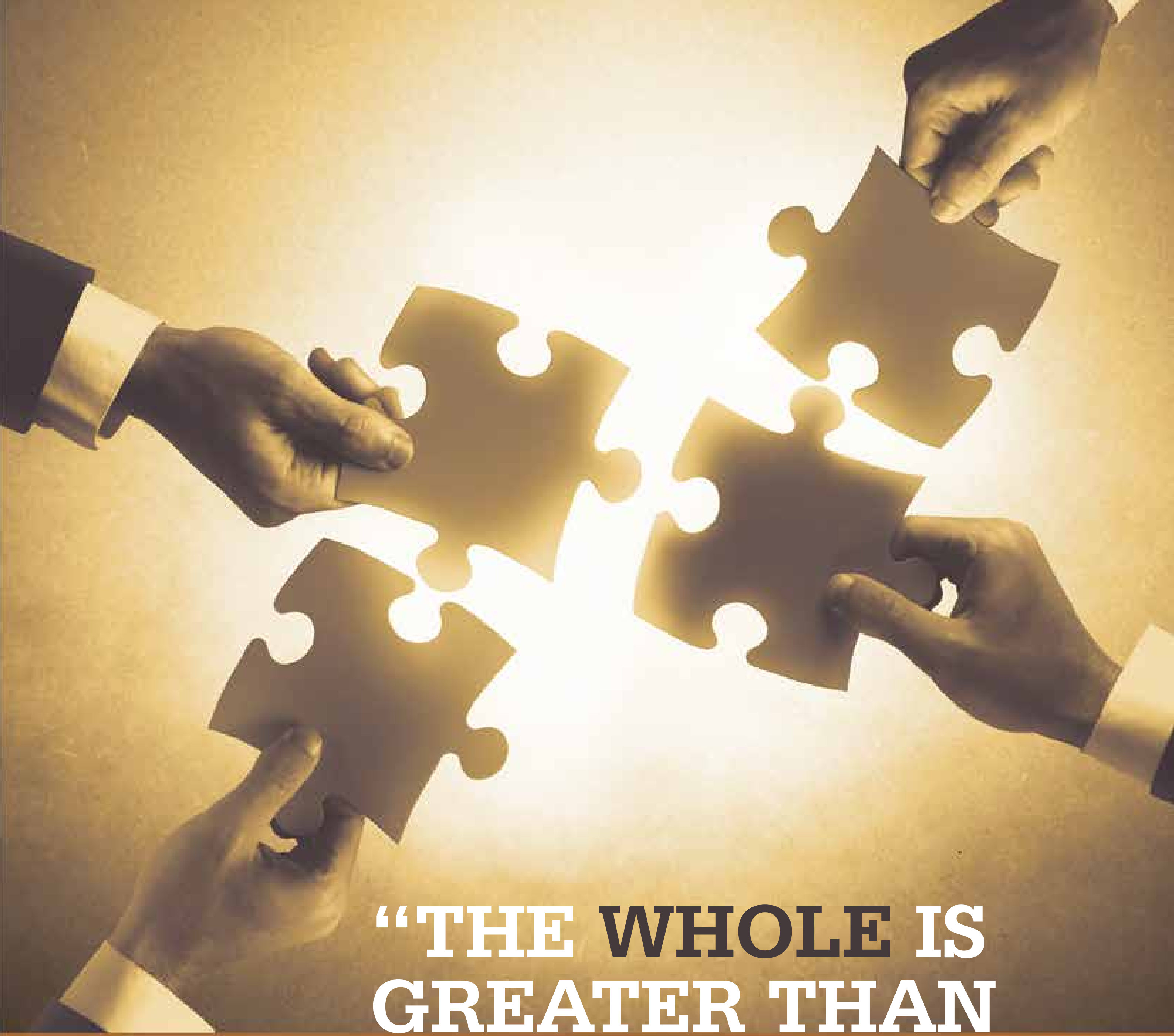
GLOSTER LIMITED

ANNUAL REPORT 2017-18

CONTENTS



"THE WHOLE IS GREATER THAN THE SUM OF ITS PARTS."

-Aristotle

At Gloster, this was the precise philosophy which drove the merger of erstwhile Gloster with Kettlewell Bullen & Company Limited.

It helped in creating organizational synergy, strengthening fundamentals, driving transparency and facilitating a faster and sustainable organizational growth.

The combined entity is significantly bigger than the individual components, with opportunities for multi-fold business growth.

The power of one is fostering the next phase of growth at Gloster Limited.

JOURNEY ACROSS A CENTURY AND FOUR DECADES

Prior to1872

Kettlewell Bullen & Company formed as a partnership firm

Inception of the mills of Gloster

1872

1879

Appointment of Kettlewell Bullen & Company as Managing Agent of Fort Gloster Jute Manufacturing Company Limited

1923

Incorporation of Kettlewell Bullen & Company Limited (KBCL) as a Company

1954

House of Bangurs took over KBCL and thereby took over Fort Gloster Jute Manufacturing Company Limited (FGJMCL)

1969

Cessation of Managing Agency of KBCL and its continuance as Main Promoter of Fort Gloster Industries Limited (Formerly FGJMCL)

1992

Jute division of the Fort Gloster Industries Limited carved out in the form of Gloster Limited with KBCL as one of the Main Promoters

2016

Amalgamation of Gloster Limited with KBCL sanctioned by Boards of both Companies

2018

- **19.01.2018**
  Order of National Company Law Tribunal, Kolkata Bench, sanctioning the Scheme of Amalgamation of Gloster into KBCL
- **30.03.2018**
  Being the effective date "THE POWER OF ONE" formally came into being and commenced its journey by amalgamating erstwhile Gloster Limited into KBCL
- **09.05.2018**
  KBCL renamed as Gloster Limited vide fresh Certificate of Incorporation received from Registrar of Companies, West Bengal

OUR PILLARS OF SUCCESS

MISSION

Creating a satisfied customer base

Win recognition as a producer of quality jute and allied products

Provide products at a competitive price

VISION

Make our business a part of the society and contribute to the welfare of the larger community

Be committed to our workforce, consumers, suppliers, shareholders and other stakeholders at large

Promote the principles of sustainability in our operations and activities

Unmatched Legacy

Kettlewell Bullen & Company Limited

Kettlewell Bullen & Company formed as a partnership firm prior to 1872, was Managing Agent of Bowreah Cotton Mills. In 1879, it was also appointed as the managing agent of Fort Gloster Jute Manufacturing Company Limited which became Fort Gloster Industries Limited. It was incorporated as a limited company namely Kettlewell Bullen & Company Limited in 1923 under the provisions of the Companies Act 1913. With the abolition of the Managing Agency system, Kettlewell Bullen & Company Limited (KBCL) ceased to be the managing agent w.e.f 31st December 1969. It however, continued to be the main Promoter and controller of Fort Gloster Industries Limited. In 1992, the jute division of Fort Gloster Industries Limited was demerged into a separate company called Gloster Jute Mills Limited which was renamed as Gloster Limited (erstwhile) with KBCL as the main promoter.

A strong lineage

Gloster Limited

Established in the year 1872, mills of Gloster evolved as one of the leading manufacturers and exporters of jute products in India with a rich legacy of more than a century and four decades. Post-independence in 1954, it was acquired and thereafter managed by the Bangur Group. It has not only successfully carried the legacy ahead but also with each turn of the decade has created unrivalled strengths, thus creating real value for its stakeholders. Headquartered in Kolkata (West Bengal), India, the two manufacturing units of Gloster sprawling across more than 175 acres are located along the banks of river Hooghly at Bauria in Howrah district of West Bengal. Gloster made its presence felt across the globe through innovative and value-added products with export presence in countries like USA, Australia, New Zealand, Japan, Canada and major European nations including UK, Netherlands, Germany and Spain amongst others.

The power of one!

The amalgamation is a win-win proposition for the combined entity for the following reasons:

- Clarity of ownership with lean management structure driving organizational transparency
- Enhanced net worth and strengthened balance sheet
- A commonality of culture, values and management. The combined entity will be focusing on jute and allied fibres, especially value-added products
- Complementary opportunities, bringing in the strong asset base of KBCL and state of the art mills and jute business of Gloster will boost Gloster to stratospheric heights

The power of one!

Ensuring stronger fundamentals

Consolidation of the two businesses has strengthened the fundamentals of the company. The business consolidation is showcasing the true net worth of the combined business. The enhancement of net worth of the combined business will lead to enhancement in business opportunities resulting in enhanced earnings and cash flow in the business.

With a strong asset base and net worth the credibility and sustainability of the Company has increased and the Company is now ready to leverage any opportunity to scale up its operations in India and abroad.

The power of one!

Ensuring faster growth

Over the years of its existence, the combined entity has created strong asset base and grew attractively on account of its strong product portfolio, superior customer servicing, cost-effective operations and continuous innovation leading to the introduction of several value-added products.

With higher retained earnings and cash flows the combined entity shall leverage the "Power of One" to expand business through combination of greenfield expansion and acquisition across geographies.

The power of one!

Transparent organizational structure

The Structure defines clear ownership of the organization with an enhanced delegation of authority. With the merger of two entities, their respective management structure ceased to exist. The company focused on creating a leaner organizational structure for enhanced transparency and faster decision-making. The combined entity has a professional Board led by Sri Hemant Bangur - Chairman of the Company.

With the two companies merging, it has created a stepping stone for a much larger and diversified organization. This is also creating a foundation to attract institutional and private equity as well as foreign capital.

The power of one!

Competitive edge

Management

The Company is driven by a group of experienced professionals under the leadership of Sri D.C. Baheti, Managing Director. The team comprises more than 4,500 employees with a commitment to create a sustainable, safer and greener society. Gloster directly and indirectly supports approximately 20,000 stakeholders.

Financials

With a Debt-Equity of only 0.02 and Net Worth of Rs. 90,777.57 lakhs (as on 31st March 2018), the Company is attractively positioned with a largely unleveraged balance sheet.

Relevance

With growing environment-consciousness, jute is regaining its status as a preferred packaging material on one hand and finding application in value-added segments like technical textile and lifestyle products, on the other.

Diversified

The company has an annual production capacity of about 50,000 metric tons of jute textiles and products. Possesses a wide range of jute and jute blended products – the product profile can be broadly classified into

a) Traditional Products such as hessian, yarn, sacking etc.,

b) Technical Products such as geotextiles, agro-textiles, fabrics treated for fire retardancy, microbial attacks, hydrocarbon-free jute bags, jute leno fabrics etc. and

c) Lifestyle Products such as floor covering, processed decorative, furnishing fabrics, bags & made ups, jute mats etc. The company has also added new technical products namely laminated jute fabrics, washed jute canvas, coated fabrics for soft luggage, coated molleton fabrics, bleached yarns and non-woven products of certified organic jute. The company acts as a one-stop shop for all kinds of jute products available in the market.

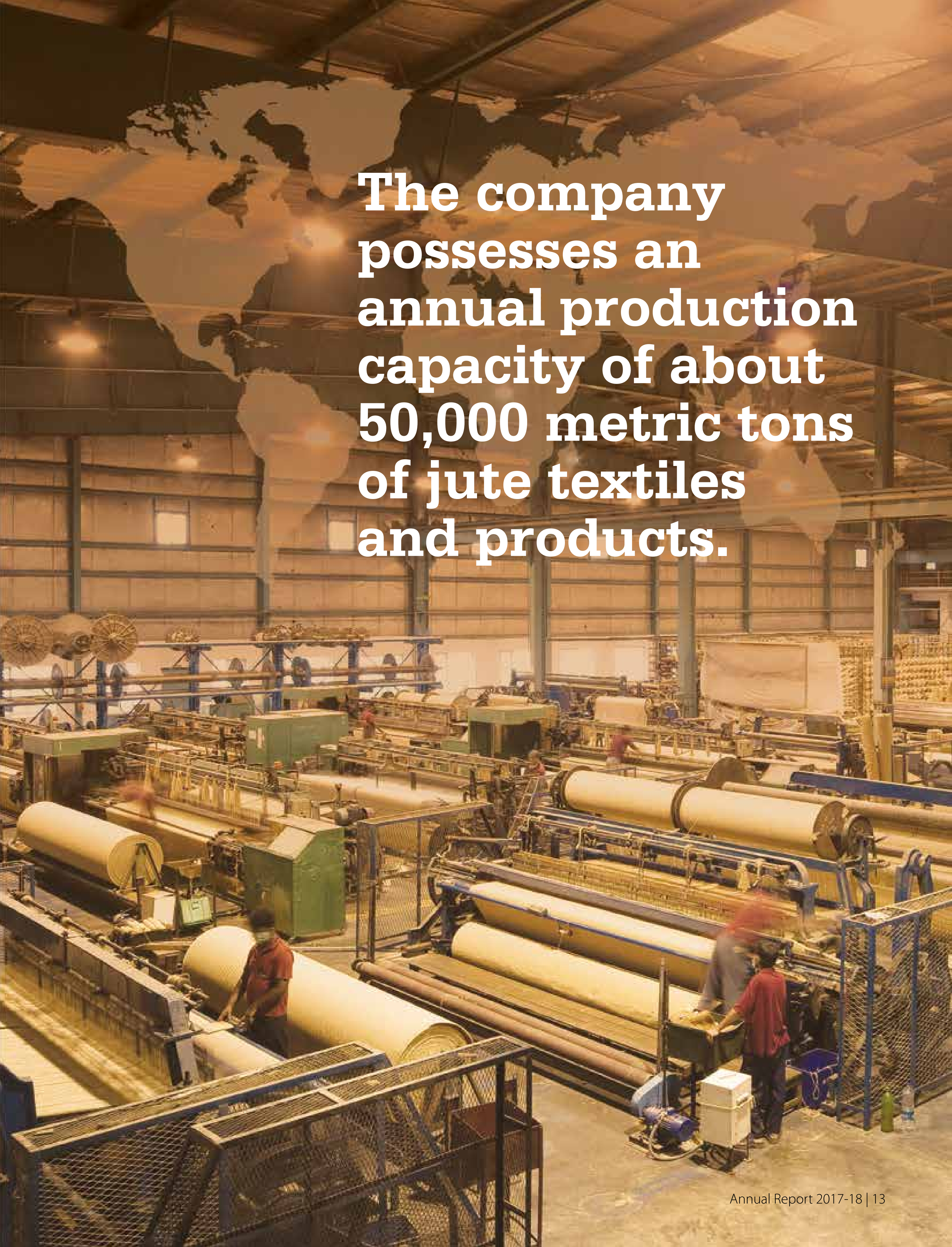
Presence

Created strong presence across more than 30 attractive markets across the globe. During the year under review, the Company expanded its presence in regions like Africa and Latin America.

Innovative

Consistently invests in research and innovation to create value-added products and stay relevant in the dynamic market conditions.

The company possesses an annual production capacity of about 50,000 metric tons of jute textiles and products.



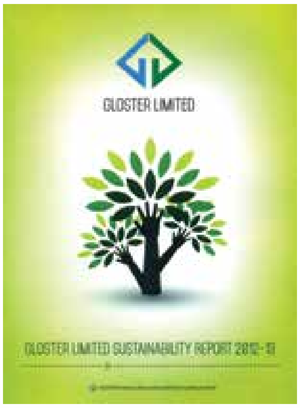
Being sustainable - Caring & Growing

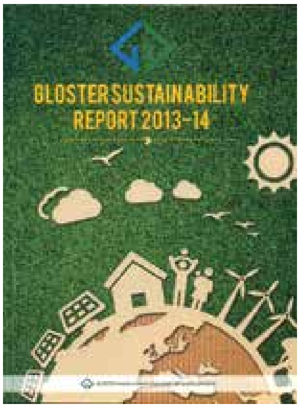
At Gloster, we are extremely concerned about the environment and we strongly believe that protecting environment will lead to sustainable business growth. The Company has made proactive investments in protecting the environment at its operating sites through reduction in emissions and effluent discharge.

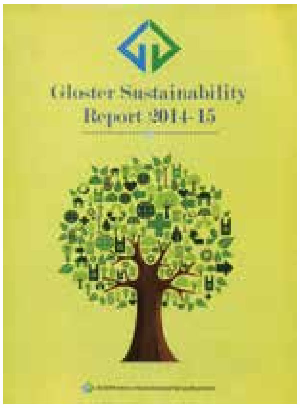
The Company focuses on maintaining the flora and fauna at the surrounding areas and aspires to be the greenest organization in the industry within which it operates. It has proactively taken the following initiatives to protect the environment:

- Installed Electrostatic Precipitator to collect and precipitate dust emissions from the exhaust flue gases of boilers, preventing environmental air pollution.
- Installed overhead conveyor system for drying wet processed fibre "Morahs" by means of wind and solar energy in place of steam drying.
- Installed conveyor system for movement of goods during production process.
- Installed Voltaic Solar Panel System on the rooftop to tap abundant solar energy.
- Installed effluent treatment plant having re-cycling system for the effluents. The processing system therefore does not release any type of effluents to drains / streams etc.
- Installed multi-fuel boilers using jute process waste as fuel for boilers thereby reducing carbon foot print.
- Developed and installed computerized control for mixing of JBO in the raw jute, a first in the industry.
- Installed battery operated material handling equipments.
- Installed dust suppression & humidification system for providing better working environment at the shop floor.

The Company is reporting Sustainability performance since 2012-13 in accordance with Global Reporting Initiative Guidelines. M/s. Ernst & Young LLP consistently provides its Independent Assurance Statement on the Company's Sustainability Report.







Achievements & Recognitions

- Quality Management System IS/ISO 9001:2008 certified by Bureau of Indian Standards
- Quality Management System ISO 9001:2008 certified by The British Standards Institution
- Environmental Management System ISO 14001:2004 certified by The British Standards Institution
- Environmental Management System IS/ ISO 14001:2004 certified by Bureau of Indian Standards
- Occupational Health and Safety Management System OHSAS 18001:2007 certified by The British Standards Institution
- Occupational Health and Safety Management System IS 18001:2007 certified by Bureau of Indian Standards
- Social Accountability (SA 8000-2008), certified by SGS for Manufacture and Supply of Jute, Cotton and Allied Fibre Products
- Organic Products Certification NPOP/NAB/003 by IMO Control Pvt. Ltd. for production & processing
- Confidence in Textiles tested for harmful substances according to OEKO - TEX Standard 100 by Hohenstein Textile Testing Institute Gmbh& Co.
- Global Organic Textile Standard (GOTS) certified by Control Union Certifications
- Credit rating -Rated by CRISIL Long-term bank facilities - 'CRISIL A+/Stable'; Short-term rating and commercial paper rating - CRISIL A1 on 30.04.2018.

THE POWER OF ONE!

CORPORATE INFORMATION

Board of Directors	:	**Hemant Bangur** – Executive Chairman **Pushpa Devi Bangur** – Non-Executive Director **D.C. Baheti** - Managing Director **S.B. Mainak** – Independent Director **S.N. Bhattacharya** – Independent Director **Dr. Prabir Ray** – Independent Director
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	:	**Price Waterhouse & Co. Chartered Accountants LLP** Kolkata
Registrar & Share Transfer Agents	:	**Maheshwari Datamatics Pvt.Ltd.** 23, R.N. Mukherjee Road. 5th Floor, Kolkata – 700 001 Phone : +91 33 2248 2248; 2243 5029 Fax : +91 33 2248 4787 E-mail : mdpldc@yahoo.com
Registered & Administrative Office	:	21, Strand Road, Kolkata – 700 001 (India) Corporate Identity No. U17100WB1923PLC004628 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 Ninety Sixth Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2018.

SCHEME OF ARRANGEMENT BETWEEN KETTLEWELL BULLEN & COMPANY LIMITED ("THE COMPANY") AND ERSTWHILE GLOSTER LIMITED

The Company's Board of Directors at its meeting held on March 29, 2016 had approved the Scheme of Arrangement between "the Company" and erstwhile Gloster 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. The National Company Law Tribunal, Kolkata bench vide its order dated 19.01.2018 has sanctioned the said Scheme and upon the coming into effect of the Scheme on 30.03.2018 and with effect from the Appointed Date i.e. 1st January, 2015, the Undertaking of erstwhile Gloster Limited stands transferred to and vested in the Company as a going concern from the appointed date. The principle business activity of the company now is manufacturing of jute goods. Further as per the scheme the name of the company was also changed from Kettlewell Bullen & Company Ltd to "Gloster Limited".

FINANCIAL RESULTS

The highlights of the financial results of the Company for the year ended 31st March, 2018 are as under:

(₹ lakhs)

Particulars	Standalone		Consolidated	
	Year Ended 31.3.2018	Year Ended 31.3.2017	Year Ended 31.3.2018	Year Ended 31.3.2017
Revenue from operations	46,398.50	50,742.79	46,398.50	50,742.79
Other Income	1,460.31	1,644.67	1,575.03	1,776.45
Total	47,858.81	52,387.46	47,973.53	52,519.24
Profit before Tax	6,520.24	5,133.84	6,629.49	5,240.89
Tax Expense	2,391.70	1,729.09	2,412.04	1,746.41
Profit for the year	**4,128.54**	**3,404.75**	**4,217.45**	**3,494.48**
Other Comprehensive Income (net of tax)	**1,497.80**	**1,223.72**	**1,490.47**	**1,214.72**
Total Comprehensive Income	**5,626.34**	**4,628.47**	**5,707.92**	**4,709.20**

ADOPTION OF IND AS

Beginning 1st April 2017, the Company has for the first time adopted Ind AS with a transition date of 1st April, 2016. The financial statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016] and other relevant provisions of the Act.

DIVIDEND AND RESERVES

Your Directors are pleased to recommend for your approval a dividend of 100% i.e ₹ 10/- per equity share for the year ended 31st March, 2018. The total outflow for dividend will be ₹659.63 lakhs including ₹ 112.47 lakhs by way of dividend tax.

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

OPERATIONS & STATE OF COMPANY'S AFFAIRS

The production during the year under review has been 48,588 MT in comparison to 49,279 MT in the previous year. Sales and turnover for the year under review stood at 48,758 MT & ₹ 45,249 lakhs as against 49,051 MT & ₹ 49,519 lakhs respectivly in the previous year. For the year under review, net profit of the Company stood at ₹ 4,128 lakhs as against ₹ 3,404 lakhs in the previous year. The raw jute crop in the forthcoming jute season is expected to be lower than current jute season and carryover of stock would also be lower particularly standard and higher grade raw jute. Price of raw jute in the forthcoming jute season is likely to be firm with an upward bias compared to the previous year.

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.

All existing & proposed bank facilities have been reviewed and rated by CRISIL Limited and rating for long-term bank facilities is 'CRISIL A+/Stable' and for short-term bank facilities and commercial paper rating is CRISIL A1.

CHANGE IN NATURE OF BUSINESS, IF ANY

Pursuant to amalgamation of erstwhile Gloster Limited with the Company, the nature of business of the Company has changed from Non Banking Financial Institution activity to manufacturing of jute products

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.

COMPLIANCE WITH PROVISIONS OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Pursuant to amalgamation, your company has made listing application vide reference no 79293 dated 23.05.2018 at BSE Limited, and letter reference no. 42 dated 24.05.2018 at The Calcutta Stock Exchange Limited. As the Company has applied for listing, the Company has made all the disclosures as required to be made by a listed entity under Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

SUBSIDIARY COMPANIES

Pursuant to amalgamation Gloster Lifestyle Limited and Gloster Specialities Limited have become wholly owned subsidiaries of your Company.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, and IND AS 110 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 Saturdays. 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 Company's website at www.glosterjute.com. A Policy has been formulated for determining the Material Subsidiaries of the Company pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 ₹ 55.49 lakhs (Previous Year ₹69.52 lakhs). Profit after tax for the year stood at ₹ 45.55 Lakhs (Previous Year ₹ 46.45lakhs) and Total Comprehensive Income stood at ₹ 41.71 lakhs (Previous Year ₹41.95 lakhs).

Gloster Specialities Limited

The Gross revenue of the Company stood at ₹ 59.23 lakhs (Previous Year ₹ 62.26 lakhs). Profit after tax for the year stood at ₹ 43.36 lakhs (Previous Year ₹ 43.28 lakhs) and Total Comprehensive Income stood at ₹ 39.86 lakhs (Previous Year ₹ 38.78 lakhs)

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements is prepared in accordance with accounting principles generally accepted in India, including the Indian 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, is attached as **Annexure –I** and forms part of this Report.

CORPORATE GOVERNANCE

The Company practices principles of good corporate governance and lays strong emphasis on transparency, accountability and integrity.

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the detailed report on Corporate Governance is separately attached and forms part of this Annual Report. All the details in the Corporate Governance Report have been updated upto the date of signing of Directors' Report unless otherwise specifically mentioned in Corporate Governance Report.

SHARE CAPITAL

The Paid-up share capital of the Company as on 31st March, 2018 stood at ₹ 200 lakhs. Pursuant to the scheme of amalgamation the eligible shareholders of erstwhile Gloster Limited have been issued and allotted equity shares of the Company on 10.05.2018 in the accordance with scheme. Since these equity shares were pending to be allotted as at 31.03.2018 the corresponding amount of ₹ 78,493.55 lakhs has been reflected under Equity Share Suspense. During the year under review, the Company has not granted any stock options or sweat equity. As on 31st March, 2018, 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, 2018, seven Board Meetings were held on 15th April 2017, 12th May 2017, 8th September 2017, 15th December 2017, 17th January 2018, 28th February 2018 and 27th March 2018. 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 2017-18 and number of meetings attended by Directors forms part of Corporate Governance Report.

