.04.2015	3,160	0.06	3,160	0.06
	At the end of the year	31.03.2016	-	-	3,160	0.06
3	Shankar Lal Kedia					
	At the beginning of the year	01.04.2015	600	0.01	600	0.01
	At the end of the year	31.03.2016	-	-	600	0.01

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
i) Principal amount	3,979.68	-	-	3,979.68
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	10.52	-	-	10.52
Total (i+ii+iii)	3,990.20	-	-	3,990.20
Change in Indebtedness during the financial year				
Addition	2,873.67	2,504.53	-	5,378.20
Reduction	1,006.25	-	-	1,006.25
Net Change	1,867.42	2,504.53	-	4,371.95
Indebtedness at the end of the financial year				
i) Principal amount	5,845.70	2,500.00	-	8,345.70
ii) Interest due but not paid	6.51	-	-	6.51
iii) Interest accrued but not due	5.41	4.53	-	9.94
Total (i+ii+iii)	5,857.62	2,504.53	-	8,362.15



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time-Director and/or Manager

(₹ In lakhs)

Sr. No.	Particulars of Remuneration	Shri Gopal Das Bangur, Executive Chairman*	Shri Hemant Bangur, Executive Chairman**	Shri Dharam Chand Baheti, Managing Director	Total Amount
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	13.46	48.70	99.08	170.24
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.09	4.75	21.60	17.44
	(c) Profit in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	120.00	80.00	200.00
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	13.55	173.45	200.68	387.68
	Ceiling as per the Act (Being 10% of Net profits of the Company as calculated under section 198 of the Companies Act 2013)				410.10

*Deceased on 8th June, 2015

** Executive Chairman w.e.f. 1st September, 2015

B. Remuneration to other Directors

(₹ In lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri Hemant Bangur*	Smt Nandita Sen	Shri Krutibas Mahapatra	Shri S N Bhattacharya	Dr. Prabir Ray	
1	Independent Directors						
	Fee for attending Board/Committee meeting	-	1.10	1.10	0.40	0.40	3.00
	Commission	-	6.00	6.00	6.00	6.00	24.00
	Others, please specify	-	-	-	-	-	-
	Total B (1)	-	7.10	7.10	6.40	6.30	27.00
2	Other Non-Executive Directors						
	Fee for attending Board/Committee meeting	0.50	-	-	-	-	0.50
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total B (2)	0.50	-	-	-	-	0.50
	Total B = (B1+B2)	-	-	-	-	-	27.50
	Total Managerial Remuneration = (A+B)						415.18
	Overall Ceiling as per Act (Being 11% of Net profits of the Company as calculated under section 198 of the Companies Act, 2013)						451.11

*Executive Chairman w.e.f. 1st September, 2015



C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ In lakhs)

Sr. No.	Particulars of Remuneration	Shri Ajay Kumar Agarwal, Company Secretary	Shri Shankar Lal Kedia, CFO	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	23.82	16.16	39.98
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	5.20	3.53	8.73
	(c) Profit in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	29.02	19.69	48.71

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences for the year ending 31st March, 2016.



ANNEXURE-VI TO THE DIRECTORS' REPORT

Information under Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014:

A. Conservation of Energy

The steps taken towards Conservation of Energy are enumerated below:

- I. Retrofitting and replacement of old motors, pumps, air compressors etc. with modern energy efficient identicals
- II. Installation of automated lighting controls & sensors and changing over to more efficient lighting solutions such as Light Emitting Diodes (LED)
- III. Old Compressors changed by new energy efficient compressor
- IV. Comprehensive assessment report of use of various forms of energy in the factory has been carried out by TERI and steps will be taken to implement the various suggestions put forward by them.

The steps taken by the Company for utilizing alternate sources of energy:

- I. Installation of Turbo Ventilators and Solar Day Light system
- II. Installation of additional solar energy based thermal and photovoltaic systems.
- III. Use of jute waste in Boilers

The capital investment on energy conservation equipment

- I. 26.65 lakhs

B. Technology Absorption

Efforts made towards technology absorption

- I. Replacement of old Looms with modern Shuttless Rapier Looms.
- II. Installation of Modern Sewerage Treatment Plant (STP) for recycling and reuse of effluent water is in process.
- III. Use of modern materials handling equipments for facilitating better and safe handling at the factory
- IV. Installation of ash handling plant in Boiler house to maintain proper air quality
- V. Extension of centralized lubrication systems in various production machines

Benefits derived

- I. Improvement in working environment
- II. Improvement in productivity & efficiency
- III. Improvement in product quality
- IV. Cost Reduction

C. Foreign exchange earnings and outgo:

- (i) Foreign exchange earned in terms of actual inflow : ₹ 10,471.50 lakhs
- (ii) Foreign exchange outgo in terms of actual outflow : ₹ 3,086.81 lakhs



ANNEXURE-VIIA TO THE DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES

The information required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- (a) **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year :**

Executive Directors	Ratio to median remuneration*
Shri Hemant Bangur – Executive Chairman	59.40
Shri Dharam Chand Baheti – Managing Director	100.36

Non-Executive Directors	Ratio to median remuneration*
Smt Nandita Sen	3.55
Shri Satyendra Nath Bhattacharya	3.20
Shri Krutibas Mahapatra	3.55
Dr. Prabir Ray	3.20

*Median salary computation is based on a total employee head count of 4,442 employees out of which approximately 4,259 employees are within collective bargaining process.

- (b) **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

Name	% increase in remuneration in the financial year 2015-16
Shri Hemant Bangur – Executive Chairman	N.A.
Shri Dharam Chand Baheti – Managing Director	70.40
Smt Nandita Sen – Independent Director	49.27
Shri Satyendra Nath Bhattacharya – Independent Director	50.35
Shri Krutibas Mahapatra – Independent Director	43.24
Dr. Prabir Ray – Independent Director	50.35

Shri Ajay Kumar Agarwal – Company Secretary	11.40
Shri Shankar Lal Kedia – CFO	13.41

- (c) **The percentage increase in the median remuneration of employees in the financial year**

5.41%

- (d) **The number of permanent employees on the rolls of company as on 31st March, 2016 is**

4,442

- (e) **The explanation on the relationship between average increase in remuneration and company performance**

Profit before Interest, Depreciation & taxation has increased by 43.14%, the average increase in remuneration of employees was 5.41% and the increase in median remuneration was 5.41%. The increase in remuneration is based on market trends and performance criteria.

- (f) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company -**

Name	% increase in remuneration in the financial year 2015-16	Comparison of remuneration against the performance of the Company
Shri Hemant Bangur – Executive Chairman	N.A.	The market capitalization & PE Ratio of the Company as on 31st March, 2016, increased by 218.52% & 71.10% respectively as compared to that of 31st March, 2015. Profit before Interest, Depreciation & taxation has increased by 43.14%.
Shri Dharam Chand Baheti – Managing Director	70.40	
Shri Ajay Kumar Agarwal – Company Secretary	11.40	
Shri Shankar Lal Kedia – CFO	13.41	

- (g) **Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case**



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of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year:

The market capitalization & PE Ratio of the Company as on 31st March, 2016, increased by 218.52% & 71.10% respectively as compared to that of 31st March, 2015. The Company has not made any public offer in the recent past and accordingly comparison of Public Offer Price and the current market price of shares will not be relevant.

(h) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; percentile may be read as percentage:

Average percentage increase for other than managerial personnel works to around 4.76% average percentage increase for managerial personnel works out to around 10.19%; average percentage increase for all employees works out to 5.41%. Percentage increase for different categories /

grades are made based on market trends and performance criteria.

(i) Comparison of the each remuneration of Key Managerial Personnel against the performance of the company

Refer point (f) above.

(j) The key parameters for any variable component of remuneration availed by the Directors

The variable pay for the directors is recommended by the Nomination & remuneration Committee based on the performance of the Company.

(k) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year

Not Applicable

(l) Affirmation that the remuneration is as per the remuneration policy of the company

The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

ANNEXURE-VIIB TO THE DIRECTORS' REPORT

Information pursuant to Rule 5(2) of Chapter XIII of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The following persons were employed during the financial year / part of the financial year and were in receipt of remuneration which, in the aggregate was not less than sixty lakh rupees per annum / five lakh rupees per month.

Name	Designation	Remuneration Received (₹)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age (Years)	Last employment held	% of equity shares held	Relationship with other Directors
Shri Gopal Das Bangur*	Executive Chairman	13,54,722	Contractual	B.Com, 45 years	12.04.2000	68	Joonktollee Tea & Industries Limited, President	Nil	Father of Shri Hemant Bangur
Shri Hemant Bangur	Executive Chairman	1,73,44,781	Contractual	Post Graduate in International Trade, 16 years	01.09.2015	44	Joonktollee Tea & Industries Limited, Executive Vice-Chairman	2.61%	Son of Shri Gopal Das Bangur
Shri Dharam Chand Baheti	Managing Director	2,00,68,000	Contractual	B.Com, 48 years	01.04.1992	68	Fort Gloster Industries Limited, Works manager	0.06%	None

*Deceased on 8th June, 2015



REPORT ON CORPORATE GOVERNANCE

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance envisages accountability, responsibility and transparency in the conduct of the Company's business and affairs. The Company firmly believes that Corporate Governance is a powerful tool to serve the long term growth of the Company and it continues to give priority to the principles and practice of Corporate Governance. The Company continues to lay great emphasis on the broad principles of Corporate Governance and views corporate governance in its widest sense, almost like trusteeship. The Company's philosophy on corporate governance is to enhance the long-term economic value of the company, sustainable return to its stakeholders i.e. the society at large, by adopting best corporate practices in fair and transparent manner and by aligning interest of the company with that of its shareholders/ other key stakeholders. Corporate governance is not merely compliance and not simply creating checks and balances, it is an ongoing measure of superior delivery of company's objects with a view to translate opportunities into reality.

The names and category of the Directors on the Board, the number of Directorships and Committee memberships held by them in other Companies are given below:

Name of Director	Category of Directorship	Directorship in Other Companies (#)	No. of Board Committees (other than Gloster Ltd) in which Chairman / Chairperson/Member		Shareholding as at 31.03.2016
			Chairman/Chairperson	Member @	
Shri Gopal Das Bangur*	Promoter Executive Chairman	–	–	–	–
Shri Hemant Bangur**	Promoter Executive Chairman	7	Nil	1	1,36,666
Smt. Nandita Sen	Independent Non-Executive	Nil	Nil	Nil	Nil
Shri Krutibas Mahapatra	Independent Non-Executive	Nil	Nil	Nil	Nil
Dr. Prabir Ray	Independent Non-Executive	Nil	Nil	Nil	Nil
Shri Satyendra Nath Bhattacharya	Independent Non-Executive	1	Nil	Nil	Nil
Shri Dharam Chand Baheti	Non-Promoter Managing Director	3	Nil	Nil	3,160

*Deceased on 8th June, 2015

**Executive Chairman w.e.f. 1st September, 2015

(#) Other Directorships do not include Directorships of private limited companies, section 8 companies and foreign companies and Alternate Directorships.

(@) Member includes Chairman/Chairperson

2. BOARD OF DIRECTORS

COMPOSITION AND CATEGORY

The Board of Directors of the Company have an optimum combination of Executive, Non-Executive and Independent Directors having requisite knowledge and expertise in business & industry, corporate finance, taxation, legal matters, risk management and marketing. The number of Independent Directors is more than one-half of the total number of Directors.

The Board of Directors as on 31st March, 2016, comprised of six Directors that include a woman Director whose composition is given below:

- one Promoter, Executive Chairman
- one Non-Promoter, Managing Director
- four Independent, Non-Executive Directors



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Only membership of Audit Committee and Stakeholders Relationship Committee is considered.

None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors.

No Director is related to any other Director on the Board in terms of the definition of Relative given under the Companies Act, 2013

The Directors of the Company do not serve as Independent Directors in more than seven listed Companies.

INDEPENDENT DIRECTORS

The Non-Executive Independent Directors fulfil the conditions of Independence specified in Section 149 of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulation. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 and the Listing Regulation has been issued and disclosed on website of the Company and can be accessed at <http://www.glosterjute.com/documents/appntdir.pdf>.

Whenever an Independent Director is inducted on the Board they are briefed about the Company's culture and are also introduced to the organization structure, Board procedures and business strategy.

BOARD PROCEDURE

The Board meets at least once a quarter to review the quarterly business and the financial performance of the company. The yearly calendar of the meetings is finalized before the beginning of the year and additional meetings are held whenever necessary. The Board Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. The Board papers, comprising the agenda backed by comprehensive background information are circulated to the Directors in advance and in exceptional cases, the same is tabled at the Board Meeting. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman.

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of Listing Regulation to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meeting.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting, on the overall performance of the Company.

The Board's function is not limited to matters requiring

statutorily the Board's approval. The Board is involved in all the important decisions relating to the company and policy matters, strategic business plans, new avenues of investment and expansion, compliance with statutory/regulatory requirements, major accounting provisions and write-offs are considered by the Board.

The Minutes of the Board Meetings are circulated to all Directors and signed at subsequent Meeting.

The Minutes of Audit Committee and other Committees of the Board are regularly placed before the Board. The Minutes of the Board Meetings of the subsidiary companies are also regularly placed before the Board.

ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING

During the financial year ended 31st March, 2016, five Board Meetings were held on 16th May, 2015, 13th August, 2015, 6th November, 2015, 12th February, 2016 and 29th March, 2016. The attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) is as under:

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM held on 26th September, 2015
Shri Hemant Bangur	5	5	Yes
Smt Nandita Sen	5	5	Yes
Shri Krutibas Mahapatra	5	5	Yes
Dr Prabir Ray	5	4	Yes
Shri Satyendra Nath Bhattacharya	5	4	Yes
Shri Dharam Chand Baheti	5	4	Yes

FAMILIARISATION PROGRAMME

The Independent Directors have been familiarized with the nature of operations of the Company & the industry in which it operates, business model of the Company. The details of familiarization programme have been posted in the website of the Company and can be accessed at <http://www.glosterjute.com/documents/FPID.pdf>.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the financial year 2015-16, the Independent Directors met separately on 12th February, 2016, and inter-alia discussed the following:



- Evaluation of performance of Non- Independent Directors and the Board of Directors as a whole.
- Evaluation of performance of the Executive Chairman of the Company, taking into account the views of Executive and Non-Executive Directors.
- Evaluation of the quality, contents and timeliness of flow of information between the Company, Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- All Independent Directors attended the meeting.

3. AUDIT COMMITTEE

COMPOSITION

As on 31st March 2016, the Audit Committee comprises of two Non-Executive Independent Directors, and one Executive Director. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulation. All the members of the committee are well versed with finance & accounts, legal matters, company law, corporate affairs and general business practices.

The composition of the Committee is as follows:

Name of the Director	Position	Category
Smt Nandita Sen	Chairperson	Independent, Non-Executive
Shri Hemant Bangur	Member	Promoter, Executive
Shri Krutibas Mahapatra	Member	Independent, Non-Executive

The Chairperson of the Audit Committee is an Independent Director and the Company Secretary acts as the Secretary to the Committee. The Chairperson of the Audit Committee attended the previous Annual General Meeting held on 26th September, 2015.

The Committee is empowered, pursuant to its terms of reference, inter-alia to:

- investigate any activity within its terms of reference or referred to it by the Board
- seek information from any employee
- obtain outside legal or other professional advice
- secure attendance of outsiders with relevant expertise, if it considers necessary
- have full access to information contained in the records of the Company

The Minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meetings.

BROAD TERMS OF REFERENCE

The Audit Committee assists the Board in discharging its responsibilities regarding compliance with legal and regulatory requirements, the quality and integrity of the accounting, auditing, reporting practices & financial disclosures of the company and inter alia performs the following functions:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board the appointment, remuneration, and terms of appointment of auditors of the company.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - Changes if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgement by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- f) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;



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- h) Approval or any subsequent modification of transactions of the Company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the Company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) Discussion with internal auditors of any significant findings and follow up there on;
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) To review the function of the Whistle Blower mechanism;
- s) Approval of appointment of CFO (i.e. the Wholetime Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- t) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

The Audit Committee also reviews the following –

- Management discussion and analysis of financial condition and result of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and

- The appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee.

MEETINGS AND ATTENDANCE

During the financial year ended 31st March, 2016, six Audit Committee Meetings were held on 16th May, 2015, 13th August, 2015, 6th November, 2015, 18th December, 2015, 12th February, 2016 and 29th March, 2016. The Audit Committee also met on 14th May, 2016 prior to the finalization of accounts for the year ended 31st March, 2016.

The attendance at the Audit Committee Meetings is as under:

Name of the Director	No. of meetings held	No. of meetings attended
Smt. Nandita Sen	6	6
Shri Hemant Bangur	6	6
Shri Krutibas Mahapatra	6	6

The Company Secretary was present at all the above meetings.

INTERNAL AUDITORS

The Company has appointed M/s. S. S. Kothari & Co., Chartered Accountants as Internal Auditors to review the internal control systems of the Company and to report thereon. The report of the Internal Auditors is reviewed by the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

COMPOSITION

As on 31st March 2016, the Nomination & Remuneration Committee comprises of three Directors, all of them are independent, Non-Executive Directors. The composition of the Committee is as follows:

Name of the Director	Position	Category
Shri Krutibas Mahapatra	Chairman	Independent, Non-Executive
Shri Hemant Bangur*	Member	Executive
Smt Nandita Sen	Member	Independent, Non-Executive
Shri Prabir Ray**	Member	Independent, Non-Executive

* Resigned as a member from the Committee w.e.f. end of day of 13th August, 2015

**Appointed as a member to the Committee w.e.f. end of day of 13th August, 2015

The Composition of Nomination & Remuneration Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulation.



The Company Secretary acts as a Secretary to the Committee. The Chairman of the Nomination & Remuneration Committee attended the previous Annual General Meeting held on 26th September, 2015.

BROAD TERMS OF REFERENCE

The Terms of Reference of Nomination & Remuneration Committee inter-alia includes following:

- i. Reviewing the overall compensation policy, service agreements and other employment conditions including Annual increments and Commission of Whole-time Directors & Managing Directors
- ii. Approving the minimum remuneration payable to Whole-time Directors & Managing Directors in accordance with Schedule V of the Companies Act, 2013, in the event of loss or inadequacy of profits
- iii. Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board their appointment, removal & a policy, relating to the remuneration of the Directors, Key Managerial personnel and other employees and evaluating every Director's performance
- iv. Formulating the criteria for evaluation of Independent Directors and the Board
- v. Identifying persons who can be appointed as Directors, Key/Senior Managerial personnel & recommend to the Board their appointment & removal
- vi. Devising a policy for Board diversity
- vii. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable

MEETINGS AND ATTENDANCE

During the financial year ended 31st March, 2016, two Nomination and Remuneration Committee Meetings were held on 16th May, 2015 and 13th August, 2015.

The attendance at the Nomination and Remuneration Committee Meetings is as under:

Name of the Director	No. of meetings held	No. of meetings attended
Shri Krutibas Mahapatra	2	2
Shri Hemant Bangur*	2	2
Smt Nandita Sen	2	2
Shri Prabir Ray**	2	N.A

* Resigned as a member from the Committee w.e.f. end of day of 13th August, 2015

**Appointed as a member to the Committee w.e.f. end of day of 13th August,2015

The Company Secretary was present at all the above meetings.

NOMINATION & REMUNERATION POLICY

A. Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of Commission and Sitting fees. Non-Executive Directors are paid sitting fees - ₹ 10,000 for each meeting of the Board and ₹ 5,000 for any Committee meeting thereof.

B. Remuneration to Whole-time Directors/Managing Directors

The Whole-time Directors & Managing Directors are appointed by the Board at such remuneration as recommended by Nomination & Remuneration Committee and approved by the Board subject to approval of the Shareholders in a General Meeting. The remuneration package of Whole-time Directors & Managing Directors comprises of salary, perquisites and allowances, commission and contributions to Provident and other Funds as approved by the shareholders at General Meetings. Annual increments are recommended by the Remuneration Committee and recommended to the Board for approval thereof.

Presently, the Company does not have any stock option plan or performance linked incentives for its Directors.