MEETINGS OF INDEPENDENT DIRECTORS

As on the date of the report the Company has 3 Independent Directors as detailed below:

Independent Director	Date of appointment
Sri S.N. Bhattacharya	27.03.2018
Sri S.B. Mainak	17.04.2018
Sri Prabir Ray	17.04.2018

During the financial year 2017-18 the criteria for meeting of Independent Directors was not applicable to the Company as the Company was not a listed company and provisions of Schedule IV of Companies Act, 2013 were not applicable to the Company.

BOARD EVALUATION

Prior to scheme of amalgamation becoming effective from 30.03.2018, provisions of Section 134(3)(p) read with Rule 8 (4) of Companies (Accounts) Rules, 2014 are not applicable to the Company.

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 part of this Annual Report.

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 part of this Annual Report.

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

DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Company's Articles of Association Smt. Puhpa Devi Bangur Non-Executive Director (DIN - 00695640) retires by rotation at the forthcoming Annual General Meeting and, being eligible offers herself 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 Company have four Key Managerial Personnel - Sri Hemant Bangur appointed as Additional Director w.e.f. 28.02.2018 and Executive Chairman w.e.f. 01.04.2018; Sri Dharam Chand Baheti appointed as Additional Director w.e.f. 28.02.2018 and Managing Director w.e.f. 01.04.2018; Sri Ajay Kumar Agarwal appointed as Company Secretary w.e.f. 01.04.2018 and Sri Shankar Lal Kedia appointed as CFO w.e.f 01.04.2018.

Sri S.N. Bhattacharya has been appointed as Additional Director (Category – Independent) w.e.f 27.03.2018 and Sri S.B. Mainak & Sri Prabir Ray have been appointed as Additional Directors (Category – Independent) w.e.f 17.04.2018.

Sri L.N. Bihani resigned as a Director w.e.f. 28.02.2018; Sri O.P. Modani & Smt Vinita Bangur resigned as Directors w.e.f. 17.04.2018 and Sri Abhay Gandhi - KMP and Sri R.K.Kankani – KMP resigned w.e.f. 01.04.2018.

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 re-appointment at the ensuing Annual General Meeting is incorporated in the Notice calling the said meeting.

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. Periodical Board Meeting generally once a year is held at the factory, preceded by visit of various processes, operations and general tour of the factory by the Directors. On an ongoing basis as part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. 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 TRASACTIONS

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 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 2017-18 are provided in the accompanying financial statements.

Smt. Pushpa Devi Bangur is mother of Sri Hemant Bangur. Except for this there is no other pecuniary relationship or transactions of the Directors vis-a-vis the Company and inter-se among themselves.

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/CSRPolicy.pdf.

The Committee consists of three Members, comprising:

Name of the Members	Category
Smt Pushpa Devi Bangur	Non-Executive Director
Sri Dharam Chand Baheti	Managing Director
Sri Prabir Ray	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. R B S C & 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.

Necessary certification by the Statutory Auditors in relation to Internal Financial Control u/s 143(3) (i) of the Companies Act, 2013 forms part of the Audit Report.

RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns.

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 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

Messrs , Price Waterhouse & Co. LLP, Chartered Accountants, (Firm Registration No.- 304026E/E-300009) Statutory Auditors of the Company hold office up to the 100th Annual General Meeting of the Company and the said appointment would be proposed for ratification at the ensuing Annual General Meeting. The Auditor's Report on the financial statements for the financial year 2017-18 does not contain any qualifications, reservations or adverse remarks.

COST AUDITORS

In accordance with Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Board of Directors has appointed M/s D. Radhakrishnan & Co., Cost Accountants as the Cost Auditors of the Company for the Financial Year 2018-19 at a remuneration of ₹50,000 plus reimbursement of out of pocket expenses at actuals and applicable taxes. The remuneration needs to be ratified by the shareholders at the forthcoming Annual General Meeting and a resolution regarding ratification of remuneration payable to the cost auditor forms part of the notice convening the Annual General Meeting of the Company.

SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of the Companies Act, 2013, and rules made there under, M/s. M K B & Associates, Company Secretaries, are Secretarial Auditor's of the Company for the financial year 2017-18. The Secretarial Audit Report for the financial year ended31st March, 2018 is attached as **Annexure IV** and forms part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The company has complied with Secretarial Standards relating to General Meetings and Board Meetings as issued by Institute of Company Secretaries of India.

EXTRACT OF THE ANNUAL RETURN

The extracts of Annual return in Form MGT 9 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 VIIB** and forms part of this Report.

In terms of Section 136 of the Companies Act, 2013, the annual report is being sent to the members excluding the statement relating to top 10 employees of the Company. The said information is readily available for inspection by the members at the Company's registered office during the business hours on all working days up to the date of ensuing Annual General Meeting and shall also be provided to any member of the Company, who sends a written request to the Company Secretary.

DEPOSITS

Your company has not accepted deposits from public as envisaged under Section 73 to 76 of the 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. The loans have been advanced by the Company for normal business purposes of the borrower.

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

The Company's shares would be 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 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 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 : 29th May, 2018

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 of food grains & sugar respectively. The said notification is valid up to 30th June 2018.

b) Opportunities and Threats/Risks & Concerns

Opportunities

- 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;
- Demand for Company's industrial as well as promotional Jute goods like Hessian & Sacking, lifestyle products & other made ups have grown over the years and is expected to see further increase;
- Different incentive schemes covering the industry like the following :
  - i. Government of India, Ministry of Textiles have launched a scheme "Amended Technology Upgradition 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 effective upto 31st March, 2017 has been extended further for a period of three years. 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 is giving export incentive scheme named as Merchandise Exports from India Scheme (MEIS) for export of specified goods to specified countries. Incentive under MEIS is payable as percentage of realised FOB value in free foreign currency in the form of duty free scrips and the rate of reward has been increased form 5% to 7 % effective from 1st November, 2017.

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 employee cost may overall result into higher conversion cost;
- Stiff competition from Bangladesh jute goods and synthetic packaging materials;

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	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Segment revenue by location of customers	34,279.99	37,436.14	10,969.09	12,083.73	45,249.08	49,519.87
Carrying amount of segment assets	1,749.06	1,282.82	699.77	784.47	2,448.83	2,067.29

d) Outlook

The raw jute crop in the forthcoming jute season is expected to be lower than current jute season and carryover of stock would also be lower particularly standard and higher grade raw jute. Price of raw jute in the forthcoming jute season is likely to be firm with an upward bias compared to the previous year.

Your management is sustaining its efforts to improve the efficiency and productivity resulting 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. An 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	2017-18	2016-17	Increase / (Decrease)
Revenue from operations	46,398.50	50,742.79	(4,344.29)
Raw material cost	21,749.18	25,259.76	(3,510.58)
Finance costs	119.35	341.75	(222.40)
Total Comprehensive Income for the year	5,626.34	4,628.47	997.87

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 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;

4.1.5.2 Shall give his written consent to act as a Director;

4.1.5.3 Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;

4.1.5.4 Shall abide by the Code of Conduct established by the Company for Directors, KMP and SMP;

4.1.5.5 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, KMPs & 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 for Managing Director / Whole Time Directors (MD/WTDs), is determined by the Board of Directors based on the appointment agreement approved, by the members in the 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 CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES/ INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

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 Companeis 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 setting up old age homes, day care centers and such other facilities for senior citizens. 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:

   Smt Pushpa Devi Bangur : Chairperson

   Shri Dharam Chand Baheti : Member

   Shri Prabir Ray : Member

3. Average net profit of the company for last three financial years - ₹ 2,468.49lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) – ₹ 49.37lakhs

5. Details of CSR spent during the financial year.

   a. Total amount to be spent for the financial year- ₹ 49.37 lakhs

   b. Total Amount spent during the year - ₹67.01 lakhs

   c. Amount unspent, if any – Nil

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

S.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 (₹ in lakhs)	Cumulative expenditure up to the reporting period (₹ in lakhs)	Amount spent: Direct or through implementing agency
A	Eradicating hunger, poverty, malnutrition, promoting health care including preventive health care	Eradicating hunger, poverty, malnutrition, promoting health care including preventive health care	Kolkata & Bauria, West Bengal	17.01	17.01	17.01	Direct
B	Setting up old age homes, day care centers and such other facilities for senior citizens	Setting up old age homes, day care centers and such other facilities for senior citizens	Kolkata, West Bengal	50.00	50.00	50.00	Direct

The Company has no Committed Unspent Amount towards its CSR activities.

6. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Dharam Chand Baheti Managing Director	**Pushpa Devi Bangur** (Chairperson - CSR Committee)

ANNEXURE-IV TO THE DIRECTORS REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[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,

KETTLEWELL BULLEN & COMPANY LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KETTLEWELL BULLEN & COMPANY 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 our opinion thereon.

In terms of a Scheme of Arrangement between the Company and Gloster Limited (Transferor Company), duly approved by the Hon'ble National Company Law Tribunal by its order dated 19th January 2018, (certified copy whereof was made available on 21st March 2018), the said Gloster Limited has merged into Kettlewell Bullen & Company Limited (Transferee Company) with effect from 01.01.2015, being the appointed date. However, this report is only on the compliances done by the Transferee Company Kettlewell Bullen & Company Limited and does not consider compliances done by the Transferor Company viz., Gloster Limited. A separate report has been made on compliances done by erstwhile Gloster Limited, a listed company which has merged with the Company. It is also pertinent to note that as on the date of this report, Kettlewell Bullen & Company Limited has not made an application to the Stock Exchanges for getting the shares of the company listed on any of the Stock Exchanges.

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

Based on our 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 for the financial year ended on 31st March, 2018, 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, 2018, 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 (not applicable to the Company during the period of Audit);

iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder (not applicable to the Company during the period of Audit);

iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;

v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI (not applicable to the Company during the period of Audit).

vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing 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

   e) The Directions, Circulars and Guidelines prescribed by the Reserve Bank of India applicable to Non-Deposit taking, Non-Systemically Important NBFC;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as 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 in terms of the Scheme of Amalgamation ("the Scheme") of Gloster Limited (Transferor Company) with Kettlewell Bullen & Company Limited (Transferee Company), the name of Kettlewell Bullen & Company Limited will be changed to Gloster Limited. The Company is in the process of filing of requisite forms in this regard with Ministry of Corporate Affairs. Further, the Company has applied to Reserve Bank of India for surrender of its Registration Certificate as a Non Banking Financial Company.

This report is to be read with our letter of even date which is annexed as **Annexure – 1** which forms an integral part of this report.

For MKB & Associates
Company Secretaries

Raj Kumar Banthia
(Partner)
ACS no. 17190
COP no. 18428
FRN: P2010WB042700

Date: 16.04.2018
Place: Kolkata

Annexure – 1

To

The Members,

KETTLEWELL BULLEN & COMPANY LIMITED

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

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.
2. We have followed the audit practices and process 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 process 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's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.
5. 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

Raj Kumar Banthia
(Partner)
ACS no. 17190
COP no. 18428
FRN: P2010WB042700

Date: 16.04.2018
Place: Kolkata

ANNEXURE-V TO THE DIRECTORS REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2018

(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	U17100WB1923PLC004628
2.	Registration Date	02.01.1923
3.	Name of the Company	Gloster Limited (Formerly Kettlewell Bullen & Co. Ltd.)
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 nos. +91 33 22309601 (4 lines) Fax: +91 33 22106167, +91 33 22314222
6.	Whether listed company	No (Listing Application has been made)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any,	Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road, 5th floor, Kolkata 700 001 Phone: +91 33 22435029 Email id: 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	131, 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 21, Strand Road, Kolkata - 700001	U18100WB2011PLC159678	Subsidiary Company	100%	Section2(87)
2.	Gloster Specialities Limited 21, Strand Road, Kolkata - 700001	U18109WB2011PLC159677	Subsidiary Company	100%	Section2(87)

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

1. Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year [As on 1st April,2017]				No of Shares held at the end of the year [As on 31st March,2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	15,29,750	15,29,750	76.49	-	15,29,750	15,29,750	76.49	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	3,60,000	3,60,000	18.00	-	3,60,000	3,60,000	18.00	-

Category of Shareholders	No of Shares held at the beginning of the year [As on 1st April,2017]				No of Shares held at the end of the year [As on 31st March,2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	-	18,89,750	18,89,750	94.49	-	18,89,750	18,89,750	94.49	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	-	18,89,750	18,89,750	94.49	-	18,89,750	18,89,750	94.49	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c)Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	1,10,000	1,10,000	5.50	-	1,10,000	1,10,000	5.50	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	-	1,10,000	1,10,000	5.50	-	1,10,000	1,10,000	5.50	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	250	250	0.01	-	250	250	0.01	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-

Category of Shareholders	No of Shares held at the beginning of the year [As on 1st April,2017]				No of Shares held at the end of the year [As on 31st March,2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	250	250	0.01	-	250	250	0.01	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	1,10,250	1,10,250	5.51	-	1,10,250	1,10,250	5.51	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	20,00,000	20,00,000	100.00	-	20,00,000	20,00,000	100.00	-

ii. Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year [As on 1st April,2017]			Shareholding at the end of the year [As on 31st March,2018]			% 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	Pushpa Devi Bangur	2,32,500	11.63	-	4,56,500	22.83	-	11.20
2	Vinita Bangur	3,31,600	16.58	-	3,31,600	16.58	-	-
3	Hemant Bangur	2,64,700	13.24	-	2,64,700	13.24	-	-
4	Gopal Das Bangur	2,25,000	11.25	-	-	-	-	-11.25
5	Gopal Das Bangur HUF	1,85,000	9.25	-	1,85,000	9.25	-	-
6	Pushpa Devi Bangur (On behalf of Purushottam Dass Bangur Family Trust)	97,700	4.89	-	97,700	4.89	-	-
7	Hemant Kumar Bangur HUF	93,250	4.66	-	93,250	4.66	-	-
8	Purushottam Dass Bangur HUF	50,000	2.50	-	50,000	2.50	-	-
9	Purushottam Dass Bangur	50,000	2.50	-	50,000	2.50	-	-
10	Pushpa Devi Bangur (On behalf of Pranov Bangur Benefit Trust)	-	-	-	1,000	0.05	-	0.05
11	The Cambay Investment Corporation Ltd.	2,50,000	12.50	-	2,50,000	12.50	-	-
12	Madhav Trading Corporation Ltd.	1,10,000	5.50	-	1,10,000	5.50	-	-

iii. Change in Promoters' Shareholding

Sl 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	**Pushpa Devi Bangur**					
	At the beginning of the year	01.04.2017	2,32,500	11.63	2,32,500	11.63
	Disposal	15.04.2017	(1,000)	(0.05)	2,31,500	11.58
	Acquisition (Transmission)	15.12.2017	2,25,000	11.25	4,56,500	22.83
	At the end of the year	31.03.2018	-	-	4,56,500	22.83
2	**Gopal Das Bangur**					
	At the beginning of the year	01.04.2017	2,25,000	11.25	2,25,000	11.25
	Disposal (Transmission)	15.12.2017	(2,25,000)	(11.25)	-	-
	At the end of the year	31.03.2018	-	-	-	-
3	**Pushpa Devi Bangur (On behalf of Pranov Bangur Benefit Trust)**					
	At the beginning of the year	01.04.2017	-	-	-	-
	Acquisition (Transmission)	15.04.2017	1,000	0.05	1,000	0.05
	At the end of the year	31.03.2018	-	-	1,000	0.05
4	**Vinita Bangur**					
	At the beginning of the year	01.04.2017	3,31,600	16.58	3,31,600	16.58
	At the end of the year	31.03.2018	-	-	3,31,600	16.58
5	**Hemant Bangur**					
	At the beginning of the year	01.04.2017	2,64,700	13.24	2,64,700	13.24
	At the end of the year	31.03.2018	-	-	2,64,700	13.24
6	**Gopal Das Bangur HUF**					
	At the beginning of the year	01.04.2017	1,85,000	9.25	1,85,000	9.25
	At the end of the year	31.03.2018	-	-	1,85,000	9.25
7	**Pushpa Devi Bangur (On behalf of Purushottam Dass Bangur Family Trust)**					
	At the beginning of the year	01.04.2017	97,700	4.89	97,700	4.89
	At the end of the year	31.03.2018	-	-	97,700	4.89
8	**Hemant Kumar Bangur HUF**					
	At the beginning of the year	01.04.2017	93,250	4.66	93,250	4.66
	At the end of the year	31.03.2018	-	-	93,250	4.66
9	**Purushottam Dass Bangur HUF**					
	At the beginning of the year	01.04.2017	50,000	2.50	50,000	2.50
	At the end of the year	31.03.2018	-	-	50,000	2.50
10	**Purushottam Dass Bangur**					
	At the beginning of the year	01.04.2017	50,000	2.50	50,000	2.50
	At the end of the year	31.03.2018	-	-	50,000	2.50
11	**The Cambay Investment Corporation Ltd.**					
	At the beginning of the year	01.04.2017	2,50,000	12.50	2,50,000	12.50
	At the end of the year	31.03.2018	-	-	2,50,000	12.50
12	**Madhav Trading Corporation Ltd.**					
	At the beginning of the year	01.04.2017	1,10,000	5.50	1,10,000	5.50
	At the end of the year	31.03.2018	-	-	1,10,000	5.50

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

Sl No	For Each of the Top 10 Shareholders	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	**Oriental Insurance Company Limited**					
	At the beginning of the year	01.04.2017	1,00,000	5.00	1,00,000	5.00
	At the end of the year	31.03.2018	-	-	1,00,000	5.00
2	**United India Insurance Company Limited**					
	At the beginning of the year	01.04.2017	10,000	0.50	10,000	0.50
	At the end of the year	31.03.2018	-	-	10,000	0.50
3	**Balgopal Merchants Pvt. Ltd.**					
	At the beginning of the year	01.04.2017	250	0.01	250	0.01
	At the end of the year	31.03.2018	-	-	250	0.01

v. Shareholding of Directors and Key Managerial Personnel

Sl 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	**Pushpa Devi Bangur**					
	At the beginning of the year	01.04.2017	2,32,500	11.63	2,32,500	11.63
	Disposal	15.04.2017	(1,000)	(0.05)	2,31,500	11.58
	Acquisition (Transmission)	15.12.2017	2,25,000	11.25	4,57,500	22.83
	At the end of the year	31.03.2018	-	-	4,56,500	22.83
2	**Hemant Bangur**					
	At the beginning of the year	01.04.2017	2,64,700	13.24	2,64,700	13.24
	At the end of the year	31.03.2018	-	-	2,64,700	13.24
3	**Vinita Bangur**					
	At the beginning of the year	01.04.2017	3,31,600	16.58	3,31,600	16.58
	At the end of the year	31.03.2018	-	-	3,31,600	16.58

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	3,441.65	259.95	-	3,701.60
ii) Interest due but not paid	-	2.11	-	2.11
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**3,441.65**	**262.06**	**-**	**3,703.71**
Change in Indebtedness during the financial year				
Addition				
Reduction	-1,893.44	-133.66	-	-2,027.10
Net Change	-1,893.44	-133.66	-	-2,027.10
Indebtedness at the end of the financial year				
i) Principal amount	1,548.21	128.4	-	1,676.61
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**1,548.21**	**128.40**	**-**	**1,676.61**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In lakhs)

Particulars of remuneration	Sri Hemant Bangur	Sri D.C. Baheti	Total Amount
Gross Salary			
(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	123.66	160.18	**283.84**
(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	10.80	30.60	**41.40**
(c) Profit in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission			-
- as % of profit	-	-	-
- others, specify	200	150	**350**
Others, please specify	-		-
Total (A)	334.46	340.78	**675.24**
Ceiling as per the Act	Being 10% of Net profits of the Company as calculated under section 198 of the Companies Act, 2013		

B. Remuneration to other Directors

(₹ In lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	**Independent Directors**					
	Fee for attending board/ committee meeting	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total B (1)	-	-	-	-	-
		Smt. Pushpa Devi Bangur	**Smt. Vinita Bangur**	**Sri L.N. Bihani**	**Sri O.P. Modani**	**Total Amount**
2	**Other Non-Executive Directors**					
	Fee for attending board/ committee meeting	0.14	0.14	0.12	0.14	0.54
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total B(2)	0.14	0.14	0.12	0.14	0.54
	Total B=(B1+B2)	-	-	-	-	**0.54**
	Total Managerial Remuneration = A+B					**675.78**
	Overall Ceiling as per Act	Being 11% of Net profits of the Company as calculated under section 198 of the Companies Act 2013				

Note:

The Non-Executive Directors of erstwhile Gloster Limited were in office till 30.03.2018 (effective date of amalgamation) and consequent to amalgamationCommission for the services rendered by such Directors till 30.03.2018 in erstwhile Gloster Limited amounting to ₹ 36 lakhs for the financial year 2017-18 would be payble in financial year 2018-19.

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

(₹ In lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
1	Gross salary	NIL	
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961		
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		
	(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		

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give details)
A. Company					
Penalty	NIL				
Punishment					
Compounding					

Type	Section of the Companies Act	Brief description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give details)
A. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
B. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

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. Installation of energy efficient (IE3) motors in roving machine

II. Replacement of Metal halide lights with Light Emitting Diodes (LED) flood lights

III. Replacement of old air pipelines and fittings by modernized aluminum pipes and fittings

IV. Insulation of all Steam pipes

V. Replacement of DC drives to AC drives

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

I. Use of jute waste in Boilers

The capital investment on energy conservation equipment:

I. ₹ 208.29 lakhs

B. Technology Absorption:

Efforts made towards technology absorption:

I. Installation of air pressure reducing system to control the air consumption

II. Installation of PLC controlled energy efficient rolling machine

III. Installation of 500 KVAR Automatic Power Factor Controller in low voltage distribution system

IV. Installation of energy efficient furnace oil fired boiler

Benefits derived:

I. Improvement in productivity & efficiency

II. Improvement in product quality

III. Cost Reduction

IV. Minimization of energy wastage

C. Foreign exchange earnings and outgo:

(i) Foreign exchange earned in terms of actual inflow - ₹ 10,969.09 Lakhs

(ii) Foreign exchange outgo in terms of actual outflow ₹ 1,242.92 Lakhs

ANNEXURE-VII A 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*
Sri Hemant Bangur – Executive Chairman	157.20
Sri Dharam Chand Baheti – Managing Director	160.17

Non-Executive Directors	Ratio to median remuneration*
Smt Pushpa Devi Bangur	0.07
Smt Vinita Bangur (resigned w.e.f. 17.04.2018)	0.07
Sri O.P. Modani (resigned w.e.f. 17.04.2018)	0.07
Sri L.N. Bihani (resigned w.e.f. 28.02.2018)	0.06
Sri S.N. Bhattacharya (appointed w.e.f. 27.03.2018)	N.A.

*Median salary computation is based on a total employee head count of 4,511 employees out of which approximately 4,322 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 / (decrease) in remuneration in the financial year 2017-18
Hemant Bangur – Executive Chairman	(5.32)
Sri Dharam Chand Baheti – Managing Director	30.62
Smt Pushpa Devi Bangur	-
Smt Vinita Bangur (resigned w.e.f. 17.04.2018)	-
Sri O.P. Modani (resigned w.e.f. 17.04.2018)	-
Sri L.N. Bihani (resigned w.e.f. 28.02.2018)	-
Sri S.N. Bhattacharya (appointed w.e.f. 27.03.2018)	N.A.

(c) The percentage increase in the median remuneration of employees in the financial year is 3.33%

(d) The number of permanent employees on the rolls of company as on 31st March, 2018 is 4,511

(e) 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 –

Average percentage increase for other than managerial personnel works to around 2.85%; average percentage increase for managerial personnel works out to around 13.71%; average percentage increase for all employees works out to 4.63%. Percentage increase for different categories / grades are made based on market trends and performance criteria

(f) **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.

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ANNEXURE-VII B TO THE DIRECTORS REPORT

Information pursuant to Rule5(2) of Chapter XIII of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The following persons were employed during the financial year and were in receipt of remuneration for that year which, in the aggregate was not less than ₹ 1.02 crores (one crore and two lakh rupees) :-

Name	Designation	Remuneration Received (₹ lakhs)	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 any other Director / Manager with name of such Director / Manager
Shri Hemant Bangur	Executive Chairman	334.46	Contractual	Post Graduate in International Trade,18 years	01.09.2015	46	Joonktollee Tea & Industries Limited, Executive Vice-Chairman	13.23%	Son of Smt Pushpa Devi Bangur
Shri Dharam Chand Baheti	Managing Director	340.78	Contractual	B.Com, 50 years	01.04.1992	70	Fort Gloster Industries Limited, Works Manager	-	None

Notes:

(a) All appointment are contractual and terminable by notice on either side.

(b) Remuneration shown above is subject to tax and comprises of basic salary, allowances & monetary value of perquisites

(c) None of the employees except as mentioned above is related to any director of the Company

(d) Information about qualification and last employment is based on particulars furnished by the concerned employee.