DETAILS OF REMUNERATION TO ALL THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 2016

NON-EXECUTIVE DIRECTORS

Name of the Director	Commission* ₹	Sitting Fees ₹
Shri Hemant Bangur**	NIL	50,000
Smt Nandita Sen	6,00,000	1,10,000
Shri Satyendra Nath Bhattacharya	6,00,000#	40,000#
Shri Krutibas Mahapatra	6,00,000	1,10,000
Dr Prabir Ray	6,00,000	40,000

* Payable in 2016 -17 for Financial year 2015-16

** Executive Chairman w.e.f. 1st September,2015

Amount paid /payable to LIC of India

WHOLE-TIME DIRECTORS

Name of the Director	Designation	Salary ₹	Benefits ₹	Commission* ₹	Service Contract	Notice Period	Severance Fees
Shri Gopal Das Bangur **	Executive Chairman	12,56,250	98,472	-	3 years w.e.f. 12.04.2013	3 months	Not Specified
Shri Hemant Bangur ***	Executive Chairman	39,37,500	14,07,281	1,20,00,000	3 years w.e.f. 01.09.2015	3 months	Not Specified
Shri Dharam Chand Baheti	Managing Director	59,40,000	61,28,000	80,00,000	5 years w.e.f. 27.07.2012	3 months	Not Specified

* Payable in 2016-17 for 2015-16

**Deceased on 8th June, 2015

*** Executive Chairman w.e.f. 1st September,2015

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulation, the Board has carried out a formal process of the annual evaluation of its own performance, its Committees and Directors individually.

The performance was evaluated based on parameters such as Composition and Quality of Board Members, Effectiveness of Board/Committee process and functioning, contribution of the Members, Board Culture and Dynamics, Fulfillment of key responsibilities, Ethics and Compliance etc. A structured questionnaire was prepared covering the above areas of competencies. All the responses were evaluated by the Nomination & Remuneration Committee as well as the Board of Directors and the results reflected high satisfactory performance.

Relationship of Non-Executive Directors with the Company and inter-se: There is no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company and inter-se themselves except for the sitting fees and commission (upto a maximum of 1% of eligible profit) paid to them for attending the Board and Committee meetings.

Performance evaluation criteria for Independent Directors

During the year under review, the performance of the Independent Directors were evaluated on the parameters such as level of engagement, independence of judgement, contribution to the strategic planning process, safeguarding the interest of the stakeholders, etc. and in context of the role played by them as member of the Board at its meetings, in assisting the Board in realising its role of strategic supervision of the functioning of the Company.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

COMPOSITION

As on 31st March, 2016, the Stakeholders Relationship Committee comprises of three Directors, of whom, two are independent, Non-Executive Directors and one Promoter, Executive Director.

The composition of the Committee is as follows:

Name of the Director	Position	Category
Smt Nandita Sen	Chairperson	Independent, Non-Executive
Shri Hemant Bangur	Member	Promoter, Executive
Shri Krutibas Mahapatra	Member	Independent, Non-Executive

The Company Secretary acts as a Secretary to the Committee.

BROAD TERMS OF REFERENCE

The terms of reference of the Stakeholders Relationship Committee inter alia includes following:

- transfer/transmission/transposition of shares;
- consolidation/splitting of folios;
- issue of share certificates for lost, sub-divided, consolidated, rematerialised, defaced, etc;
- review of shares dematerialised and all other related matters;
- investors' grievances and redressal mechanism and recommend measures to improve the level of investor services.
- over seeing performance of the Company's Registrars and Share Transfer Agents.
- carrying out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

The Committee has delegated its functions to its Registrar & Share Transfer Agents, M/s. Maheshwari Datamatics Pvt Ltd to redress shareholders grievances and provide a periodical report to the said committee at every meeting about the grievances received, solved and pending in addition to their existing functions as follows: -

- to approve share transfers;
- to issue duplicate shares against lost or mutilated share certificates;



- iii. to issue shares against consolidation and sub-division;
- iv. to send a summary of complaints redressed on fortnightly basis;
- v. to send periodical report on transfers & transmission processed, duplicate share certificates issued.

Share transfer formalities are done within the stipulated time period by the Registrars, M/s. Maheshwari Datamatics Pvt. Ltd. The Compliance Officer is authorised to give effect to share transfers as approved by the Registrars & Share Transfer Agents.

The Share Department of the company and the Registrar and Share Transfer Agents, M/s. Maheshwari Datamatics Pvt. Ltd. attend to all grievances of the shareholders and investors received directly or through SEBI including SEBI Complaints Redress System (SCORES), Stock Exchanges, Department of Company Affairs, Registrar of Companies etc.

The Minutes of the Stakeholders Relationship Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and e-mail addresses to facilitate prompt action

MEETING AND ATTENDANCE

During the financial year ended 31st March 2016, four Stakeholders Relationship Committee meetings were held on 16th May, 2015, 13th August, 2015, 6th November, 2015, and 12th February, 2016.

The attendance of the Stakeholders Relationship Committee meetings is as under:

Name of the Director	No. of meetings held	No. of meetings attended
Smt. Nandita Sen	4	4
Shri Hemant Bangur	4	4
Shri Krutibas Mahapatra	4	4

DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED, NOT SOLVED AND PENDING SHARE TRANSFERS

There were no complaints outstanding as on 31st March, 2016. The number of share transfers and requests for dematerialization pending as on 31st March, 2016 were Nil.

Name , Designation & Address of the Compliance Officer

Mr. Ajay Kumar Agarwal
 Company Secretary
 Gloster Limited
 21, Strand Road
 Kolkata-700001
 Telephone: 033-22309601(4 lines)
 E-mail: shares@glosterjute.com

Shareholders'/ Investors' complaints and other correspondence are attended to within the stipulated time period except where constrained by disputes or legal impediments.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a CSR Committee and has simultaneously approved and adopted a CSR policy based on the recommendations of the CSR Committee.

As on 31st March, 2016 the Committee consists of four Members, comprising:

Name of the Members	Category
Shri Hemant Bangur	Promoter Executive Chairman
Shri Dharam Chand Baheti	Managing Director
Smt Nandita Sen	Independent Director
Shri Krutibas Mahapatra	Independent Director

During the financial year ended 31st March 2016, two CSR Committee meeting was held on 16th May, 2015 and 13th August, 2015.

The attendance at the CSR Committee meeting is as under:

Name of the Director	No. of meetings held	No. of meetings attended
Shri Hemant Bangur	2	2
Shri Dharam Chand Baheti	2	2
Smt Nandita Sen	2	2
Shri Krutibas Mahapatra	2	2

6. SUBSIDIARY COMPANIES

The Company does not have any material Subsidiary Company as defined under Listing Regulation.

However, the Company has formulated the Policy for determining material subsidiaries which is uploaded on the website of the Company and can be accessed at <http://www.glosterjute.com/documents/PDMS.pdf>.

7. CEO/CFO CERTIFICATION

In accordance with Part B of Schedule II to the Listing Regulation, the CEO/CFO Certificate signed by Shri Dharam Chand Baheti, CEO and Shri Shankar Lal Kedia, CFO was placed before the Board of Directors at their meeting held on 14th May, 2016.

8. GENERAL BODY MEETINGS

A. Location and time, where last three Annual General Meetings (AGM) were held is given below:

Financial Year	Day, Date & Time	Location of the Meeting	Special resolution passed
2012-13	Thursday, 25th July, 2013 at 11.00 A.M.	Shripati Singhania Hall, Rotary Sadan, 94/2,Chowringhee Road, Kolkata 700 020	NIL
2013-14	Saturday, 6th September, 2014 at 11.00 A.M	Kala Kunj 48 Shakespeare Sarani, Kolkata 700 017	1. Amendment in Article 125 of Articles of Association of the Company 2. Consent under Section 180(1) (a) of the Companies Act, 2013 to create mortgage/ charges/hypothecation for amount not exceeding ₹ 250 crore. 3. Consent under Section 180(1) (c) of the Companies Act, 2013 for borrowing not exceeding ₹ 250 crore
2014-15	Saturday, 26th September, 2015 at 11.00 A.M	Shripati Singhania Hall, Rotary Sadan, 94/2,Chowringhee Road, Kolkata 700 020	NIL

B. Passing of Resolutions by Postal Ballot

During the year under review 1 (One) Special Resolution was passed through postal ballot process. Details of voting conducted through Postal Ballot for the business stated in the Notice dated 13th February, 2015 and passed by shareholders on 17th April, 2015 is as follows:

Sr. No.	Resolution- Description	No.of votes polled	No. of valid votes polled	No. of invalid votes polled	No. of valid votes - in favour	No. of valid votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled	Results
1	Special Resolution for Adoption of Articles of Association of the Company	25,79,368	8,48,541	17,30,827	25,77,128	1,108	99.87%	0.13%	Approved

C. No extra-ordinary general meeting of the shareholders was held during the year.

D. Postal Ballot

No resolution requiring postal ballot was placed before the last Annual General Meeting. No resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting.

Your Company will comply with the requirements of postal ballot as and when such matters arises requiring approval of shareholders by such process under the Companies Act, 2013 & rules made thereunder, if any.



9. CODE OF CONDUCT

The Board of Directors has adopted the Code of Conduct and Ethics for Directors and Senior Management. The said Code has been communicated to the Directors and the members of the Senior Management. The Code has also been displayed on the Company's website-www.glosterjute.com. All the members of the Board and the senior management personnel have affirmed compliance with the Code for the year ended 31st March, 2016 and a declaration to this effect signed by Shri Dharam Chand Baheti, Managing Director is forming part of this report.

10. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In compliance with the Securities & Exchange Board of India (Prevention of Insider Trading) Regulations, 2015, the Company has adopted a "Code of Practices for Fair Disclosure" and "Code of Conduct for Insider Trading" for prevention of Insider Trading by Company insiders.

11. DISCLOSURES

a. All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulation during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year. Transactions with related parties as per requirements of Accounting Standard AS 18 are disclosed in Note No.33 to the Accounts in the Annual Report.

A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval. As required under Regulation 23(1) of the Listing Regulation, the Company has formulated a policy on dealing with Related Party Transactions.

The policy on Related Party Transactions has been uploaded on the website of the Company and can be accessed at <http://www.glosterjute.com/documents/RPTPolicy.pdf>.

All the transactions are in the ordinary course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis.

b. The Company has complied with all requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets

during the last three years.

- c. Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulation, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct or any other point of concern. The policy has been uploaded in the website of the Company and can be accessed at <http://www.glosterjute.com/documents/WBPolicy.pdf>.
- d. The Company has adopted sexual harassment policy and has established necessary mechanism for protection of women from sexual harassment at work place.
- e. The financial statements for the year 2015-2016 have been prepared in accordance with the applicable accounting standards prescribed by the Institute of Chartered Accountants of India and there are no deviations.
- f. Adoption of Non-mandatory requirements of Listing Regulation is being reviewed by the Board from time to time and adopted wherever applicable.

12. MEANS OF COMMUNICATION

- (i) The Unaudited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulation.
- (ii) The approved financial results are forthwith sent to the Listed Stock Exchanges and have been published in 'The Echo of India' and one of the prominent business dailies in Bengali "Arthik Lipi". Presently the same are not sent to the shareholders separately.
- (iii) The Company's Annual Reports, financial results and official news releases are displayed on the Company's website www.glosterjute.com.
- (iv) No formal presentations were made to the institutional investors and analysts during the year under review.
- (v) Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.
- (vi) The Company has an exclusive e-mail id for Shareholders/ Investors and they may write to the Company at shares@glosterjute.com.

13. GENERAL SHAREHOLDER INFORMATION

Detailed information in this regard is provided in the section 'Shareholder Information' which forms part of this Annual Report.



14. CERTIFICATE OF COMPLIANCE WITH CODE OF CONDUCT

ANNUAL DECLARATION UNDER REGULATION 34(3) READ WITH PART D OF SCHEDULE II OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I declare that in terms of Schedule V under Regulation 34(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Company has received affirmation of Compliance with Code of Conduct from all Board Members and Senior Management Personnel of the Company for the financial year ended 31st March, 2016.

Place : Kolkata
Date: 14th May, 2016

For Gloster Limited
Dharam Chand Baheti
Managing Director

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To The Members of Gloster Limited

I have examined the compliance of the conditions of Corporate Governance by Gloster Limited for the financial year ended 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges for the period 1st April, 2016 to 30th November, 2015 and as per relevant provisions of Securities and Exchange Board of India (Listing Obligation & Disclosure Regulations, 2015 for the period from 1st December, 2015 to 31st March, 2016

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company. In my opinion and based on the relevant records and documents maintained by the Company and furnished to me for the review and information and explanations given to me by the Company, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Listing Agreement/ Listing Regulations as applicable. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Kolkata
Date : 14th May, 2016

Sweety Kapoor
Practising Company Secretary
Membership No. FCS 6410, CP No. 5738



SHAREHOLDER INFORMATION

REGISTERED OFFICE

21, Strand Road,
Kolkata – 700 001.
CIN – L17119WB1992PLC054454
Telephone no : +91 33-2230-9601(4 lines)

ANNUAL GENERAL MEETING

Date and Time : 30 th August, 2016 at 2.00 P.M

Venue : Shripati Singhanian Hall, Rotary Sadan,
94/2, Chowringhee Road, Kolkata 700 020

FINANCIAL YEAR

1st April to 31st March

TENTATIVE FINANCIAL CALENDAR

Financial reporting for the quarter ending June 30, 2016	: By 13th August, 2016
Financial reporting for the half year ending September 30, 2016	: By 14 th November, 2016
Financial reporting for the quarter ending December 31, 2016	: By 14th February, 2017
Financial reporting for the year ending March 31, 2017	: By 30th May, 2017

DATE OF BOOK CLOSURE

24th August, 2016 to 30th August, 2016 (both days inclusive)

DIVIDEND

The dividend as recommended by the Board of Directors, if approved by the members at the ensuing Annual General Meeting, will be payable after 30th August, 2016 (date of AGM) to the eligible members.

LISTING ON STOCK EXCHANGES

The Equity shares of the Company are listed on BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 and The Calcutta Stock Exchange Ltd., 7 Lyons Range, Kolkata - 700001

Annual Listing Fees as prescribed have been paid to BSE Ltd. and The Calcutta Stock Exchange Ltd. for the year 2016-2017.

STOCK MARKET INFORMATION

STOCK CODE : CSE – 10017076
BSE – 538595
Demat ISIN No. For NSDL and
CDSL - INE652C01016

STOCK MARKET DATA

There were no transactions in the equity shares of the Company listed at the Calcutta Stock Exchange Ltd., hence monthly high and low quotations and volume of shares traded on the BSE Ltd. during the year are only given.

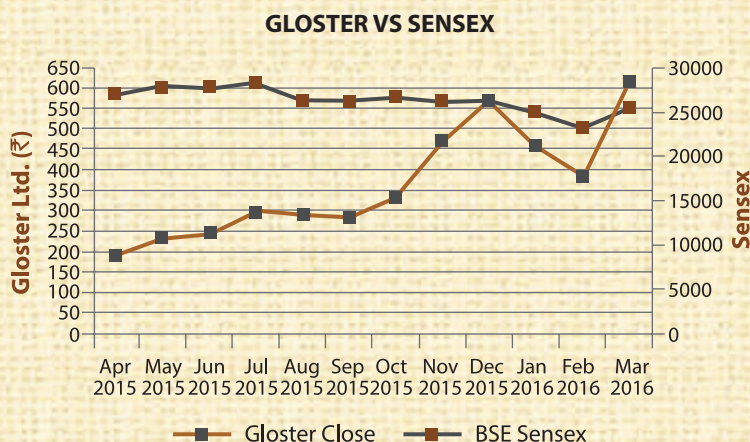
MONTH	BSE		
	HIGH (₹)	LOW (₹)	VOLUME (NO OF SHARES)
APRIL, 2015	217.50	166.00	6,679
MAY, 2015	257.90	185.50	31,314
JUNE, 2015	265.00	206.10	9,542
JULY, 2015	320.00	227.10	31,864
AUGUST, 2015	338.00	260.90	18,004
SEPTEMBER, 2015	320.00	235.20	35,195
OCTOBER, 2015	342.00	280.10	72,584
NOVEMBER, 2015	494.50	326.10	82,549
DECEMBER, 2015	768.00	402.00	1,47,935
JANUARY, 2016	620.00	400.00	50,000
FEBRUARY, 2016	499.00	341.50	27,220
MARCH, 2016	665.00	376.00	68,761



CULTIVATING GROWTH

PERFORMANCE AT BSE DURING THE FINANCIAL YEAR 2015-16

No. of Shares traded	5,81,647
Highest Share Price (₹)	768.00
Lowest Share Price (₹)	166.00
Closing share price as on 31st March, 2016 (₹)	610.60
Market Capitalisation as on 31st March, 2016 (₹)	31,955.38 lakhs



DEPOSITORY CONNECTIVITY

National Securities Depository Limited
Central Depository Services (India) Ltd

REGISTRAR AND SHARE TRANSFER AGENTS

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd floor,
Kolkata 700 001
Tel : +91 33 2243 5809
Fax : +91 33 2248 4787
e-mail : mdpldc@yahoo.com

SHARE TRANSFER SYSTEM

The transfer of shares in physical form is processed and completed by M/s. Maheshwari Datamatics Pvt. Ltd. within the stipulated time period, provided all the documents are

in order. In case of shares in electronic form, the transfers are processed by National Securities Depository Limited and Central Depository Services (India) Limited through respective Depository Participants. In compliance with the Listing Regulation, a practicing Company Secretary carries out audit of the System of Transfer and a Certificate to that effect is issued.

INVESTOR GRIEVANCE REDRESSAL SYSTEM

The Investor grievances / shareholders complaints are handled by the Company's Registrars and Share Transfer Agent M/s Maheshwari Datamatics Pvt. Ltd. Kolkata, in consultation with the Secretarial department of the Company.

Periodical review meetings are held between the officials of the Registrar and Share Transfer Agent and the Company to discuss the various issues relating to share transfer and other allied matters, dematerialization of shares, Investor complaints, etc.

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2016

NO. OF EQUITY SHARES HELD	NO. OF SHARE HOLDERS	% OF SHARE HOLDERS	NO. OF SHARES HELD	% OF SHARE HOLDING
Upto 500	2,359	90.59	1,73,543	3.32
501 to 1000	134	5.15	99,468	1.90
1001 to 2000	53	2.04	77,607	1.48
2001 to 3000	17	0.65	40,651	0.78
3001 to 4000	14	0.54	50,088	0.96
4001 to 5000	4	0.15	18,570	0.35
5001 to 10000	5	0.19	38,252	0.73
10001 and above	18	0.69	47,35,261	90.48
GRAND TOTAL	2,604	100.00	52,33,440	100.00

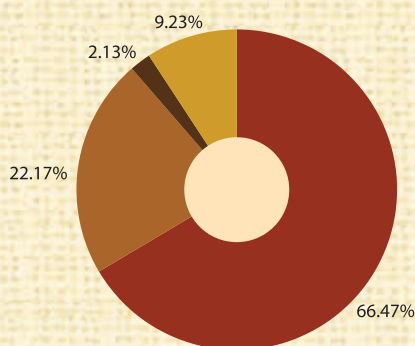


RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This Audit is carried out every quarter and the report thereon is submitted to the Stock Exchange/s. The Audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2016

CATEGORY	NO. OF SHARES HELD	% OF SHARE CAPITAL
A. PROMOTER'S HOLDING		
Promoters		
a. Indian Promoters	34,78,870	66.47
b. Foreign Promoters	–	–
Sub-total	34,78,870	66.47
B. NON-PROMOTER'S HOLDING		
1. Institutional Investors		
a. Mutual Funds and UTI	–	–
b. Banks, Financial Institutions, Insurance Companies	11,60,131	22.17
c. FII's	–	–
Sub-total	11,60,131	22.17
2. OTHERS		
a. Bodies Corporate	1,11,466	2.13
b. Indian Public	4,46,218	8.53
c. Others	36,755	0.70
Sub-total	5,94,439	11.36
GRAND TOTAL	52,33,440	100.00



Promoters	66.47%
Banks, Financial Institutions and Insurance Companies	22.17%
Bodies Corporate	2.13%
General Public and Others	9.23%

DEMATERIALIZATION OF SHARES AND LIQUIDITY

98.16% of the equity shares of the Company have been dematerialized as on 31st March, 2016. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have the option to dematerialize their shares with either of the depositories.

STATUS OF DEMATERIALIZATION AS ON 31ST MARCH, 2016

PARTICULARS	NO. OF SHARES	% TO TOTAL CAPITAL	NO. OF ACCOUNTS
National Securities Depository Limited	37,99,977	72.61	1,375
Central Depository Services (India) Limited	13,39,150	25.59	747
Total Dematerialised	51,39,127	98.20	2,122
Physical	94,313	1.80	482
Grand Total	52,33,440	100.00	2,604

OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

- NOT APPLICABLE

COMMODITY PRICE RISK/FOREIGN EXCHANGE RISK & HEDGING ACTIVITIES

The Company is exposed to the foreign exchange risk for import of raw material, stores & Capital Goods and export of finished goods and engages in foreign currency hedging with Banks/Stock Exchanges by way of currency forward contracts and currency futures in order to protect its foreign currency exposure from exchange fluctuations.