There are no employees in the company who have been employed for a part of the financial year and are in receipt of remuneration for any part of the year which is not less than eight lakh and fifty thousand rupees per month.

REPORT ON CORPORATE GOVERNANCE

Pursuant to amalgamation, your company has made listing application vide reference no 79293 dated 23.05.2018 at BSE Limited, and letter reference no. 42 dated 24.05.2018 at The Calcutta Stock Exchange Limited. As the Company has applied for listing, the Company has made all the disclosures, to the extent possible as required to be made by a listed entity under Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

All details in the Corporate Governance Report have been updated up to the date of signing of Directors Report unless otherwise specifically mentioned in the Corporate Governance Report

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 lays 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.

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 Board of Directors as on 31st March, 2018, comprised of six Non-Executive Directors that include woman Director, whose composition is given below:

- Three Promoter Directors - Sri Hemant Bangur, Smt. Pushpa Devi Bangur and Smt Vinita Bangur
- Two Non-Promoter Directors – Sri D.C. Baheti & Sri O.P. Modani
- One Independent, Director – Sri S.N. Bhattacharya

Sri Hemant Bangur & Sri D.C. Baheti were appointed as Executive Chairman & Managing Director respectively effective from 01.04.2018.

Sri S.B. Mainak and Sri Prabir Ray have been appointed as Independent Directors effective from 17.04.2018.

Sri L.N. Bihani resigned from Directorship of the Company effective from 28.02.2018 and Smt. Vinita Bangur & Sri O.P. Modani resigned from Directorship of the Company effective from 17.04.2018.

The names and category of the Directors on the Board, the number of Directorships and Committee memberships held by them in other Companies as on 29.05.2018 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 31.03.2018
			Chairman/ Chairperson$	Member @	
Sri Hemant Bangur*	Promoter Non-Executive Director	8	Nil	3	2,64,700
Smt Pushpa Devi Bangur	Promoter Non-Executive Director	3	1	1	4,56,500
Sri Dharam Chand Baheti**	Non-Promoter Managing Director	3	Nil	Nil	Nil
Sri Satyendra Nath Bhattacharya	Independent Non-Executive	1	Nil	Nil	-
Sri S.B. Mainak***	Independent Non-Executive	6	2	5	-
Dr. Prabir Ray***	Independent Non-Executive	Nil	Nil	Nil	-

*Appointed as Executive Chairman effective from 01.04.2018; **Appointed as Managing Director effective from 01.04.2018, ***Appointed as Independent Director effective from 17.04.2018

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

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

@Member includes Chairman/Chairperson

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.

Smt. Pushpa Devi Bangur is mother of Sri Hemant Bangur. Except for this there is no other pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company and inter-se among themselves.

INDEPENDENT DIRECTORS

The Non-Executive Independent Directors fulfill 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 is issued and disclosed on website of the Company and can be accessed at http://www.glosterjute.com/documents/appntdir.pdf.

An Independent Director inducted on the Board is 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 are 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, 2018, seven Board Meetings were held on 15th April 2017, 12th May 2017, 8th September 2017, 15th December 2017, 17th January 2018, 28th February 2018 and 27th March 2018. 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 attended	Attendance at last AGM held on 6th September 2017
Sri Hemant Bangur[1]	2	N.A.
Smt Pushpa Devi Bangur	7	Yes
Sri Dharam Chand Baheti[1]	2	N.A.
Sri Satyendra Nath Bhattacharya[2]	-	N.A.
Sri S.B.Mainak[3]	N.A.	N.A.
Dr Prabir Ray[3]	N.A.	N.A.
Smt Vinita Bangur[4]	7	Yes
Sri O.P. Modani[4]	7	Yes
Sri L.N.Bihani[5]	6	Yes

[1]Appointed effective from 28.02.2018; [2] Appointed effective from 27.03.2018; [3]Appointed effective from 17.04.2018;

[4]Resigned effective from 17.04.2018; [5]Resigned effective from 28.02.2018

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The Board Evaluation policy provides a framework and set standards for the evaluation of the Board as a whole, its committees and individual directors.

Following are the major criteria applied for performance evaluation of the Independent Directors:

I. Professional qualification & experience

II. Level of integrity & confidentiality

III. Availability for meetings and preparedness

IV. Understanding of governance, regulatory, legal, financial, fiduciary, ethical requirements.

V. Knowledge of the Company's key activities, financial condition and key developments

VI. Contributions to strategic planning process and value addition to the Company

VII. Ability to work as a team

VIII. Independence & conflict of interest

IX. Adherence to ethical standards & code of conduct

X. Voicing of opinion freely and independently

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.*

3. AUDIT COMMITTEE

COMPOSITION

The Audit Committee has been constituted on 29.05.2018 and comprises of three 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 SEBI (LODR) 2015. 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
Sri S.B. Mainak	Chairman	Independent, Non-Executive
Sri S.N. Bhattacharya	Member	Independent, Non-Executive
Sri Prabir Ray	Member	Independent, Non-Executive
Sri Hemant Bangur	Member	Promoter, Executive

The Company Secretary acts as a Secretary to the Committee.

The Chairperson of the Audit Committee is an Independent Director.

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

- 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 broadly 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;

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.
- Statement of deviations, if any

INTERNAL AUDITORS

The Company has appointed M/s. R B S C & 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

The Nomination & Remuneration Committee has been constituted on 29.05.2018 and comprises of three Non-Executive Independent Directors, and one Executive Director. The composition of the Committee is as follows:

Name of the Director	Position	Category
Sri Prabir Ray	Chairman	Independent, Non-Executive
Sri S.B. Mainak	Member	Independent, Non-Executive
Sri S.N. Bhattacharya	Member	Independent, Non-Executive
Sri Hemant Bangur	Member	Promoter, Executive

The Composition of Nomination & Remuneration Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) 2015.

The Company Secretary acts as a Secretary to the Committee.

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

NOMINATION & REMUNERATION POLICY

The Company has formulated a remuneration policy which determines the compensation structure of the Executive/Non Executive Directors. The Company's remuneration policy is in consonance with the existing industry practice and aims at attracting and retaining high calibre talent.

The salient features of the remuneration policy is provided in annexure to the Board's Report and the detailed policy is available on the website of the Company at http://www.glosterjute.com/documents/NRPolicy.pdf.

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 - ₹ 20,000/- for each meeting of the Board and ₹ 10,000/- 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, 2018

NON-EXECUTIVE DIRECTORS

Name of the Director	Sitting Fees ₹
Sri Hemant Bangur	4,000
Smt Pushpa Devi Bangur	14,000
Sri Dharam Chand Baheti	4,000
Sri Satyendra Nath Bhattacharya	N.A.
Sri S.B.Mainak	N.A.
Dr Prabir Ray	N.A.
Smt Vinita Bangur	14,000
Sri O.P. Modani	14,000
Sri L.N.Bihani	12,000

WHOLE-TIME DIRECTORS

Name of the Director	Salary ₹	Benefits Rs	Commission* ₹	Service Contract	Notice Period	Severance Fees
Sri Hemant Bangur Executive Chairman	1,02,06,000	32,40,000	2,00,00,000	3 Years w.e.f. 01.04.2018	3 months	Nil
Sri Dharam Chand Baheti, Managing Director	1,04,48,000	86,31,000	1,50,00,000	5 Years w.e.f. 01.04.2018	3 months	Nil

* Payable in 2018-19 for 2017-18

The salary paid to Sri Hemant Bangur and Sri Dharam Chand Baheti mentioned above is salary paid by Transferor Company to them.

Relationship of Non-Executive Directors with the Company and inter-se: Smt. Pushpa Devi Bangur is mother of Sri Hemant Bangur. Except for this and sitting fees & Commission (upto a maximum of 1% of eligible profits) paid / payable to them for attending the Board and Committee meetings there is no other pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company and among inter-se themselves.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

COMPOSITION

The Stakeholders Relationship Committee has been constituted on 29.05.2018 and comprises of two Non-Executive Independent Directors, and one Executive Director.

The composition of the Committee is as follows:

Name of the Director	Position	Category
Sri Prabir Ray	Chairman	Independent, Non-Executive
Sri S.N. Bhattacharya	Member	Independent, Non-Executive
Sri Hemant Bangur	Member	Promoter, 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:

i. transfer/transmission/transposition of shares;

ii. consolidation/splitting of folios;

iii. issue of share certificates for lost, sub-divided, consolidated, rematerialised, defaced, etc;

iv. review of shares dematerialised and all other related matters;

v. investors' grievances and redressal mechanism and recommend measures to improve the level of investor services.

vi. over seeing performance of the Company's Registrars and Share Transfer Agents.

vii. 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: -

i. to approve share transfers;

ii. 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

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

During the year 2017-18, 2 (two) complaints from the shareholders were received and resolved and no complaints were outstanding as on 31st March, 2018. The number of share transfers and requests for dematerialization pending as on 31st March, 2018 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 id – 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.

The CSR Committee has been constituted on 29.05.2018 and its composition is as below :

Name of the Members	Category
Smt Pushpa Devi Bangur, Chairperson	Promoter Non-Executive
Sri Dharam Chand Baheti, Member	Managing Director
Sri Prabir Ray, Member	Independent Non-Executive

6. SUBSIDIARY COMPANIES

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

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. GENERAL BODY MEETINGS

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

Financial Year	Day, Date & Time	Venue of the Meeting	Special resolution passed
2014-15	Wednesday, 23rd September,2015 At 10.30 A.M	21, Strand Road. Kolkata – 700001	1. Consent under Section 180(1) (a) of the Companies Act, 2013 to create mortgage/charges/hypothecation for amount not exceeding Rs 50 crore. 2. Consent under Section 180(1) (c) of the Companies Act, 2013 for borrowing not exceeding ₹ 50 crore
2015-16	Wednesday, 31st August,2016 At 10.30 A.M	21, Strand Road. Kolkata - 700001	None
2016-17	Wednesday, 6th September 2017 at 01.30 P.M.	21, Strand Road. Kolkata - 700001	None

As the Company was an unlisted company during the period 2017-18 and therefore the company was not required to publish quarterly results.

8. 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 29th May, 2018.

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, 2018 .

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 Indian Accounting Standard are disclosed in Note No.35 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.

There were no materially significant related party transactions, which may have potential conflict with the interest of the Company.

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. 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.* . No personnel has been denied access to the Audit Committee.

c. The Company has adopted sexual harassment policy and has established necessary mechanism for protection of women from sexual harassment at work place.

d. The company has no materially significant related party transactions that may have potential conflict with the interests of listed entity at large.

e. The company has followed IND-AS specified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 while preparing Financial Statements.

f. Disclosure of Compliance of Non-mandatory requirements as specified in Part E of Schedule II of Listing Regulations are as under:

› Non-Executive Chairman's Office: The Company has an executive Chairman.

› Shareholder's Rights: As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders separately.

› Modified opinion in Auditors Report : Company's financial statement for the year 2017-18 does not contain any modified audit opinion.

› Separate posts of Chairperson and Chief Executive Officer : Company is having separate posts of Chairman designated as Executive Chairman and Chief Executive Officer designated as Managing Director.

› Reporting of Internal Auditors : The Internal Auditors of the Company submit reports to the Audit Committee.

12. 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 as on 29.05.2018.

For Gloster Limited

Place : Kolkata
Dharam Chand Baheti

Date: 29th May, 2018
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 as on 29.05.2018 as per relevant provisions of Securities and Exchange Board of India (Listing Obligation & Disclosure Regulations ,2015 .

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 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.

Sweety Kapoor

Place : Kolkata
Practising Company Secretary

Date : 29thMay, 2018
Membership No. FCS 6410, CP No.5738

THE POWER OF ONE!

SHAREHOLDER INFORMATION

REGISTERED OFFICE

21, Strand Road, Kolkata – 700 001.
CIN – U17100WB1923PLC004628
Telephone no : +91 33-2230-9601(4 lines)

ANNUAL GENERAL MEETING

Date and Time : 22nd September, 2018 at 11.00 A.M.
Venue : "Bhasha Bhawan Auditorium" National Library, Belvedere Road , Kolkata - 700027

FINANCIAL YEAR

1st April to 31st March

TENTATIVE FINANCIAL CALENDAR

Financial reporting for the quarter ending June 30, 2018	By 14th August, 2018
Financial reporting for the half year ending September 30, 2018	By 14 th November, 2018
Financial reporting for the quarter ending December 31, 2018	By 14th February, 2019
Financial reporting for the year ending March 31, 2019	By 30th May, 2019

DATE OF BOOK CLOSURE

17th September, 2018 to 22nd September, 2018 (both days inclusive)

LISTING ON STOCK EXCHANGE:

The Company has applied for Listing of Equity shares of the Company at BSE Ltd. and The Calcutta Stock Exchange Ltd.

DEPOSITORY CONNECTIVITY :

- National Securities Depository Limited
- Central Depository Services (India) Ltd

REGISTRAR AND SHARE TRANSFER AGENTS

Maheshwari Datamatics Pvt. Ltd.
23,R.N.Mukherjee Road, 5th floor, Kolkata 700 001
Tel : +91 33 2243 5029
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.

DISTRIBUTION OF SHAREHOLDING AS ON 29TH MAY, 2018

NO. OF EQUITY SHARES HELD	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES HELD	% OF SHAREHOLDING
Upto 500	3,297	94.44	2,02,204	3.70
501 to 1000	101	2.89	68,353	1.25
1001 to 2000	37	1.06	52,841	0.97
2001 to 3000	14	0.40	33,205	0.61
3001 to 4000	11	0.32	37,717	0.69
4001 to 5000	2	0.06	8,966	0.16
5001 to 10000	3	0.09	23,241	0.42
10001 and above	26	0.74	50,45,103	92.20
GRAND TOTAL	3,491	100.00	54,71,630	100.00

SHAREHOLDING PATTERN AS ON 29TH MAY, 2018

CATEGORY		NO. OF SHARES HELD	% OF SHARE CAPITAL
A.	PROMOTER'S HOLDING		
	Promoters		
	a. Indian Promoters	39,68,153	72.52
	b. Foreign Promoters	--	--
	Sub-total	**39,68,153**	**72.52**
B.	NON-PROMOTER'S HOLDING		
	a. Banks, Financial Institutions, Insurance Companies	10,38,098	18.97
	b. Individuals holding nominal capital upto ₹ 2 lakh	3,71,168	6.78
	c. Investor Education & Protection Fund Authority	18,819	0.34
	d. Bodies Corporate	56,225	1.03
	e. Non-Resident Individual	8,055	0.15
	f. Trusts	7,011	0.13
	g. Others	4,101	0.08
	Sub-total	**15,03,477**	**27.48**
	GRAND TOTAL	**54,71,630**	**100.00**

FOREIGN EXCHANGE RISK & HEDGING

It is the policy of the Company to cover its foreign currency exposure to avoid currency exchange fluctuation.

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.

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:

Financial Year	Date of declaration of dividend	Due Date for transfer to IEPF
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
2015-2016	30th August, 2016	5th October, 2023
2016-2017	21st September, 2017	27th October, 2024

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

DETAILS PERTAINING TO SHARES HELD IN SECURITIES SUSPENSE ACCOUNT

Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as at 1st April, 2017	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 31st March 2018
113 shareholders holding 32,728 shares	None	None	34 shareholders holding 9,250 shares

Note

1. The voting rights on the shares outstanding in Unclaimed Suspense Account shall remain frozen till rightful owner claims these shares.
2. During the year 23,478 shares pertaining to 79 shareholders were transferred to Investor Education & Protection Fund Authority from Unclaimed Securities Suspense Account. Thereafter pursuant to amalgamation 3,700 equity shares in ratio 2:5 have been allotted on 10.05.2018 against shares lying in Unclaimed Securities Suspense Account.

TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY

Pursuant to section 124 of the Companies Act 2013 read with rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, shares in respect of which dividends have not been claimed for 7 (seven) consecutive years were required to be transferred to Investor Education and Protection Fund Authority. Accordingly 47,048 equity shares of face value of ₹ 10/- each were transferred to Investor Education and Protection Fund Authority.

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. 23,R.N.Mukherjee Road, 5thfloor Kolkata 700 001. Tel : +91 33 2243 5029 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, 2231 4222 E-mail: info@glosterjute.com / shares@glosterjute.com

Financial
Section

INDEPENDENT AUDITORS' REPORT

To The Members of Gloster Limited (formerly known as Kettlewell Bullen & Company Limited)

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone financial statements of **Gloster Limited (formerly known as Kettlewell Bullen & Company Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2018 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS 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 and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS 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 standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 Ind AS 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 Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note 40 to the Standalone Ind AS financial statements regarding the Company's recording of assets and liabilities of the transferor company at fair value, including goodwill, amortization of goodwill and restatement of the comparative financial statements pursuant to the Scheme of Amalgamation resulting in merger of erstwhile Gloster Limited with Kettlewell Bullen & Company Limited with effect from January 1, 2015, pursuant to the Order of

National Company Law Tribunal (NCLT) dated January 19, 2018. The aforesaid accounting treatment is in deviation from that required under Ind AS 103 as indicated and quantified in aforesaid note.

Our opinion is not qualified in respect of these matters.

Other Matter

10. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated May 12, 2017 and June 29 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

    Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. 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 ("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.

12. **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 (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

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

    (f) The emphasis of matter relating to the maintenance of accounts and other matters connected therewith are as stated in the Emphasis of Matter Paragraph above.

    (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

    (h) 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, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 37.

        ii. The Company has derivative contracts as at March 31, 2018 for which there were no material foreseeable losses. Refer note 32. There are no long-term contracts outstanding as at March 31, 2018.

        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, 2018.

        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number 55000

Place: Kolkata
Date: May 29, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(g) of the Independent Auditors' Report of even date to the members of Gloster Limited (formerly known as Kettlewell Bullen & Company Limited) on the standalone financial statements for the year ended March 31, 2018

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 (formerly known as Kettlewell Bullen & Company Limited) ("the Company") as of March 31, 2018 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.

Auditors' 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, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number 55000

Place: Kolkata
Date: May 29, 2018

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Gloster Limited (formerly known as Kettlewell Bullen & Company Limited) on the standalone financial statements as of and for the year ended March 31, 2018

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 three 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 3 on fixed assets to the standalone financial statements, are held in the name of the Company.

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has granted unsecured loan to a company covered in the register maintained under Section 189 of the Act. There are no other companies/ firms/ LLPs/ other parties covered in the register maintained under Section 189 of the Act.

(a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(b) In respect of the aforesaid loans, principal amounts are repayble on demand and schedule of paymant of interest has been stipulated by the Company, and the parties are repaying the principal amounts, as demanded, and are also regular in paymant of interest as applicable.

(c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

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. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, 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, goods and service tax with effect from July 1, 2017 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 income-tax, wealth tax, service-tax, duty of customs, duty of excise, goods and service tax which have not been deposited on account of any dispute. The particulars of dues of sales tax and value added tax as at March 31, 2018, which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount of Demand (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Sales Tax	27.71	2007-08, 2011-12	Calcutta High Court
		135.92	2009-10 to 2010-11, 2012-13	Appellate & Revisional Board
		210.12	2013-14 to 2014-15	Appellate Authority
West Bengal VAT Act, 2003	Value Added Tax	58.75	2007-08 to 2008-09	West Bengal Taxation Tribunal
		91.25	2009-10 to 2010-11, 2012-13	Appellate & Revisional Board
		1.25	2014-15	Appellate Authority

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 the balance sheet date. The Company does not have any loans or borrowings from any financial institution or Government nor has issued any debentures as at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public offer, 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 auditing 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 have we 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 standalone financial statements as required under Indian Accounting Standard (AS) 24, 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 Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number 55000

Place: Kolkata
Date: May 29, 2018

Standalone Balance Sheet as at 31 March, 2018

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	31 March 2018	31 March 2017	1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3(a)	30,075.77	30,520.88	29,948.77
Capital work in progress	3(b)	534.76	174.68	433.01
Goodwill	3(c)	27,914.58	29,581.12	31,247.66
Other intangible assets	3(d)	7,887.76	8,331.88	8,802.30
Intangible assets under development	3(e)	-	32.85	-
Investments in subsidiaries	4	1,042.00	1,042.00	1,042.00
Financial assets				
(i) Investments	5(a)	9,025.52	8,270.82	6,069.78
(ii) Loans	5(b)	6.40	6.76	2.67
Other non-current assets	6	168.79	168.10	194.04
Total non-current assets		**76,655.58**	**78,129.09**	**77,740.23**
Current assets				
Inventories	7	8,748.98	8,034.28	9,948.09
Financial assets				
(i) Investments	8(a)	5,194.51	2,643.16	1,620.67
(ii) Trade receivables	8(b)	2,448.83	2,067.29	2,552.52
(iii) Cash and cash equivalents	8(c)	655.23	208.73	382.57
(iv) Bank balances other than (iii) above	8(d)	24.59	19.69	59.45
(v) Loans	8(e)	3,323.58	2,907.25	2,089.48
(vi) Other financial assets	8(f)	51.46	174.55	48.40
Current tax assets (net)	9	3,079.79	2,876.89	1,543.58
Other current assets	10	645.89	232.48	417.44
Total current assets		**24,172.86**	**19,164.32**	**18,662.20**
Total assets		**1,00,828.44**	**97,293.41**	**96,402.43**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	200.00	200.00	200.00
Equity share suspense	12	78,493.55	78,493.55	78,493.55
Other equity	13	12,084.02	7,241.13	2,926.04
Total equity		**90,777.57**	**85,934.68**	**81,619.59**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	14(a)	128.40	-	286.83
(ii) Other financial liabilities	14(b)	-	75.90	75.90
Provisions	15	2.17	2.17	1.37
Deferred tax liabilities (net)	16	3,914.39	2,795.98	1,786.98
Other non-current liabilities	17	224.16	180.81	50.63
Total non-current liabilities		**4,269.12**	**3,054.86**	**2,201.71**
Current liabilities				
Financial liabilities				
(i) Borrowings	18(a)	1,548.21	3,537.04	7,776.25
(ii) Trade payables	18(b)	827.06	431.39	616.87
(iii) Other financial liabilities	18(c)	1,267.29	1,683.54	1,427.63
Other current liabilities	19	1,141.69	1,220.30	971.49
Provisions	20	510.57	944.67	1,301.96
Current tax liabilities (net)	21	486.93	486.93	486.93
Total current liabilities		**5,781.75**	**8,303.87**	**12,581.13**
Total liabilities		**10,050.88**	**11,358.73**	**14,782.84**
Total equity and liabilities		**1,00,828.44**	**97,293.41**	**96,402.43**
Corporate Information	1			
Summary of significant Accountig Policies	2			

The accompanying notes are an integral part of these Financial Statements.

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

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009
Chartered Accountants

Sunit Kumar Basu
Partner
Membership No.55000

Place: Kolkata
Date:29th May,2018

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

Hemant Bangur Executive Chairman
D.C. Baheti Managing Director
S.B. Mainak Director
S.N. Bhattacharya Director
Prabir Ray Director

Standalone Statement of Profit and Loss for the year ended 31 March, 2018

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	31 March 2018	31 March 2017
Income			
Revenue from operations	22	46,398.50	50,742.79
Other income	23	1,460.31	1,644.67
Total income		**47,858.81**	**52,387.46**
Expenses			
Cost of materials consumed	24	21,749.18	25,259.76
Excise duty and R&D cess		82.13	369.85
Changes in inventories of finished goods and work-in-progress	25	(516.66)	1,161.93
Employee benefits expense	26	8,454.29	8,389.00
Finance costs	27	119.35	341.75
Depreciation and amortization expense	28	3,176.31	3,128.20
Other expenses	29	8,273.97	8,603.13
Total expenses		**41,338.57**	**47,253.62**
Profit before tax		**6,520.24**	**5,133.84**
Income tax expense	30		
- Current tax		1,431.68	1,009.12
- Deferred tax		960.02	719.97
Total tax expense		**2,391.70**	**1,729.09**
Profit for the year (A)		**4,128.54**	**3,404.75**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Remeasurement gains/(losses) on post employment defined benefit plans		888.83	(76.87)
(b) Changes in fair value of FVOCI equity instruments		962.97	1,558.47
(c) Income tax relating to above items		(354.00)	(257.88)
Other comprehensive income for the year, net of tax (B)		**1,497.80**	**1,223.72**
Total comprehensive income for the year (A+B)		**5,626.34**	**4,628.47**
Earnings per equity share: [Nominal value per share ₹10 (previous year ₹10)]	**36**		
Basic and Diluted		75.45	62.23
Corporate Information	1		
Summary of significant Accountig 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 Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009
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
S.B. Mainak Director
S.N. Bhattacharya Director
Prabir Ray Director

Place: Kolkata
Date:29th May,2018

Standalone Statement of Changes in Equity for the year ended 31 March, 2018

(All amounts in INR lakhs, unless otherwise stated)

A. Share capital

Description	Notes	Amount
As at 01 April 2016		**200.00**
Changes in equity share capital	11	-
As at 31 March 2017		**200.00**
Changes in equity share capital	11	-
As at 31 March 2018		**200.00**

A. Equity share suspense

Description	Notes	Amount
As at 01 April 2016		**78,493.55**
Issued during the year	12	-
As at 31 March 2017		**78,493.55**
Issued during the year	12	-
As at 31 March 2018		**78,493.55**

B. Other equity

Description	Notes	Resserve and Surplus		Equity instruments through OCI	Total other equity
		General reserve	Retained earnings		
Balance as at 01 April 2016	13	1,019.10	(387.65)	2,294.59	**2,926.04**
Profit for the year	13	-	3,404.75	-	**3,404.75**
Other Comprehensive income for the year	13	-	(50.27)	1,273.99	**1,223.72**
Total comprehensive income for the year		**-**	**3,354.48**	**1,273.99**	**4,628.47**
Transfer to general reserve	13	100.00	(100.00)	-	-
Transfer of gain on FVOCI equity investments, net of tax	13	-	33.68	(33.68)	-
Dividends paid *	13	-	(260.38)	-	**(260.38)**
Taxes on dividend *	13	-	(53.00)	-	**(53.00)**
Balance as at 31 March 2017		**1,119.10**	**2,587.13**	**3,534.90**	**7,241.13**

Standalone Statement of Changes in Equity for the year ended 31 March, 2018

(All amounts in INR lakhs, unless otherwise stated)

Description	Notes	Resserve and Surplus		Equity instruments through OCI	Total other equity
		General reserve	Retained earnings		
Balance as at 01 April 2017	13	1,119.10	2,587.13	3,534.90	**7,241.13**
Profit for the year	13	-	4,128.54	-	**4,128.54**
Other Comprehensive income for the year	13	-	699.13	798.66	**1,497.79**
Total comprehensive income for the year		**-**	**4,827.67**	**798.66**	**5,626.33**
Transfer to general reserve	13	2,000.00	(2,000.00)		-
Transfer of gain on FVOCI equity investments, net of tax	13	-	220.76	(220.76)	-
Dividends paid *	13	(650.93)	-	-	**(650.93)**
Taxes on dividend *	13	(132.51)	-	-	**(132.51)**
Balance as at 31 March 2018		**2,335.66**	**5,635.56**	**4,112.80**	**12,084.02**

* These dividends paid pertains to dividend proposed and paid by erstwhile Gloster Limited which got merged in to Kettlewell Bullen & Company Limited, refer note 40.