UNCLAIMED DIVIDENDS / SHARE CERTIFICATES

UNCLAIMED DIVIDENDS

Dividends that are unpaid / unclaimed for a period of seven years from the date they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Given below are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF:



CULTIVATING GROWTH

Financial Year	Date of declaration of dividend	Due Date for transfer to IEPF
2008-2009	22nd August, 2009	27th September, 2016
2009-2010	29th September, 2010	4th November, 2017
2010-2011	6th August, 2011	11th September, 2018
2011-2012	9th August, 2012	14th September, 2019
2012-2013	25th July, 2013	30th August, 2020
2013-2014	6th September, 2014	12th October, 2021
2014-2015	26th September, 2015	1st November, 2022

Members who have so far not encashed their dividend warrants are requested to have the same revalidated to avoid transfer to IEPF.

UNCLAIMED SHARE CERTIFICATES

As per Regulation 34(3) read with Schedule V of Listing Regulation, the details of the shares in the Suspense Account are as follows:

Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as at 1st April, 2015	Number of Shareholders who approached the Company for transfer of shares from Unclaimed Suspense Account during the year	Number of Shareholders to whom shares were transferred from Unclaimed Suspense Account during the year	Aggregate Number of Shareholders and the Outstanding Shares in the Unclaimed Suspense Account lying as at 1st April, 2016
114 shareholders holding 16,964 shares	Nil	Nil	114 shareholders holding 16,964 shares

Note:

- The voting rights on the shares outstanding in Unclaimed Suspense Account as on 31st March, 2016 shall remain frozen till rightful owner claims these shares.

NOMINATION

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agents.

ELECTRONIC CLEARING SERVICE

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for crediting dividends through National Electronic Clearing Services (NECS) to the investors wherever NECS and bank details are available. In the absence of NECS facility, the Company is required to print the bank account details on the dividend warrants. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. However, members who wish to receive dividend in an account

other than the one specified while opening the Depository Account, may notify their DPs about any change in the Bank Account details.

PLANT LOCATION

P.O. Fort Gloster
Bauria, Howrah-711310, West Bengal

ADDRESS FOR CORRESPONDENCE

REGISTRAR & SHARE TRANSFER AGENTS	REGISTERED OFFICE
Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd floor Kolkata 700 001 Tel : +91 33 2243 5809 Fax : +91 33 2248 4787 e-mail : mdpldc@yahoo.com	The Company Secretary Gloster Limited 21, Strand Road, Kolkata 700 001 Tel: +91 33 2230 9601 (4 lines) Fax: +91 33 2210 6167, +91 33 2231 4222 e-mail: info@glosterjute.com, shares@glosterjute.com



STANDALONE FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To The Members of Gloster Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Gloster Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. 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 standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards

on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a



statement on the matters specified in paragraphs 3 and 4 of the Order.

10. 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 purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and

the operating effectiveness of such controls, refer to our separate Report in Annexure A.

- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements – Refer Note 30;
 - ii) The Company has made provisions as at March 31, 2016 as required under the applicable law or accounting standards, for materials foreseeable losses if any, on derivative contracts – Refer Note 34 to the financial statements and there are no long term contracts outstanding as at March 31, 2016.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number 55000

Place: Kolkata
Date: May 14, 2016



ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Gloster Limited on the standalone financial statements for the year ended March 31, 2016

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

1. We have audited the internal financial controls over financial reporting of Gloster Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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.

Auditor's Responsibility

3. 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 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.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention



or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 Lovelock & Lewes

Firm Registration Number: 301056E
Chartered Accountants

Sunit Kumar Basu

Partner
Membership Number 55000

Place: Kolkata
Date: May 14, 2016



ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Gloster Limited on the standalone financial statements as of and for the year ended March 31, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of four years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the financial statements, are held in the name of the Company.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. 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. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax, service-tax, duty of customs and excise duty, which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, value added tax, cess as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
West Bengal VAT Act, 2003	West Bengal VAT	14,42,916	2007-08	Appellate & Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	8,41,751	2007-08	Appellate & Revisional Board
West Bengal VAT Act, 2003	West Bengal VAT	21,61,019	2008-09	Appellate & Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	6,94,675	2008-09	Appellate & Revisional Board
West Bengal VAT Act, 2003	West Bengal VAT	17,34,219	2009-10	Appellate & Revisional Board



Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	15,54,342	2009-10	Appellate & Revisional Board
West Bengal VAT Act, 2003	West Bengal VAT	22,26,350	2010-11	Additional Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	38,83,904	2010-11	Additional Commissioner
West Bengal VAT Act, 2003	West Bengal VAT	29,85,287	2011-12	Appellate Forum
Central Sales Tax Act, 1956	Central Sales Tax	75,40,895	2011-12	Appellate Forum
West Bengal VAT Act, 2003	West Bengal VAT	53,51,845	2012-13	Appellate Forum
Central Sales Tax Act, 1956	Central Sales Tax	1,47,96,067	2012-13	Appellate Forum

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any banks as at balance sheet date. The Company does not have any loans or borrowings from any financial institutions or government nor has issued any debentures as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted practices in India, and according to the information and explanations 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 we have been informed of any such case by the Management.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Lovelock & Lewes

Firm Registration Number: 301056E
Chartered Accountants

Sunit Kumar Basu

Partner
Membership Number 55000

Place: Kolkata
Date: May 14, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in lakhs)

	Note	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	523.34	523.34
Reserves and Surplus	4	32,435.63	35,748.82
		32,958.97	36,272.16
Non-current Liabilities			
Long-term borrowings	5	286.83	711.48
Deferred tax liabilities (net)	6	56.84	71.68
Long-term provisions	7	303.23	236.68
		646.90	1,019.84
Current Liabilities			
Short-term borrowings	8	7,765.21	3,001.45
Trade Payables	9	616.87	457.54
Other current liabilities	10	2,426.01	1,997.76
Short-term provisions	11	1,617.59	1,063.52
		12,425.68	6,520.27
Total		46,031.55	43,812.27
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	12	25,583.96	30,580.10
Intangible assets	13	19.41	10.69
Capital work-in-progress		433.01	127.63
Non-current investments	14	3,008.62	2,397.61
Long-term loans and advances	15	596.72	560.63
		29,641.72	33,676.66
Current assets			
Current investments	16	1,530.08	664.00
Inventories	17	9,948.09	6,806.96
Trade receivables	18	2,552.52	1,768.38
Cash and Bank balances	19	411.33	488.10
Short-term loans and advances	20	1,947.81	408.17
		16,389.83	10,135.61
Total		46,031.55	43,812.27
Corporate Information	1		
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these Financial Statements.
This is the Balance Sheet referred to in our report of even date.

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu

Partner
Membership No. 55000

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

Hemant Bangur Executive Chairman

D. C. Baheti Managing Director

Nandita Sen Director

S. N. Bhattacharya Director

K. Mahapatra Director



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in lakhs)

	Note	Year ended 31st March, 2016	Year ended 31st March, 2015
INCOME			
Revenue from operations (gross)	21	43,026.30	32,774.59
Less: Excise Duty and R & D Cess		315.60	232.26
Revenue from operations (net)		42,710.70	32,542.33
Other Income	22	1,167.13	500.55
Total Revenue		43,877.83	33,042.88
EXPENSES			
Cost of materials consumed	23	25,030.46	16,717.41
Purchase of traded goods		10.17	-
Changes in inventories of finished goods, stock-in-process and semi-finished goods	24	(1,795.22)	11.22
Employee benefits expense	25	8,194.39	6,466.56
Finance costs	26	411.50	488.01
Depreciation and amortization expense	27	780.03	912.50
Other expenses	28	7,554.31	6,435.80
Total Expenses		40,185.64	31,031.50
Profit before exceptional items and tax		3,692.19	2,011.38
Exceptional items		-	-
Profit before tax		3,692.19	2,011.38
Tax expense			
Current tax		1,243.00	811.00
Deferred tax		(14.83)	(123.17)
Total Tax expenses		1,228.17	687.83
Profit for the year		2,464.02	1,323.55
Earnings per equity share [Nominal Value per Share ₹ 10 (31.03.2015 - ₹ 10)]			
Basic & Diluted	29	47.08	25.29
Corporate Information	1		
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these Financial Statements.
This is the Statement of Profit and Loss referred to in our report of even date.

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu

Partner
Membership No. 55000

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

Hemant Bangur Executive Chairman

D. C. Baheti Managing Director

Nandita Sen Director

S. N. Bhattacharya Director

K. Mahapatra Director

Place: Kolkata

Date: 14th May, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in lakhs)

Particulars	Year ended	
	31st March, 2016	31st March, 2015
A. Cash Flow from Operating Activities		
Net profit before tax	3,692.19	2,011.38
Adjustments for:		
Depreciation and Amortisation Expenses	780.03	912.50
Finance Costs	411.50	488.01
Bad Debts Written Off	4.38	7.60
Net (Profit) / Loss on sale of fixed assets	(2.45)	(4.34)
Net gain on sale of current investments	(36.30)	(89.04)
Net gain on sale of long term Investments	(99.92)	(30.02)
Unrealised (Gain) / Loss on exchange (net)	(2.86)	(4.05)
(Gain)/ Loss on Mark to Market adjustment for Derivative Instrument	22.57	1.74
Export Incentive received under SHIS Scheme	(3.79)	(43.27)
Interest Income	(191.64)	(93.48)
Dividend income on long term investments	(1.13)	(2.42)
Liabilities no longer required written back	(5.79)	(36.53)
Provision for Impairment of Power Plant	–	84.33
Diminution in value of Investment	21.43	–
Advance Written Off	–	39.19
Provision for Diminution in Investment Written Back	(11.73)	–
	884.30	1,230.22
Operating profit before working capital changes	4,576.49	3,241.60
Adjustments for:		
Decrease/(Increase) in Inventories	(3,141.14)	(45.79)
Decrease/(Increase) in Trade and Other Receivables	(952.70)	578.80
(Decrease)/Increase in Trade and Other Payables	1,408.04	(3.62)
	(2,685.80)	529.39
Cash generated from operations	1,890.69	3,770.99
Income Taxes paid	(1,505.52)	(705.11)
Net Cash from Operating Activities	A 385.17	3,065.88
B. Cash Flow from investing activities		
Purchase of Fixed Assets	(1,504.11)	(1,095.79)
Grant/ Capital Subsidy Received against Specific Fixed Assets	16.92	41.48
Sale of Fixed Assets	12.57	11.69
Purchase of Current investments	(3,427.38)	(1,350.00)
Application Money paid for Investment	(200.00)	–
Purchase of Non-current investments	–	(504.00)
Sale/ Redemption of Investments	2,062.25	2,372.60
Interest received	191.64	128.82
Dividend received	1.13	2.42
Loans to Bodies Corporate	(1,200.00)	–
(Increase)/Decrease in Margin Money Deposits	(40.98)	0.77
Net Cash used in Investing activities	B (4,087.96)	(392.01)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in lakhs)

Particulars	Year ended		Year ended	
	31st March, 2016		31st March, 2015	
C. Cash Flow from Financing Activities				
Net proceeds / (repayment) of Short term Borrowings	4,763.76		(2,105.59)	
Proceeds from Long-term Borrowings	598.00		790.00	
Repayment of Long-term Bank Borrowings	(995.73)		(356.55)	
Finance costs paid	(405.57)		(494.81)	
Dividend paid	(311.50)		(311.75)	
Dividend Taxes paid	(63.92)		(53.37)	
(Increase)/Decrease in Unpaid Dividend Account	(2.51)		(2.26)	
Net Cash from / (used) in Financing Activities	C	3,582.53		2,534.33
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		(120.26)		139.54
D. Cash and Cash Equivalents				
Net Increase/ (Decrease) in Cash and Cash Equivalents		(120.26)		139.54
Cash and Cash Equivalents as on 1 April		472.14		332.60
Cash and Cash Equivalents as on 31 March		351.88		472.14

Notes:

- The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard -3, on Cash Flow Statement as per Companies Accounting Standard Rules, 2006.
- Previous year's figures have been regrouped/ rearranged wherever necessary.

This is the Cash Flow statement referred to in our report of even date.

For Lovelock & Lewes

Firm Registration No. 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership No. 55000

Shankar Lal Kedia

Chief Financial Officer

Ajay Kumar Agarwal

Company Secretary

Hemant Bangur Executive Chairman

D. C. Baheti Managing Director

Nandita Sen Director

S. N. Bhattacharya Director

K. Mahapatra Director

Place: Kolkata

Date: 14th May, 2016



NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

Gloster Limited is a public company incorporated on 18th February, 1992 under the provisions of the Companies Act, 1956. Gloster is a leading manufacturer & exporter of all types of Jute & Jute allied products, Woven & Non-Woven Jute Geotextiles, Treated Fabric-Rot Proof, Fire Retardant, Jute Products for Interior Decoration & Packaging of Industrial & Agricultural Produce. The Company also produces Jute & Cotton Shopping Bags & Made Ups. Gloster exports Jute goods to various countries spread over the World. The Company's manufacturing facilities are located at Bauria on the banks of Holy Ganges in West Bengal. The Equity shares of the Company are listed on the BSE Ltd. & The Calcutta Stock Exchange Ltd.

2. Summary of significant accounting policies

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention, except for certain tangible assets, which are carried at revalued amounts. Pursuant to section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by the Central Government in consultation with and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently these Financial Statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 2013.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated 30th March 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. 1st April 2016.

All assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule III to the Companies

Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current, non-current classification of assets and liabilities.

2.2 Change in Accounting Policy

The Company used to carry all its assets following historical cost convention with the exception of certain tangible assets (Freehold Land, Buildings and Plant & Machinery) which were revalued at current replacement value during financial year 2012-13 and 2009-10. For the purpose of ensuring uniformity of accounting policy with regard to all tangible depreciable assets, with effect from the current financial year, Building and Plant & Machinery which earlier had been re-valued have now been stated at cost less accumulated depreciation pertaining to such cost and accordingly Revaluation Reserve attributable to the aforesaid depreciable tangible assets has been reversed with corresponding reduction in the book value of such assets with effect from 1st April, 2015. The aforesaid change in Accounting policy, however does not have any impact on the profit for the current year.

2.3 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

2.4 Tangible assets and Depreciation

a) The freehold land at company's factory at Bauria, Howrah was revalued and restated at valuation by an approved valuer at current replacement cost as at 31st March, 2013 (an earlier revaluation was carried out as at 31st March, 2010). The appreciation in the net book value of these assets over their book value has been credited to Revaluation Reserve. (Also refer note 2.2 above)



NOTES TO THE FINANCIAL STATEMENTS

- b) Other tangible assets are stated at cost of acquisition including inward freight, duties, taxes and expenses incidental to acquisition and installation, net of accumulated depreciation & impairment losses.
- c) Depreciation is provided on Straight line method over the estimated useful lives of the assets. Pursuant to Notification of Schedule II of the Companies Act, 2013 becoming effective, the Company has adopted the useful lives on the basis of internal technical evaluation. The lives adopted by the Company are as per the lives specified for the respective fixed assets in the Schedule II of the Companies Act, 2013. No depreciation is provided on Freehold Land.
- d) Profit and Loss on disposal of tangible assets is recognized in the Statement of Profit and Loss.
- e) An impairment loss is recognized where applicable when the carrying amount of tangible asset exceeds its recoverable amount.

2.5 Intangible assets and Amortization

- a) Intangible assets are stated at cost of acquisition including duties, taxes and expenses incidental to acquisition and installation, net of accumulated depreciation.
- b) Intangible assets comprising of computer software is depreciated on straight line method over a period of five years.
- c) Profit and Loss on disposal of Intangible assets is recognized in the Statement of Profit and Loss.
- d) An impairment loss is recognized where applicable when the carrying amount of intangible asset exceeds its recoverable amount.

2.6 Impairment of Assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible & intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Assessment is also done at each balance sheet date as to

whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased / increased.

2.7 Investments

Investments that intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments

Long term investments are carried at cost net off provision, if any, for decline in value considered to be other than temporary in nature.

Current investments are stated at lower of cost and fair value.

2.8 Subsidy / Government Grant

Subsidy / Government grant and export incentive are accounted for when no significant uncertainty exists regarding its collectibility. Subsidy / Government grant that relate to specific fixed assets are deducted from the cost of the relevant fixed asset. Subsidy / Government grant receivable against any expenditure is recognized in the statement of profit and loss. Subsidy / Government grant received / receivable which is in the nature of promoters contribution i.e. they are given with reference to the total investment / capital outlay in an undertaking is credited to Capital Reserve.

2.9 Inventories

Raw materials, Stores and Spares parts and components are valued at cost (cost being determined on weighted average basis) or at net realizable value whichever is lower.

Semi-finished goods and stock-in-process are valued at raw materials cost plus labour and overheads apportioned on an estimated basis depending upon the stages of completion or at net realizable value whichever is lower.

Finished goods are valued at cost or at net realizable value whichever is lower. Cost includes all direct cost and applicable manufacturing and administrative overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale.



NOTES TO THE FINANCIAL STATEMENTS

2.10 Employee Benefit

a) Defined Contribution Plans

The Company contributes to Provident Funds which are administered by duly constituted and approved independent Trust / Government and such contributions are charged against revenue every year. In respect of Provident Fund Contributions made to an independent Trust administered by the Company, the interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall if any shall be made good by the Company.

The Company operates a Superannuation Scheme for certain employees and contributions by the Company under the scheme, is charged against revenue every year.

b) Defined Benefit Plans

(i) Gratuity

The Company provides for gratuity covering eligible employees in accordance with Payment of Gratuity Act, 1972.

Accrued liability determined based on actuarial valuation (using the Projected Unit Credit Method) as at the year end in respect of future payment of gratuities are charged in the Statement of Profit and Loss every year.

Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

(ii) Compensated Absences

Accrued liability in respect of leave encashment benefit on retirement is accounted for on the basis of actuarial valuation (using the Projected Unit Credit Method) as at the year end and charged in the Statement of Profit and Loss every year.

Compensated absences benefits comprising of entitlement to accumulation of Sick Leave is provided for based on actuarial valuation at the end of the year.

Actuarial gains and losses are recognized

immediately in the statement of Profit and Loss.

Accumulated Compensated Absences and Gratuity liability, which are expected to be availed or encashed or contributed within the 12 months from the end of the year are treated as short term employee benefits and the balance expected to be availed or encashed or contributed beyond 12 months from the year end are treated as long term liability.

c) Other Short Term Employee Benefits

Short Term Employee Benefits are recognized as an expense as per the Company's schemes based on expected obligation on an undiscounted basis.

2.11 Research & Development Cess and Excise duty

Research & Development Cess and Excise Duty (wherever applicable) on manufactured goods are accounted for at the time of their clearance from the factory. Research and Development Cess and Excise Duty (wherever applicable) in respect of manufactured goods lying at the year end are included in inventory after creating suitable provision for the same.

2.12 Sale of Goods

Sale of goods is stated net of sales tax. Sale is recognized on transfer of significant risks and rewards of ownership in goods to the buyer as per the terms of contract.

2.13 Other Income

Interest Income is recognized on a time proportion basis taking in to account the amount outstanding and the applicable interest rate.

Dividend income is recognized when the right to received dividend is established.

Export incentive are accounted as income in the Statement of Profit and Loss when no significant uncertainty exists regarding the collectability.

Insurance claims are accounted to the extent the Company is reasonably certain of their ultimate collection.

2.14 Foreign Currency Transaction

(i) Initial Recognition

On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction.



NOTES TO THE FINANCIAL STATEMENTS

(ii) Subsequent Recognition

At the reporting date, foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of transactions.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period at the closing exchange rate.

The premium or discount arising at the inception of forward exchange contracts covered under AS 11 entered into to hedge an existing asset / liability, is amortized as expense or income over the life of the contract and are recognized in the Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or expense for the period.

Derivative contracts outstanding at the Balance Sheet date are marked to market and resulting loss, if any, is recognized in the Statement of Profit and Loss and gains are ignored. Any profit or loss arising on cancellation of derivative instruments is recognized as income or expense for the period.

2.15 Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the year based on applicable tax rates and laws.

Deferred tax is recognized, 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 assets are not recognized unless there is reasonable certainty and virtual certainty in case of unabsorbed loss and depreciation, that sufficient future taxable income will be available against which such deferred tax assets will be realized. Deferred tax Assets is reviewed at each Balance Sheet date to reassess its realization.

Deferred Tax Assets and Liabilities are measured using the existing tax rates and tax as on the Balance Sheet date. At each Balance Sheet date the Company re-assesses unrecognized Deferred Tax Assets, if any.

2.16 Borrowing Cost

Borrowing costs are capitalized as part of the cost of qualifying assets when it is probable that they will result

in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

2.17 Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.18 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. 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 is adjusted for the effects of all dilutive potential equity shares.