The accompanying notes are an integral part of these Financial Statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009
Chartered Accountants

Hemant Bangur Executive Chairman
D.C. Baheti Managing Director
S.B. Mainak Director
S.N. Bhattacharya Director
Prabir Ray Director

Sunit Kumar Basu
Partner
Membership No.55000

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

Place: Kolkata
Date:29th May,2018

THE POWER OF ONE!

Standalone Statement of Cashflow as at 31 March, 2018

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
(A)	Cash flows from operating activities:		
	Profit before income tax	**6,520.24**	**5,133.84**
	Adjustments for:		
	Depreciation and amortisation expense	3,176.31	3,128.20
	Interest and finance charges	119.35	341.75
	Net gain on disposal of property, plant and equipment	(7.80)	(212.72)
	Net gains/(losses) on fair value changes on investments classified at FVTPL	(198.78)	(149.89)
	Net gain on sale of investments	(24.40)	(21.79)
	Fair value losses on derivatives not designated as hedges	180.23	(106.70)
	Provision for impairment of PPE	110.27	-
	Unrealised Foreign Exchange Loss/(Gain) (Net)	(305.72)	(318.67)
	Provision no longer required written back	(66.47)	(0.09)
	Interest income classified as investing cash flows	(489.68)	(318.05)
	Dividend income	(30.47)	(14.11)
	Operating profit before changes in operating assets and liabilities	**8,983.08**	**7,461.77**
	Adjustments for:		
	Non-Current/Current financial and other assets	(1,227.31)	(130.04)
	Inventories	(714.70)	1,913.81
	Non-current/ current financial and other liabilities/provisions	831.98	442.36
	Cash generated from operations	**7,873.05**	**9,687.90**
	Income taxes paid (net)	(1,830.40)	(2,311.27)
	Net cash inflow (outflow) from operating activities	**6,042.65**	**7,376.63**
(B)	Cash flows from investing activities:		
	Proceeds from disposal of property, plant and equipment	88.53	380.68
	Payments for acquisition of property, plant and equipment/ intangible assets	(1,127.95)	(1,461.76)
	Proceeds on disposal of investments in equity shares	2,104.74	1,386.33
	Purchase of other non-current investments	(1,673.29)	(1,857.23)
	Purchase of other current investments (net)	(2,551.35)	(1,022.50)
	Interest received	457.68	298.60
	Dividend received	30.48	14.10
	Net cash inflow (outflow) from investing activities	**(2,671.16)**	**(2,261.78)**
(C)	Cash flows from financing activities:		
	Repayment of long-term borrowings	(166.67)	(525.83)
	Proceeds from long-term borrowings	128.40	112.00
	Short-term borrowings - receipts / (payments)	(1,988.83)	(4,239.21)
	Interest paid	(79.59)	(316.16)
	Other borrowing costs paid	(39.76)	(25.59)
	Dividend paid	(646.03)	(240.90)
	Dividend distribution tax paid	(132.51)	(53.00)
	Net cash inflow (outflow) from financing activities	**(2,924.99)**	**(5,288.69)**

Standalone Statement of Cashflow as at 31 March, 2018

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Net decrease in cash and cash equivalents (A+B+C)	**446.50**	**(173.84)**
Cash and cash equivalents at the beginning of the financial year (refer note 8(c))	208.73	382.57
Cash and cash equivalents at the end of the year (Refer note 8(c))	**655.23**	**208.73**

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'. Refer note 41 for debt reconciliation.

The accompanying notes are an integral part of these Financial Statements.

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

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009
Chartered Accountants

Hemant Bangur Executive Chairman
D.C. Baheti Managing Director
S.B. Mainak Director
S.N. Bhattacharya Director
Prabir Ray Director

Sunit Kumar Basu
Partner
Membership No.55000

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

Place: Kolkata
Date:29th May,2018

Notes to the Standalone Financial Statements

Note: 1Corporate Information

Gloster Limited (formerly Kettlewell Bullen & Company Limited, renamed on 9 May, 2018) is a public company within the meaning of Companies Act, 2013. Consequent to amalgamation of erstwhile Gloster Limited with the Company with appointed date of 1 January, 2015 and effective date being 30 March, 2018, the principle business activity of the company is now manufacturing of jute goods and it is no longer a non banking financial Company. The Company 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 in the process of listing on the BSE Ltd. & The Calcutta Stock Exchange Ltd.

Note: 2 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

(i) Compliance with Ind AS

These standalone financial statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016] and other relevant provisions of the Act.

The standalone financial statements up to year ended 31 March, 2016 were prepared in accordance with generally accepted accounting principles in India (Previous GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the 2013 Act") as applicable.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 39 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

ii) Classification of current and non-current

All asset and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Ind AS 1 - Presentation of Financial Statements and 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.

(iii) Historical cost convention

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention, except for the following:

- certain financial assets and liabilities those are measured at fair value
- defined benefit plans - plan assets measured at fair value

2.2 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.

2.3 Property, Plant and equipment and Depreciation

a) Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

b) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit or loss

Notes to the Standalone Financial Statements

during the reporting period in which they are incurred.

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 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) Gains and losses on disposal of Property, plant and equipmentis recognized in the statement of profit and loss.

e) An impairment loss is recognized where applicable when the carrying amount of property, plant and equipment exceeds its recoverable amount.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of all the Property, plant and equipment.

2.4 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. Recognition of costs as an asset is ceased when the asset is complete and available for its intended use.

b) Intangible assets comprising of computer software is depreciated on straight line method over a period of five years.

c) Goodwill and trademark is amortized over its estimated useful life of 20 years and as allowed under the approved scheme.

d) Gains and Losses on disposal of Intangible assets is recognized in the Statement of Profit and Loss.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 1 April 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of all the Intangible assets.

2.5 Impairment of assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (property, plant and equipment) 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 there coverable 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.

An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.Where an impairment loss subsequently reverses, the carrying value of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

2.6 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of Investments in subsidiaries, recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of all the Investments in subsidiaries.

2.7 Financial assets

The financial assets are classified in the following categories:

a) financial assets measured at amortised cost,

b) financial assets measured at fair value through profit and loss (FVTPL), and

c) financial assets measured at fair value through other comprehensive income (FVOCI).

The classification of financial assets depends on the Company's business model for managing financial assets and the contractual terms of the cash flow.

At initial recognition, the financial assets are measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the Profit or Loss. Financial assets are not reclassified subsequent to their

Notes to the Standalone Financial Statements

recognition except if and in the period the Company changes its business model for arranging financial assets.

Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method. The losses arising from impairment are recognised in the Statement of Profit or Loss.

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment, if any.

Financial instruments measured at FVTPL

Financial instruments included within FVTPL category are measured initially as well as at each reporting period at fair value plus transaction costs as applicable. Fair value movements are recorded in statement of profit and loss.

Investments in units of mutual funds, alternate investment funds (AIF's) other than equity and debentures are accounted for at fair value and the changes in fair value are recognised in the statement of Profit and Loss.

Financial assets at FVOCI

Financial assets are measured at FVOCI if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments

The Company measures all equity investments at fair value. The Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, and accordingly there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

De-recognition of financial asset

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial assets and such transfer qualifies for de-recognition under Ind AS 109 : Financial Instruments.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Only for Trade receivables, the simplified approach of lifetime expected credit losses is recognised from initial recognition of the receivables as required by Ind AS 109: Financial Instruments.

Impairment loss allowance recognised /reversed during the year is charged/written back to Statement of Profit and Loss.

2.8 Financial Liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

For Trade and Other Payables maturing within one year from the balance sheet date, the carrying amount approximates fair value to short-term maturity of these instruments.

Notes to the Standalone Financial Statements

A financial liability (or a part of financial liability) is de-recognised from Company's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

2.9 Subsidy / Government Grant

Subsidy/ Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in other liabilities as deferred income and are credited to statement of profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

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. 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

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution benefit scheme.

b) Defined Benefit Plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method,with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

c) Compensated absences

Accrued liability in respect of leave encashment benefit on retirement is accounted for on the basis of actuarial valuation 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 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 Company's schemes based on expected obligation on an undiscounted basis.

2.12 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The Company recognizes revenue at fair value when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Notes to the Standalone Financial Statements

2.13 Other Income

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

Dividend income is recognized when the right to receive 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.

(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.

Gains/losses arising out of fluctuations in the exchange rates are recognised in the Statement of Profit and Loss in the period in which they arise.

2.15 Derivative Instruments

The Company uses derivative financial instruments such as foreign exchange contracts to hedge its exposure to movements in foreign exchange rates relating to the underlying transactions.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value and resulting gain or loss is recognized in the statement of profit and loss at the end of each reporting period. Any profit or loss arising on cancellation of derivative instruments is recognized as income orexpense 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 the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.17 Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

2.18 Provisions and Contingent Liabilities

Provisions: Provisions are recognized 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, except where the effect of the time value of money is material.

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

Notes to the Standalone Financial Statements

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, and balance with bank in current account.

2.21 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.22 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the Company or the counterparty.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of directors of the Company has been identified as being the chief operating decision maker. Refer note 34 for segment information presented.

2.24 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.25 Standards issued but not yet effective

Ind AS 115: Revenue from contracts with customers

The Company is in the process of assessing the detailed impact of Ind AS 115. Presently, the Company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements, except that adoption of Ind AS 115 is not expected to significantly change the timing of the Company's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115.

The Company intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 April 2018 and that comparatives will not be restated.

Ind AS 21: Foreign currency transactions and advance consideration

Management has assessed the effects of applying the appendix to its foreign currency transactions for which consideration is received in advance. The Company expects this change to impact its accounting for revenue contracts involving advance payments in foreign currency.

Notes to the Standalone Financial Statements

The Company intends to adopt the amendments prospectively to items in scope of the appendix that are initially recognised on or after the beginning of the reporting period in which the appendix is first applied (i.e. from 1 April 2018).

2A Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

(i) Estimation of defined benefit obligation- Refer note 26

(ii) Estimated fair value of unlisted securities –Refer note 31

(iii) Recognition of deferred tax assets for carried forward tax losses - Refer note 30

(iv) Useful life of property, plant and equipments and intangible assets – Refer note 2.3 and 2.4

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 3(a) Property, plant and equipment

Particulars	Gross carrying amount				Accumulated depreciation				Impairment				Net carrying amount	
	1 April 2017	Additions	Disposals/ adjustments	31 March 2018	1 April 2017	For the year	Disposals/ adjustments	31 March 2018	1 April 2017	For the year	Reversals	31 March 2018	31 March 2018	31 March 2017
Freehold land	21,015.05	-	-	21,015.05	-	-	-	-	-	-	-	-	21,015.05	21,015.05
Buildings	5,325.24	29.41	23.35	5,331.30	195.53	204.48	-	400.01	-	-	-	-	4,931.29	5,129.71
Roads	45.06	-	-	45.06	10.99	6.47	-	17.46	-	-	-	-	27.60	34.07
Plant and equipment	4,284.99	634.70	45.70	4,873.99	632.02	687.03	-	1,319.05	-	110.27	-	110.27	3,444.67	3,652.97
Electric installation	263.06	33.49	-	296.55	38.42	31.46	-	69.88	-	-	-	-	226.67	224.64
Furniture & fixtures	273.70	3.53	-	277.23	44.86	47.21	-	92.07	-	-	-	-	185.16	228.84
Office equipment	57.57	2.14	-	59.71	25.45	9.60	-	35.05	-	-	-	-	24.66	32.12
Launches	0.01	-	-	0.01	-	-	-	-	-	-	-	-	0.01	0.01
Vehicles	243.35	72.13	11.68	303.80	39.88	43.26	-	83.14	-	-	-	-	220.66	203.47
	31,508.03	**775.40**	**80.73**	**32,202.70**	**987.15**	**1,029.51**	**-**	**2,016.66**	**-**	**110.27**	**-**	**110.27**	**30,075.77**	**30,520.88**

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	1 April 2016 (Deemed cost)	Additions	Disposals/ adjustments	31 March 2017	1 April 2016	For the year	Disposals/ adjustments	31 March 2017	31 March 2017	1 April 2016
Freehold Land	21,015.05	-	-	21,015.05	-	-	-	-	21,015.05	21,015.05
Buildings	4,927.32	397.92	-	5,325.24	-	195.53	-	195.53	5,129.71	4,927.32
Roads	45.06	-	-	45.06	-	10.99	-	10.99	34.07	45.06
Plant and equipment	3,213.47	1,238.48	166.96	4,284.99	-	632.02	-	632.02	3,652.97	3,213.47
Electric installation	263.06	-	-	263.06	-	38.42	-	38.42	224.64	263.06
Furniture & fixtures	262.23	11.47	-	273.70	-	44.86	-	44.86	228.84	262.23
Office equipment	46.80	10.87	0.10	57.57	-	25.45	-	25.45	32.12	46.80
Launches	0.01	-	-	0.01	-	-	-	-	0.01	0.01
Vehicles	175.77	68.48	0.90	243.35	-	39.88	-	39.88	203.47	175.77
	29,948.77	**1,727.22**	**167.96**	**31,508.03**	**-**	**987.15**	**-**	**987.15**	**30,520.88**	**29,948.77**

(i) Refer to note 14(a) and note 18(a) for information on property, plant and equipment pledged as security by the Company

Note: 3(b) Capital work in progress

Capital work-in-progress mainly comprises of construction of factory building.

Note: 3(c) Goodwill

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	1 April 2017	Additions	Disposals/ adjustments	31 March 2018	1 April 2017	For the year	Disposals/ adjustments	31 March 2018	31 March 2018	31 March 2017
Goodwill	31,247.66	-	-	31,247.66	1,666.54	1,666.54	-	3,333.08	27,914.58	29,581.12
	31,247.66	**-**	**-**	**31,247.66**	**1,666.54**	**1,666.54**	**-**	**3,333.08**	**27,914.58**	**29,581.12**

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	1 April 2016 (Deemed cost)	Additions	Disposals/ adjustments	31 March 2017	1 April 2016	For the year	Disposals/ adjustments	31 March 2017	31 March 2017	1 April 2016
Goodwill	31,247.66	-	-	31,247.66	-	1,666.54	-	1,666.54	29,581.12	31,247.66
	31,247.66	**-**	**-**	**31,247.66**	**-**	**1,666.54**	**-**	**1,666.54**	**29,581.12**	**31,247.66**

Note: 3(d) Other intangible assets

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	1 April 2017	Additions	Disposals/ adjustments	31 March 2018	1 April 2017	For the year	Disposals/ adjustments	31 March 2018	31 March 2018	31 March 2017
Trademark	8,782.90	-	-	8,782.90	468.42	468.42	-	936.84	7,846.06	8,314.48
Computer Software	23.49	36.14	-	59.63	6.09	11.84	-	17.93	41.70	17.40
	8,806.39	**36.14**	**-**	**8,842.53**	**474.51**	**480.26**	**-**	**954.77**	**7,887.76**	**8,331.88**

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	1 April 2016 (Deemed cost)	Additions	Disposals/ adjustments	31 March 2017	1 April 2016	For the year	Disposals/ adjustments	31 March 2017	31 March 2017	1 April 2016
Trademark	8,782.90	-	-	8,782.90	-	468.42	-	468.42	8,314.48	8,782.90
Computer Software	19.40	4.09	-	23.49	-	6.09	-	6.09	17.40	19.40
	8,802.30	**4.09**	**-**	**8,806.39**	**-**	**474.51**	**-**	**474.51**	**8,331.88**	**8,802.30**

Note: 3(e) Intangible assets under development

Intangible assets under development mainly comprises expenditure related to acquisition and development of computer software.

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 4 Investments in subsidiaries

Particulars	Face value	No. of units	31 March 2018	No. of units	31 March 2017	No. of units	1 April 2016
Investments carried at cost							
Investments in equity instruments							
Investments in subsidiaries - Unquoted							
- Gloster Lifestyle Limited	10	40,00,000	513.41	40,00,000	513.41	40,00,000	513.41
- Gloster Specialities Limited	10	40,00,000	528.59	40,00,000	528.59	40,00,000	528.59
Total			**1,042.00**		**1,042.00**		**1,042.00**
Aggregate carrying value of unquoted investments			1,042.00		1,042.00		1,042.00
Aggregate amount of Impairment in the value of investments			Nil		Nil		Nil
Disclosure relating to transition to Ind AS							
(i) Aggregate of deemed cost of investment in subsidiaries for which deemed cost is its previous GAAP carrying amount			1,042.00		1,042.00		1,042.00
(ii) Aggregate of deemed cost of investment in subsidiaries for which deemed cost is its fair value			Nil		Nil		Nil
(iii) Aggregate adjustment to carrying amount reported under Previous GAAP			Nil		Nil		Nil

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 5(a) Investments (Non-current)

Particulars	Face value	No. of units	31 March 2018	No. of units	31 March 2017	No. of units	1 April 2016
I. Mandatorily measured at FVTPL							
Investments in Mutual Fund (Debt) - Fully paid up - Quoted							
Reliance Fixed Horizon Fund XXVIII Series 14 - Growth	10	-	-	25,00,000	302.35	25,00,000	274.33
Kotak Mahindra FMP Series -172 Mutual Fund	10	-	-	5,00,000	60.57	5,00,000	55.40
ICICI Prudential FMP Series 78	10	10,00,000	119.63	10,00,000	110.43	10,00,000	100.13
Reliance Fixed Horizon Fund XXX Series 14 - Growth	10	10,00,000	120.05	10,00,000	110.78	10,00,000	100.13
Reliance Fixed Horizon Fund XXXI Series 15 - Growth	10	10,00,000	114.23	10,00,000	104.50	-	-
UTI Fixed Term Income Fund Series XXII - VI - Growth	10	-	-	12,50,000	149.53	12,50,000	125.00
HDFC FMP Growth Series 37	10	10,00,000	114.80	10,00,000	105.47	-	-
Mutual Fund (Debt) - Fully paid up - Quoted (Investment through PMS)							
Invesco India Liquid Fund - Direct Plan Daily Dividend	10	430	4.30	-	-	-	-
Investment in Alternative Investment Funds (Debt) - Fully paid up - Unquoted							
IIFL Income Opportunities Fund	10	-	-	29,44,328	19.34	29,44,328	22.95
Peninsula Brookfield India Real Estate Fund		188	99.64	188	92.96	188	172.45
(Face value ₹ 46,611 (2017 ₹ 71,178; 2016 - ₹ 88,364))							
IIFL Real Estate Fund (Domestic) - Series 2	10	18,66,885	155.14	18,66,885	201.51	18,66,885	201.72
Indiareit Apartment Fund	1,00,000	75	90.94	67	84.56	49	58.70
IIFL Real Estate Fund (Domestic) - Series 3	10	20,00,000	206.62	20,00,000	212.74	20,00,000	200.00
India Realty Excellence Fund III	100	3,17,482	454.68	-	-	-	-
Investment in Compulsorily Convertible Preference Shares - Fully paid up - Unquoted							
Tata Motors Finance Limited	100	1,00,000	100.00	1,00,000	100.00	1,00,000	100.00
II. Designated at FVOCI:							
Investment in Alternative Investment Funds (Equity) - Fully paid up - Unquoted							
IIFL National Development Agenda Fund	10	-	-	19,68,814	246.63	19,68,814	212.09
Orios venture Partners Fund	100	-	-	1,65,000	164.70	1,25,000	126.05
IIFL Best of Class Fund - I							
Class B1	10	-	-	5,00,000	60.44	5,00,000	43.11
Class B2	10	-	-	5,00,000	60.44	5,00,000	46.95
IIFL Assets Revival Fund Series 2	10	20,00,000	280.78	20,00,000	263.83	-	-

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Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Face value	No. of units	31 March 2018	No. of units	31 March 2017	No. of units	1 April 2016
IIFL Special Opportunities Fund Class A1	10	14,24,355	163.07	5,00,000	50.02	-	-
IIFL Re Organize India Equity Fund Class A1	10	9,94,917	87.81	5,00,000	50.14	-	-
IIFL Focussed Equity Strategies Fund							
Class A1	10	6,44,905	91.98	2,49,863	29.09	-	-
Class B1	10	6,37,395	69.87	2,50,366	29.09	-	-
Malabar Value Fund	100	88,511	114.07	40,355	43.62	-	-
Sundaram Alternative Opportunities Fund- Nano Cap Series I	1,00,000	92	103.99	15	15.05	-	-
DSP Blackrock AIF Pharma Fund Class B	100	1,02,754	92.55	1,02,754	100.64	-	-
Baring Private Equity India	1,00,000	100	89.30	-	-	-	-
White Oak India Equity Fund	10	9,59,429	97.66	-	-	-	-
Motilal Oswal Focused Emergence Fund	10	14,39,925	135.45	-	-	-	-
Forfront Alternative Equity Scheme	10	6,89,634	141.91	-	-	-	-
Quoted Equity Instruments- Fully paid-up							
(Investment through PMS)							
Aegis Logistic Ltd	1	6,405	16.63	9,091	17.67	-	-
(Face value ₹ 1 (2017 - ₹ 2))							
Alkem Laboratories Ltd	2	619	12.31	619	13.66	186	2.52
APL Apollo Tubes Limited	10	218	4.33	-	-	-	-
Aia Engineering Ltd.	2	277	3.99	-	-	-	-
Apollo Hospitals Enterprises Ltd.	5	659	7.02	-	-	-	-
Asian Paints Ltd.	1	438	4.91	438	4.69	744	6.46
Ajanta Pharma Ltd	2	-	-	232	4.08	-	-
Amara Raja Batteries Ltd	1	-	-	531	4.72	-	-
Astral Poly Technik Ltd	1	773	6.92	850	4.65	-	-
AU Small Finance Bank	10	1,361	8.41	-	-	-	-
Axis Bank Limited	2	702	3.58	-	-	-	-
Bajaj Finance Ltd.		1,626	28.75	1,943	22.81	204	14.13
(Face value ₹ 2 (2017 - ₹ 10; 2016 - ₹ 10))							
Balkrishna Industries Ltd	2	584	6.25	-	-	-	-
Bajaj Finserv Ltd		154	7.97	178	7.28	-	-
(Face value ₹ 5 (2017 - ₹ 2; 2016 - ₹ 2))							
Bank Of Baroda	2	1,173	1.67	-	-	-	-
Bayer Cropscience Limited	10	157	6.64	-	-	-	-
Bharat Forge Ltd.	2	1,574	11.01	787	8.19	903	7.88
Birla Corporation Ltd.	10	1,195	8.54	1,700	12.56	-	-
Britannia Industries Ltd	2	147	7.31	165	5.58	-	-
Bharat Petroleum Corpn. Ltd	10	-	-	-	-	759	6.86