2.19 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, with original maturities of three months or less.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

3. Share capital	As at 31st March, 2016	As at 31st March, 2015
Authorised		
2,50,00,000 (31.03. 2015 - 2,50,00,000) Equity Shares of ₹ 10/- each	2,500.00	2,500.00
Issued, Subscribed and Fully Paid-up		
52,33,440 (31.03. 2015 - 52,33,440) Equity Shares of ₹ 10/- each	523.34	523.34
Total	523.34	523.34

(a) Reconciliation of number of equity shares	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	₹ In lakhs	No. of Shares	₹ In lakhs
Balance as at the beginning of the year	52,33,440	523.34	52,33,440	523.34
Add: Shares issued during the period	–	–	–	–
Balance as at the end of the year	52,33,440	523.34	52,33,440	523.34

(b) Rights, preferences & restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares are eligible to receive the remaining assets of the Company after distribution of all the preferential amounts, in proportion to their shareholding.

(c) Shares allotted as fully paid up by way of bonus shares and pursuant to contract(s) without payment being received in cash

	As at 31st March, 2016	As at 31st March, 2015
	No. of Shares	No. of Shares
Equity shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash 1993-94	2,17,360	2,17,360
Equity shares allotted as fully paid-up bonus share by way of capitalisation of General Reserve in 2002-03	6,54,180	6,54,180
Equity shares allotted as fully paid-up bonus share by way of capitalisation of General Reserve in 2008-09	13,08,360	13,08,360
Equity shares allotted as fully paid-up bonus share by way of capitalisation of Securities Premium Account and General Reserve in 2013-14	26,16,720	26,16,720

(d) Details of shares held by shareholders holding more than 5% of the aggregate equity shares in the Company

	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% holding	No. of Shares	% holding
Life Insurance Corporation of India	11,51,597	22.05	11,51,597	22.05
Kettlewell Bullen & Company Limited	8,93,903	17.08	8,93,903	17.08
The Oriental Company Limited	7,55,008	14.43	7,55,008	14.43
Madhav Trading Corporation Limited	5,91,840	11.31	5,91,564	11.30
Credwyn Holdings (India) Pvt. Ltd.	3,05,190	5.83	3,05,190	5.83
Pushpa Devi Bangur	3,95,228	7.55	–	–

(e) Issue of bonus share

The Board of Directors of the Company at their meeting held on 29.03.2016 have proposed the issue of Bonus share in the ratio 1:1 i.e. one bonus share for every one fully paid-up equity share and the share holders of the Company have approved the same through Postal Ballot, result of which has been announced on 11.05.2016. Subsequent to allotment of the Bonus Shares, the Share Capital of the Company would stand at 1,04,66,880 equity shares of ₹ 10/- each aggregating to ₹ 10,46,68,800/-.



NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

4. Reserves and Surplus	As at 31st March, 2016		As at 31st March, 2015	
Capital Reserve		150.00		150.00
Revaluation Reserve				
Balance as at the beginning of the year		24,379.95		28,251.96
Deduct:				
i) Depreciation Adjustment pursuant to Schedule II of Companies Act, 2013 [Refer Note 12(c) and Note 27]		–		2,501.87
ii) Reduction of revaluation reserve due to Impairment		–		221.03
iii) Amount transferred to the Statement of Profit and Loss as reduction from depreciation on Tangible Assets [Refer Note 27]		–		1,146.46
iv) Adjustment [Refer Note 12(a)]		5,399.27		–
v) Adjustment on account of disposal of Tangible Assets		–	4.32	
Deduct: Depreciation on account of disposal of Tangible Assets	–	–	1.68	2.64
Balance as at the end of the year		18,980.68		24,379.96
General Reserve				
Balance as at the beginning of the year		10,795.66		9,995.66
Add: Transferred from Surplus in the Statement of Profit and Loss during the year		2,000.00		800.00
Balance as at the end of the year		12,795.66		10,795.66
Surplus in the Statement of Profit and Loss				
Balance as at the beginning of the year		423.20		495.55
Less: Depreciation Adjustment Pursuant Schedule II of Companies Act, 2013 (Net of Deferred Tax ₹ 112.24 lakhs) [Refer Note 12(c) and Note 27]		–		217.97
Add: Profit for the year		2,464.02		1,323.55
Deduct: Appropriations				
i) Proposed dividend on equity shares for the year- ₹ 3/- per share [Refer Note 3 (e)] (2014-15 ₹ 6/- per share)		314.01		314.01
ii) Dividend distribution tax on proposed dividend on equity shares		63.92		63.92
iii) Transfer to General Reserve		2,000.00		800.00
Balance as at the end of the year		509.29		423.20
Total		32,435.63		35,748.82

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

5. Long-term borrowings	As at 31st March, 2016	As at 31st March, 2015
Secured		
Term Loan from Banks [Refer Note (a) below]	192.50	978.23
Unsecured		
Term Loan from Banks [Refer Note (b) below]	388.00	–
	580.50	978.23
Less: Amount disclosed under the head “Other current liabilities” [Refer Note 10]	293.67	266.75
Total	286.83	711.48

(a) Nature of security and terms of repayment for secured borrowings (including current maturities of Long term borrowings in Note 10)

Nature of Security	Terms of repayment
(i) Term loan from banks amounting to ₹ 192.50 lakhs (31.03.2015: ₹ 790 lakhs) are secured by equitable mortgage of factory, land and building, hypothecation of all plant & machinery and all other movable fixed assets of the Company.	Repayable in 24 equal quarterly installments beginning from August 2015 along with interest rate linked to Bank base rate + 1.40% spread.
(ii) Unsecured Term Loan	Repayable in 3 equal quarterly installments beginning from December 2016 along with interest rate linked to Bank base rate + 0.25% spread.

6. Deferred tax liabilities (net)		As at 31st March, 2016	As at 31st March, 2015
Deferred tax liabilities			
Depreciation (A)		458.70	429.60
Deferred tax assets			
Provision for leave encashment		95.29	73.67
Provision for doubtful advances		51.28	50.36
Provision for Impairment		96.64	94.91
Others		158.65	138.98
	(B)	401.86	357.92
Total [Refer Note (a) below]	(A-B)	56.84	71.68

(a) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

7. Long-term provisions		As at 31st March, 2016	As at 31st March, 2015
Provision for compensated absences of employees		303.23	236.68
Total		303.23	236.68



NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

8. Short-term borrowings	As at 31st March, 2016	As at 31st March, 2015
Secured		
Loans from banks [refer Note (a) below]	5,265.21	3,001.45
Unsecured		
Loans from banks [refer Note (b) below]	2,500.00	–
Total	7,765.21	3,001.45

(a) Loan repayable on demand amounting to ₹ 5,265.21 lakhs (31.03.2015: ₹ 3,001.45 lakhs) are secured by hypothecation of stock of raw material, stock -in-process, finished goods, stores & consumables, book debts and other current assets of the Company. Further, loans repayable on demand to bank amounting to ₹ 3,414.16 lakhs (31.03.2015: ₹ 2,748.65 lakhs) is also secured by Corporate Guarantee of Kettlewell Bullen & Company Limited.

(b) Unsecured loans from banks repayable within 30 days from the date of disbursement of Loan.

9. Trade payables	As at 31st March, 2016	As at 31st March, 2015
Total outstanding dues of Micro Small & Medium Enterprises (Refer Note 35)	1.21	–
Total outstanding dues of creditors other than Micro Small & Medium Enterprises	615.66	457.54
Total	616.87	457.54

10. Other current liabilities	As at 31st March, 2016	As at 31st March, 2015
Current maturities of long-term debt (also refer Note 5)	293.67	266.75
Advances received from customers	160.89	122.94
Interest accrued and due on borrowings	9.94	10.52
Interest accrued but not due on borrowings	6.51	–
Unpaid Dividends [Refer Note (a) below]	18.26	15.75
Statutory dues	184.86	127.31
Capital Creditors	55.42	28.10
Other payables [Refer Note (b) below]	1,696.46	1,426.39
Total	2,426.01	1,997.76

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the end of the year. Section 125 of the Companies Act, 2013 which corresponds to Section 205C of the Companies Act, 1956 has not yet been enforced.

(b) Other payables include Buyers Credit of ₹ Nil (31.03.2015: ₹ 12.83 lakhs) and Employee Cost liability of ₹ 657.88 lakhs (31.03.2015: ₹ 404.99lakhs).

11. Short-term provisions	As at 31st March, 2016	As at 31st March, 2015
Provision for Employee Benefits (also refer Note 25)		
Provision for Gratuity	916.35	96.88
Provision for compensated absences of employees	72.87	75.75
Other Provisions		
Proposed dividend on equity shares for the year- ₹ 3/- per share [Refer Note 3(e)] (2014-15 ₹ 6/- per share)	314.01	314.01
Provision for Dividend Distribution Tax	63.92	63.92
Provision for Taxation [Net of Advance Tax ₹ 8,015.49 lakhs (2014-15: ₹ 6,509.96 lakhs)]	250.44	512.96
Total	1,617.59	1,063.52



NOTES TO THE FINANCIAL STATEMENTS

12. Tangible assets

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				IMPAIRMENT			NET BLOCK AFTER IMPAIRMENT	
	Cost/ Valuation as at 1st April, 2015 [Note (a)]	Additions during the year	Sale/ Adjustment during the year [Note (b)]	Cost/ Valuation as at 31st March, 2016	As at 1st April, 2015	For the year	Sale/ Adjustment during the year	As at 31st March, 2016	As at 1st April, 2015	Impairment Loss For the year	As at 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
Freehold Land	19,093.18	-	-	19,093.18	-	-	-	-	-	-	19,093.18	19,093.18	
Buildings	9,538.70	271.20	5,691.28	4,118.62	1,787.06	108.22	971.48	923.80	57.94	-	57.94	3,136.88	7,693.70
Roads	310.49	-	111.85	198.64	250.92	16.93	111.03	156.82	-	-	-	41.82	59.57
Plant & Equipment	14,058.49	849.70	5,846.77	9,061.42	10,934.90	477.48	5,151.25	6,261.13	211.62	-	211.62	2,588.67	2,911.97
Furniture & Fixtures	390.02	6.31	-	396.33	111.88	41.59	-	153.47	-	-	-	242.86	278.14
Motor Vehicles	205.54	78.52	24.47	259.59	81.72	30.02	14.56	97.18	-	-	-	162.41	123.82
Launches	0.04	-	-	0.04	0.03	-	-	0.03	-	-	-	0.01	0.01
Office Equipment	156.78	1.26	0.51	157.53	76.60	32.58	0.25	108.93	0.71	-	0.71	47.89	79.47
Electrical Installations	581.01	-	-	581.01	231.82	70.00	-	301.82	8.95	-	8.95	270.24	340.24
Total	44,334.25	1,206.99	11,674.88	33,866.36	13,474.93	776.82	6,248.57	8,003.18	279.22	-	279.22	25,583.96	30,580.10
Previous Year	43,401.31	1,272.91	339.97	44,334.25	8,654.31	4,888.08	67.46	13,474.93	194.89	84.33	279.22	30,580.10	

(a) The Company had revalued all of its Land, Buildings and Plant & Machinery at its factory at Bauria, Howrah at current replacement value as at 31st March, 2010 and 31st March, 2013 as per valuation report of an approved valuer.

Revaluation Reserve balance of ₹ 5,399.27 lakhs attributable to the depreciable tangible assets (Buildings and Plant & Machinery) has been reversed during the year with corresponding reduction in the book value of such assets with effect from 1st April, 2015.

The restatement of non-depreciable tangible assets (Freehold Land) arising out of revaluation is as set out below:

Particulars	31st March, 2010		31st March, 2013	
	Original Cost	Amount added on revaluation	Original Cost	Amount further added on revaluation
Freehold Land	112.50	10,409.03	112.50	8,571.65

b) Adjustment to Plant & Machinery includes Subsidy received ₹ 16.93 lakhs (2014-15: ₹ 41.48 lakhs)

(c) Pursuant to notification of Schedule II of the Companies Act, 2013 (the Act), with effect from April 1, 2014, the Company had reviewed and revised the useful lives of its Fixed Assets. In respect of assets whose useful life are exhausted as at April 1, 2014, the related carrying amount aggregating to ₹ 217.97 lakhs (Net of Deferred Tax of ₹ 112.24 lakhs) and revalued amount of such exhausted assets of ₹ 2,501.87 lakhs has been adjusted against the opening balance of Surplus and Revaluation Reserve respectively as at April 1, 2014 [Refer Note 4 and Note 27]. Further revision of useful life has resulted in additional depreciation of ₹ 145.33 lakhs in previous year's Statement of Profit and Loss.



NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

13. Intangible assets

Particulars	GROSS BLOCK				AMORTISATION			NET BLOCK		
	Cost/ Valuation as at 1st April, 2015	Additions during the year	Sale/ Adjustment during the year	Cost/ Valuation as at 31st March, 2016	As at 1st April, 2015	For the year	Sale/ Adjustment during the year	As at 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
Computer - Software	40.79	11.93	-	52.72	30.10	3.21	-	33.31	19.41	10.69
Total	40.79	11.93	-	52.72	30.10	3.21	-	33.31	19.41	10.69
Previous Year	36.85	3.94	-	40.79	27.14	2.96	-	30.10	10.69	

14. Non-current investments

	As at 31st March, 2016	As at 31st March, 2015
Long Term Investments		
Trade Investments (valued at cost unless stated otherwise)		
Unquoted Equity Instruments		
Investment in Subsidiaries		
Gloster Lifestyle Limited 40,00,000 (31.03.2015 - 40,00,000) Equity Shares of ₹ 10/- each fully paid-up	400.00	400.00
Gloster Specialities Limited 40,00,000 (31.03.2015 - 40,00,000) Equity Shares of ₹ 10/- each fully paid-up	400.00	400.00
Unquoted Equity Instruments		
Fine Worthy Software Solutions Private Limited 91,411 (31.03.2015 - 91,411) Equity Shares of ₹ 10/- each fully paid-up	213.68	213.68
Debentures (Quoted)		
Edelweiss Finance & Investments Limited Nil (31.03.2015 - 99) Debt Market Linked Non Convertible Debentures of ₹ 1,00,000/- each fully paid-up	-	99.00
India Infoline Finance limited Nil (31.03.2015 - 10) Principal Protected Secured Redeemable Non Convertible Market Linked Debentures of ₹ 10,00,000/- each fully paid-up	-	100.00
Mutual Fund (Quoted)		
Reliance Fixed Horizon Fund XXVIII Series 14 - Growth 25,00,000 units (31.03.2015 - 25,00,000 units)	250.00	250.00
Kotak Mahindra FMP Series -172 Mutual Fund 5,00,000 units (31.03.2015 - 5,00,000 Units)	50.00	50.00
ICICI Prudential FMP Series 78 10,00,000 units (31.03.2015 - Nil units)	100.00	-
Reliance Fixed Horizon Fund XXX Series 14 - Growth 10,00,000 units (31.03.2015 - Nil units)	100.00	-
UTI Fixed Term Income Fund Series XXII - VI - Growth 12,50,000 units (31.03.2015 - Nil units)	125.00	-
Others (Unquoted)		
IIFL Income Opportunities Fund 29,44,328.379 units (31.03.2015 - 29,44,328.379 units) of ₹ 0.8916/- (31.03.2015 - ₹ 10/-) each fully paid-up	28.45	296.63
IIFL Asset Revival Fund Nil units (31.03.2015- 19,32,853.225 units) of ₹ 10/- each fully paid-up	-	200.00

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

14. Non-current investments (contd...)	As at 31st March, 2016	As at 31st March, 2015
Peninsula Brookfield India Real Estate Fund 166,70117 units (31.03.2015- 66 units) of ₹ 1,00,000/- each fully paid-up	168.70	68.00
IIFL National Development Agenda Fund 19,68,813.881 units (31.03.2015-19,68,813.881 units) of ₹10/- each fully paid-up	200.00	200.00
IIFL Real Estate Fund (Domestic) - Series 2 18,66,885.295 Class B units (31.03.2015-2,77,528 units) of ₹ 10/- each fully paid-up	200.00	30.00
Indiareit Apartment Fund 49,1452 units (31.03.2015-24,1452 units) of ₹ 1,00,000/- each fully paid-up	50.00	25.00
Orios Venture Partners Fund 1,25,000 units (31.03.2015-1,50,000 units) of ₹ 100/- each fully paid-up	125.00	50.00
IIFL Best of Class Fund - I 5,00,000 units of Class B1 (31.03. 2015 - Nil) of ₹ 10/- each fully paid-up	50.00	-
5,00,000 units of Class B2 (31.03.2015 - Nil) of ₹10/- each fully paid-up	50.00	-
IIFL Real Estate Fund (Domestic) - Series 3 20,00,000 units of Class B (31.03.2015 - Nil units) of ₹ 10/- each fully paid-up	200.00	-
TATA Motors Finance Limited 1,00,000 (31.03.2015 - Nil) Compulsorily Convertible Preference Shares of ₹100/- each fully paid up	100.00	-
Quoted Equity Instruments		
The Cochin Malabar Estates & Industries Limited Nil (31.03.2015 - 15,000) Equity Shares of ₹10/- each fully paid-up [Net of provision for other than temporary diminution aggregating to ₹ Nil (31.3.2015 - ₹ 11.73 lakhs)]	-	15.30
Joonktolee Tea & Industries Limited # Nil (31.03.2015 - 7,500) Equity Shares of ₹10/- each fully paid-up	-	-
Alkem Laboratories Ltd 186(31.03.2015 - Nil) Equity Shares of ₹ 2/- fully paid-up	2.56	-
Asian Paints Ltd. 744 (31.03.2015 - Nil) Equity Shares of ₹ 1/- fully paid-up	6.38	-
Bajaj Finance Ltd. 204 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	10.67	-
Bharat Forge Ltd. 903 (31.03.2015 - Nil) Equity Shares of ₹ 2/- fully paid-up	8.31	-
Bharat Petroleum Corpn. Ltd 759 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	6.46	-
Bosch Ltd. 78 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	16.57	-
City Union Bank Ltd. 3609 (31.03.2015 - Nil) Equity Shares of ₹ 1/- fully paid-up	3.15	-
Colgate-Palmolive (India) Limited 232 (31.03.2015 - Nil) Equity Shares of ₹ 1/- fully paid-up	2.26	-
Container Corporation of India Ltd. 159 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	2.10	-
Cummins India Ltd. 493 (31.03.2015 - Nil) Equity Shares of ₹ 2/- fully paid-up	5.29	-
Eicher Motors Ltd. 115 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	20.49	-
Emami Limited 339 (31.03.2015 - Nil) Equity Shares of ₹ 1/- fully paid-up	3.61	-



NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

14. Non-current investments (contd...)	As at 31st March, 2016	As at 31st March, 2015
Engineers India Ltd 467 (31.03.2015 - Nil) Equity Shares of ₹ 5/- fully paid-up	0.94	–
GlaxoSmithkline Consumer Healthcare Ltd. 53 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	3.20	–
HDFC Bank Ltd. 708 (31.03.2015 - Nil) Equity Shares of ₹ 2/- fully paid-up	7.73	–
Hero Motocorp Limited 165 (31.03.2015 - Nil) Equity Shares of ₹ 2/- fully paid-up	4.25	–
Hindustan Petroleum Corporation Ltd. 1381 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	10.52	–
Housing Development Finance Corporation Ltd. 398 (31.03.2015 - Nil) Equity Shares of ₹ 2/- fully paid-up	5.07	–
Interglobe Aviation Ltd 574 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	5.04	–
Ipca Lab Ltd. 508 (31.03.2015 - Nil) Equity Shares of ₹ 2/- fully paid-up	3.97	–
Jammu Kashmir Bank Ltd 2295 (31.03.2015 - Nil) Equity Shares of ₹ 1/- fully paid-up	2.01	–
Kotak Mahindra Bank Ltd 1664 (31.03.2015 - Nil) Equity Shares of ₹ 5/- fully paid-up	11.27	–
Larsen & Toubro Ltd. 337 (31.03.2015 - Nil) Equity Shares of ₹ 2/- fully paid-up	5.27	–
Max Financial Services Ltd 1107 (31.03.2015 - Nil) Equity Shares of ₹ 2/- fully paid-up	5.89	–
Page Industries Ltd. 63 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	8.99	–
Speciality Restaurants Ltd 373 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	0.54	–
State Bank of India 2505 (31.03.2015 - Nil) Equity Shares of ₹ 1/- fully paid-up	6.14	–
Sun Pharmaceuticals Ltd. 1250 (31.03.2015 - Nil) Equity Shares of ₹ 1/- fully paid-up	11.23	–
Tata Consultancy Services Ltd. 251 (31.03.2015 - Nil) Equity Shares of ₹ 1/- fully paid-up	6.54	–
United Spirits Ltd 158 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	4.94	–
Voltas Ltd. 2155 (31.03.2015 - Nil) Equity Shares of ₹ 1/- fully paid-up	6.40	–
Total	3,008.62	2,397.61
Aggregate amount of Quoted Investments	822.79	514.30
Aggregate Market Value of Quoted Investments	855.40	517.85
Aggregate amount of Unquoted Investments	2,185.83	1,883.31
Aggregate Provision for diminution in value of Investments	21.43	11.73

Allotted pursuant to scheme of demerger of the plantation division of The Cochin Malabar Estates & Industries Limited.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

15. Long-term loans and advances	As at 31st March, 2016	As at 31st March, 2015
Unsecured, considered good (unless otherwise stated)		
Capital Advance	170.17	159.25
Security Deposits	426.55	401.38
Total	596.72	560.63

16. Current investments	As at 31st March, 2016	As at 31st March, 2015
At Cost:		
Current portion of Long term investments (Quoted) - Mutual Fund		
DSP BlackRock FMP- Series 150-13 M - Regular Growth Nil units (31.03.2015 - 5,00,000 units)	-	50.00
L&T FMP - Series 10 - Plan M - Growth Nil units (31.03.2015 - 5,00,000 units)	-	50.00
LIC Nomura MF FMP Series 77 Nil units (31.03.2015 - 5,00,000 units)	-	50.00
Reliance Fixed Horizon Fund -XXV - Series 31 Growth Plan Nil units (31.03.2015 - 5,00,000 units)	-	50.00
At cost or fair value, whichever is less		
Quoted		
Debentures		
Edelweiss Finance & Investments Limited 99 (31.03.2015 - Nil) Debt Market Linked Non Convertible Debentures of ₹1,00,000/- each fully paid -up	93.37	-
India Infoline Finance Limited 10 (31.03.2015 - Nil) Principal Protected Secured Redeemable Non Convertible Market Linked Debentures of ₹ 10,00,000/- each fully paid -up	84.20	-
Unquoted		
J.M.Arbrage Advantage Fund , Bonus Option Nil units (31.03.2015 - 11,42,111.230 units)	-	114.00
ICICI Prudential Gilt Fund Investment Plan- PF Option-Regular Plan 11,53,119.586 units (31.03.2015-11,53,119.586 units)	250.00	250.00
ICICI Prudential Liquid Plan - Growth 4,48,284.140 units (31.03.2015 - 4,48,284.140 units)	1,002.51	-
Others (Unquoted)		
Forefront Alternative Equity Scheme 7,04,112.943 units (31.03.2015 - 7,04,112.943 units) of ₹ 10/- each fully paid-up	100.00	100.00
Total	1,530.08	664.00
Aggregate amount of quoted investments	177.57	200.00
Aggregate Market Value of quoted investments	177.57	220.33
Aggregate amount of unquoted investments	1,352.51	464.00



NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

17. Inventories	As at 31st March, 2016	As at 31st March, 2015
Raw materials	4,609.47	3,289.49
Stock-in-process	1,610.70	747.88
Semi Finished Goods	292.72	378.00
Finished Goods (includes in transit ₹ 171.17 lakhs, {31.03. 2015: ₹ 321.53 lakhs})	2,521.63	1,503.95
Stores and Spares	913.57	887.64
Total	9,948.09	6,806.96

18. Trade receivables	As at 31st March, 2016	As at 31st March, 2015
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	72.08	52.61
Others	2,480.44	1,715.77
Total	2,552.52	1,768.38

19. Cash and Bank balances	As at 31st March, 2016	As at 31st March, 2015
Cash and cash equivalents		
Cash on hand	14.78	14.18
Balances with banks		
In current accounts	337.10	457.96
	351.88	472.14
Other Bank balances		
Unpaid dividend account	18.26	15.75
Margin money deposits	41.19	0.21
Total	411.33	488.10

20. Short-term loans and advances	As at 31st March, 2016	As at 31st March, 2015
Unsecured, considered good (unless otherwise stated)		
Security Deposits	96.39	96.59
Prepaid Expenses	108.57	61.28
Balances with Government Authorities	5.62	–
Advances for goods and services - Considered Good	76.77	41.47
Employee Advances	245.00	207.83
Loans to Bodies Corporate	1,200.00	–
Other Advances		
Considered Good	215.46	1.00
Doubtful	148.17	148.17
Less : Provision for Doubtful Advance	(148.17)	(148.17)
Total	1,947.81	408.17

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

21. Revenue from operations	Year ended 31st March, 2016	Year ended 31st March, 2015
Sale of products		
Finished goods	42,517.75	32,288.28
Traded Goods	10.73	–
	42,528.48	32,288.28
Other operating revenues		
Export incentive	497.82	486.31
Revenue from operations (gross)	43,026.30	32,774.59
Less : Excise duty and R&D Cess	315.60	232.26
Total	42,710.70	32,542.33

22. Other Income	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest Income on		
Bank deposits	5.78	0.01
Other deposits	92.24	25.38
Long - term investments	62.24	38.99
Others	31.38	29.10
Dividend on long term investment	1.13	2.42
Rent	2.93	3.42
Profit on sale of fixed asset	2.45	4.34
Profit on sale of current investments (Net)	36.30	89.04
Profit on sale of long term investment	99.92	30.02
Liabilities no longer required written back	5.79	36.53
Net Gain on foreign currency transaction and translation	18.06	190.05
Miscellaneous Income	27.96	51.25
Provision for Diminution in Investment Written Back	11.73	–
Keyman Insurance claim realised	769.22	–
Total	1,167.13	500.55

23. Cost of materials consumed	Year ended 31st March, 2016	Year ended 31st March, 2015
Inventory at the beginning of the year	3,289.49	3,183.57
Add : Purchases (net) [Refer Note (a) below]	26,350.44	16,823.33
	29,639.93	20,006.90
Less : Inventory at the end of the year	4,609.47	3,289.49
Total	25,030.46	16,717.41

(a) Purchases is net of discount received on prompt payment of supplier's bills amounting to ₹ 425.98 lakhs (2014-15 : ₹ 290.37 lakhs)



NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

24. Changes in inventories of finished goods, stock-in-process and semi-finished goods	Year ended 31st March, 2016	Year ended 31st March, 2015
Inventories at the end of the year		
Stock-in-process	1,610.70	747.88
Semi-Finished Goods	292.72	378.00
Finished Goods	2,521.63	1,503.95
Total (A)	4,425.05	2,629.83
Inventories at the beginning of the year		
Stock-in-process	747.88	771.80
Semi-Finished Goods	378.00	217.66
Finished Goods	1,503.95	1,651.59
Total (B)	2,629.83	2,641.05
(Increase)/decrease in inventories (B-A)	(1,795.22)	11.22

25. Employees benefits expense	Year ended 31st March, 2016	Year ended 31st March, 2015
Salaries, Wages & Bonus	6,358.31	5,577.24
Contribution to Provident and Other Funds [Refer Notes (a) and (b) below]	1,767.09	831.00
Workmen and Staff Welfare expenses	68.99	58.32
Total	8,194.39	6,466.56

Notes :

(a) Defined Contribution Plans

	Year ended 31st March, 2016	Year ended 31st March, 2015
Contribution to Defined Contribution Plans, recognised as expense for the year is as under :		
Employer's Contribution to Provident Fund	125.90	111.19
Employer's Contribution to Pension Fund	377.71	307.46
Employer's Contribution to Superannuation Fund	72.54	69.70

The Provident Fund is managed by the Company in line with the Provident Fund and Miscellaneous Provision Act, 1952. The Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provision Act, 1952. Condition for grant of exemption stipulate that the employer shall make good deficiency, if any, in the interest declared by the trust vis-a-vis statutory rate. The contribution by the Employer and Employees together with the interest accumulated there on are payable to the employees at the time of their separation from the company or retirement, whichever is earlier.

(b) Defined Benefit Plans

(i) Gratuity : The employees' gratuity fund scheme managed by a Trust and is a defined benefit plan. The funds of the trust is managed by approved insurance companies. Every employee is entitled to a benefit equivalent to fifteen day's salary last drawn for each completed year of service in line with Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. This benefits vest after five year of continuous service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.



NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

Sl. No.	Description	"Gratuity (Funded)"	
		Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation		
	Present Value of Obligation at the beginning of the year	4,358.59	3,684.68
	Current Service Cost	266.18	217.26
	Interest Cost	333.00	324.56
	Actuarial (Gains)/Losses	397.01	288.90
	Benefits Paid	(178.61)	(156.81)
	Present Value of Obligation at the end of the year	5,176.17	4,358.59
(b)	Reconciliation of the Opening and Closing balances of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	4,261.71	3,340.49
	Expected Return on Plan Assets	337.67	274.73
	Actuarial Gains/(Losses)	(257.83)	459.11
	Contributions	96.88	344.19
	Benefits paid	(178.61)	(156.81)
	Fair Value of Plan Assets at the end of the year	4,259.82	4,261.71
(c)	Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets		
	Present Value of Obligation at the end of the year	5,176.17	4,358.59
	Fair Value of Plan Assets at the end of the year	4,259.82	4,261.71
	Assets/(Liabilities) recognized in the Balance Sheet	(916.35)	(96.88)
(d)	Expense recognised in the Profit and Loss Account		
	Current Service Cost	266.18	217.26
	Interest Cost	333.00	324.56
	Expected Return on Plan Assets	(337.67)	(274.73)
	Actuarial (Gains)/Losses	654.84	(170.21)
	Total Expense recognized	916.35	96.88
(e)	Category of Plan Assets : [Refer Note (b) below]		
	Fund with Birla Sun Life Insurance Company Limited	4,135.36	4,234.11
	Fund with HDFC Life	124.46	27.60
	Total	4,259.82	4,261.71
(f)	Actuarial Assumptions		
	Discount Rate (Per annum)	7.90%	7.80%
	Expected Rate of Return on Assets (Per annum)	8.00%	8.00%
	Salary Escalation	9.00%	8.00%
	Mortality Rate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate

- a) The estimates of future salary increases, considered in actuarial valuations, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investment of funds during the estimated term of the obligation.
- b) The Company made annual contributions to the insurer of an amount as determined by actuarial valuation. Company was not informed of the investments made by the insurer or the break-down of plan assets by investment type.



NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

c) The table below illustrates experience adjustment disclosure as per para 120 (n) (ii) of Accounting Standard 15 – Employee Benefits.

	2014-15	2013-14	2012-13	2011-12	2010-11
Defined benefit obligation	(4,358.59)	(3,684.68)	(3,254.32)	(2,250.98)	(2,175.07)
Plan assets	4,261.71	3,340.49	2,760.15	2,190.04	2,034.62
Surplus / (deficit)	(96.88)	(344.19)	(494.17)	(60.94)	(140.45)
Experience adjustments on plan liabilities	203.74	(90.60)	(168.25)	30.95	(18.30)
Experience adjustments on plan assets	459.11	2.89	64.22	(40.40)	6.37

26. Finance costs	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest expenses	373.30	460.17
Other borrowing costs	38.20	27.84
Total	411.50	488.01

27. Depreciation and amortization expense	Year ended 31st March, 2016	Year ended 31st March, 2015
Depreciation on Tangible assets	776.82	4,888.08
Less: Adjustments pursuant to implementation of Schedule II to the Companies Act, 2013, for assets whose useful life is exhausted as at 1st April, 2014 [Refer Note 12 (c) and Note 4]		
(a) Net Revalued Component of Assets adjusted against Opening Balance of Revaluation Reserve	–	2,501.87
(b) Original Cost of Assets adjusted against the Opening Balance of Surplus in the Statement of Profit & Loss	–	330.21
Less : Recoupment From Revaluation Reserve [Refer Note 4]	–	1,146.46
	776.82	909.54
Amortization of Intangible assets	3.21	2.96
Total	780.03	912.50

28. Other expenses	Year ended 31st March, 2016	Year ended 31st March, 2015
Consumption of stores and spare parts (net)	2,308.35	2,277.81
Power and fuel	1,919.64	1,826.55
Rent	79.18	73.56
Repairs to building	50.14	48.60
Repairs to machinery	0.83	4.18
Repairs - others	38.90	41.11
Insurance	600.39	118.01
Rates and Taxes	28.14	44.86
Processing Charges	585.70	466.82
Freight and Delivery Charges	257.93	357.64
Research & Development Cess and Excise Duty [Refer Note (a) below]	114.79	85.91
Export Dock and Toll Charges	104.88	100.98
Brokerage and Commission	163.33	166.73
Advance Written Off	–	39.19
Bad Debts Written Off	4.38	7.60
CSR Expenses [Refer Note (c) below]	18.70	34.71
Miscellaneous expenses [Refer Note (b) below]	829.21	657.21
Diminution in value of Investment	21.43	–
Provision For Impairment of Fixed Assets	–	84.33
Raw Jute Damaged in Fire	428.39	–
Total	7,554.31	6,435.80

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

(a) Includes Research & Development Cess ("R & D Cess") and Excise Duty related to the difference between the closing stock and opening stock of finished goods ₹ 11.54 lakhs (31.03.2015: ₹ 1.78 lakhs)

(b) Miscellaneous expenses includes remuneration to auditors for:

	Year ended 31st March, 2016	Year ended 31st March, 2015
Audit Fees	13.25	12.50
Other Services	10.25	8.00
Reimbursement of expenses (including service tax)	4.69	4.02
Total	28.19	24.52

(c) **Corporate Social Responsibility (CSR)**

As per the provisions of Companies Act, 2013, the Company is required to spend at least 2% of its average net profits of immediately three preceding years on CSR activities eligible under the Act. Further pursuant to the requirement of the Companies Act, 2013 the Company has constituted a CSR committee which has approved the CSR policy.

The details regarding CSR expenditure for the year is given below:

Gross Amount required to be spent by the Company during the year : ₹ 55.27 lakhs (2014-15 ₹ 59.24 lakhs)

Further, the amount spent during the year under various heads is mentioned below:

Amount spent during the year under various heads	In Cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	Nil	Nil	Nil
(ii) On purposes other than (i) above	18.70	Nil	18.70

29. Earnings per equity share (EPS)

Net profit for the year has been used as the numerator and number of shares have been used as denominator for calculating the basic and diluted earnings per share

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
(I) Basic		
a. Net Profit after tax (₹ in lakhs)	2,464.02	1,323.55
b. (i) Number of Equity Shares at the beginning of the year	52,33,440	52,33,440
(ii) Number of Equity Shares at the end of the year	52,33,440	52,33,440
(iii) Weighted average number of Equity Shares outstanding during the year	52,33,440	52,33,440
(iv) Face Value of Equity Share (₹)	10	10
c. Basic Earning / (Loss) per share [a/b (iii)] (₹)	47.08	25.29
(II) Diluted		
a. Dilutive Potential Equity Shares	–	–
b. Weighted average number of Equity Shares for computing diluted earnings per shares [(I)b(iii)+(II)a]	52,33,440	52,33,440
c. Diluted Earning / (Loss) per Share [(I)(a) / (II)(b)] (₹)	47.08	25.29



NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

30. Contingent liabilities	As at 31st March, 2016	As at 31st March, 2015
a) Claims against the Company not acknowledged as debts :		
Sales tax matter	379.97	248.63
ESI matter	45.57	45.57
b) Export bills discounted with bank	263.86	28.56

31. Commitments	As at 31st March, 2016	As at 31st March, 2015
Estimated amounts of contracts remaining to be executed on capital account and not provided for tangible assets	507.06	136.12
Other Commitment - towards investments	137.00	529.00

32. Information in accordance with Accounting Standard 17 on Segment Reporting:

The Company is engaged in the business of manufacturing Jute goods and is managed organisationally as a single unit. Accordingly the Company has only one business segment . However, it has customers in India as well as outside India and thus segment reporting based on the Geographical location of its customers is as follows:

Particulars	Within India		Outside India		Total	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Segment revenue by location of customers	31,580.00	23,136.11	10,632.88	8,919.91	42,212.88	32,056.02
Carrying amount of segment assets	2,044.08	1,458.73	508.44	309.65	2,552.52	1,768.38
Additions to tangible and intangible assets	1,507.37	989.79	-	-	1,507.37	989.79

33. Related Party Disclosures pursuant to requirements of Accounting Standard -18

Names of Related Parties and nature of relationship:

a) Subsidiary Companies

Gloster Lifestyle Limited

Gloster Specialities Limited

b) Key Management Personnel

Shri G D Bangur (upto 7th June,2016)

Shri Hemant Bangur

Shri D C Baheti

c) Enterprise over which Key Management Personnel & relatives of Key Management Personnel have significant influence

Joonktollee Tea & Industries Limited

Kettlewell Bullen & Company Limited

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

Transactions with related parties are as follows:

Particulars		Year	Key Management Personnel	Enterprise over which Key Personnel & relatives of Key Management Personnel have significant Influence
A	Transactions during the year			
1	Remuneration Paid	2015-16	347.73	–
		2014-15	241.52	–
2	Dividend Paid	2015-16	8.39	53.63
		2014-15	19.10	55.44
3	Rent Paid	2015-16	–	40.94
		2014-15	–	40.45
4	Sales	2015-16	–	94.68
		2014-15	–	75.42
5	Dividend Received	2015-16	–	0.23
		2014-15	–	0.45
B	Outstanding balance at year end			
1	Commission Payable	2015-16	200.00	–
		2014-15	78.96	–
2	Deposits	2015-16	–	400.00
		2014-15	–	400.00

34. Derivative instruments and unhedged foreign currency exposure

(a) The Company uses Forward Exchange Contracts to hedge its exposures in foreign currency. Forward Exchange Contracts outstanding as at year end:

Nature of Exposure	As at 31st March, 2016	As at 31st March, 2015
Forward Contracts to sell (in USD)	4.42	4.02
Forward Contracts to sell (in GBP)	0.26	0.63
Forward Contracts to sell (in EUR)	0.51	–
Forward Contracts to sell (in JPY)	36.28	–
Forward Contracts to buy (in USD)	4.83	0.21



NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

(b) Particulars of unhedged foreign currency exposures as at year end are as below :

Nature of Exposure	As at 31st March, 2016	As at 31st March, 2015
Advance from Customers (USD)	–	0.50
Advance from Customers (EUR)	–	0.03
Short Term Borrowings (in USD)	–	13.58
Import Trade payables (USD)	–	–

Note - The above Forward Exchange Contracts and unhedged foreign currency exposures pertains to receivables and payables as appearing in the Balance Sheet.

(c) Gain / (Loss) on Mark to Market of Forward Exchange Contracts:

Nature of Exposure	As at 31st March, 2016	As at 31st March, 2015
Provision for Resultant Mark to Market Loss	22.57	1.74

35. Dues to micro and small enterprises

The Company has certain dues to Suppliers registered under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are as follows :-

Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	The principal amount remaining unpaid to any supplier as at the year end	1.21	–
	The interest remaining unpaid to any supplier as at the year end	1.44	1.20
2	Principal amounts paid to suppliers beyond the appointed day during the year	11.16	14.75
	Interest paid under Section 16 of the MSMED Act, to suppliers during the year	–	–
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	–	–
4	The amount of interest accrued and remaining unpaid at the end of the year	0.25	0.16
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	1.44	1.20

*Included in Sl No. 1 above is ₹ 1.21 lakhs (31.03.2015 : ₹ Nil) being interest on principal amount remaining unpaid as at the beginning of the accounting year.

Note: The information has been given in respect of such vendors to the extent they could be identified as “Micro, Small & Medium” enterprises on the basis of information available with the Company.

36. The Company's Board of Directors at its meeting held on March 29, 2016 has approved the Scheme of Arrangement between “the Company” and Kettlewell Bullen & Company Limited in terms of the provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 & Companies Act, 2013, to the extent applicable, to enable better realisation of potential of the businesses of the Companies and yield beneficial results & enhanced value creation for stakeholders. Upon the coming into effect of the Scheme and with effect from the Appointed Date i.e. 1st January, 2015, the Undertaking of Gloster Limited will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in Kettlewell Bullen & Company Limited, as a going concern, in accordance with Section 2(1B) of the Income Tax Act.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

37. Value of imports calculated on CIF basis	Year ended	Year ended
	31st March, 2016	31st March, 2015
Stores, Spare parts and Components	301.26	150.27
Capital Goods	306.61	305.74
Raw Materials	2,444.68	336.81

38. Expenditure in Foreign currency	Year ended	Year ended
	31st March, 2016	31st March, 2015
Interest	6.15	3.36
Other expenses	28.11	33.75
Total	34.26	37.11

39. Imported and indigenous raw materials, stores, spare parts and components consumed

	Year ended 31st March, 2016		Year ended 31st March, 2015	
	%	₹ in lakhs	%	₹ in lakhs
Raw materials				
Indigenous	95.43	23,886.59	95.26	15,924.42
Imported	4.57	1,143.87	4.74	792.99
	100.00	25,030.46	100.00	16,717.41
Stores, spare parts and components				
Indigenous	73.69	1,701.04	85.56	1,948.80
Imported	26.31	607.30	14.44	329.01
	100.00	2,308.35	100.00	2,277.81
Stores and spare parts consumed includes value of stores written off during the year.		25.03		28.53

40. Earnings in Foreign currency	Year ended	Year ended
	31st March, 2016	31st March, 2015
Export on F.O.B basis	10,471.55	8,627.23

41. Previous year's figure have been rearranged and / or regrouped wherever necessary to make them comparable with that of current year.