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Face value	No. of units	31 March 2018	No. of units	31 March 2017	No. of units	1 April 2016
Bosch Ltd.	10	67	12.07	67	15.26	78	16.21
Blue Star Ltd	2	730	5.51	-	-	-	-
Canfin Homes Ltd.		1,440	6.98	296	6.26	-	-
(Face value ₹ 2 (2017 - ₹ 10; 2016 - ₹ 10))							
City Union Bank Ltd.	1	7,132	12.30	6,484	9.81	3,609	3.42
Cholamandalam Investment And Finance Company Ltd	10	556	8.06	421	4.06	-	-
CCL Products I Ltd.	2	1,146	3.19	-	-	-	-
Colgate-Palmolive (India) Limited	1	555	5.87	555	5.54	232	1.93
Cipla Ltd.	2	517	2.82	-	-	-	-
Container Corporation Of India Ltd.	10	761	9.49	285	3.62	159	1.98
Cummins India Ltd.	2	881	6.17	881	8.35	493	4.15
Development Credit Bank Ltd	10	6,379	10.31	9,268	15.82	-	-
Dhanuka Agritech Ltd	2	485	2.67	510	4.07	-	-
Dalmia Bharat Ltd	2	188	5.42	-	-	-	-
Dishman Carbogen Amcis Ltd (erstwhile Dishman Pharmaceuticals & Chemicals Ltd)	2	1,510	4.84	1,225	3.55	-	-
Dr Lal Pathlabs Ltd	10	454	3.98	454	4.39	-	-
Dixon Technologies India Limited	10	128	4.21	-	-	-	-
D.B.Corp Ltd	10	652	2.03	-	-	-	-
Eicher Motors Ltd.	10	86	24.39	86	21.98	115	22.06
Emami Limited	1	823	8.80	823	8.68	339	3.16
Equitas Holdings Limited	10	1,583	2.28	-	-	-	-
Esab India Limited	10	186	1.32	-	-	-	-
Exide Industries Ltd.	1	1,744	3.89	-	-	-	-
Engineers India Ltd	5	1,734	2.75	1,734	2.50	467	0.79
Federal Bank Limited	2	7,194	6.42	-	-	-	-
Gabriel India Limited	1	4,724	6.47	5,521	6.70	-	-
GlaxoSmithkline Consumer Healthcare Ltd.	10	108	6.59	96	4.95	53	3.20
Gujarat State Petronet Limited	10	4,195	7.95	-	-	-	-
Godrej Industries Ltd	1	1,942	10.68	1,013	5.11	-	-
HDFC Bank Ltd.	2	-	-	-	-	708	7.58
Havells India Ltd	1	1,274	6.21	1,077	5.04	-	-
HCL Technologies Ltd.	2	501	4.85	-	-	-	-
Hero Motocorp Limited	2	88	3.17	-	-	165	4.86
Hindustan Petroleum Corporation Ltd.	10	3,451	11.90	7,334	38.54	1,381	10.88
Housing Development Finance Corporation Ltd.	2	-	-	-	-	398	4.40
Interglobe Aviation Ltd	10	459	5.92	-	-	574	5.01
Ipca Lab Ltd.	2	913	5.99	913	5.69	508	2.96

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Face value	No. of units	31 March 2018	No. of units	31 March 2017	No. of units	1 April 2016
Isgec Heavy Engineering Ltd.	10	44	2.87	-	-	-	-
Indusind Bank Ltd	10	466	8.37	422	5.95	-	-
Infosys limited	5	490	5.55	-	-	-	-
ICICI Bank Ltd	2	2,556	7.11	-	-	-	-
ITD Cementation India Ltd	1	2,468	3.88	2,468	4.22	-	-
IIFL Holdings Ltd	2	486	3.43	-	-	-	-
J K Cement Ltd	10	382	3.88	-	-	-	-
Jammu Kashmir Bank Ltd	1	4,161	2.51	4,461	3.34	2,295	1.39
Kotak Mahindra Bank Ltd	5	3,217	33.71	2,621	22.86	1,664	11.33
KEC International Limited	2	1,456	5.67	-	-	-	-
Kajaria Ceramics Ltd	1	990	5.67	990	5.79	-	-
KNR Constructions Limited	2	1,515	4.30	-	-	-	-
Larsen & Toubro Ltd.	2	-	-	-	-	337	10.18
L&T Technology Services Ltd	2	792	9.79	792	6.20	-	-
L and T Finance Holdings Limited	10	4,788	7.52	-	-	-	-
Lakshmi Vilas Bank Limited	10	4,373	4.31	3,280	5.43	-	-
Lupin Ltd	2	286	2.10	350	5.06	-	-
Mahindra and Mahindra Fin Services Ltd	2	1,215	5.63	-	-	-	-
Mahindra and Mahindra Ltd.	5	667	4.93	-	-	-	-
Mahanagar Gas Ltd	10	666	6.38	671	6.01	-	-
Max Financial Services Ltd	2	3,107	14.09	2,457	14.17	1,107	3.81
M R F Ltd	10	9	6.51	9	5.47	-	-
Minda Industries Ltd	2	202	2.17	-	-	-	-
Motherson Sumi Systems Ltd	1	1,956	6.10	1,558	5.81	-	-
5Paisa Capital Ltd	10	19	0.06	-	-	-	-
Page Industries Ltd.	10	136	30.85	146	21.37	63	7.66
Phoenix Lamps Limited	10	-	-	2,133	3.73	-	-
P I Industries Ltd	1	727	6.46	679	5.68	-	-
Pidilite Industries Ltd	1	416	3.82	554	3.87	-	-
Quess Corp Ltd	10	1,026	10.55	1,038	7.14	-	-
Reliance Industries Ltd.	10	909	8.02	-	-	-	-
Ramkrishna Forgings Ltd.	10	583	4.10	-	-	-	-
Ratnamani Metals And Tubes Ltd	2	281	2.39	-	-	-	-
South Indian Bank Ltd.	1	7,017	1.60	-	-	-	-
Shriram Transport Finance Co. Ltd.	10	399	5.74	-	-	-	-
Shree Cements Ltd	10	16	2.59	25	4.26	-	-

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Face value	No. of units	31 March 2018	No. of units	31 March 2017	No. of units	1 April 2016
Speciality Restaurants Ltd	10	-	-	-	-	373	0.32
State Bank of India	1	-	-	-	-	2,505	4.87
Sun Pharmaceuticals Ltd.	1	-	-	-	-	1,250	10.25
Suprajit Engineering Ltd	1	920	2.56	-	-	-	-
TTK Prestige Ltd	10	97	6.00	120	7.05	-	-
Timken India Limited	10	321	2.26	-	-	-	-
The Ramco Cements Limited	1	459	3.32	-	-	-	-
Tata Metaliks Ltd.	10	437	3.25	-	-	-	-
Tata Steel Limited	10	698	3.99	-	-	-	-
Tata Consultancy Services Ltd.	1	-	-	-	-	251	6.33
United Spirits Ltd	10	74	2.32	-	-	158	3.95
Voltas Ltd.	1	4,395	27.29	4,395	18.11	2,155	5.99
VIP Industries Limited	2	1,311	4.19	-	-	-	-
Wonderla Holidays Limited	10	696	2.38	-	-	-	-
Welspun India Ltd		5,487	3.18	3,141	2.75	-	-
(Face value ₹ 1 (2017 - ₹ 10))							
Divi's Laboratories Ltd	2	285	3.11	-	-	-	-
Investment in Equity Instruments - Fully paid up							
Unquoted							
Fine Worthy Software Solutions Private Limted	10	91,411	214.80	91,411	214.82	91,411	214.82
Abhyudaya Developers Pvt. Ltd	10	-	-	-	-	4,00,000	96.97
Blackberry Properties Pvt. Ltd.	10	10,00,000	468.14	10,00,000	547.80	10,00,000	547.80
Cambay Investment Corporation Ltd.	10	38,000	388.42	38,000	316.56	38,000	275.06
Credwyn Holdings India Pvt. Ltd.	100	30,000	1,561.47	30,000	1,321.32	30,000	1,008.78
Devendra Finvest & Holding Pvt. Ltd.	10	-	-	-	-	8,000	0.81
Kamla Company Ltd.	10	-	-	-	-	58,050	12.42
Laxmi Asbestos Products Ltd.	100	5,000	5.00	5,000	5.00	5,000	5.00
Mangal Builders & Enterprises Ltd.	10	-	-	-	-	2,00,000	38.92
P.D.G.D. Investments & Trading Pvt. Ltd.	10	-	-	-	-	20,000	59.08
Sudipta Traders Pvt.Ltd	10	90,000	601.83	90,000	640.65	90,000	640.65
The Oriental Company Ltd.	100	845	1,105.94	845	911.83	845	223.26
Woodland Multispeciality Hospital Ltd	10	4,290	0.21	4,290	0.21	4,290	0.21
Investment in Equity Instruments - Fully paid up							
Quoted							
The Cochin Malabar Estates & Industries Limited	10	98,939	45.71	1,13,939	28.54	1,13,939	44.28
Joonktollee Tea & Industries Limited	10	5,38,838	835.74	5,46,338	935.96	5,46,338	758.68
Adani Port & SEZ Ltd	2	-	-	75	0.25	75	0.19

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Face value	No. of units	31 March 2018	No. of units	31 March 2017	No. of units	1 April 2016
(Formerly Mundra Port & SEZ Ltd.)							
ABB India Limited	2	200	2.59	200	2.56	200	2.56
Amar Remedy Ltd.	10	200	0.01	200	0.01	200	0.01
Barak Valley Cements Ltd.	10	303	0.08	303	0.08	303	0.05
Dena Bank	10	5,000	0.94	5,000	1.92	5,000	1.44
Emami Ltd.	1	-	-	-	-	2,400	-
Emami Infra structure Ltd	10	-	-	300	0.25	300	0.12
Himachal Futiristic Communications Ltd.	1	16,900	4.37	16,900	2.15	16,900	2.74
Hindalco Industries Ltd	1	-	-	4,000	7.80	4,000	3.52
Himatsingka Seide Ltd	2	900	3.15	6,533	22.44	6,533	12.75
Indian Ovearseas Bank	10	1,000	0.17	1,000	0.27	1,000	0.30
Indraprashta Gas Ltd.	10	-	-	700	7.10	700	3.99
Interglobe Aviation Ltd	10	100	1.29	1,000	10.51	1,000	8.73
Jaiprakash Power Ventures Limited	10	16,900	0.80	16,900	0.85	16,900	0.79
Kolte Patil Developers Ltd.	10	-	-	40	0.07	40	0.04
Larsen & Tubro Ltd	2	-	-	100	1.57	100	1.22
Penta Media Graphics Ltd	1	11,070	0.06	11,070	0.07	11,070	0.07
Port Shipping Co. Ltd.	10	1,64,330	16.43	1,64,330	16.43	1,64,330	16.43
Punjab National Bank	2	-	-	470	0.70	470	0.40
Siemens Ltd	2	-	-	200	2.51	200	-
The Phosphate Co. Ltd.	10	1,70,000	51.00	1,70,000	51.00	1,70,000	51.00
Uco Bank	10	3,000	0.65	3,000	1.08	3,000	1.16
Total			**9,025.52**		**8,270.82**		**6,069.78**
Aggregate amount of quoted investments and market value thereof			2,104.24		2,487.83		1,761.98
Aggregate amount of unquoted investments			6,921.28		5,782.99		4,307.80

Note: 5(b) Loans (Non-current)

Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured, considered good			
Security deposits	6.40	6.76	2.67
Total	**6.40**	**6.76**	**2.67**

Note: 6 Other non-current assets

Particulars	31 March 2018	31 March 2017	1 April 2016
Capital advances	**115.27**	**126.09**	**170.16**
Deposits - Government authorities	53.52	42.01	23.88
Total	**168.79**	**168.10**	**194.04**

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 7 Inventories

Particulars	31 March 2018	31 March 2017	1 April 2016
Raw materials	4,057.43	3,919.01	4,609.47
Stock-in-process	825.93	698.79	1,610.70
Semi finished goods	406.32	269.30	292.72
Finished goods (includes goods in transit ₹ 258.30 lakhs (31.03.17- ₹ 474.45 lakhs, 01.04.2016 - ₹ 171.17 lakhs)	2,547.53	2,295.03	2,521.63
Stores and spares	911.77	852.15	913.57
Total	**8,748.98**	**8,034.28**	**9,948.09**

Note: 8(a) Investments (Current)

Particulars	Face value	No. of units	31 March 2018	No. of units	31 March 2017	No. of units	1 April 2016
I. Designated at FVOCI							
Quoted Equity Instruments- Fully paid-up (Direct investment)							
J K Paper Limited	10	1,00,000	135.25	1,50,000	141.75	-	-
J K Tyre & Industries Limited	2	-	-	1,00,000	131.40	-	-
Larsen & Toubro Ltd.	2	3,500	45.92	1,000	15.78	-	-
Magma Fincorp Limited	2	25,000	38.35	98,100	103.84	-	-
National Aluminium Company Ltd	5	70,000	46.73	70,000	53.20	-	-
NBCC (India) Ltd	2	25,000	47.59	15,000	25.82	-	-
Udaipur Cement Limited	4	1,00,000	22.85	-	-	-	-
HEG Ltd.	10	23,000	731.75	-	-	-	-
Century Textiles Industries Ltd.	10	2,000	22.91	-	-	-	-
Bombay Dyeing & Mfg. Co. Ltd.	2	12,000	28.72	-	-	-	-
Usha Martin Limited	1	3,00,000	54.90	-	-	-	-
Himadri Speciality Chemicals Ltd.	1	40,000	58.64	-	-	-	-
HBL Power Systems Ltd.	1	1,00,000	44.95	-	-	-	-
Shree Cements Ltd	10	4,000	647.26	600	102.12	-	-
State Bank of India	1	30,000	75.03	20,000	58.52	-	-
Tata Global Beverages Ltd.	1	-	-	50,000	75.13	-	-
Investment in Alternative Investment Funds (Equity) - Fully paid up - Unquoted							
Orios venture Partners Fund	100	2,00,000	180.01	-	-	-	-
IIFL Best of class Fund - I							
Class B1	10	5,00,000	61.60	-	-	-	-
Class B2	6	5,00,000	52.98	-	-	-	-
Forfront Alternative Equity Scheme	10	-	-	7,04,113	128.65	7,04,113	102.42

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Face value	No. of units	31 March 2018	No. of units	31 March 2017	No. of units	1 April 2016
II. Mandatorily measured at FVTPL							
Investment in Mutual fund - Fully paid-up (Debt) - Quoted							
HDFC CMF Treasury Advantage Plan - Regular Growth	1,000	47,514	1,710.26	11,840	400.11	-	-
ICICI Prudential Gilt Fund Investment Plan- PF Option-Regular Plan	10	11,53,120	404.40	11,53,120	383.58	11,53,120	337.18
Birla Sunlife Cash Plus Growth Regular Plan	10	-	-	1,34,388	350.10	-	-
ICICI Prudential Liquid Plan - Growth	100	-	-	1,45,782	350.10	4,48,284	1,003.50
Investments in Mutual Fund (Debt) - Fully paid up - Quoted							
Reliance Fixed Horizon Fund XXVIII Series 14 - Growth	10	25,00,000	326.08	-	-	-	-
Kotak Mahindra FMP Series -172 Mutual Fund	10	5,00,000	65.64	-	-	-	-
UTI Fixed Term Income Fund Series XXII - VI - Growth	10	12,50,000	162.43	-	-	-	-
Investment in Debentures - Fully Paid up - Quoted							
Edelweiss Finance & Investments Limted	1,00,000	-	-	-	-	99	93.37
India Infoline Finance Limited	10,00,000	-	-	-	-	10	84.20
Aspire Home Finance Corporation Ltd	1,00,000	20	116.75	20	214.36	-	-
ECL Finance Limited	1,00,000	100	113.51	100	108.70	-	-
Total			**5,194.51**		**2,643.16**		**1,620.67**
Aggregate amount of quoted investments and market value thereof			4,899.89		2,514.50		1,518.25
Aggregate amount of unquoted investments			294.62		128.66		102.42

Note: 8(b) Trade receivables

Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured, considered good (Refer note below)	2,448.83	2,067.29	2,552.52
Total	**2,448.83**	**2,067.29**	**2,552.52**

Note: Transferred receivables

The carrying amounts of the trade receivables include receivables which are subject to Bill Discounting. Under this arrangement, Gloster Limited has transferred the relevant receivables to the bank in exchange for cash and is prevented from selling or pledging the receivables. However, Gloster Limited has retained late payment and credit risk. The Company therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the Bill Discounting is presented as secured borrowing.

The relevant carrying amounts are as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
Total transferred receivables	267.19	107.98	-
Associated secured borrowing (refer note 18(a))	(267.19)	(107.98)	-

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 8(c) Cash and cash equivalents

Particulars	31 March 2018	31 March 2017	1 April 2016
Cash and cash equivalents			
Cash on hand	4.52	4.63	14.91
Balances with banks			
- In current accounts	650.71	204.10	367.66
Total	**655.23**	**208.73**	**382.57**

Note: 8(d) Other bank balances

Particulars	31 March 2018	31 March 2017	1 April 2016
Unpaid dividend account	24.38	19.48	18.26
Margin money deposits	0.21	0.21	41.19
Total	**24.59**	**19.69**	**59.45**

Note: 8(e) Loans (Current)

Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured, considered good			
Security deposits	97.35	222.29	222.29
Employee loans and advances	292.70	241.61	245.00
Loans to bodies corporate	2,933.53	2,443.35	1,622.19
Total	**3,323.58**	**2,907.25**	**2,089.48**

Note: 8(f) Other financial assets - current

Particulars	31 March 2018	31 March 2017	1 April 2016
Derivatives not designated as hedges - Foreign-exchange forward contracts	-	155.10	48.40
Interest accured on intercorporate deposits	51.46	19.45	-
Total	**51.46**	**174.55**	**48.40**

Note: 9 Current tax assets (net)

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance for taxation [Net of provision ₹ 4,831.24 (31 March 2017 - ₹ 3,276.44, 01 April 2016 - ₹ 2,298.07)]	3,079.79	2,876.89	1,543.58
Total	**3,079.79**	**2,876.89**	**1,543.58**

Note: 10 Other current assets

Particulars	31 March 2018	31 March 2017	1 April 2016
Prepaid expenses	64.77	62.34	108.57
Retirement benefit asset	44.34	-	-
Balances with government authorities	144.34	6.95	5.62
Advances for goods and services	142.30	119.24	76.80
Dividend distribution tax (DDT) refundable (refer (a) below)	49.14	21.84	10.92
Other advances			
- Considered good	201.00	22.11	215.53
- Doubtful	148.17	148.17	148.17
- Less: Provision for doubtful advance	(148.17)	(148.17)	(148.17)
Total	**645.89**	**232.48**	**417.44**

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(a) Pertaind to DDT paid by erstwhile Gloster Limited for payment of dividend to erstwhile Kettlewell Bullen & Company Limited now refundable, post merger in keeping with scheme of amalgamation referred to in note 40.

Note: 11 Equity share capital

(a) Authorised share capital

Particulars	Equity shares	
	Number of shares	Amount
As at 1 April 2016	**2,75,00,000**	**2,750.00**
Changes during the year	-	-
As at 31 March 2017	**2,75,00,000**	**2,750.00**
Changes during the year	-	-
As at 31 March 2018	**2,75,00,000**	**2,750.00**

Note: Increase in authorised share capital w.e.f. 01 January 2015 is inaccordance with scheme of amalgamation referred to in note 40.

(b) Issued, subscribed and fully paid-up shares

Particulars	Equity shares	
	Number of shares	Amount
As at 1 April 2016	20,00,000	200.00
Changes during the year	-	-
As at 31 March 2017	20,00,000	200.00
Changes during the year	-	-
As at 31 March 2018	20,00,000	200.00

(c) Details of the shareholders holding more than 5% of equity shares of the Company (without considering equity suspense referred to in note 12)

Name of the shareholder	31 March, 2018		31 March 2017		1 April 2016	
	Number	% holding	Number	% holding	Number	% holding
Equity shares						
Gopal Das Bangur	-	-	2,25,000	11.25	2,25,000	11.25
Pushpa Devi Bangur	4,56,500	22.83	2,32,500	11.63	2,32,500	11.63
Vinita Bangur	3,31,600	16.58	3,31,600	16.58	3,31,600	16.58
Hemant Bangur	2,64,700	13.24	2,64,700	13.24	2,64,700	13.24
The Cambay Investment Corporation Ltd	2,50,000	12.50	2,50,000	12.50	2,50,000	12.50
Gopal Das Bangur HUF	1,85,000	9.25	1,85,000	9.25	1,85,000	9.25
Madhav Trading Corporation Ltd.	-	-	1,10,000	5.50	1,10,000	5.50

(d) Rights, preferences and 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.

(e) Details of bonus shares issued

The Company has issued 16,00,000 number of equity shares allocated as fully paid up by way of bonus shares of ₹ 10 each on 07 March, 2016.

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 12 Equity share suspense

Particulars	31 March 2018	31 March 2017	1 April 2016
34,71,630 Equity shares of ₹ 10 each	78,493.55	78,493.55	78,493.55
	78,493.55	**78,493.55**	**78,493.55**

34,71,630 equity shares of ₹ 10 each are to be issued pursuant to scheme of amalgamation referred in note 40. Pending allotment of such equity shares as at 31 March 2018, the related amount of ₹ 78,493.55 lakhs is considered as 'Equity Share Suspense'.

Note: 13 Other equity

A. Reserve and Surplus

Particulars	31 March 2018	31 March 2017	1 April 2016
(i) General reserve	3,119.10	1,119.10	1,019.10
(ii) Retained earnings	4,852.12	2,587.13	(387.65)
Total reserves and surplus	**7,971.22**	**3,706.23**	**631.45**

Particulars	31 March 2018	31 March 2017	1 April 2016
(i) General reserve			
Balance at the beginning of the year	1,119.10	1,019.10	1,099.10
Less: Issue of bonus shares	-	-	(130.00)
Transferred from retained earnings	2,000.00	100.00	50.00
Balance at the end of the year	3,119.10	1,119.10	1,019.10
(ii) Retained earnings			
Balance as at the beginning of the year	2,587.13	(387.65)	(1,938.69)
Profit/ (Loss) for the year	4,128.54	3,404.75	1,601.04
Items of other comprehensive income recognised directly in retained earnings			
- Remeasurements of post-employment benefit obligation, net of tax	699.13	(50.27)	-
- Gain on sale of FVOCI equity investments, net of tax transferred to retained earnings	220.76	33.68	-
Dividend paid during the year	(650.93)	(260.38)	-
Tax on dividend paid during the year	**(132.51)**	**(53.00)**	-
Transferred to general reserve	(2,000.00)	(100.00)	(50.00)
Balance at the end of the year	**4,852.12**	**2,587.13**	**(387.65)**

B. Other reserves - Equity instruments through Other comprehensive income

Particulars	31 March 2018	31 March 2017	1 April 2016
Balance at the beginning of the year	3,534.90	2,294.59	-
Changes in fair value of FVOCI equity instruments	962.97	1,558.47	2,732.50
Deferred tax	(164.31)	(284.48)	(437.91)
Gain on sale of FVOCI equity investments, net of tax transferred to retained earnings	(220.76)	(33.68)	-
Balance at the end of the year	4,112.80	3,534.90	2,294.59
Total (A+B)	**12,084.02**	**7,241.13**	**2,926.04**

(i) General reserve

General reserve is created and utilised in compliance with provisions of the Companies Act, 2013.

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(ii) Equity instruments through OCI

The Company has elected to recognise changes in the fair value of all investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Note: 14(a) Borrowings (Non-current)

Particulars	31 March 2018	31 March 2017	1 April 2016
Secured			
From banks [Refer note (a) below]	-	-	192.50
Unsecured			
Term loan from banks [Refer note (b) and (c) below]	128.40	166.67	388.00
	128.40	**166.67**	**580.50**
Less: Current maturities of long term debts [refer note 18(c)]	-	166.67	293.67
Total	**128.40**	**-**	**286.83**

Nature of security		Terms of repayment
(a)	Term loan from banks amounting to ₹ Nil (31 March 2017 - ₹ Nil, 01 April 2016 - ₹ 192.50 lakhs) are secured by equitable mortgage of factory land and building, hypothecation of all plant & machinery and all other movable property, plant & equipment of the Company.	Repayable in 24 equal quarterly instalments beginning from March 2015 along with interest rate linked to bank base rate +1.40% spread.
(b)	Unsecured term loan from bank amounting to ₹ 128.40 lakhs (31 March 2017 - ₹ Nil, 01 April 2016 - ₹ Nil).	Repayable in 12 equal quarterly instalments beginning from June 2019 along with interest rate linked to Bank's One year MCLR.
(c)	Unsecured term loan from bank amounting to ₹ Nil (31 March 2017 - ₹ 166.67, 01 April 2016 - ₹ 388 lakhs)	Repayable in 3 equal quarterly instalments beginning from December 2016 along with interest rate linked to Bank base rate + 0.25% spread.