For Lovelock & Lewes

Firm Registration No. 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership No. 55000

Shankar Lal Kedia

Chief Financial Officer

Ajay Kumar Agarwal

Company Secretary

Hemant Bangur Executive Chairman

D. C. Baheti Managing Director

Nandita Sen Director

S. N. Bhattacharya Director

K. Mahapatra Director

Place: Kolkata

Date: 14th May, 2016



CONSOLIDATED FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To The Members of Gloster Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Gloster Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), (refer Note 1 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 2,128.72 lakhs and net assets of ₹ 1,141.27 lakhs as at March 31, 2016, total revenue of ₹ 176.86 lakhs, net



profit of ₹ 87.41 lakhs and net cash flows amounting to ₹ (49.76) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group – Refer Note 31 to the consolidated financial statements.
 - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on derivative contracts as at March 31, 2016– Refer Note 35 to the consolidated financial statements in respect of such items as it relates to the Group. There are no long term contracts outstanding as at March 31, 2016.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended March 31, 2016.

For Lovelock & Lewes

Firm Registration Number: 301056E
Chartered Accountants

Sunit Kumar Basu

Partner
Membership Number 55000

Place: Kolkata
Date: May 14, 2016



ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9 (f) of the Independent Auditor's Report of even date to the members of Gloster Limited on the consolidated financial statements for the year ended March 31, 2016.

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Gloster Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 the respective 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.

Auditor's Responsibility

3. 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") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls 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.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding



prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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

8. In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India,

have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016 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.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the two subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Lovelock & Lewes

Firm Registration Number: 301056E
Chartered Accountants

Sunit Kumar Basu

Partner
Membership Number 55000

Place: Kolkata
Date: May 14, 2016



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in lakhs)

	Note	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	523.34	523.34
Reserves and Surplus	4	32,776.89	36,002.67
		33,300.23	36,526.01
Non-current Liabilities			
Long-term borrowings	5	286.83	711.48
Deferred tax liabilities (net)	6	56.84	71.68
Long-term provisions	7	303.23	236.68
		646.90	1,019.84
Current Liabilities			
Short-term borrowings	8	8,734.08	3,999.23
Trade Payables	9	616.87	457.54
Other current liabilities	10	2,426.15	1,997.91
Short-term provisions	11	1,620.16	1,063.49
		13,397.26	7,518.17
Total		47,344.39	45,064.02
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	12	25,583.96	30,580.10
Intangible assets	13	19.41	10.69
Capital work-in-progress		433.01	127.63
Non-current investments	14	2,696.41	2,018.33
Long-term loans and advances	15	596.72	560.63
		29,329.51	33,297.38
Current assets			
Current investments	16	1,643.68	744.06
Inventories	17	9,948.09	6,806.96
Trade receivables	18	2,552.52	1,768.38
Cash and Bank balances	19	1,894.09	2,020.62
Short-term loans and advances	20	1,947.83	408.20
Other current assets	21	28.67	18.42
		18,014.88	11,766.64
Total		47,344.39	45,064.02
Corporate Information	1		
Summary of significant accounting policies	2		

The notes are an integral part of these Financial Statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For Lovelock & Lewes

Firm Registration No. 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership No. 55000

Shankar Lal Kedia

Chief Financial Officer

Ajay Kumar Agarwal

Company Secretary

Hemant Bangur Executive Chairman

D. C. Baheti Managing Director

Nandita Sen Director

S. N. Bhattacharya Director

K. Mahapatra Director



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in lakhs)

	Note	Year ended 31st March, 2016	Year ended 31st March, 2015
INCOME			
Revenue from operations (gross)	22	43,026.30	33,159.40
Less: Excise Duty and R & D Cess		315.60	232.26
Revenue from operations (net)		42,710.70	32,927.14
Other Income	23	1,342.46	657.84
Total Revenue		44,053.16	33,584.98
EXPENSES			
Cost of materials consumed	24	25,030.46	16,717.41
Purchase of traded goods		10.17	384.48
Changes in inventories of finished goods, stock-in-process and semi-finished goods	25	(1,795.22)	11.22
Employee benefits expense	26	8,194.39	6,466.56
Finance costs	27	478.97	488.63
Depreciation and amortization expense	28	780.03	912.50
Other expenses	29	7,556.01	6,437.08
Total Expenses		40,254.81	31,417.88
Profit before exceptional items and tax		3,798.35	2,167.10
Exceptional items		-	-
Profit before tax		3,798.35	2,167.10
Tax expense			
Current tax		1,261.45	834.74
Deferred tax		(14.83)	(123.17)
Tax for earlier year		0.31	-
Total Tax expenses		1,246.93	711.57
Profit for the year		2,551.42	1,455.53
Earnings per equity share [Nominal Value per Share ₹ 10 (31.03.2015 - ₹ 10)]			
Basic & Diluted	30	48.75	27.81
Corporate Information	1		
Summary of significant accounting policies	2		

The notes are an integral part of these Financial Statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Lovelock & Lewes

Firm Registration No. 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership No. 55000

Shankar Lal Kedia

Chief Financial Officer

Ajay Kumar Agarwal

Company Secretary

Hemant Bangur Executive Chairman

D. C. Baheti Managing Director

Nandita Sen Director

S. N. Bhattacharya Director

K. Mahapatra Director

Place: Kolkata

Date: 14th May, 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in lakhs)

Particulars	Year ended		Year ended	
	31st March, 2016		31st March, 2015	
A. Cash Flow from Operating Activities				
Net profit before tax		3,798.36		2,167.10
Adjustments for:				
Depreciation and Amortisation Expenses	780.03		912.50	
Finance Costs	411.50		488.63	
Bad Debts Written Off	4.38		7.60	
Net (Profit) / Loss on sale of fixed assets	(2.45)		(4.34)	
Net gain on sale of current investments	(34.78)		(89.45)	
Net gain on sale of long term Investments	(99.92)		(135.31)	
Unrealised (Gain) / Loss on exchange (net)	(2.88)		(4.05)	
(Gain)/ Loss on Mark to Market adjustment for Derivative Instrument	22.57		1.74	
Export Incentive received under SHIS Scheme	(3.79)		(43.27)	
Interest Income	(355.27)		(145.07)	
Dividend income on long term investments	(14.36)		(2.42)	
Liabilities no longer required written back	(5.79)		(36.53)	
Provision for Impairment of Power Plant	-		84.33	
Diminution in value of Investment	21.43		39.19	
Provision for Doubtful Advances	(11.73)		-	
		708.94		1,073.55
Operating profit before working capital changes		4,507.31		3,240.65
Adjustments for:				
Decrease/(Increase) in Inventories	(3,141.14)		(45.79)	
Decrease/(Increase) in Trade and Other Receivables	(952.68)		578.77	
(Decrease)/Increase in Trade and Other Payables	1,379.13		(4.22)	
		(2,714.68)		528.76
Cash generated from operations		1,792.62		3,769.41
Income Taxes paid		(1,521.69)		(728.85)
Net Cash from Operating Activities	A	270.93		3,040.56
B. Cash Flow from investing activities				
Purchase of Fixed Assets	(1,504.09)		(1,095.79)	
Grant Received against Specific Assets	16.92		41.48	
Sale of Fixed Assets	12.57		11.69	
Purchase of Current investments	(3,660.92)		(2,010.29)	
Application Money paid for Current Investment	(200.00)		-	
Purchase of Long Term investments	(67.07)		(504.00)	
Sale/ Redemption of Investments	2,260.74		3,490.07	
Interest received	345.00		179.22	
Dividend received	14.37		2.42	
Loans to Bodies Corporate	(1,200.00)		-	
(Increase)/Decrease in Margin Money Deposits	(40.98)		0.77	
Net Cash used in Investing activities	B	(4,023.48)		115.57



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in lakhs)

Particulars	Year ended		Year ended	
	31st March, 2016		31st March, 2015	
C. Cash Flow from Financing Activities				
Net proceeds / (repayment) of Short term Borrowings	4,763.76		(1,107.81)	
Proceeds from Long-term Borrowings	598.00		790.00	
Repayment of Long-term Bank Borrowings	(995.73)		(356.55)	
Finance costs paid	(405.57)		(494.81)	
Dividend paid	(311.50)		(311.75)	
Dividend Taxes paid	(63.92)		(53.37)	
(Increase)/Decrease in Unpaid Dividend Account	(2.51)		(2.26)	
Net Cash from / (used) in Financing Activities		3,582.53		(1,536.55)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		(170.02)		1,619.58
D. Cash and Cash Equivalents				
Net Increase/ (Decrease) in Cash and Cash Equivalents		(170.02)		1,619.58
Cash and Cash Equivalents as on 1 April		2,004.66		385.08
Cash and Cash Equivalents as on 31 March		1,834.64		2,004.66

Notes:

- The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard -3, on Cash Flow Statement as per Companies Accounting Standard Rules, 2006.
- Previous year's figures have been regrouped/ rearranged wherever necessary.

This is the Cash Flow statement referred to in our report of even date.

For Lovelock & Lewes

Firm Registration No. 301056E

Chartered Accountants

Sunit Kumar Basu

Place: Kolkata

Partner

Date: 14th May, 2016

Membership No. 55000

Shankar Lal Kedia

Chief Financial Officer

Ajay Kumar Agarwal

Company Secretary

Hemant Bangur Executive Chairman

D. C. Baheti Managing Director

Nandita Sen Director

S. N. Bhattacharya Director

K. Mahapatra Director



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Gloster Limited (the “Parent Company”) is a Public Company incorporated on 18th February, 1992 under the provisions of the Companies Act, 1956. Gloster is a leading manufacturer & exporter of all types of Jute & Jute allied products, Woven & Non-Woven Jute Geotextiles, Treated Fabric-Rot Proof, Fire Retardant, Jute Products for Interior Decoration & Packaging of Industrial & Agricultural Produce. The Company also produces Jute & Cotton Shopping Bags & Made Ups. Gloster exports Jute goods to various countries spread over the World. The Company’s manufacturing facilities are located at Bauria on the banks of Holy Ganges in West Bengal. The Equity shares of the Company are listed on the BSE Ltd. & The Calcutta Stock Exchange Ltd.

The Subsidiary Companies considered in the preparation of consolidated financial statements are :

Name of the company	Country of Incorporation	%of Holding as at 31st March, 2016
Gloster Lifestyle Limited	India	100%
Gloster Specialities Limited	India	100%

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention, except for certain tangible assets which are carried at revalued amounts. Pursuant to section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by the Central Government in consultation with and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently these Financial Statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per group normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the

purpose of current, non-current classification of assets and liabilities.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated 30 March 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. 1 April 2016.

2.2 Change in Accounting Policy

The Company used to carry all its assets following historical cost convention with the exception of certain tangible assets (Freehold Land, Buildings and Plant & Machinery) which were revalued at current replacement value during financial year 2012-13 and 2009-10. For the purpose of ensuring uniformity of accounting policy with regard to all tangible depreciable assets, with effect from the current financial year, Building and Plant & Machinery which earlier had been re-valued have now been stated at cost less accumulated depreciation pertaining to such cost and accordingly Revaluation Reserve attributable to the aforesaid depreciable tangible assets has been reversed with corresponding reduction in the book value of such assets with effect from 1st April, 2015. The aforesaid change in Accounting policy, however does not have any impact on the profit for the current year.

2.3 Basis of Consolidation

The consolidated financial statement comprises of financial statements of Gloster Limited (the “Parent Company”) and its subsidiary companies (hereinafter referred to as the “Group”) as described in Note no. 1. The Consolidated Financial Statements are prepared in accordance with Accounting Standard 21 on “Consolidated Financial Statements”. The Financial statements of the Parent Company and its subsidiaries have been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances, transactions and unrealized profits or losses thereon have been fully eliminated on consolidation.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company’s financial statements.

2.4 Use of estimates

The preparation of consolidated financial statements in



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

2.5 Tangible assets and Depreciation

- a) The freehold land at company's factory at Bauria, Howrah was revalued and restated at valuation by an approved valuer at current replacement cost as at 31st March, 2013 (an earlier revaluation was carried out as at 31st March, 2010). The appreciation in the net book value of these assets over their book value has been credited to Revaluation Reserve. (Also refer note 2.2 above)
- b) Other tangible assets are stated at cost of acquisition including inward freight, duties, taxes and expenses incidental to acquisition and installation, net of accumulated depreciation & impairment losses.
- c) Depreciation is provided on Straight line method over the estimated useful lives of the assets. Pursuant to Notification of Schedule II of the Companies Act, 2013 becoming effective, the Company has adopted the useful lives on the basis of internal technical evaluation. The lives adopted by the Company are as per the lives specified for the respective fixed assets in the Schedule II of the Companies Act, 2013. No depreciation is provided on Freehold Land.
- d) Profit and Loss on disposal of tangible assets is recognized in the Consolidated Statement of Profit and Loss.
- e) An impairment loss is recognized where applicable when the carrying amount of tangible asset exceeds its recoverable amount.

2.6 Intangible assets and Amortization

- a) Intangible assets are stated at cost of acquisition including duties, taxes and expenses incidental to acquisition and installation net of accumulated depreciation.
- b) Intangible assets comprising of computer software is depreciated on straight line method over a period of five years.

- c) Profit and Loss on disposal of Intangible assets is recognized in the Consolidated Statement of Profit and Loss.
- d) An impairment loss is recognized where applicable when the carrying amount of Intangible asset exceeds its recoverable amount.

2.7 Impairment of Assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible & intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased / increased.

2.8 Investments

Investments that intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Long term investments are carried at cost net off provision, if any, for decline in value considered to be other than temporary in nature.

Current investments are stated at lower of cost and fair value.

2.9 Subsidy / Government Grant

Subsidy / Government Grant and export incentive are accounted for when no significant uncertainty exists regarding its collectibility. Subsidy / Government Grant that relate to specific fixed assets are deducted from the cost of the relevant fixed asset. Subsidy / Government Grant receivable against any expenditure is recognized in the Consolidated Statement of Profit and Loss. Subsidy / Government Grant received / receivable which is in the nature of promoters contribution i.e. they are given with reference to the total investment/capital outlay in an undertaking is credited to Capital Reserve.

2.10 Inventories

Raw materials, Stores and Spares parts and components are valued at cost (cost being determined on weighted average basis) or at net realizable value whichever is lower.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Semi-finished goods and stock-in-process are valued at raw materials cost plus labour and overheads apportioned on an estimated basis depending upon the stages of completion or at net realizable value whichever is lower.

Finished goods are valued at cost or at net realizable value whichever is lower. Cost includes all direct cost and applicable manufacturing and administrative overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale.

2.11 Employee Benefit

a) Defined Contribution Plans

The group contributes to Provident Funds which are administered by duly constituted and approved independent Trust / Government and such contributions are charged against revenue every year. In respect of Provident Fund Contributions made to an independent Trust administered by the Parent Company, the interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall if any shall be made good by the Parent Company.

The group operates a Superannuation Scheme for certain employees and contributions by the group under the scheme, is charged against revenue every year.

b) Defined Benefit Plans

(i) Gratuity

The group provides for gratuity covering eligible employees in accordance with Payment of Gratuity Act, 1972.

Accrued liability determined based on actuarial valuation (using the Projected Unit Credit Method) as at the year end in respect of future payment of gratuities are charged in the Consolidated Statement of Profit and Loss every year.

Actuarial gains and losses are recognized immediately in the Consolidated Statement of Profit and Loss.

(ii) Compensated absences

Accrued liability in respect of leave encashment benefit on retirement is accounted for on the basis

of actuarial valuation (using the Projected Unit Credit Method) as at the year end and charged Consolidated Statement of Profit and Loss.

Compensated absences comprising of entitlement to accumulation of Sick Leave is provided for based on actuarial valuation (using the Projected Unit Credit Method) as at the end of the year.

Actuarial gains and losses are recognized immediately in the Consolidated statement of Profit and Loss.

Accumulated Compensated Absences and Gratuity liability, which are expected to be availed or encashed or contributed within the 12 months from the end of the year are treated as short term employee benefits and the balance expected to be availed or encashed or contributed beyond 12 months from the year end are treated as long term liability.

d) Other Short Term Employee Benefits

Short Term Employee Benefits are recognized as an expense as per the group schemes based on expected obligation on an undiscounted basis.

2.12 Research & Development Cess and Excise duty

Research & Development Cess and Excise Duty (wherever applicable) on manufactured goods are accounted for at the time of their clearance from the factory. Research and Development Cess and Excise Duty (wherever applicable) in respect of manufactured goods lying at the year end are included in inventory after creating suitable provision for the same.

2.13 Sale of goods

Sale of goods is stated net of sales tax. Sale is recognized on transfer of significant risks and rewards of ownership in goods to the buyer as per the terms of contract.

2.14 Other Income

Interest Income is recognized on a time proportion basis taking in to account the amount outstanding and the applicable interest rate.

Dividend income is recognized when the right to received dividend is established.

Export incentive are accounted as income in the Statement of Profit and Loss when no significant uncertainty exists regarding the collectibility.

Insurance claims are accounted to the extent the Company is reasonably certain of their ultimate collection.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.15 Foreign Currency Transaction

(i) Initial Recognition

On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction.

(ii) Subsequent Recognition

At the reporting date, foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of transactions.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period at the closing exchange rate.

The premium or discount arising at the inception of forward exchange contracts covered under AS 11 entered into to hedge an existing asset / liability, is amortized as expense or income over the life of the contract and are recognized in the Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or expense for the period.

Derivative contracts outstanding at the Balance Sheet date are marked to market and resulting loss, if any, is recognized in the Statement of Profit and Loss and gains are ignored. Any profit or loss arising on cancellation of derivative instruments is recognized as income or expense for the period.

2.16 Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the year based on applicable tax rates and laws.

Deferred tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized unless there is reasonable certainty and virtual certainty in case of unabsorbed loss and depreciation, that sufficient future taxable income will be available against which such deferred tax assets will be realized. Deferred tax Assets is reviewed at each Balance Sheet date to reassess its realization.

Deferred Tax Assets and Liabilities are measured using the existing tax rates and tax as on the Balance Sheet date. At each Balance Sheet date the Company re-assesses unrecognized Deferred Tax Assets, if any.

2.17 Borrowing Cost

Borrowing costs are capitalized as part of the cost of qualifying assets when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

2.18 Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.19 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. 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 is adjusted for the effects of all dilutive potential equity shares.

2.20 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, with original maturities of three months or less.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

3. Share capital	As at 31st March, 2016	As at 31st March, 2015
Authorised		
2,50,00,000 (31.03. 2015 - 2,50,00,000) Equity Shares of ₹ 10/- each	2,500.00	2,500.00
Issued, Subscribed and Fully Paid-up		
52,33,440 (31.03. 2015 - 52,33,440) Equity Shares of ₹ 10/- each	523.34	523.34
Total	523.34	523.34

(a) Reconciliation of number of equity shares	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	₹ In lakhs	No. of Shares	₹ In lakhs
Balance as at the beginning of the year	52,33,440	523.34	52,33,440	523.34
Add: Shares issued during the period	-	-	-	-
Balance as at the end of the year	52,33,440	523.34	52,33,440	523.34

(b) Rights, preferences & restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares are eligible to receive the remaining assets of the Company after distribution of all the preferential amounts, in proportion to their shareholding.