Note: 14(b) Other financial liabilities (Non-current)

Particulars	31 March 2018	31 March 2017	1 April 2016
Security deposit	-	75.90	75.90
Total	**-**	**75.90**	**75.90**

Note: 15 Provisions (Non-current)

Particulars	31 March 2018	31 March 2017	1 April 2016
Other non-current provisions	2.17	2.17	1.37
Total	**2.17**	**2.17**	**1.37**

Note: 16 Deferred tax liabilities (net)

Particulars	31 March 2018	31 March 2017	1 April 2016
Deferred tax liabilities			
Investment in financial instruments at FVTPL	85.72	48.94	16.43
Investment in financial instruments at FVOCI	885.12	726.93	437.91
Derivative asset	-	53.68	16.75
Property, plant and equipment	8,145.00	7,090.61	5,332.60
	9,115.84	**7,920.16**	**5,803.69**

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2018	31 March 2017	1 April 2016
Deferred tax assets			
Derivative liability	8.55	-	-
Provision for leave encashment	108.95	110.81	77.46
Provision for doubtful advances	51.78	51.28	51.28
Deferred government grant	84.38	67.36	18.87
MAT credit entitlement	2,878.16	1,250.66	272.69
Unabsorbed depreciation	1,861.97	3,454.18	3,437.76
Others	207.66	189.89	158.65
	5,201.45	**5,124.18**	**4,016.71**
Net deferred tax liabilities [Refer note (a) below]	3,914.39	2,795.98	1,786.98

(a) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws. Refer note 30 for details pertaining to income taxes.

Note: 17 Other non-current liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Deferred government grant	224.16	180.81	50.63
Total	**224.16**	**180.81**	**50.63**

Note: 18(a) Borrowings (Current)

Particulars	31 March 2018	31 March 2017	1 April 2016
Secured:			
Loans from banks [refer note (a) below]	1,281.02	3,333.67	5,265.21
Liability on bill discounting [refer note (a) below]	267.19	107.98	-
Unsecured:			
Loans from banks [refer note (b) below]	-	-	2,500.00
Buyers credit	-	93.28	-
Interest accured and due on borrowings	-	2.11	4.53
Interest accured but not due on borrowings	-	-	6.51
Total	**1,548.21**	**3,537.04**	**7,776.25**

Notes:

(a) Secured by hypothecation of stock of raw material, stock -in-process, finished goods, stores & consumables, book debts and other current assets of the Company.

(b) Unsecured loans from banks are repayabe within 30 days fom the date of disbursement of loan.

Note: 18(b) Trade payables

Particulars	31 March 2018	31 March 2017	1 April 2016
Trade payables (refer note 42 for details of dues to Micro, Small and Medium Enterprises)	827.06	431.39	616.87
Total	**827.06**	**431.39**	**616.87**

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 18(c) Other financial liabilities - current

Particulars	31 March 2018	31 March 2017	1 April 2016
Current maturities of long-term debt (refer note 14(a))	-	166.67	293.67
Interest accured and due on borrowings	-	-	5.41
Unpaid dividends (refer note(a) below)	24.37	19.48	18.26
Capital creditors	10.15	11.89	55.42
Derivatives not designated as hedges-Foreign-exchange forward contracts	24.46	-	-
Other payables (refer note(b) below)	1,208.31	1,485.50	1,054.87
Total	**1,267.29**	**1,683.54**	**1,427.63**

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125C of the Companies Act, 2013 as at the end of the year.

(b) Other payables include employee related liability of ₹ 812.85 lakhs (31.03.2017 - ₹ 854.33 lakhs, 01.04.2016 - ₹ 657.88 lakhs)

Note: 19 Other current liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Advances received from customers	220.75	308.92	160.89
Statutory dues	832.58	830.06	733.06
Deferred government grant	17.33	13.83	3.89
Other payables	71.03	67.49	73.65
Total	**1,141.69**	**1,220.30**	**971.49**

Note: 20 Provisions (Current)

Particulars	31 March 2018	31 March 2017	1 April 2016
Provision for employee benefits			
Provision for Gratuity (refer note 26)	-	442.61	916.35
Provision for compensated absences of employees	510.57	502.06	385.61
Total	**510.57**	**944.67**	**1,301.96**

Note: 21 Current tax liabilities (net)

Particulars	31 March 2018	31 March 2017	1 April 2016
Provision for taxation [Net of advance tax ₹ 4,185.89 lakhs (31.03.2017 - ₹ 4,185.89 lakhs, 01.04.2016 - ₹ 4,185.89 lakhs)]	486.93	486.93	486.93
Total	**486.93**	**486.93**	**486.93**

Note: 22 Revenue from operations

Particulars	31 March 2018	31 March 2017
Sale of products		
Finished goods	45,249.08	49,519.86
Other operating revenues		
Export incentive	1,149.42	1,222.93
Total	**46,398.50**	**50,742.79**

Note:

Post applicability of Goods and Service Tax (GST) w.e.f. July 1, 2017, revenue from operations is disclosed net of GST. However, revenue for the period upto June 30, 2017 is inclusive of Excise duty and Research & Development Cess. Accordingly, revenue from operations and other expenses for the year ended 31 March 2018 are not comparable with the previous year.

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 23 Other income

Particulars	31 March 2018	31 March 2017
Interest income from financial assets at amortised cost	409.40	256.72
Interest income from financial assets measured at FVTPL	80.28	61.33
Dividend income from investments designated at FVOCI (refer note (a) below)	29.11	13.99
Dividend income from investments measured at FVTPL	1.36	0.12
Rental income	22.79	22.11
Net gains/(losses) on fair value changes on investments classified at FVTPL	198.78	149.89
Fair value gains on derivatives not designated as hedges	-	106.70
Net gain on disposal of property, plant and equipment	7.80	212.72
Net gain on sale of investments	24.40	21.79
Liabilities no longer required written back	66.47	0.09
Net foreign exchange gains (losses)	305.72	318.67
Government grants (refer note (b) below)	17.33	8.86
Miscellaneous income (refer note (c) below)	296.87	471.68
Total	**1,460.31**	**1,644.67**

(a) All dividends from equity investments designated at FVOCI relate to investments held at the end of the reporting period except dividend income amounting to ₹ 4.43 lakhs (31.03.2017 - ₹ 0.02 lakhs) pertaining to investments derecognised during the year.

(b) Government grants are related to investments in property, plant and equipment. There are no unfulfilled conditions or other contingencies attaching to these grants.

(c) Miscelleneous income include insurance claim realized amounting to ₹ 224.01 lakhs (31.03.2017 - ₹ 466.18 lakhs)

Note: 24 Cost of materials consumed

Particulars	31 March 2018	31 March 2017
Inventory at the beginning of the year	3,919.01	4,609.47
Add : Purchases (net)	21,887.60	24,569.30
	25,806.61	**29,178.77**
Less : Inventory at the end of the year	4,057.43	3,919.01
Total	**21,749.18**	**25,259.76**

Note: 25 Changes in inventories of finished goods and work-in-progress

Particulars	31 March 2018	31 March 2017
Inventories at the end of the year		
Stock-in-process	825.93	698.79
Semi Finished Goods	406.32	269.30
Finished Goods	2,547.53	2,295.03
Total (A)	**3,779.78**	**3,263.12**
Inventories at the beginning of the year		
Stock-in-process	698.79	1,610.70
Semi Finished Goods	269.30	292.72
Finished Goods	2,295.03	2,521.63
Total (B)	**3,263.12**	**4,425.05**
(Increase)/decrease in inventories (B-A)	**(516.66)**	**1,161.93**

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 26 Employee benefits expense

Particulars	31 March 2018	31 March 2017
Salaries, wages & bonus	7,036.95	7,035.88
Contribution to provident and other funds [refer note below]	1,353.45	1,280.39
Workmen and staff welfare expenses	63.89	72.73
Total	**8,454.29**	**8,389.00**

(A) Post-employment obligations

(i) Defined contribution plans

The total expenses recognised in the statement of profit and loss during the year on account of defined contribution plans amounts to:

Particulars	31 March 2018	31 March 2017
Employer's contribution to pension fund	398.27	396.38
Employer's contribution to superannuation fund	99.17	84.86
	497.44	**481.24**

(ii) Defined benefit plan

(a) 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. Gratuity benefit vests 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.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation (Gratuity) over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2016	5,176.17	(4,259.82)	916.35
Current service cost	372.73	(43.19)	329.54
Interest expense/(income)	403.71	(367.51)	36.20
Total amount recognised in profit or loss	**776.44**	**(410.70)**	**365.74**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(371.48)	(371.48)
Actuarial (gain)/loss from change in financial assumptions	723.40	-	723.40
Actuarial (gain)/loss from unexpected experience	(275.05)	-	(275.05)
Total amount recognised in other comprehensive income	**448.35**	**(371.48)**	**76.87**
Employer contributions/ premium paid	-	(916.35)	(916.35)
Benefit payments	(131.91)	131.91	-
31 March 2017	6,269.05	(5,826.44)	442.61

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2017	**6,269.05**	**(5,826.44)**	**442.61**
Current service cost	372.00	-	372.00
Interest expense/(income)	417.24	(387.36)	29.88
Total amount recognised in profit or loss	**789.24**	**(387.36)**	**401.88**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(78.32)	(78.32)
Actuarial (gain)/loss from change in demographic assumptions	(41.02)	-	(41.02)
Actuarial (gain)/loss from change in financial assumptions	(538.72)	-	(538.72)
Actuarial (gain)/loss from unexpected experience	(230.77)	-	(230.77)
Total amount recognised in other comprehensive income	**(810.51)**	**(78.32)**	**(888.83)**
Employer contributions/ premium paid	-	-	-
Benefit payments	(175.46)	175.46	-
31 March 2018	6,072.32	(6,116.66)	(44.34)

Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
Discount rate	7.60%	6.75%	7.90%
Rate of salary increase	9.00%	9.00%	9.00%
Mortality rate	Indian assured lives mortality (2006-08) (modified)	Indian assured lives mortality (2006-08) (modified)	Indian assured lives mortality (2006-08) (modified)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risks of assets management, historical results of the return on plan assets, and other relevant factors.

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Assumptions	Change in assumption	Impact on scheme liabilities
31 March 2018		
Discount rate	Increase by 0.5%, decrease by 0.5%	Decrease by ₹ 283.46 lakhs, increase by ₹ 307.62 lakhs
Rate of salary increase	Increase by 0.5%, decrease by 0.5%	Increase by ₹ 302.12 lakhs, decrease by ₹ 281.25 lakhs
31 March 2017		
Discount rate	Increase by 0.5%, decrease by 0.5%	Decrease by ₹ 331.98 lakhs, increase by ₹ 362.12 lakhs
Rate of salary increase	Increase by 0.5%, decrease by 0.5%	Increase by ₹ 352.68 lakhs, decrease by ₹ 326.89 lakhs

Notes to the Standalone Financial Statements

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied while calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Major categories of plan assets

The defined benefit plan is funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies. Thus the composition of each major category of plan assets has not been disclosed.

Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk

The defined benefit plans are funded with insurance company of India. The Company does not have any liberty to manage the funds provided to insurance company. The managed by the insurance company and the the assets are invested in their conventional group gratuity product. The fund is subject to market risk as the price of units may go up or down. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Interest rate risk

The defined benefit obligation is calculated using a discount rate based on government bonds. If the bond yields fall, the obligation will tend to increase.

Demographic risk

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criterta. It is important not to overstate withdrawals because in the financial analysis the retirement beneft of a short career employee typically costs less per year as compared to a long service employee.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the year ending 31 March 2019 are ₹ 371.07 lakhs.

The weighted average duration of the defined benefit obligation is 10 years (2017 – 11 years).

(b) Provident fund

The Provident fund is managed by the Company in line with the Employees 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 to ghether 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. In view of the Company's obligation to meet the shortfall, this is a defined benefit plan.

(B) Other long term employee benefit plan

The Company provides benefits in the nature of compensated absences which can be accumulated. The compensated absences are other long term employee benefits plan. The plan is unfunded. Based on actuarial valuation, a provision is recognised in full for the projected obligation and are classified as current since the Company does not have an unconditional right to defer settlement for any of these obligations. Expenses recognised in the Statement of Profit and loss towards compensated absences includes remeasurement gains and losses.

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 27 Finance costs

Particulars	31 March 2018	31 March 2017
Interest and finance charges on financial liabilities at amortised cost	79.59	316.16
Other borrowing costs	39.76	25.59
Total	**119.35**	**341.75**

Note: 28 Depreciation and amortization expense

Particulars	31 March 2018	31 March 2017
Depreciation of property, plant and equipment	1,029.51	987.15
Amortisation of Goodwill as per court scheme (Refer note 40)	1,666.54	1,666.54
Amortisation of Trademark as per court scheme (Refer note 40)	468.42	468.42
Amortisation of other intangible assets	11.84	6.09
Total	**3,176.31**	**3,128.20**

Note: 29 Other expenses

Particulars	31 March 2018	31 March 2017
Consumption of stores and spare parts (net)	2,998.03	2,969.50
Power and fuel	2,059.93	2,035.08
Rent	45.55	49.51
Repairs to building	37.58	62.27
Repairs to machinery	3.21	0.87
Repairs - others	35.28	29.20
Insurance	202.10	665.18
Rates and taxes	44.83	34.83
Processing charges	779.67	577.05
Freight and delivery charges	337.47	328.36
Excise duty and Research & development cess [Refer note (a) below]	5.69	118.34
Export dock and toll charges	111.27	137.93
Brokerage and commission	284.05	260.59
Fair value losses on derivatives not designated as hedges	180.23	-
Miscellaneous expenses [Refer note (b) below]	971.80	1,088.24
Corporate social responsibility expenses [Refer note (c) below]	67.01	246.18
Provision for impairment of property, plant & equipment	110.27	-
Total	**8,273.97**	**8,603.13**

Notes:

(a) Includes Excise duty and Research & development cess ("R&D Cess") related to the difference between the closing stock and opening stock of finished goods ₹ Nil (2017 - ₹ 3.73 lakhs)

(b) Miscellaneous expenses includes remuneration to auditors for:

Particulars	31 March 2018	31 March 2017
Audit Fees	13.25	13.25
Other Services	9.00	12.75
Reimbursement of expenses (including service tax)	0.97	5.47
Total	**23.22**	**31.47**

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(c) Corporate social responsibility expenditure

Particulars	31 March 2018	31 March 2017
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above (in cash)	67.01	246.18
Total	**67.01**	**246.18**
Amount required to be spent as per Section 135 of the Act.	49.37	-

Note: 30 Income tax expense

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

(a) Income tax expense

Particulars	31 March 2018	31 March 2017
Current tax		
Current tax on profits for the year	1,431.68	1,009.12
Total current tax expense	**1,431.68**	**1,009.12**
Deferred tax		
Decrease (increase) in deferred tax assets	(77.26)	(1,107.47)
(Decrease) increase in deferred tax liabilities	1,037.28	1,827.44
Total deferred tax expense/(benefit)	**960.02**	**719.97**
Income tax expense	**2,391.70**	**1,729.09**

(b) Amounts recognised directly in other comprehensive income

Particulars	31 March 2018	31 March 2017
The amount of income tax relating to each component of other comprehensive income		
(i) Remeasurements of post-employment benefit obligations - Current tax	(189.69)	26.60
(ii) FVOCI equity instruments		
- Current tax	(6.12)	4.54
- Deferred tax	(158.19)	(289.02)
	(354.00)	**(257.88)**

(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	31 March 2018	31 March 2017
Profit before tax	6,520.24	5,133.84
Tax at the indian tax rate of 34.608% (2016-17 – 34.608%)	2,256.53	1,776.72
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	819.23	(34.04)
Tax effect on gains on which tax has been recognised in OCI	(103.17)	(16.32)
Deferred on unabsorbed depreciation	(17.90)	(16.42)
Impact of change in tax rate	108.68	-
MAT credit entitlement	43.42	-
Others	(715.10)	19.15
Total income tax expense/(credit)	**2,391.70**	**1,729.09**

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(d) Details of MAT credit balance available with expiry date

Particulars	31 March 2018	31 March 2017	1 April 2016
MAT credit balance			
Expiry			
AY 2030-31	272.69	272.69	272.69
AY 2031-32	977.97	977.97	-
AY 2032-33	1,627.49	-	-
	2,878.15	**1,250.66**	**272.69**

Note: 31 Fair value measurements

Financial instruments by category

Particulars	31 March 2018			31 March 2017			01 April 2016		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Investments	4,479.09	9,740.94	-	3,461.69	7,452.30	-	2,929.06	4,761.38	-
Loans to bodies corporate	-	-	2,933.53	-	-	2,443.35	-	-	1,622.19
Security deposits	-	-	103.75	-	-	229.05	-	-	224.96
Derivative assets	-	-	-	155.10	-	-	48.40	-	-
Trade receivables	-	-	2,448.83	-	-	2,067.29	-	-	2,552.52
Cash & cash equivalents	-	-	655.23	-	-	208.73	-	-	382.57
Bank balances	-	-	24.59	-	-	19.69	-	-	59.45
Employee advances	-	-	292.70	-	-	241.61	-	-	245.00
Interest accured on intercorporate deposits	-	-	51.46	-	-	19.45	-	-	-
Total financial assets	**4,479.09**	**9,740.94**	**6,510.09**	**3,616.79**	**7,452.30**	**5,229.17**	**2,977.46**	**4,761.38**	**5,086.69**
Financial liabilities									
Borrowings	-	-	1,676.61	-	-	3,703.71	-	-	8,362.16
Trade payables	-	-	827.06	-	-	431.39	-	-	616.87
Derivative liabilities	24.46	-	-	-	-	-	-	-	-
Unpaid dividends	-	-	24.37	-	-	19.48	-	-	18.26
Security deposit	-	-	-	-	-	75.90	-	-	75.90
Capital creditors	-	-	10.15	-	-	11.89	-	-	55.42
Other payables	-	-	1,208.31	-	-	1,485.50	-	-	1,054.87
Total financial liabilities	**24.46**	-	**3,746.50**	-	-	**5,727.87**	-	-	**10,183.48**

The investments in equity instruments are not held for trading. Instead, they are held for medium or long term investment purposes. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments at FVOCI as the management believe that this provides a more meaningful presentation for medium or long-term investments, than reflecting changes in fair value immediately in profit or loss.

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements - At 31 March 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Investments				
- Quoted investments	4,335.33	-	-	4,335.33
- Unquoted investments	-	4,251.85	5,632.85	9,884.70
Total financial assets	**4,335.33**	**4,251.85**	**5,632.85**	**14,220.03**
Financial liabilities				
Derivative financial liabilities (not designated as hedges)	24.46	-	-	24.46
Total financial liabilities	**24.46**	**-**	**-**	**24.46**

Financial assets and liabilities measured at fair value - recurring fair value measurements - At 31 March 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Investments				
- Quoted investments	3,518.48	-	-	3,518.48
- Unquoted investments	-	3,172.63	4,222.88	7,395.51
Derivative financial assets (not designated as hedges)	-	155.10	-	155.10
Total financial assets	**3,518.48**	**3,327.73**	**4,222.88**	**11,069.09**

Financial assets and liabilities measured at fair value - recurring fair value measurements At 1 April 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Investments				
- Quoted investments	1,939.54	-	-	1,939.54
- Unquoted investments	-	2,527.12	3,223.79	5,750.91
Derivative financial assets (not designated as hedges)	-	48.40	-	48.40
Total financial assets	**1,939.54**	**2,575.52**	**3,223.79**	**7,738.85**

Level 1 [Quoted prices in an active market]:

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

Level 2 [Fair values determined using valuation techniques with observable inputs]:

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

Level 3 [Fair values determined using valuation techniques with significant unobservable inputs]:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is generally the case for unlisted equity securities.

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

There are no transfers between levels 1 and 2 during the year.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iii) Fair value of financial assets and liabilities measured at amortised cost

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Security deposits	6.40	6.40	6.76	6.76	2.67	2.67
Total financial assets	**6.40**	**6.40**	**6.76**	**6.76**	**2.67**	**2.67**
Financial liabilities						
Borrowings	128.40	128.40	-	-	286.83	286.83
Security deposits	-	-	75.90	75.90	75.90	75.90
Total financial liabilities	**128.40**	**128.40**	**75.90**	**75.90**	**362.73**	**362.73**

(a) The carrying amounts of trade receivables, loans, cash and cash equivalents, other bank balances, other financial assets, security deposits, trade payables and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

(b) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(c) For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note: 32 Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of it in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Diversification of customer base and approved counter parties.
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward exchange contract
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Diversified debt portfolio Regular monitoring of borrowings
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(A) Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments carried at amortised cost.

i) Trade receivables

Customer credit risk is managed by the Company through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying 30 to 60 days credit terms. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. Trade receivables are consisting of a large number of customers. Where credit risk is high, domestic trade receiavbles are backed by security deposits. Export receivables are backed by letters of credit.

Financial assets are considered to be of good quality and there is no significant increase in credit risk.

Provision for expected credit loss

The requirement for impairment is analysed at each reporting date. For impairment, individual debtors are identified and assessed specifically. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. There has been no material default history in the past and accordingly no provision is considered necessary. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables.

ii) Financial instruments and cash deposits

Credit risk from balances with banks and investments is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus fund in portfolio management services, mutual funds, alternate investment funds, direct equity and in private companies are made only with approved counterparties and within credit limits assigned to each counterparty, if any. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Balances with banks and deposits are placed only with highly rated banks/financial institution.

The Company's maximum exposure to credit risk for the components of the balance sheet is the carrying amounts as disclosed.

(B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

(i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity group based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Contractual maturities of financial liabilities 31 March 2018	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	1,559.11	103.03	45.69	-	1,707.83
Other financial liabilities	1,242.83	-	-	-	1,242.83
Trade payables	827.06	-	-	-	827.06
Total non-derivative financial liabilities	**3,629.00**	**103.03**	**45.69**	-	**3,777.72**
Derivatives (net settled)					
"Foreign exchange forward contracts"	24.46	-	-	-	24.46
Total derivative liabilities	**24.46**	-	-	-	**24.46**

Contractual maturities of financial liabilities 31 March 2017	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	3,740.19	-	-	-	3,740.19
Other financial liabilities	1,592.77	-	-	-	1,592.77
Trade payables	431.39	-	-	-	431.39
Total non-derivative financial liabilities	**5,764.35**	-	-	-	**5,764.35**

Contractual maturities of financial liabilities 1 April 2016	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	8,129.49	232.29	83.24	18.25	8,463.27
Other financial liabilities	1,204.45	-	-	-	1,204.45
Trade payables	616.87	-	-	-	616.87
Total non-derivative financial liabilities	**9,950.81**	**232.29**	**83.24**	**18.25**	**10,284.59**

(C) Market risk

(i) Foreign currency risk

The Company undertakes transactions (e.g. sale of goods and purchases on raw materials or capital goods) denominated in foreign currencies and thus is exposed to exchange rate fluctuations. The Company evaluates its exchange rate exposure arising from foreign currency transactions and manages the same based upon approved risk management policies which inter-alia includes entering into forward foreign exchange contracts.

Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR lakhs (foreign currency amount multiplied by closing rate), are as follows:

Particulars	31 March 2018		31 March 2017		1 April 2016	
	USD	EUR	USD	EUR	USD	EUR
Financial assets						
Trade receivables	519.80	120.30	452.57	140.57	293.19	38.30
Derivative assets						
Foreign exchange forward contracts - Sell foreign currency	(519.80)	(120.30)	(452.57)	(140.57)	(293.19)	(38.30)
Net exposure to foreign currency risk (assets)	-	-	-	-	-	-

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2018		31 March 2017		1 April 2016	
	USD	EUR	USD	EUR	USD	EUR
Trade payables	53.29		127.73	-	320.39	-
Derivative liabilities						
Foreign exchange forward contracts - Buy foreign currency	(53.29)		(112.17)	-	(320.39)	-
Net exposure to foreign currency risk (liabilities)	-	-	15.56	-	-	-

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

Particulars	Impact on profit before tax		Impact on equity	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
USD sensitivity				
INR appreciates by 5% (31 March 2017 - 5%)*	-	0.78	-	0.51
INR Depreciates by 5% (31 March 2017 - 5%)*	-	(0.78)	-	(0.51)
EUR sensitivity				
INR appreciates by 5% (31 March 2017 - 5%)*	-	-	-	-
INR Depreciates by 5% (31 March 2017 - 5%)*	-	-	-	-

* Holding all other variables constant

The Company also has exposures in below currencies for which no sensitivity is disclosed:

Particulars	31 March 2018		31 March 2017		01 April 2016	
	GBP	JPY	GBP	JPY	GBP	JPY
Financial assets						
Trade receivables	44.74	-	83.31	-	24.72	18.16
Derivative assets						
Foreign exchange forward contracts - Sell foreign currency	(44.74)	-	(83.31)	-	(24.72)	(18.16)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure on financial liabilities

The exposure of the Company's financial liabilities to interest rate risk is as follows:

Particulars	31 March 2018	31 March 2017	01 April 2016
Variable rate borrowings	1,409.42	3,500.34	5,045.71
Fixed rate borrowings	267.19	201.26	3,300.00
Total borrowings	**1,676.61**	**3,701.60**	**8,345.71**

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

Particulars	Impact on profit before tax		Impact on equity	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Interest expense rates – increase by 70 basis points (50 bps)*	(9.87)	(17.50)	(6.42)	(11.44)
Interest expense rates – decrease by 70 basis points (50 bps)*	9.87	17.50	6.42	11.44

* holding all other variables constant

Note: 33 Capital management

(a) Risk management

The company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, long term borrowings and short term borrowings.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Loan covenants

Under the terms of the major borrowing facilities, the Company is required to comply with certain financial covenants. The Company has complied with the debt covenants throughout the reporting period.

(b) Dividends paid and proposed

Particulars	31 March 2018	31 March 2017
(i) Equity shares		
Final dividend paid for the year ended 31 March 2017 - ₹ 7.50 (1 April 2016 - ₹ 7.50) per fully paid share	650.93 #	260.38 #
Dividend distribution tax	132.51 #	53.00 #
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the board has recommended the payment of a final dividend of ₹ 10/- per fully paid equity share (31 March 2017 – ₹ 7.50). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	547.16	650.93 #
Tax on proposed dividend	112.47	132.51 #

These dividends paid pertains to dividend proposed and paid by erstwhile Gloster Limited, referred to in Note 40

Note: 34 Segment information

(a) Description of segments and principal activities

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 and is having its manufacturing facilities located in India. The performance of the Company is assessed and reviewed by the Chief Operating Decision Maker ('CODM') as a single operating segment and accordingly manufacture and sale of jute goods is the only operating segment.

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Geographical information

The company is domiciled in India, however also sells its products outside India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

Revenue from external customers	31 March 2018	31 March 2017
India	34,279.99	37,436.14
Outside India:		
Americas	2,906.09	2,472.42
Europe	4,272.42	4,702.72
Asia	1,398.55	2,338.48
Australia	1,575.79	1,690.99
Others	816.24	879.12
Total revenue	**45,249.08**	**49,519.87**

Assets	31 March 2018	31 March 2017
India	67,623.66	69,851.50
Outside India	-	-
Total assets	**67,623.66**	**69,851.50**

There are no single customer directly or indirectly from whom more than 10% of the revenue is derived.

Note: 35 Related party transactions

a) Set out below are the subsidiaries of the Company as at 31 March 2018 which, in the opinion of the directors, are material to the Company. These investments are carried at cost. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Particulars	Ownership interest in percentage		
	31 March 2018	31 March 2017	1 April 2016
Subsidiaries			
Gloster Lifestyle Limited	100%	100%	100%
Gloster Specialities Limited	100%	100%	100%

Both the Companies are incorporated in India with principal business of investing activities.

b) **Key Management Personnel**

- Shri Hemant Bangur
- Shri D C Baheti

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

- Joonktollee Tea & Industries Limited

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(d) Transactions with related parties are as follows:

Particulars	Year	Key Management Personnel	Joonktollee Tea & Industries Ltd
Transactions during the year			
Dividend paid	2017-18	20.97	-
	2016-17	8.39	-
Dividend received	2017-18	-	5.39
	2016-17	-	5.39
Sales	2017-18	-	89.12
	2016-17	-	109.44
Outstanding balances at year end			
Commission payable	31 March 2018	350.00	-
	31 March 2017	375.00	-
	01 April 2016	200.00	-

Key management personnel compensation	31 March 2018	31 March 2017
a. Short-term employee benefits	574.54	540.15
b. Post-employment benefits	100.70	74.00
	675.24	**614.15**

Terms and conditions of the transactions

All outstanding balances are unsecured and are repayable in cash.

Note: 36 Earnings per equity share

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

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
(I) Basic		
a. Net profit after tax	4,128.54	3,404.75
b. (i) Number of equity shares at the beginning of the year*	54,71,630	54,71,630
(ii) Number of equity shares at the end of the year*	54,71,630	54,71,630
(iii) Weighted average number of equity shares outstanding during the year	54,71,630	54,71,630
c. Face value of equity share (₹)	10	10
d. Basic earning per share (₹)	75.45	62.23
(II) Diluted		
a. Dilutive potential equity shares	-	-
b. Weighted average number of equity shares for computing diluted earnings per shares	54,71,630	54,71,630
c. Diluted earning per share (₹)	75.45	62.23

* Includes equity share suspense referred to in note 12.

Note: 37 Contingent liabilities

Particulars	As at 31 March 2018	As at 31 March 2017
Claims against the Company not acknowledged as debts		
Sales tax matter	470.08	325.73
ESI matter	45.57	45.57

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(i) The future cash outflow, if any, cannot be ascertained, pending resolution of the proceedings.

(ii) The Company does not expect any reimbursement in respect of the above contingent liabilites.

Note: 38 Commitments

Particulars	As at 31 March 2018	As at 31 March 2017
Estimated amounts of contracts remaining to be executed on capital account and not provided for tangible assets	498.79	220.81
Other Commitment towards investments	460.00	835.00

Note: 39 First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

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

A. Exemptions and exceptions availed

Set below are the applicable Ind AS optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

A.1.2 Investments in subsidiaries

Ind AS 101 permits a first time-adopter to elect to continue with the carrying values of all its investments in subsidiaries as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure all of its investments in subsidiaries at their previous GAAP carrying value.

A.1.3 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

A.1.4 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS's at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVOCI
- Investment in debt instruments carried at FVTPL.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS.

Accordingly, the Company has determined the classification and measurements of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS.

B: Reconciliations between previous GAAP and Ind AS

Reconciliation of total equity as at 31 March 2017 and 1 April 2016

Particulars	Notes	31 March 2017	1 April 2016
Total equity (shareholder's funds) as per previous GAAP		**1,537.47**	**1,416.78**
Impact of merger with erstwhile Gloster Limited		80,533.69	77,616.38
Total equity		**82,071.16**	**79,033.16**
Adjustments			
Fair valuation of investments	1	4,469.94	2,654.30
Gain on MTM of derivative instruments	2	155.77	70.97
Reversal of proposed dividend and tax thereon	3	-	313.38
Tax effects on above adjustments		(762.19)	(452.22)
Total equity as per Ind AS		**85,934.68**	**81,619.59**

Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Notes	Amount
Profit/ (Loss) after tax as per previous GAAP		**120.69**
Impact of merger with erstwhile Gloster Limited		2,913.99
Profit/ (Loss) after tax as per previous GAAP- revised		**3,034.68**
Ind AS adjustments:		
Fair valuation of investments measured at FVTPL	1	257.17
Gain on MTM of derivative instruments	2	84.80
Actuarial gain/ loss reclassed from to OCI	4	76.87
Tax effect on above adjustments		(48.77)
Total adjustments		**370.07**
Profit after tax impact as per Ind AS		**3,404.75**
Other comprehensive income net of tax effects	5	1,223.72
Total comprehensive income as per Ind AS		**4,628.47**

No material impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

C: Notes to first-time adoption:

Note 1: Fair valuation of investments

Under the previous GAAP, investments in equity instruments, alternate investment funds and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the Statement of profit or loss for the year ended 31 March 2017.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI – Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March 2017.

Note 2: Derivatives

Under the previous GAAP, the Company applied the requirements of the guidance note issued on accounting for derivatives and accordingly all derivative contracts outstanding at the balance sheet were marked to market and resulting loss, if any, was recognized in the statement of profit and loss. However, no gains were recognized.

Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in profit or loss. Consequently, the total equity has increased as on the date of transition and profit for the year ended 31 March 2017 has also increased.

Note 3: Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 4: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. There is no impact on the total equity as at 31 March 2017.

Note 5: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in Statement of profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes items such as remeasurements of defined benefit plans, equity instruments designated as at FVOCI. Tax effect of such items are also included in 'other comprehensive income'. The concept of other comprehensive income did not exist under previous GAAP.

Note: 40

A. Pursuant to the Scheme of Amalgamation of erstwhile Gloster Limited ("the Transferor Company"), with Kettlewell Bullen & Company Limited (renamed as Gloster Limited) ('the Company') filed under Section 391 to 394 and other applicable provisions of the Companies Act, 1956 & Companies Act, 2013, to the extent applicable and sanctioned by the National Company Law Tribunal, Kolkata ("NCLT") vide its order dated 19 January 2018 (the 'Scheme'):

- **a.** The Transferor Company stands transferred to and vested in the Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing so as to become, on and from 1 January 2015 (the "Appointed Date"), by virtue of and in the manner provided in the Order. Certified copy of the said Order of NCLT sanctioning the Scheme has been filed by both Transferor Company and the Company with the Registrar of Companies, Kolkata and accordingly, the Scheme became effective on and from 30 March 2018. (the 'Effective Date').
- **b.** In accordance with the NCLT Order sanctioning the Scheme the Company has accounted the assets and liabilities of the Transferor Company vested in it pursuant to the scheme at their respective fair values as per Purchase method in accordance with Accounting Standard- 14- "Accounting for Amalgamations" notified under the Companies Act, 1956 read with Section 133 of The Companies Act, 2013 and Rule 7 of Companies (Accounts) Rules 2014. Although the said accounting treatment is at variance with Ind AS 103, it has been carried out in accordance with the NCLT Order.

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

c. Further, in keeping with the Scheme the Company has:

i. accounted for the excess of fair value of equity shares issued and cancellation of investment in Transferor Company, over the fair value of net assets of Transferor Company amounting to ₹ 45,348.03 lakhs so acquired, being ₹33,330.86 lakhs as Goodwill, representing underlying intangible assets, acquired on amalgamation as on 1 January 2015 (included under point B of this note).

ii) amortized Goodwill acquired on account of amalgamation as indicated in (c) (1) above, during the year in the Statement of Profit and Loss for ₹ 1,666.54 lakhs on the basis of management's estimated useful life of 20 years. Had Goodwill not been amortized, the Depreciation and Amortization expense for the year ended 31 March, 2018 would have been lower by ₹ 1,666.54 lakhs and Profit before tax for the year ended 31 March, 2018 would have been higher by an equivalent amount and the carrying amount of Goodwill (under Intangible Assets- Refer Note 3(d)) and Retained Earnings as at 31 March, 2018 would have been higher by ₹ 5,416.28 lakhs and ₹ 3,682 lakhs respectively, considering the cumulative effect of aforesaid amortization from 1 January, 2015.

d. Upon the Scheme coming into effect, the Company has recorded issuance of 34,71,630 (Thirty four lakhs seventy one thousand six hundred and thirty) equity shares of face value of ₹ 10/- each at fair value of ₹2,261 per share and accordingly credited to its share capital ₹ 347.61 lakhs on 10 May, 2018 being , the aggregate face value of the equity shares issued on Amalgamation. The excess of the fair value of the equity shares over the face value of the shares issued amounting to ₹ 78,146. 39 lakhs has been credited to Securities Premium Account on 10 May, 2018. Further, the entire shareholding of the Company in transferor Company stands cancelled. Since allotment of such shares was pending till year end, the related amount of ₹ 78,493.55 lakhs has been disclosed as 'Equity Share Suspense' in Note 12 to the Financial Statements.

B. The Statement of Assets & Liabilities as at 1 January, 2015, being the Appointed Date, transferred pursuant to the Scheme of Amalgamation is set out below:

Particulars	Amount
Assets acquired	
Property, Plant & Equipment	29,892.63
Identified intangible assets	9,379.42
Capital Work-in-progress	155.05
Other Non-current Assets	2,919.45
Current Assets	11,160.19
Liabilities assumed	
Non-current Liabilities	1,244.89
Current Liabilities	6,913.82
Net identifiable assets	**45,348.03**
Consideration for the above	**78,678.89**
Goodwill arising on amalgamation	**33,330.86**

Note: 41 Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt

Particulars	31 March 2018	31 March 2017
Current borrowings	1,548.21	3,441.65
Non-current borrowings	128.40	166.67
Net debt	1,676.61	3,608.32

Notes to the Standalone Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Liabilities from financing activities	
	Non-current borrowings	Current borrowings
Net debt as at 01 April 2017	**166.67**	**3,441.65**
Proceeds from borrowings during the year	128.40	1,281.02
Repayment of borrowings during the year	(166.67)	(3,333.67)
Proceeds from bills discounted	-	267.19
Settlement of bills discounted	-	(107.98)
Net debt as at 31 March 2018	**128.40**	**1,548.21**

Note: 42 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:

Sl. no.	Particulars	31 March 2018	31 March 2017	1 April 2016
1	The principal amount remaining unpaid to any supplier as at the year end	1.08	0.33	1.21
	The interest remaining unpaid to any supplier as at the year end	1.75	1.62	1.44
2	Principal amounts paid to suppliers beyond the appointed day during the year.	5.61	13.86	11.16
	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	0.13	0.17	0.25
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.	1.75	1.61	1.44

*Included in Sl No. 1 above is ₹ 1.08 lakhs (31.03.2017 ₹ 0.33 lakhs, 01.04.2016 ₹ 1.21 lakhs) 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.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009
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
S.B. Mainak Director
S.N. Bhattacharya Director
Prabir Ray Director

Place: Kolkata
Date:29th May,2018

INDEPENDENT AUDITORS' REPORT

To the Members of Gloster Limited (formerly known as Kettlewell Bullen & Company Limited)

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Gloster Limited (formerly known as Kettlewell Bullen & Company 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, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity 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 Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS 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, consolidated cash flows and changes in equity of the Group in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. 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 Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS 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 of the consolidated Ind AS financial statements 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS 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 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS 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 Ind AS financial statements give the information required by the Act in

the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

8. We draw attention to Note 39 to the consolidated Ind AS financial statements regarding the Holding Company's recording of assets and liabilities of the transferor company at fair value, including goodwill, amortization of goodwill and restatement of the comparative financial statements pursuant to the Scheme of Amalgamation resulting in merger of erstwhile Gloster Limited with Kettlewell Bullen & Company Limited with effect from January 1, 2015, pursuant to the Order of National Company Law Tribunal (NCLT) dated January 19, 2018. The aforesaid accounting treatment is in deviation from that required under Ind AS 103 as indicated and quantified in aforesaid note

   Our opinion is not qualified in respect of these matters.

Other Matter

9. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 1,359.31 lakhs and net assets of ₹ 1,357.32 lakhs as at March 31, 2018, total revenue of ₹ 114.72 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 81.58 lakhs and net cash flows amounting to ₹ 366.25 lakhs for the year ended on that date, as considered in the consolidated Ind AS 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 Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

   Our opinion on the consolidated Ind AS 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 and the financial statements/ financial information certified by the Management.

10. The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor, who expressed an unmodified opinion vide reports dated May 12 2017 and June 29 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Group on transition to the Ind AS have been audited by us.

    Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

11. As required by Section143(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 Ind AS 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 Ind AS 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 (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity 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 Ind AS financial statements.

    (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 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, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) The emphasis of matter relating to the maintenance of accounts and other matters connected therewith are as stated in the Emphasis of Matter Paragraph above

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(h) 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 Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group– Refer Note 36 to the consolidated Ind AS financial statements.

ii. The Group has derivative contracts as at March 31, 2018 for which there were no foreseeable losses- Refer Note 31 to the consolidated Ind AS financial statements. There are no long term contracts outstanding as at March 31, 2018.

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, 2018.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2018.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number 55000

Place: Kolkata
Date: May 29, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(g) of the Independent Auditors' Report of even date to the members of Gloster Limited (formerly known as Kettlewell Bullen & Company Limited) on the consolidated financial statements for the year ended March 31, 2018

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, 2018, we have audited the internal financial controls over financial reporting of Gloster Limited (formerly known as Kettlewell Bullen & Company 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, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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 insofar as it relates to 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 Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number 55000

Place: Kolkata
Date: May 29, 2018

THE POWER OF ONE!

Consolidated Balance Sheet as at 31 March, 2018

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	31 March 2018	31 March 2017	1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3(a)	30,075.77	30,520.88	29,948.77
Capital work in progress	3(b)	534.76	174.68	433.01
Goodwill	3(c)	27,914.58	29,581.12	31,247.66
Other intangible assets	3(d)	7,887.76	8,331.88	8,802.30
Intangible assets under development	3(e)	-	32.85	-
Financial assets				
(i) Investments	4(a)	9,697.24	8,947.60	6,603.85
(ii) Loans	4(b)	6.40	6.76	2.67
Other non-current assets	5	168.79	168.10	194.04
Total non-current assets		**76,285.30**	**77,763.87**	**77,232.30**
Current assets				
Inventories	6	8,748.98	8,034.28	9,948.09
Financial assets				
(i) Investments	7(a)	5,267.57	2,718.70	1,745.15
(ii) Trade receivables	7(b)	2,448.83	2,067.29	2,552.52
(iii) Cash and cash equivalents	7(c)	656.33	215.04	382.59
(iv) Bank balances other than (iii) above	7(d)	441.29	64.94	1,542.20
(v) Loans	7(e)	3,473.58	3,347.44	2,089.48
(vi) Other financial assets	7(f)	51.46	174.55	48.40
Current tax assets (net)	8	3,089.89	2,887.00	1,543.58
Other current assets	9	678.00	253.03	446.12
Total current assets		**24,855.93**	**19,762.27**	**20,298.13**
Total assets		**1,01,141.23**	**97,526.14**	**97,530.43**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10	200.00	200.00	200.00
Equity share suspense	11	78,493.55	78,493.55	78,493.55
Other equity	12	12,399.34	7,474.89	3,079.06
Total equity		**91,092.89**	**86,168.44**	**81,772.61**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	13(a)	128.40	-	286.83
(ii) Other financial liabilities	13(b)	-	75.90	75.90
Provisions	14	2.17	2.17	1.37
Deferred tax liabilities (net)	15	3,909.87	2,793.21	1,790.37
Other non-current liabilities	16	224.16	180.81	50.63
Total non-current liabilities		**4,264.60**	**3,052.09**	**2,205.10**
Current liabilities				
Financial liabilities				
(i) Borrowings	17(a)	1,548.21	3,537.04	8,745.13
(ii) Trade payables	17(b)	827.06	431.39	616.87
(iii) Other financial liabilities	17 (c)	1,268.15	1,683.68	1,427.78
Other current liabilities	18	1,141.69	1,220.30	971.49
Provisions	19	510.57	944.67	1,301.96
Current tax liabilities (net)	20	488.06	488.53	489.49
Total current liabilities		**5,783.74**	**8,305.61**	**13,552.72**
Total liabilities		**10,048.34**	**11,357.70**	**15,757.82**
Total equity and liabilities		**1,01,141.23**	**97,526.14**	**97,530.43**
Corporate Information	1			
Summary of significant Accountig Policies	2			

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

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009
Chartered Accountants

Sunit Kumar Basu
Partner
Membership No.55000

Place: Kolkata
Date:29th May,2018

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

Hemant Bangur Executive Chairman
D.C. Baheti Managing Director
S.B. Mainak Director
S.N. Bhattacharya Director
Prabir Ray Director

Consolidated Statement of Profit and Loss for the year ended 31 March, 2018

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	31 March 2018	31 March 2017
Income			
Revenue from operations	21	46,398.50	50,742.79
Other income	22	1,575.03	1,776.45
Total income		**47,973.53**	**52,519.24**
Expenses			
Cost of materials consumed	23	21,749.18	25,259.76
Excise duty and R & D Cess		82.13	369.85
Changes in inventories of finished goods and work-in-progress	24	(516.66)	1,161.93
Employee benefits expense	25	8,454.29	8,389.00
Finance costs	26	119.35	357.94
Depreciation and amortization expense	27	3,176.31	3,128.20
Other expenses	28	8,279.44	8,611.67
Total expenses		**41,344.04**	**47,278.35**
Profit before tax		6,629.49	5,240.89
Income tax expense	29		
- Current tax		1,454.10	1,030.72
- Deferred tax		957.94	715.69
Total tax expense		**2,412.04**	**1,746.41**
Profit for the year (A)		**4,217.45**	**3,494.48**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Remeasurement gains/(losses) on post employment defined benefit plans		888.83	(76.87)
(b) Changes in fair value of FVOCI equity instruments		955.97	1,547.59
(c) Income tax relating to above items		(354.33)	(256.00)
Other comprehensive income for the year, net of tax (B)		1,490.47	1,214.72
Total comprehensive income for the year (A+B)		**5,707.92**	**4,709.20**
Earnings per equity share: [Nominal value per share ₹ 10 (previous year ₹ 10)]	35		
Basic and Diluted		77.08	63.87
Corporate Information	1		
Summary of significant Accountig Policies	2		

The accompanying 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 Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009
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
S.B. Mainak Director
S.N. Bhattacharya Director
Prabir Ray Director

Place: Kolkata
Date:29th May,2018

THE POWER OF ONE!

Consolidated Statement of Changes in Equity for the year ended 31 March, 2018

(All amounts in INR lakhs, unless otherwise stated)

A. Share capital

Description	Notes	Amount
As at 01 April 2016		**200.00**
Changes in equity share capital	10	-
As at 31 March 2017		**200.00**
Changes in equity share capital	10	-
As at 31 March 2018		**200.00**

A. Equity share suspense

Description	Notes	Amount
As at 01 April 2016		**78,493.55**
Issued during the year	12	-
As at 31 March 2017		**78,493.55**
Issued during the year	12	-
As at 31 March 2018		**78,493.55**

B. Other equity

Description	Notes	Resserve and Surplus			Equity instruments through OCI	Total other equity
		Capital reserve	General reserve	Retained earnings		
Balance as at 01 April 2016	12	-	1,381.50	(609.78)	2,307.35	**3,079.07**
Profit for the year	12	-	-	3,494.48	-	**3,494.48**
Other Comprehensive income / (loss) for the year	12	-	-	(50.27)	1,276.81	**1,226.54**
Total comprehensive income for the year		**-**	**-**	**3,444.22**	**1,276.81**	**4,721.02**
Transfer to general reserve	12	-	185.52	(185.52)	-	-
Transfer of gain on FVOCI equity investments, net of tax	12	-	-	33.68	(33.68)	-
Dividends paid *	12	-	-	(260.38)	-	**(260.38)**
Taxes on dividend *	**12**	**-**	**-**	**(53.00)**	**-**	**(53.00)**
Balance as at 31 March 2017		**-**	**1,567.02**	**2,369.21**	**3,550.48**	**7,486.72**

Consolidated Statement of Changes in Equity for the year ended 31 March, 2018

(All amounts in INR lakhs, unless otherwise stated)

Description	Notes	Resserve and Surplus			Equity instruments through OCI	Total other equity
		Capital reserve	General reserve	Retained earnings		
Balance as at 01 April 2017	12	-	1,567.02	2,369.21	3,550.48	**7,486.72**
Profit for the year	12	-	-	4,217.45	-	**4,217.45**
Other Comprehensive income for the year	12	-	-	699.14	798.32	**1,497.46**
Total comprehensive income for the year		-	-	**4,916.59**	**798.32**	**5,714.91**
Transfer to general reserve	12	-	2,000.24	(2,000.24)	-	-
Transfer of gain on FVOCI equity investments, net of tax	12	-	-	220.76	(220.76)	-
Dividends paid	12	-	(650.93)	-	-	**(650.93)**
Taxes on dividend	**12**	-	**(132.51)**	-	-	**(132.51)**
Balance as at 31 March 2018		-	**2,783.81**	**5,506.32**	**4,128.04**	**12,418.18**

* These dividends paid pertains to dividend proposed and paid by erstwhile Gloster Limited which got merged in to Kettlewell Bullen & Company Limited, refer note 41.

The accompanying notes are an integral part of these Financial Statements.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009
Chartered Accountants

Hemant Bangur Executive Chairman
D.C. Baheti Managing Director
S.B. Mainak Director
S.N. Bhattacharya Director
Prabir Ray Director

Sunit Kumar Basu
Partner
Membership No.55000

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

Place: Kolkata
Date:29th May,2018

THE POWER OF ONE!

Consolidated Statement of Cashflow as at 31 March, 2018

(All amounts in INR lakhs, unless otherwise stated)

Particulars		Year Ended 31 March 2018	Year Ended 31 March 2017
(A)	Cash flows from operating activities		
	Profit before income tax	**6,629.49**	**5,240.89**
	Adjustments for		
	Depreciation and amortisation expense	3,176.31	3,128.20
	Interest and finance charges	119.35	357.94
	Net gain on disposal of property, plant and equipment	(7.80)	(212.72)
	Net gains/(losses) on fair value changes on investments classified at FVTPL	(198.78)	(149.89)
	Net gain on sale of investments	(18.72)	(22.34)
	Fair value losses on derivatives not designated as hedges	180.23	(106.70)
	Provision for impairment of PPE	110.27	-
	Unrealised Foreign Exchange Loss/(Gain) (Net)	(305.72)	(318.67)
	Provision no longer required written back	(68.73)	(0.09)
	Interest income classified as investing cash flows	(602.06)	(442.46)
	Dividend income	(33.34)	(16.23)
	Operating profit before changes in operating assets and liabilities	**8,980.50**	**7,457.95**
	Adjustments for		
	Non-Current/Current financial and other assets	(1,227.27)	(130.08)
	Inventories	(714.70)	1,913.81
	Non-current/ current financial and other liabilities/provisions	458.95	1,879.87
	Cash generated from operations	**7,497.48**	**11,121.55**
	Income taxes paid (net)	(1,853.28)	(2,343.95)
	Net cash inflow (outflow) from operating activities	**5,644.20**	**8,777.60**
(B)	Cash flows from investing activities		
	Proceeds from disposal of property, plant and equipment	88.53	380.68
	Payments for acquisition of property, plant and equipment/ intangible assets	(1,127.95)	(1,461.76)
	Proceeds on disposal of non-current investments	2,304.74	1,482.33
	Purchase of other non-current investments	(1,823.91)	(2,489.41)
	Purchase of other current investments (net)	(2,551.35)	(1,022.50)
	Interest received	558.49	423.02
	Dividend received	33.35	16.23
	Net cash inflow (outflow) from investing activities	**(2,518.10)**	**(2,671.39)**
(C)	Cash flows from financing activities		
	Repayment of long-term borrowings	(166.67)	(525.83)
	Proceeds from long-term borrowings	128.40	112.00
	Short-term borrowings - receipts / (payments)	(1,748.65)	(5,208.09)
	Interest paid	(79.59)	(332.35)
	Other borrowing costs paid	(39.76)	(25.59)
	Dividend paid	(646.03)	(240.90)
	Dividend distribution tax paid	(132.51)	(53.00)

Consolidated Statement of Cashflow as at 31 March, 2018

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Net cash inflow (outflow) from financing activities	**(2,684.81)**	**(6,273.76)**
Net decrease in cash and cash equivalents (A+B+C)	**441.29**	**(167.55)**
Cash and cash equivalents at the beginning of the financial year (refer note 7(c))	**215.04**	**382.59**
Cash and cash equivalents at the end of the year (Refer note 7(c))	**656.33**	**215.04**

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'. Refer note 39 for debt reconciliation.