(c) Shares allotted as fully paid up by way of bonus shares and pursuant to contract(s) without payment being received in cash in the parent Company

	As at 31st March, 2016	As at 31st March, 2015
	No. of Shares	No. of Shares
Equity shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash 1993-94	2,17,360	2,17,360
Equity shares allotted as fully paid-up bonus share by way of capitalisation of General Reserve in 2002-03	6,54,180	6,54,180
Equity shares allotted as fully paid-up bonus share by way of capitalisation of General Reserve in 2008-09	13,08,360	13,08,360
Equity shares allotted as fully paid-up bonus share by way of capitalisation of Securities Premium Account and General Reserve in 2013-14	26,16,720	26,16,720

(d) Details of shares held by shareholders holding more than 5% of the aggregate equity shares in the Parent Company

	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% holding	No. of Shares	% holding
Life Insurance Corporation of India	11,51,597	22.05	11,51,597	22.05
Kettlewell Bullen & Company Limited	8,93,903	17.08	8,93,903	17.08
The Oriental Company Limited	7,55,008	14.43	7,55,008	14.43
Madhav Trading Corporation Limited	5,91,840	11.31	5,91,564	11.30
Credwyn Holdings (India) Pvt. Ltd.	3,05,190	5.83	3,05,190	5.83
Pushpa Devi Bangur	3,95,228	7.55	-	-

(e) Issue of bonus share

The Board of Directors of the Company at their meeting held on 29.03.2016 have proposed the issue of Bonus share in the ratio 1:1 i.e. one bonus share for every one fully paid-up equity share and the share holders of the Company have approved the same through Postal Ballot, result of which has been announced on 11.05.2016. Subsequent to allotment of the Bonus Shares, the Share Capital of the Company would stand at 1,04,66,880 equity shares of ₹ 10/- each aggregating to ₹ 10,46,68,800/-.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

4. Reserves and Surplus	As at 31st March, 2016		As at 31st March, 2015	
Capital Reserve		150.00		150.00
Revaluation Reserve				
Balance as at the beginning of the year		24,379.96		28,251.96
Deduct:				
i) Depreciation Adjustment pursuant to Schedule II of Companies Act, 2013 [Refer Note 12(c) and Note 28]		–		2,501.87
ii) Reduction of revaluation reserve due to Impairment		–		221.03
iii) Amount transferred to the Statement of Profit and Loss as reduction from depreciation on Tangible Assets [Refer Note 12(c) and Note 28]		–		1,146.46
iv) Adjustment [Refer Note 12(a)]		5,399.27		–
v) Adjustment on account of disposal of Tangible Assets	–		4.32	
Deduct: Depreciation on account of disposal of Tangible Assets	–	–	1.68	2.64
Balance as at the end of the year		18,980.69		24,379.96
General Reserve				
Balance as at the beginning of the year		10,795.66		9,995.66
Add: Transferred from Surplus in the Statement of Profit and Loss during the year		2,000.00		800.00
Balance as at the end of the year		12,795.66		10,795.66
Surplus in the Statement of Profit and Loss				
Balance as at the beginning of the year		677.05		617.42
Less: Depreciation Adjustment Pursuant to Schedule II of Companies Act, 2013 (Net of Deferred Tax ₹ 112.24 lakhs) [Refer Note 12(c) and Note 28]		–		217.97
Add: Profit for the year		2,551.42		1,455.53
Deduct: Appropriations				
i) Proposed dividend on equity shares for the year – ₹ 3/- per share [Refer Note 3 (e)] (2014-15 ₹ 6/- per share)		314.01		314.01
ii) Dividend distribution tax on proposed dividend on equity shares		63.92		63.92
iii) Transfer to General Reserve		2,000.00		800.00
Balance as at the end of the year		850.54		677.05
Total		32,776.89		36,002.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

5. Long-term borrowings	As at 31st March, 2016	As at 31st March, 2015
Secured		
Term Loan from Banks [Refer Note (a) below]	192.50	978.23
Unsecured		
Term Loan from Banks [Refer Note (b) below]	388.00	–
	580.50	978.23
Less: Amount disclosed under the head “Other current liabilities” [Refer Note 10]	293.67	266.75
Total	286.83	711.48

(a) Nature of security and terms of repayment for secured borrowings (including current maturities of Long term borrowings in Note 10)

Nature of Security	Terms of repayment
(i) Term loan from banks amounting to ₹ 192.50 lakhs (31.03.2015: ₹ 790 lakhs) are secured by equitable mortgage of factory, land and building, hypothecation of all plant & machinery and all other movable fixed assets of the Company.	Repayable in 24 equal quarterly installments beginning from August 2015 along with interest rate linked to Bank base rate + 1.40% spread.
(ii) Unsecured Term Loan	Repayable in 3 equal quarterly installments beginning from December 2016 along with interest rate linked to Bank base rate + 0.25% spread.

6. Deferred tax liabilities (net)		As at 31st March, 2016	As at 31st March, 2015
Deferred tax liabilities			
Depreciation (A)		458.70	429.60
Deferred tax assets			
Provision for leave encashment		95.29	73.67
Provision for doubtful advances		51.28	50.36
Provision for Impairment		96.64	94.91
Others		158.65	138.98
	(B)	401.86	357.92
Total [Refer Note (a) below]	(A-B)	56.84	71.68

(a) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

7. Long-term provisions		As at 31st March, 2016	As at 31st March, 2015
Provision for compensated absences of employees		303.23	236.68
Total		303.23	236.68



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

8. Short-term borrowings	As at 31st March, 2016	As at 31st March, 2015
Secured		
Loans from banks [refer Note (a & b) below]	6,234.08	3,999.23
Unsecured		
Loans from banks [refer Note (c) below]	2,500.00	–
Total	8,734.08	3,999.23

(a) For Parent Company:

Loan repayable on demand amounting to ₹ 5,265.21 lakhs (31.03.2015: ₹ 3,001.45 lakhs) are secured by hypothecation of stock of raw material, stock -in-process, finished goods, stores & consumables, book debts and other current assets of the Company. Further, loans repayable on demand to bank amounting to ₹ 3,414.16 lakhs (31.03.2015: ₹ 2,748.65 lakhs) is also secured by Corporate Guarantee of Kettlewell Bullen & Company Limited.

(a) For Subsidiaries:

Loan Repayable on Demand amounting to ₹ 968.87 lakhs (31.03.2015: ₹ 997.78 lakhs) are secured against Fixed Deposit

(c) Unsecured loans from banks repayable within 30 days from the date of disbursement of Loan.

9. Trade payables	As at 31st March, 2016	As at 31st March, 2015
Total outstanding dues of Micro Small & Medium Enterprises (Refer Note 35)	1.21	–
Total outstanding dues of creditors other than Micro Small & Medium Enterprises	615.66	457.54
Total	616.87	457.54

10. Other current liabilities	As at 31st March, 2016	As at 31st March, 2015
Current maturities of long-term debt (also refer Note 5)	293.67	266.75
Advances received from customers	160.89	122.94
Interest accrued and due on borrowings	9.94	10.52
Interest accrued but not due on borrowings	6.51	–
Unpaid Dividends [refer Note (a) below]	18.26	15.75
Statutory dues	184.86	127.31
Capital Creditors	55.42	28.10
Other payables [refer Note (b) below]	1,696.60	1,426.54
Total	2,426.15	1,997.91

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the end of the year. Section 125 of the Companies Act, 2013 which corresponds to Section 205C of the Companies Act, 1956 has not yet been enforced.

(b) Other payables include Buyers Credit of ₹ Nil (31.03.2015: ₹ 12.83 lakhs) and Employee Cost liability of ₹ 657.88 lakhs (31.03.2015: ₹ 404.99lakhs).

11. Short-term provisions	As at 31st March, 2016	As at 31st March, 2015
Provision for Employee Benefits (also refer Note 26)		
Provision for Gratuity	916.35	96.88
Provision for compensated absences of employees	72.87	75.75
Other Provisions		
Proposed dividend on equity shares for the year – ₹ 3/- per share [Refer Note 3(e)] (2014-15 ₹ 6/- per share)	314.01	314.01
Provision for Dividend Distribution Tax	63.92	63.92
Provision for Taxation [Net of Advance Tax ₹ 8,061.52 lakhs (2014-15: ₹ 6,540.10 lakhs)]	253.01	512.93
Total	1,620.16	1,063.49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. Tangible assets

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				IMPAIRMENT			NET BLOCK AFTER IMPAIRMENT	
	Cost/ Valuation as at 1st April, 2015 [Note (a)]	Additions during the year	Sale/ Adjustment during the year [Note (b)]	Cost/ Valuation as at 31st March, 2016	As at 1st April, 2015	For the year	Sale/ Adjustment during the year	As at 31st March, 2016	As at 1st April, 2015	Impairment Loss For the year	As at 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
Freehold Land	19,093.18	-	-	19,093.18	-	-	-	-	-	-	-	19,093.18	19,093.18
Buildings	9,538.70	271.20	5,691.28	4,118.62	1,787.06	108.22	971.48	923.80	57.94	-	57.94	3,136.88	7,693.70
Roads	310.49	-	111.85	198.64	250.92	16.93	111.03	156.82	-	-	-	41.82	59.57
Plant & Equipment	14,058.49	849.70	5,846.77	9,061.42	10,934.90	477.48	5,151.25	6,261.13	211.62	-	211.62	2,588.67	2,911.97
Furniture & Fixtures	390.02	6.31	-	396.33	111.88	41.59	-	153.47	-	-	-	242.86	278.14
Motor Vehicles	205.54	78.52	24.47	259.59	81.72	30.02	14.56	97.18	-	-	-	162.41	123.82
Launches	0.04	-	-	0.04	0.03	-	-	0.03	-	-	-	0.01	0.01
Office Equipment	156.78	1.26	0.51	157.53	76.60	32.58	0.25	108.93	0.71	-	0.71	47.89	79.47
Electrical Installations	581.01	-	-	581.01	231.82	70.00	-	301.82	8.95	-	8.95	270.24	340.24
Total	44,334.25	1,206.99	11,674.88	33,866.36	13,474.93	776.82	6,248.57	8,003.18	279.22	-	279.22	25,583.96	30,580.10
Previous Year	43,401.31	1,272.91	339.97	44,334.25	8,654.31	4,888.08	67.46	13,474.93	194.89	84.33	279.22	30,580.10	

(a) The Company had revalued all of its Land, Buildings and Plant & Machinery at its factory at Bauria, Howrah at current replacement value as at 31st March, 2010 and 31st March, 2013 as per valuation report of an approved valuer.

Revaluation Reserve balance of ₹ 5,399.27 lakhs attributable to the depreciable tangible assets (Buildings and Plant & Machinery) has been reversed during the year with corresponding reduction in the book value of such assets with effect from 1st April, 2015.

The restatement of non-depreciable tangible assets (Freehold Land) arising out of revaluation is as set out below:

Particulars	31st March, 2010		31st March, 2013	
	Original Cost	Amount added on revaluation	Original Cost	Amount further added on revaluation
Freehold Land	112.50	10,409.03	112.50	8,571.65

b) Adjustment to Plant & Machinery includes Subsidy received ₹ 16.93 lakhs (2014-15: ₹ 41.48 lakhs)

(c) Pursuant to notification of Schedule II of the Companies Act, 2013 (the Act), with effect from April 1, 2014, the Company had reviewed and revised the useful lives of its Fixed Assets. In respect of assets whose useful life are exhausted as at April 1, 2014, the related carrying amount aggregating to ₹ 217.97 lakhs (Net of Deferred Tax of ₹ 112.24 lakhs) and revalued amount of such exhausted assets of ₹ 2501.87 lakhs has been adjusted against the opening balance of Surplus and Revaluation Reserve respectively as at April 1, 2014 [Refer Note 4 and Note 28]. Further revision of useful life has resulted in additional depreciation of ₹ 145.33 lakhs in previous year's Statement of Profit and Loss.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

13. Intangible assets

Particulars	GROSS BLOCK				AMORTISATION			NET BLOCK		
	Cost/ Valuation as at 1st April, 2015	Additions during the year	Sale/ Adjustment during the year	Cost/ Valuation as at 31st March, 2016	As at 1st April, 2015	For the year	Sale/ Adjustment during the year	As at 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
Computer - Software	40.79	11.93	-	52.72	30.10	3.21	-	33.31	19.41	10.69
Total	40.79	11.93	-	52.72	30.10	3.21	-	33.31	19.41	10.69
Previous Year	36.85	3.94	-	40.79	27.14	2.96	-	30.10	10.69	

14. Non-current investments

	As at 31st March, 2016	As at 31st March, 2015
Long Term Investments		
Trade Investments (valued at cost unless stated otherwise)		
Unquoted Equity Instruments		
Fine Worthy Software Solutions Private Limited 91,411 (31.03.2015 - 91,411) Equity Shares of ₹ 10/- each fully paid-up	213.68	213.68
Quoted Bonds		
National Highways Authority of India 42,072 (31.03.2015 - 42,072) Secured Redeemable Non Convertible Tax free Bonds of ₹ 1,000/- each fully paid up	420.72	420.72
Debentures (Quoted)		
Edelweiss Finance & Investments Limited 99 (31.03.2015 - 99) Debt Market Linked Non Convertible Debentures of ₹ 1,00,000/- each fully paid -up	-	99.00
India Infoline Finance limited 10 (31.03.2015 - 10) Principal Protected Secured Redeemable Non Convertible Market Linked Debentures of ₹ 10,00,000/- each fully paid -up	-	100.00
Debentures (Unquoted)		
Sheth Buildwell Private Limited 96 (31.03.2015 - Nil) 19% Non-Convertible Debentures of ₹ 1,00,000/- each fully paid -up	67.07	-
Mutual Fund (Quoted)		
Reliance Fixed Horizon Fund XXVIII Series 14 - Growth 25,00,000 Units (31.03.2015 - 25,00,000 Units)	250.00	250.00
Kotak Mahindra FMP Series -172 Mutual Fund 5,00,000 Units (31.03.2015 - 5,00,000 Units)	50.00	50.00
ICICI Prudential FMP Series 78 10,00,000 units (31.03.2015 - Nil units)	100.00	-
Reliance Fixed Horizon Fund XXX Series 14 - Growth 10,00,000 units (31.03.2015 - Nil units)	100.00	-
UTI Fixed Term Income Fund Series XXII - VI - Growth 12,50,000 units (31.03.2015 - Nil units)	125.00	-
Others (Unquoted)		
IIFL Income Opportunities Fund 29,44,328.379 units (31.03.2015 - 29,44,328.379 units) of ₹ 0.8916/- (31.03.2015 - ₹ 10/-) each fully paid-up	28.45	296.63
IIFL Asset Revival Fund Nil units (31.03.2015- 19,32,853.225 units) of ₹ 10/- each fully paid-up	-	200.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

14. Non-current investments (contd...)	As at 31st March, 2016	As at 31st March, 2015
Peninsula Brookfield India Real Estate Fund 166,70117 units (31.03.2015- 66 units) of ₹ 1,00,000/- each fully paid-up	168.70	68.00
IIFL National Development Agenda Fund 19,68,813.881 units (31.03.2015-19,68,813.881 units) of ₹10/- each fully paid-up	200.00	200.00
IIFL Real Estate Fund (Domestic) - Series 2 18,66,885.295 Class B units (31.03.2015-2,77,528 units) of ₹ 10/- each fully paid-up	200.00	30.00
Indiareit Apartment Fund 49,1452 units (31.03.2015-24,1452 units) of ₹ 1,00,000/- each fully paid-up	50.00	25.00
Orios Venture Partners Fund 1,25,000 units (31.03.2015-1,50,000 units) of ₹ 100/- each fully paid-up	125.00	50.00
IIFL Best Of Class Fund - I 5,00,000 units of Class B1 (31.03. 2015 - Nil) of ₹ 10/- each fully paid-up	50.00	-
5,00,000 units of Class B2 (31.03.2015 - Nil) of ₹10/- each fully paid-up	50.00	-
IIFL Real Estate Fund (Domestic) - Series 3 20,00,000 units of Class B (31.03.2015 - Nil units) of ₹ 10/- each fully paid-up	200.00	-
TATA Motors Finance Limited 1,00,000 (31.03.2015 - Nil) Compulsorily Convertible Preference Shares of ₹100/- each fully paid up	100.00	-
Quoted Equity Instruments		
The Cochin Malabar Estates & Industries Limited Nil (31.03.2015 - 15,000) Equity Shares of ₹10/- each fully paid-up [Net of provision for other than temporary diminution aggregating to ₹ Nil (31.3.2015 - ₹ 11.73 lakhs)]	-	15.30
Joonktolee Tea & Industries Limited # Nil (31.03.2015 - 7,500) Equity Shares of ₹10/- each fully paid-up	-	-
Alkem Laboratories Ltd 186 (31.03.2015 - Nil) Equity Shares of ₹ 2/- fully paid-up	2.56	-
Asian Paints Ltd. 744 (31.03.2015 - Nil) Equity Shares of ₹ 1/- fully paid-up	6.38	-
Bajaj Finance Ltd. 204 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	10.67	-
Bharat Forge Ltd. 903 (31.03.2015 - Nil) Equity Shares of ₹ 2/- fully paid-up	8.31	-
Bharat Petroleum Corpn. Ltd 759 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	6.46	-
Bosch Ltd. 78 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	16.57	-
City Union Bank Ltd. 3609 (31.03.2015 - Nil) Equity Shares of ₹ 1/- fully paid-up	3.15	-
Colgate-Palmolive (India) Limited 232 (31.03.2015 - Nil) Equity Shares of ₹ 1/- fully paid-up	2.26	-
Container Corporation of India Ltd. 159 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	2.10	-
Cummins India Ltd. 493 (31.03.2015 - Nil) Equity Shares of ₹ 2/- fully paid-up	5.29	-
Eicher Motors Ltd. 115 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	20.49	-
Emami Limited 339 (31.03.2015 - Nil) Equity Shares of ₹ 1/- fully paid-up	3.61	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

14. Non-current investments (contd...)	As at 31st March, 2016	As at 31st March, 2015
Engineers India Ltd 467 (31.03.2015 - Nil) Equity Shares of ₹ 5/- fully paid-up	0.94	–
Glaxo Smithkline Consumer Healthcare Ltd. 53 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	3.20	–
HDFC Bank Ltd. 708 (31.03.2015 - Nil) Equity Shares of ₹ 2/- fully paid-up	7.73	–
Hero Motocorp Limited 165 (31.03.2015 - Nil) Equity Shares of ₹ 2/- fully paid-up	4.25	–
Hindustan Petroleum Corporation Ltd. 1381 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	10.52	–
Housing Development Finance Corporation Ltd. 398 (31.03.2015 - Nil) Equity Shares of ₹ 2/- fully paid-up	5.07	–
Interglobe Aviation Ltd 574 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	5.04	–
Ipca Lab Ltd. 508 (31.03.2015 - Nil) Equity Shares of ₹ 2/- fully paid-up	3.97	–
Jammu Kashmir Bank Ltd 2295 (31.03.2015 - Nil) Equity Shares of ₹ 1/- fully paid-up	2.01	–
Kotak Mahindra Bank Ltd 1664 (31.03.2015 - Nil) Equity Shares of ₹ 5/- fully paid-up	11.27	–
Larsen & Toubro Ltd. 337 (31.03.2015 - Nil) Equity Shares of ₹ 2/- fully paid-up	5.27	–
Max Financial Services Ltd 1107 (31.03.2015 - Nil) Equity Shares of ₹ 2/- fully paid-up	5.89	–
Page Industries Ltd. 63 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	8.99	–
Speciality Restaurants Ltd 373 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	0.54	–
State Bank of India 2505 (31.03.2015 - Nil) Equity Shares of ₹ 1/- fully paid-up	6.14	–
Sun Pharmaceuticals Ltd. 1250 (31.03.2015 - Nil) Equity Shares of ₹ 1/- fully paid-up	11.23	–
Tata Consultancy Services Ltd. 251 (31.03.2015 - Nil) Equity Shares of ₹ 1/- fully paid-up	6.54	–
United Spirits Ltd 158 (31.03.2015 - Nil) Equity Shares of ₹ 10/- fully paid-up	4.94	–
Voltas Ltd. 2155 (31.03.2015 - Nil) Equity Shares of ₹ 1/- fully paid-up	6.40	–
Total	2,696.41	2,018.33
Aggregate amount of Quoted Investments	1,243.51	514.30
Aggregate Market Value of Quoted Investments	1,322.39	517.85
Aggregate amount of Unquoted Investments	1,452.90	1,883.31
Aggregate Provision for diminution in value of Investments	21.43	11.73

Allotted pursuant to scheme of demerger of the plantation division of The Cochin Malabar Estates & Industries Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

15. Long-term loans and advances	As at 31st March, 2016	As at 31st March, 2015
Unsecured, considered good (unless otherwise stated)		
Capital Advance	170.17	159.25
Security Deposits	426.55	401.38
Total	596.72	560.63

16. Current investments	As at 31st March, 2016	As at 31st March, 2015
At Cost:		
Current portion of Long term investments (Quoted) - Mutual Fund		
DSP BlackRock FMP- Series 150-13 M - Regular Growth Nil units (31.03.2015 - 5,00,000 units)	-	50.00
L&T FMP - Series 10 - Plan M - Growth Nil units (31.03.2015 - 5,00,000 units)	-	50.00
LIC Nomura MF FMP Series 77 Nil units (31.03.2015 - 5,00,000 units)	-	50.00
Reliance Fixed Horizon Fund -XXV - Series 31 Growth Plan Nil units (31.03.2015 - 5,00,000 units)	-	50.00
Quoted Equity instruments		
Infosys Limited 7400 (31.03.15-3700) Equity Shares of ₹ 5/- each fully paid-up	80.06	80.06
Debentures (Unquoted)		
Sheth Buildwell Private Limited 96 (31.03.2015 - Nil) 19% Non-Convertible Debentures of ₹ 1,00,000/- each fully paid -up	33.54	-
At cost or fair value, whichever is less		
Quoted		
Debentures		
Edelweiss Finance & Investments Limited 99 (31.03.2015 - Nil) Debt Market Linked Non Convertible Debentures of ₹1,00,000/- each fully paid -up	93.37	-
India Infoline Finance Limited 10 (31.03.2015 - Nil) Principal Protected Secured Redeemable Non Convertible Market Linked Debentures of ₹ 10,00,000/- each fully paid -up	84.20	-
Investment in Mutual fund		
Unquoted		
J.M.Arbrtage Advantage Fund , Bonus Option Nil units (31.03.2015 - 11,42,111.230 units)	-	114.00
ICICI Prudential Gilt Fund Investment Plan- PF Option-Regular Plan 11,53,119.586 units (31.03.2015-11,53,119.586 units)	250.00	250.00
ICICI Prudential Liquid Plan - Growth 4,48,284.140 units (31.03.2015 - 4,48,284.140 units)	1,002.51	-
Others (Unquoted)		
Forefront Alternative Equity Scheme 7,04,112.943 units (31.03.2015 - 7,04,112.943 units) of ₹ 10/- each fully paid-up	100.00	100.00
Total	1,643.68	744.06
Aggregate amount of quoted investments	257.63	280.06
Aggregate Market Value of quoted investments	267.70	261.34
Aggregate amount of unquoted investments	1,386.05	464.00



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

17. Inventories	As at 31st March, 2016	As at 31st March, 2015
Raw materials	4,609.47	3,289.49
Stock-in-process	1,610.70	747.88
Semi Finished Goods	292.72	378.00
Finished Goods (includes in transit ₹ 171.17 lakhs, {31.03. 2015: ₹ 321.53 lakhs})	2,521.63	1,503.95
Stores and Spares	913.57	887.64
Total	9,948.09	6,806.96

18. Trade receivables	As at 31st March, 2016	As at 31st March, 2015
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	72.08	52.61
Others	2,480.44	1,715.77
Total	2,552.52	1,768.38

19. Cash and Bank balances	As at 31st March, 2016	As at 31st March, 2015
Cash and cash equivalents		
Cash on hand	14.78	14.19
Balances with banks		
In current accounts	337.10	457.96
In Fixed Deposit	1,482.75	1,532.51
	1,834.64	2,004.66
Other Bank balances		
Unpaid dividend account	18.26	15.75
Margin money deposits	41.19	0.21
Total	1,894.09	2,020.62

20. Short-term loans and advances	As at 31st March, 2016	As at 31st March, 2015
Unsecured, considered good (unless otherwise stated)		
Security Deposits	96.39	96.59
Prepaid Expenses	108.57	61.28
Balances with Government Authorities	5.62	–
Advances for goods and services - Considered Good	76.77	41.47
Employee Advances	245.00	207.83
Loans to Bodies Corporate	1,200.00	–
Other Advances		
Considered Good	215.48	1.03
Doubtful	148.17	148.17
Less : Provision for Doubtful Advance	(148.17)	(148.17)
Total	1,947.83	408.20

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

21. Other current assets	As at 31st March, 2016	As at 31st March, 2015
Unsecured, considered good		
Interest accrued on Bonds	17.20	17.20
Interest accrued on Fixed Deposits	6.95	1.22
Interest accrued on Debentures	4.52	–
Total	28.67	18.42

22. Revenue from operations	Year ended 31st March, 2016	Year ended 31st March, 2015
Sale of products		
Finished goods	42,517.75	32,288.28
Traded Goods	10.73	384.81
	42,528.48	32,673.09
Other operating revenues		
Export incentive	497.82	486.31
Revenue from operations (gross)	43,026.30	33,159.40
Less : Excise duty and R&D Cess	315.60	232.26
Total	42,710.70	32,927.14

23. Other Income	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest Income on		
Bank deposits	101.65	17.10
Other deposits	109.97	25.38
Long - term investments	62.24	38.99
Debentures	15.52	–
Others	65.88	63.60
Dividend Income on current investments	13.23	–
Dividend on long term investment	1.13	2.42
Rent	2.93	3.42
Net Profit on sale of fixed asset	2.45	4.34
Profit on sale of current investments	34.78	89.45
Profit on Sale of long term investment	99.92	135.31
Liabilities no longer required written back	5.79	36.53
Net Gain on foreign currency transaction and translation	18.06	190.05
Miscellaneous Income	27.96	51.25
Provision for Diminution in Investment Written Back	11.73	–
Keyman Insurance claim realised	769.22	–
Total	1,342.46	657.84

24. Cost of materials consumed	Year ended 31st March, 2016	Year ended 31st March, 2015
Inventory at the beginning of the year	3,289.49	3,183.57
Add : Purchases (net) [Refer Note (a) below]	26,350.44	16,823.33
	29,639.93	20,006.90
Less : Inventory at the end of the year	4,609.47	3,289.49
Total	25,030.46	16,717.41

(a) Purchases is net of discount received on prompt payment of supplier's bills amounting to ₹ 425.98 lakhs (2014-15 : ₹ 290.37 lakhs)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

25. Changes in inventories of finished goods, stock-in-process and semi-finished goods	Year ended 31st March, 2016	Year ended 31st March, 2015
Inventories at the end of the year		
Stock-in-process	1,610.70	747.88
Semi-Finished Goods	292.72	378.00
Finished Goods	2,521.63	1,503.95
Total (A)	4,425.05	2,629.83
Inventories at the beginning of the year		
Stock-in-process	747.88	771.80
Semi-Finished Goods	378.00	217.66
Finished Goods	1,503.95	1,651.59
Total (B)	2,629.83	2,641.05
(Increase)/decrease in inventories (B-A)	(1,795.22)	11.22

26. Employees benefits expense	Year ended 31st March, 2016	Year ended 31st March, 2015
Salaries, Wages & Bonus	6,358.31	5,577.24
Contribution to Provident and Other Funds [Refer Notes (a) and (b) below]	1,767.09	831.00
Workmen and Staff Welfare expenses	68.99	58.32
Total	8,194.39	6,466.56

Notes :

(a) Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

	Year ended 31st March, 2016	Year ended 31st March, 2015
Employer's Contribution to Provident Fund	125.90	111.19
Employer's Contribution to Pension Fund	377.71	307.46
Employer's Contribution to Superannuation Fund	72.54	69.70

The Provident Fund is managed by the Company in line with the Provident Fund and Miscellaneous Provision Act, 1952. The Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provision Act, 1952. Condition for grant of exemption stipulate that the employer shall make good deficiency, if any, in the interest declared by the trust vis-a-vis statutory rate. The contribution by the Employer and Employees together with the interest accumulated there on are payable to the employees at the time of their separation from the company or retirement, whichever is earlier.

(b) Defined Benefit Plans

(i) Gratuity : The employees' gratuity fund scheme managed by a Trust and is a defined benefit plan. The funds of the trust is managed by approved insurance companies. Every employee is entitled to a benefit equivalent to fifteen day's salary last drawn for each completed year of service in line with Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. This benefits vest after five year of continuous service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

Sl. No.	Description	"Gratuity (Funded)"	
		Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation		
	Present Value of Obligation at the beginning of the year	4,358.59	3,684.68
	Current Service Cost	266.18	217.26
	Interest Cost	333.00	324.56
	Actuarial (Gains)/Losses	397.01	288.90
	Benefits Paid	(178.61)	(156.81)
	Present Value of Obligation at the end of the year	5,176.17	4,358.59
(b)	Reconciliation of the Opening and Closing balances of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	4,261.71	3,340.49
	Expected Return on Plan Assets	337.67	274.73
	Actuarial Gains/(Losses)	(257.83)	459.11
	Contributions	96.88	344.19
	Benefits paid	(178.61)	(156.81)
	Fair Value of Plan Assets at the end of the year	4,259.82	4,261.71
(c)	Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets		
	Present Value of Obligation at the end of the year	5,176.17	4,358.59
	Fair Value of Plan Assets at the end of the year	4,259.82	4,261.71
	Assets/(Liabilities) recognized in the Balance Sheet	(916.35)	(96.88)
(d)	Expense recognised in the Profit and Loss Account		
	Current Service Cost	266.18	217.26
	Interest Cost	333.00	324.56
	Expected Return on Plan Assets	(337.67)	(274.73)
	Actuarial (Gains)/Losses	654.84	(170.21)
	Total Expense recognized	916.35	96.88
(e)	Category of Plan Assets : [Refer Note (b) below]		
	Fund with Birla Sun Life Insurance Company Limited	4,135.36	4,234.11
	Fund with HDFC Life	124.46	27.60
	Total	4,259.82	4,261.71
(f)	Actuarial Assumptions		
	Discount Rate (Per annum)	7.90%	7.80%
	Expected Rate of Return on Assets (Per annum)	8.00%	8.00%
	Salary Escalation	9.00%	8.00%
	Mortality Rate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate

- a) The estimates of future salary increases, considered in actuarial valuations, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investment of funds during the estimated term of the obligation.
- b) The Company made annual contributions to the insurer of an amount as determined by actuarial valuation. Company was not informed of the investments made by the insurer or the break-down of plan assets by investment type.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

c) The table below illustrates experience adjustment disclosure as per para 120 (n) (ii) of Accounting Standard 15 – Employee Benefits.

	2014-15	2013-14	2012-13	2011-12	2010-11
Defined benefit obligation	(4,358.59)	(3,684.68)	(3,254.32)	(2,250.98)	(2,175.07)
Plan assets	4,261.71	3,340.49	2,760.15	2,190.04	2,034.62
Surplus / (deficit)	(96.88)	(344.19)	(494.17)	(60.94)	(140.45)
Experience adjustments on plan liabilities	203.74	(90.60)	(168.25)	30.95	(18.30)
Experience adjustments on plan assets	459.11	2.89	64.22	(40.40)	6.37

27. Finance costs	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest expenses	440.77	460.79
Other borrowing costs	38.20	27.84
Total	478.97	488.63

28. Depreciation and amortization expense	Year ended 31st March, 2016	Year ended 31st March, 2015
Depreciation on Tangible assets	776.82	4,888.08
Less: Adjustments pursuant to implementation of Schedule II to the Companies Act, 2013, for assets whose useful life is exhausted as at 1st April, 2014 [Refer Note 12 (c) and Note 4]	–	–
(a) Net Revalued Component of Assets adjusted against Opening Balance of Revaluation Reserve	–	2,501.87
(b) Original Cost of Assets adjusted against the Opening Balance of Surplus in the Statement of Profit & Loss	–	330.21
Less : Recoupment From Revaluation Reserve [Refer Note 4]	–	1,146.46
	776.82	909.54
Amortization of Intangible assets	3.21	2.96
Total	780.03	912.50

29. Other expenses	Year ended 31st March, 2016	Year ended 31st March, 2015
Consumption of stores and spare parts (net)	2,308.35	2,277.81
Power and fuel	1,919.64	1,826.55
Rent	79.18	73.56
Repairs to building	50.14	48.60
Repairs to machinery	0.83	4.18
Repairs - others	38.90	41.11
Insurance	600.39	118.01
Rates and Taxes	28.23	44.95
Processing Charges	585.70	466.82
Freight and Delivery Charges	257.93	357.64
Research & Development Cess and Excise Duty [Refer Note (a) below]	114.79	85.91
Export Dock and Toll Charges	104.88	100.98
Brokerage and Commission	163.33	166.73
Advance Written Off	–	39.19
Bad Debts Written Off	4.38	7.60
CSR Expenses [Refer Note (b) below]	18.70	34.71
Miscellaneous expenses	830.82	658.40
Diminution in value of Investment	21.43	–
Provision For Impairment of Fixed Assets	–	84.33
Raw Jute Damaged In Fire	428.39	–
Total	7,556.01	6,437.08

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

(a) Includes Research & Development Cess ("R & D Cess") and Excise Duty related to the difference between the closing stock and opening stock of finished goods ₹ 11.54 lakhs (31.03.2015: ₹ 1.78 lakhs)

(b) Corporate Social Responsibility (CSR)

As per the provisions of Companies Act, 2013, the Company is required to spend at least 2 % of its average net profits of immediately three preceding years on CSR activities eligible under the Act. Further pursuant to the requirement of the Companies Act, 2013 the Company has constituted a CSR committee which has approved the CSR policy.

The details regarding CSR expenditure for the year is given below:

Gross amount required to be spent by the Company during the year: ₹ 55.27 lakhs (2014-15 ₹ 59.24 lakhs)

Further, the amount spent during the year under various heads is mentioned below:

Amount spent during the year under various heads	In Cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	Nil	Nil	Nil
(ii) On purposes other than (i) above	18.70	Nil	18.70

30. Earnings per equity share (EPS)

Net profit for the year has been used as the numerator and number of shares have been used as denominator for calculating the basic and diluted earnings per share.

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
(I) Basic		
a. Net Profit after tax (₹ in lakhs)	2,551.42	1,455.53
b. (i) Number of Equity Shares at the beginning of the year	52,33,440	52,33,440
(ii) Number of Equity Shares at the end of the year	52,33,440	52,33,440
(iii) Weighted average number of Equity Shares outstanding during the year	52,33,440	52,33,440
(iv) Face Value of Equity Share (₹)	10	10
c. Basic Earning / (Loss) per share [a/b (iii)] (₹)	48.75	27.81
(II) Diluted		
a. Dilutive Potential Equity Shares	–	–
b. Weighted average number of Equity Shares for computing diluted earnings per shares [(I)b(iii)+(II)a]	52,33,440	52,33,440
c. Diluted Earning / (Loss) per Share [(I)(a) / (II)(b)] (₹)	48.75	27.81

31. Contingent liabilities

	As at 31st March, 2016	As at 31st March, 2015
a) Claims against the Company not acknowledged as debts :		
Sales tax matter	379.97	248.63
ESI matter	45.57	45.57
b) Export bills discounted with bank	263.86	28.56

32. Commitments

	As at 31st March, 2016	As at 31st March, 2015
Estimated amounts of contracts remaining to be executed on capital account and not provided for tangible assets	507.06	136.12
Other Commitment - towards investments	137.00	529.00



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

33. Information in accordance with Accounting Standard 17 on Segment Reporting:

The Company is engaged in the business of manufacturing Jute goods and is managed organisationally as a single unit. Accordingly the company has only one business segment . However, it has customers in India as well as outside India and thus segment reporting based on the Geographical location of its customers is as follows:

Particulars	Within India		Outside India		Total	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Segment revenue by location of customers	31,580.00	23,136.11	10,632.88	8,919.91	42,212.88	32,056.02
Carrying amount of segment assets	2,044.08	1,458.73	508.44	309.65	2,552.52	1,768.38
Additions to tangible and intangible assets	1,507.37	989.79	–	–	1,507.37	989.79

34. Related Party Disclosures pursuant to requirements of Accounting Standard -18

Names of Related Parties and nature of relationship:

a) Key Management Personnel

Shri G D Bangur (upto 7th June, 2016)
 Shri Hemant Bangur
 Shri D C Baheti

b) Enterprise over which Key Management Personnel have significant influence:

Joonktollee Tea & Industries Limited
 Kettlewell Bullen & Company Limited

Transactions with related parties are as follows:

Particulars	Year	Key Management Personnel	Enterprise over which Key Personnel & relatives of Key Management Personnel have significant Influence
A Transactions during the year			
1 Remuneration Paid	2015-16	347.73	–
	2014-15	241.52	–
2 Dividend Paid	2015-16	8.39	53.63
	2014-15	19.10	55.44
3 Rent Paid	2015-16	–	40.94
	2014-15	–	40.45
4 Sales	2015-16	–	94.68
	2014-15	–	75.42
5 Dividend Received	2015-16	–	0.23
	2014-15	–	0.45
B Outstanding balance at year end			
1 Commission Payable	2015-16	200.00	–
	2014-15	78.96	–
2 Deposits	2015-16	–	400.00
	2014-15	–	400.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

35. Derivative instruments and unhedged foreign currency exposure

(a) The Company uses Forward Exchange Contracts to hedge its exposures in foreign currency. Forward Exchange Contracts outstanding as at year end:

Nature of Exposure	As at 31st March, 2016	As at 31st March, 2015
Forward Contracts to sell (in USD)	4.42	4.02
Forward Contracts to sell (in GBP)	0.26	0.63
Forward Contracts to sell (in EUR)	0.51	–
Forward Contracts to sell (in JPY)	36.28	–
Forward Contracts to buy (in USD)	4.83	0.21

(b) Particulars of unhedged foreign currency exposures as at year end are as below :

Nature of Exposure	As at 31st March, 2016	As at 31st March, 2015
Advance from Customers (USD)	–	0.50
Advance from Customers (EUR)	–	0.03
Short Term Borrowings (in USD)	–	13.58
Import Trade payables (USD)	–	–

Note – The above Forward Exchange Contracts and unhedged foreign currency exposures pertains to receivables and payables as appearing in the Balance Sheet.

(c) Gain / (Loss) on Mark to Market of Forward Exchange Contracts:

Nature of Exposure	As at 31st March, 2016	As at 31st March, 2015
Provision for Resultant Mark to Market Loss	22.57	1.74

36. The Company's Board of Directors at its meeting held on March 29, 2016 has approved the Scheme of Arrangement between "the Company" and Kettlewell Bullen & Company Limited in terms of the provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 & Companies Act, 2013, to the extent applicable, to enable better realisation of potential of the businesses of the Companies and yield beneficial results & enhanced value creation for stakeholders. Upon the coming into effect of the Scheme and with effect from the Appointed Date i.e. 1st January, 2015, the Undertaking of Gloster Limited will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in Kettlewell Bullen & Company Limited, as a going concern, in accordance with Section 2(1B) of the Income Tax Act.

37. Previous year's figure have been rearranged and / or regrouped wherever necessary to make them comparable with that of current year.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

38. Statement providing additional information, as required under Schedule III to the Companies Act, 2013, of enterprises considered for preparation of the Consolidated Financial Statements

Name of the Entity [Refer Note (a) below]	As at				Year Ended			
	31st March, 2016		31st March, 2015		31st March, 2016		31st March, 2015	
	Net Assets	As a % of Consolidated Net Assets	Net Assets	As a % of Consolidated Net Assets	Net Profit	As a % of Consolidated Profit/(Loss)	Net Profit	As a % of Consolidated Profit/(Loss)
Parent								
Gloster Limited	32,158.96	96.57%	35,472.16	97.12%	2,464.02	97.12%	1,324.69	91.01%
Subsidiaries								
Gloster Lifestyle Limited	562.19	1.69%	519.24	1.42%	42.95	1.42%	64.24	4.41%
Gloster Specialities Limited	579.08	1.74%	534.61	1.46%	44.46	1.46%	66.65	4.58%
	33,300.23	100.00%	36,526.01	100%	2,551.43	100.00%	1,455.58	100.00%

- (a) All entities specified above have been incorporated in India.
- (b) The Net Asset position / Net Profit of the Company considered above is after considering elimination if any, for determining the Profit for the Year in the Consolidated Statement of Profit and Loss.

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu

Partner
Membership No. 55000

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

Hemant Bangur Executive Chairman

D. C. Baheti Managing Director

Nandita Sen Director

S. N. Bhattacharya Director

K. Mahapatra Director

Place: Kolkata

Date: 14th May, 2016



**CULTIVATING
GROWTH**

Form AOC -1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A" : Subsidiaries

₹ in lakhs

Sl. No.		1	2
1.	Name of the subsidiary	Gloster Lifestyle Limited	Gloster Specialities Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Uniform reporting period	Uniform reporting period
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable
4.	Share Capital	400.00	400.00
5.	Reserves and Surplus	162.19	179.08
6.	Total Assets	1,056.89	1,071.84
7.	Total Liabilities	1,056.89	1,071.84
8.	Investments	294.20	307.20
9.	Turnover	-	-
10.	Profit before Taxation	52.43	53.75
11.	Provision for Taxation	9.48	9.29
12.	Profit after Taxation	42.95	44.46
13.	Proposed Dividend	Nil	Nil
14.	% of shareholding	100%	100%

1. Names of subsidiaries which are yet to commence operations : Nil

2. Names of subsidiaries which have been liquidated or sold during the year : Nil

Part "B" : Associates and Joint Ventures

: Not Applicable

Place: Kolkata

Shankar Lal Kedia

Ajay Kumar Agarwal

Hemant Bangur

Executive Chairman

Date: 14th May, 2016

Chief Financial Officer

Company Secretary

D. C. Baheti

Managing Director

Nandita Sen

Director

S. N. Bhattacharya

Director

K. Mahapatra

Director



GLOSTER LIMITED

CIN - L17119WB1992PLC054454

21 Strand Road, Kolkata 700001, West Bengal, India

T +91 33 2230 9601 | **F** +91 33 2210 6167, 2231 4222

E info@glosterjute.com | **W** glosterjute.com