The accompanying notes are an integral part of these Financial Statements.

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

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009
Chartered Accountants

Hemant Bangur Executive Chairman
D.C. Baheti Managing Director
S.B. Mainak Director
S.N. Bhattacharya Director
Prabir Ray Director

Sunit Kumar Basu
Partner
Membership No.55000

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

Place: Kolkata
Date:29th May,2018

Notes to the Consolidated Financial Statements

Note: 1 Corporate Information

Gloster Limited (formerly Kettlewell Bullen & Company Limited, renamed on 9 May, 2018) (the "Holding Company" or the " Parent Company") is a public company within the meaning of Companies Act, 2013. Consequent to amalgamation of erstwhile Gloster Limited with the Parent Company with appointed date of 1 January, 2015 and effective date being 30 March, 2018, the principle business activity of the Parent company is now manufacturing of jute goods and it is no longer a non banking financial Company. The Parent Company 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 Parent Company also produces Jute & Cotton Shopping Bags & Made Ups. Gloster exports Jute goods to various countries spread over the World. The Parent's Company's manufacturing facilities are located at Bauria on the banks of Holy Ganges in West Bengal. The equity shares of the Parent Company are in the process of listing 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 2018
Gloster Lifestyle Limited	India	100
Gloster Specialities Limited	India	100

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 above.

Note: 2 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

(i) Compliance with Ind AS

These Consolidated Financial Statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016] and other relevant provisions of the Act.

The Consolidated Financial Statements up to year ended 31 March, 2016 were prepared in accordance with generally accepted accounting principles in India (Previous GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the 2013 Act") as applicable.

These Consolidated Financial Statements are the first consolidated financial statements of the Group under Ind AS. Refer note 40 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

ii) Classification of current and non-current

All asset and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Ind AS 1 - Presentation of financial statements and 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 Group has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

iii) Historical cost convention

These Consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention, except for the following:

- certain financial assets and liabilities those are measured at fair value
- defined benefit plans - plan assets measured at fair value

2.2 Basis of Consolidation

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Notes to the Consolidated Financial Statements

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

2.3 Use of estimates

The preparation of Consolidated 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 Property, Plant and equipment and Depreciation

a) Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

b) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

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 Group has adopted the useful lives 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) Gains and losses on disposal of Property, plant and equipmentis recognized in the statement of profit and loss.

e) An impairment loss is recognized where applicable when the carrying amount of property, plant and equipment exceeds its recoverable amount.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of all the Property, plant and equipment.

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. Recognition of costs as an asset is ceased when the asset is complete and available for its intended use.

b) Intangible assets comprising of computer software is depreciated on straight line method over a period of five years.

c) Goodwill and trademark is amortized over its estimated useful life of 20 years and as allowed under the approved scheme.

d) Gains and Losses on disposal of Intangible assets is recognized in the Statement of Profit and Loss.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognized as at 1 April 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of all the Intangible assets.

2.6 Impairment of assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (property, plant and equipment) 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.

Notes to the Consolidated Financial Statements

An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount. Where an impairment loss subsequently reverses, the carrying value of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

2.7 Financial assets

The financial assets are classified in the following categories:

a) financial assets measured at amortised cost,

b) financial assets measured at fair value through profit and loss (FVTPL), and

c) financial assets measured at fair value through other comprehensive income (FVOCI).

The classification of financial assets depends on the Group's business model for managing financial assets and the contractual terms of the cash flow.

At initial recognition, the financial assets are measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the Profit or Loss. Financial assets are not reclassified subsequent to their recognition except if and in the period the Group changes its business model for arranging financial assets.

Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method. The losses arising from impairment are recognised in the Statement of Profit or Loss.

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment, if any.

Financial instruments measured at FVTPL

Financial instruments included within FVTPL category are measured initially as well as at each reporting period at fair value plus transaction costs as applicable. Fair value movements are recorded in statement of profit and loss.

Investments in units of mutual funds, alternate investment funds (AIF's) other than equity and debentures are accounted for at fair value and the changes in fair value are recognised in the statement of Profit and Loss.

Financial assets at FVOCI

Financial assets are measured at FVOCI if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments

The Group measures all equity investments at fair value. The Parent Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, and accordingly there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Parent Company's right to receive payments is established.

De-recognition of financial asset

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial assets and such transfer qualifies for de-recognition under Ind AS 109 : Financial Instruments.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Only for Trade receivables, the simplified approach of lifetime expected credit losses is recognised from initial recognition of the receivables as required by Ind AS 109: Financial Instruments.

Impairment loss allowance recognised /reversed during the year is charged/written back to Statement of Profit and Loss.

2.8 Financial Liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as

Notes to the Consolidated Financial Statements

transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the Consolidated financial statements for issue, not to demand payment as a consequence of the breach.

For Trade and Other Payables maturing within one year from the balance sheet date, the carrying amount approximates fair value to short-term maturity of these instruments.

A financial liability (or a part of financial liability) is de-recognised from Group's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

2.9 Subsidy / Government Grant

Subsidy/ Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in other liabilities as deferred income and are credited to statement of profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

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. 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

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution benefit scheme.

b) Defined Benefit Plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

c) Compensated absences

Accrued liability in respect of leave encashment benefit on retirement is accounted for on the basis of actuarial valuation 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 availed or encashed or contributed beyond 12 months from the year end are treated as long term liability.

Notes to the Consolidated Financial Statements

d) Other short term employee benefits

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

2.12 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The Group recognizes revenue at fair value when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2.13 Other Income

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

Dividend income is recognized when the right to receive 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 Group 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.

(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.

Gains/losses arising out of fluctuations in the exchange rates are recognised in the Statement of Profit and Loss in the period in which they arise.

2.15 Derivative Instruments

The Parent Company uses derivative financial instruments such as foreign exchange contracts to hedge its exposure to movements in foreign exchange rates relating to the underlying transactions.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value and resulting gain or loss is recognized in the statement of profit and loss at the end of each reporting period. 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 the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated financial statements Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.17 Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying

Notes to the Consolidated Financial Statements

asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

2.18 Provisions and Contingent Liabilities

Provisions: Provisions are recognized 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 tosettle the present obligation at the Balance sheet date and are not discounted to its present value, except where the effect of the time value of money is material.

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 group 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, and balance with bank in current account.

2.21 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Parent Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.22 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the Group or the counterparty.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of directors of the Parent Company has been identified as being the chief operating decision maker. Refer note 34 for segment information presented.

2.24 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.25 Standards issued but not yet effective

Ind AS 115: Revenue from contracts with customers

The Group is in the process of assessing the detailed impact of Ind AS 115. Presently, the Group is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its Consolidated financial statements, except that adoption of Ind AS 115 is not expected to significantly change the timing of the Group's revenue recognition for product

Notes to the Consolidated Financial Statements

sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115.

The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 April 2018 and that comparatives will not be restated.

Ind AS 21: Foreign currency transactions and advance consideration

Management has assessed the effects of applying the appendix to its foreign currency transactions for which consideration is received in advance. The Group expects this change to impact its accounting for revenue contracts involving advance payments in foreign currency.

The Group intends to adopt the amendments prospectively to items in scope of the appendix that are initially recognised on or after the beginning of the reporting period in which the appendix is first applied (i.e. from 1 April 2018).

2A Critical estimates and judgements

The preparation of Consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

(i) Estimation of defined benefit obligation- Refer note 25

(ii) Estimated fair value of unlisted securities –Refer note 30

(iii) Recognition of deferred tax assets for carried forward tax losses - Refer note 29

(iv) Useful life of property, plant and equipments and intangible assets – Refer note 2.4 and 2.5

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 3(a) Property, plant and equipment

Particulars	Gross carrying amount				Accumulated depreciation				Impairment				Net carrying amount	
	1 April 2017	Additions	Disposals/ adjustments	31 March 2018	1 April 2017	For the year	Disposals/ adjustments	31 March 2018	1 April 2017	For the year	Reversals	31 March 2018	31 March 2018	31 March 2017
Freehold land	21,015.05	-	-	21,015.05	-	-	-	-	-	-	-	-	21,015.05	21,015.05
Buildings	5,325.24	29.41	23.35	5,331.30	195.53	204.48	-	400.01	-	-	-	-	4,931.29	5,129.71
Roads	45.06	-	-	45.06	10.99	6.47	-	17.46	-	-	-	-	27.60	34.07
Plant and equipment	4,284.99	634.70	45.70	4,873.99	632.02	687.03	-	1,319.05	-	110.27	-	110.27	3,444.67	3,652.97
Electric installation	263.06	33.49	-	296.55	38.42	31.46	-	69.88	-	-	-	-	226.67	224.64
Furniture & fixtures	273.70	3.53	-	277.23	44.86	47.21	-	92.07	-	-	-	-	185.16	228.84
Office equipment	57.57	2.14	-	59.71	25.45	9.60	-	35.05	-	-	-	-	24.66	32.12
Launches	0.01	-	-	0.01	-	-	-	-	-	-	-	-	0.01	0.01
Vehicles	243.35	72.13	11.68	303.80	39.88	43.26	-	83.14	-	-	-	-	220.66	203.47
	31,508.03	**775.40**	**80.73**	**32,202.70**	**987.15**	**1,029.51**	-	**2,016.66**	-	**110.27**	-	**110.27**	**30,075.77**	**30,520.88**

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	1 April 2016 (Deemed cost)	Additions	Disposals/ adjustments	31 March 2017	1 April 2016	For the year	Disposals/ adjustments	31 March 2017	31 March 2017	1 April 2016
Freehold Land	21,015.05	-	-	21,015.05	-	-	-	-	21,015.05	21,015.05
Buildings	4,927.32	397.92	-	5,325.24	-	195.53	-	195.53	5,129.71	4,927.32
Roads	45.06	-	-	45.06	-	10.99	-	10.99	34.07	45.06
Plant and equipment	3,213.47	1,238.48	166.96	4,284.99	-	632.02	-	632.02	3,652.97	3,213.47
Electric installation	263.06	-	-	263.06	-	38.42	-	38.42	224.64	263.06
Furniture & fixtures	262.23	11.47	-	273.70	-	44.86	-	44.86	228.84	262.23
Office equipment	46.80	10.87	0.10	57.57	-	25.45	-	25.45	32.12	46.80
Launches	0.01	-	-	0.01	-	-	-	-	0.01	0.01
Vehicles	175.77	68.48	0.90	243.35	-	39.88	-	39.88	203.47	175.77
	29,948.77	**1,727.22**	**167.96**	**31,508.03**	-	**987.15**	-	**987.15**	**30,520.88**	**29,948.77**

(i) Refer to note 13(a) and note 17(a) for information on property, plant and equipment pledged as security by the Company

Note: 3(b) Capital work in progress

Capital work-in-progress mainly comprises extension of fabrication shed in the Holding Company's manufacturing facility at Bauria, Kolktata

Note: 3(c) Goodwill

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	1 April 2017	Additions	Disposals/ adjustments	31 March 2018	1 April 2017	For the year	Disposals/ adjustments	31 March 2018	31 March 2018	31 March 2017
Goodwill	31,247.66	-	-	31,247.66	1,666.54	1,666.54	-	3,333.08	27,914.58	29,581.12
	31,247.66	-	-	**31,247.66**	**1,666.54**	**1,666.54**	-	**3,333.08**	**27,914.58**	**29,581.12**

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	1 April 2016 (Deemed cost)	Additions	Disposals/ adjustments	31 March 2017	1 April 2016	For the year	Disposals/ adjustments	31 March 2017	31 March 2017	1 April 2016
Goodwill	31,247.66	-	-	31,247.66	-	1,666.54	-	1,666.54	29,581.12	31,247.66
	31,247.66	-	-	**31,247.66**	-	**1,666.54**	-	**1,666.54**	**29,581.12**	**31,247.66**

Note: 3(d) Other intangible assets

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	1 April 2017	Additions	Disposals/ adjustments	31 March 2018	1 April 2017	For the year	Disposals/ adjustments	31 March 2018	31 March 2018	31 March 2017
Trademark	8,782.90	-	-	8,782.90	468.42	468.42	-	936.84	7,846.06	8,314.48
Computer Software	23.49	36.14	-	59.63	6.09	11.84	-	17.93	41.70	17.40
	8,806.39	**36.14**	-	**8,842.53**	**474.51**	**480.26**	-	**954.77**	**7,887.76**	**8,331.88**

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	1 April 2016 (Deemed cost)	Additions	Disposals/ adjustments	31 March 2017	1 April 2016	For the year	Disposals/ adjustments	31 March 2017	31 March 2017	1 April 2016
Trademark	8,782.90	-	-	8,782.90	-	468.42	-	468.42	8,314.48	8,782.90
Computer Software	19.40	4.09	-	23.49	-	6.09	-	6.09	17.40	19.40
	8,802.30	**4.09**	-	**8,806.39**	-	**474.51**	-	**474.51**	**8,331.88**	**8,802.30**

Note: 3(e) Intangible assets under development

Intangible assets under development mainly comprises expenditure related to acquisition and development of computer software.

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 4(a) Investments (Non-current)

Particulars	Face value	No. of units	31 March 2018	No. of units	31 March 2017	No. of units	1 April 2016
I. Mandatorily measured at FVTPL							
Investments in Mutual Fund (Debt) - Fully paid up - Quoted							
Reliance Fixed Horizon Fund XXVIII Series 14 - Growth	10	-	-	25,00,000	302.35	25,00,000	274.33
Kotak Mahindra FMP Series -172 Mutual Fund	10	-	-	5,00,000	60.57	5,00,000	55.40
ICICI Prudential FMP Series 78	10	10,00,000	119.63	10,00,000	110.43	10,00,000	100.13
Reliance Fixed Horizon Fund XXX Series 14 - Growth	10	10,00,000	120.05	10,00,000	110.78	10,00,000	100.13
Reliance Fixed Horizon Fund XXXI Series 15 - Growth	10	10,00,000	114.23	10,00,000	104.50	-	-
UTI Fixed Term Income Fund Series XXII - VI - Growth	10	-	-	12,50,000	149.53	12,50,000	125.00
HDFC FMP Growth Series 37	10	10,00,000	114.80	10,00,000	105.47	-	-
National Highway Authority Of India	10	20,386	467.12	20,386	472.89	20,386	466.99
Mutual Fund (Debt) - Fully paid up - Quoted (Investment through PMS)							
Invesco India Liquid Fund - Direct Plan Daily Dividend	10	430	4.30	-	-	-	-
Investment in Alternative Investment Funds (Debt) - Fully paid up - Unquoted							
IIFL Income Opportunities Fund	10	-	-	29,44,328	19.34	29,44,328	22.95
Peninsula Brookfield India Real Estate Fund		188	99.64	188	92.96	167	172.45
Face value ₹ 46,611(2017 - ₹ 71,178, 2016 - ₹ 88,364)							
IIFL Real Estate Fund (Domestic) - Series 2	10	18,66,885	155.14	18,66,885	201.51	18,66,885	201.72
Indiareit Apartment Fund	1,00,000	75	90.94	67	84.56	49	58.70
IIFL Real Estate Fund (Domestic) - Series 3	10	20,00,000	206.62	20,00,000	212.74	20,00,000	200.00
India Realty Excellence Fund III	100	3,17,482	454.68	-	-	-	-
Sheth Buildwell Pvt Ltd	1,00,000	-	-	-	-	48	67.08
IIFL Real Estate Fund (Domestic) - Series 4	10	19,93,886	204.60	19,93,886	203.89	-	-
Investment in Compulsorily Convertible Preference Shares - Fully paid up - Unquoted							
Tata Motors Finance Limited	100	1,00,000	100.00	1,00,000	100.00	1,00,000	100.00
II. Designated at FVOCI							
Investment in Alternative Investment Funds (Equity) - Fully paid up - Unquoted							
IIFL National Development Agenda Fund	10	-	-	19,68,814	246.63	19,68,814	212.09
Orios venture Partners Fund	100	-	-	1,65,000	164.70	1,25,000	126.05
IIFL Best of Class Fund - I							
Class B1	10	-	-	5,00,000	60.44	5,00,000	43.11
Class B2	10	-	-	5,00,000	60.44	5,00,000	46.95
IIFL Assets Revival Fund Series 2	10	20,00,000	280.78	20,00,000	263.83	-	-
IIFL Special Opportunities Fund Class A1	10	14,24,355	163.07	5,00,000	50.02	-	-
IIFL Re Organize India Equity Fund Class A1	10	9,94,917	87.81	5,00,000	50.14	-	-
IIFL Focussed Equity Strategies Fund							
Class A1	10	6,44,905	91.98	2,49,863	29.09	-	-
Class B1	10	6,37,395	69.87	2,50,366	29.09	-	-
Malabar Value Fund	100	88,511	114.07	40,355	43.62	-	-
Sundaram Alternative Opportunities Fund- Nano Cap Series I	1,00,000	92	103.99	15	15.05	-	-
DSP Blackrock AIF Pharma Fund Class B	100	1,02,754	92.55	1,02,754	100.64	-	-
Baring Private Equity India	1,00,000	100	89.30	-	-	-	-
White Oak India Equity Fund	10	9,59,429	97.66	-	-	-	-
Motilal Oswal Focused Emergence Fund	10	14,39,925	135.45	-	-	-	-
Forfront Alternative Equity Scheme	10	6,90,739	141.91	-	-	-	-

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Face value	No. of units	31 March 2018	No. of units	31 March 2017	No. of units	1 April 2016
Quoted Equity Instruments- Fully paid-up							
(Investment through PMS)							
Aegis Logistic Ltd	1	6,405	16.63	9,091	17.67	-	-
Alkem Laboratories Ltd	2	619	12.31	619	13.66	186	2.52
APL Apollo Tubes Limited	10	218	4.33	-	-	-	-
Aia Engineering Ltd.	2	277	3.99	-	-	-	-
Apollo Hospitals Enterprises Ltd.	5	659	7.02	-	-	-	-
Asian Paints Ltd.	1	438	4.91	438	4.69	744	6.46
Ajanta Pharma Ltd	2	-	-	232	4.08	-	-
Amara Raja Batteries Ltd	1	-	-	531	4.72	-	-
Astral Poly Technik Ltd	1	773	6.92	850	4.65	-	-
AU Small Finance Bank	10	1,361	8.41	-	-	-	-
Axis Bank Limited	2	702	3.58	-	-	-	-
Bajaj Finance Ltd.	2	1,626	28.75	1,943	22.81	204	14.13
Balkrishna Industries Ltd	2	584	6.25	-	-	-	-
Bajaj Finserv Ltd	5	154	7.97	178	7.28	-	-
Bank of Baroda	2	1,173	1.67	-	-	-	-
Bayer Cropscience Limited	10	157	6.64	-	-	-	-
Bharat Forge Ltd.	2	1,574	11.01	787	8.19	903	7.88
Birla Corporation Ltd.	10	1,195	8.54	1,700	12.56	-	-
Britannia Industries Ltd	2	147	7.31	165	5.58	-	-
Bharat Petroleum Corpn. Ltd	10	-	-	-	-	759	6.86
Bosch Ltd.	10	67	12.07	67	15.26	78	16.21
Blue Star Ltd	2	730	5.51	-	-	-	-
Canfin Homes Ltd.	2	1,440	6.98	296	6.26	-	-
City Union Bank Ltd.	1	7,132	12.30	6,484	9.81	3,609	3.42
Cholamandalam Investment And Finance Company Ltd	10	556	8.06	421	4.06	-	-
CCL Products I Ltd.	2	1,146	3.19	-	-	-	-
Colgate-Palmolive (India) Limited	1	555	5.87	555	5.54	232	1.93
Cipla Ltd.	2	517	2.82	-	-	-	-
Container Corporation Of India Ltd.	10	761	9.49	285	3.62	159	1.98
Cummins India Ltd.	2	881	6.17	881	8.35	493	4.15
Development Credit Bank Ltd	10	6,379	10.31	9,268	15.82	-	-
Dhanuka Agritech Ltd	2	485	2.67	510	4.07	-	-
Dalmia Bharat Ltd	2	188	5.42	-	-	-	-
Dishman Carbogen Amcis Ltd (erstwhile Dishman Pharmaceuticals & Chemicals Ltd)	2	1,510	4.84	1,225	3.55	-	-
Dr Lal Pathlabs Ltd	10	454	3.98	454	4.39	-	-
Dixon Technologies India Limited	10	128	4.21	-	-	-	-
D.B.Corp Ltd	10	652	2.03	-	-	-	-
Eicher Motors Ltd.	10	86	24.39	86	21.98	115	22.06
Emami Limited	1	823	8.80	823	8.68	339	3.16
Equitas Holdings Limited	10	1,583	2.28	-	-	-	-
Esab India Limited	10	186	1.32	-	-	-	-
Exide Industries Ltd.	1	1,744	3.89	-	-	-	-
Engineers India Ltd	5	1,734	2.75	1,734	2.50	467	0.79
Federal Bank Limited	2	7,194	6.42	-	-	-	-

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Face value	No. of units	31 March 2018	No. of units	31 March 2017	No. of units	1 April 2016
Gabriel India Limited	1	4,724	6.47	5,521	6.70	-	-
GlaxoSmithkline Consumer Healthcare Ltd.	10	108	6.59	96	4.95	53	3.20
Gujarat State Petronet Limited	10	4,195	7.95	-	-	-	-
Godrej Industries Ltd	1	1,942	10.68	1,013	5.11	-	-
HDFC Bank Ltd.	2	-	-	-	-	708	7.58
Havells India Ltd	1	1,274	6.21	1,077	5.04	-	-
HCL Technologies Ltd.	2	501	4.85	-	-	-	-
Hero Motocorp Limited	2	88	3.17	-	-	165	4.86
Hindustan Petroleum Corporation Ltd.	10	3,451	11.90	7,334	38.54	1,381	10.88
Housing Development Finance Corporation Ltd.	2	-	-	-	-	398	4.40
Interglobe Aviation Ltd	10	459	5.92	-	-	574	5.01
Ipca Lab Ltd.	2	913	5.99	913	5.69	508	2.96
Isgec Heavy Engineering Ltd.	10	44	2.87	-	-	-	-
Indusind Bank Ltd	10	466	8.37	422	5.95	-	-
Infosys limited	5	490	5.55	-	-	-	-
ICICI Bank Ltd	2	2,556	7.11	-	-	-	-
ITD Cementation India Ltd	1	2,468	3.88	2,468	4.22	-	-
IIFL Holdings Ltd	2	486	3.43	-	-	-	-
J K Cement Ltd	10	382	3.88	-	-	-	-
Jammu Kashmir Bank Ltd	1	4,161	2.51	4,461	3.34	2,295	1.39
Kotak Mahindra Bank Ltd	5	3,217	33.71	2,621	22.86	1,664	11.33
KEC International Limited	2	1,456	5.67	-	-	-	-
Kajaria Ceramics Ltd	1	990	5.67	990	5.79	-	-
KNR Constructions Limited	2	1,515	4.30	-	-	-	-
Larsen & Toubro Ltd.	2	-	-	-	-	337	10.18
L&T Technology Services Ltd	2	792	9.79	792	6.20	-	-
L and T Finance Holdings Limited	10	4,788	7.52	-	-	-	-
Lakshmi Vilas Bank Limited	10	4,373	4.31	3,280	5.43	-	-
Lupin Ltd	2	286	2.10	350	5.06	-	-
Mahindra and Mahindra Fin Services Ltd	2	1,215	5.63	-	-	-	-
Mahindra and Mahindra Ltd.	5	667	4.93	-	-	-	-
Mahanagar Gas Ltd	10	666	6.38	671	6.01	-	-
Max Financial Services Ltd	2	3,107	14.09	2,457	14.17	1,107	3.81
M R F Ltd	10	9	6.51	9	5.47	-	-
Minda Industries Ltd	2	202	2.17	-	-	-	-
Motherson Sumi Systems Ltd	1	1,956	6.10	1,558	5.81	-	-
5Paisa Capital Ltd	10	19	0.06	-	-	-	-
Page Industries Ltd.	10	136	30.85	146	21.37	63	7.66
Phoenix Lamps Limited	10	-	-	2,133	3.73	-	-
P I Industries Ltd	1	727	6.46	679	5.68	-	-
Pidilite Industries Ltd	1	416	3.82	554	3.87	-	-
Quess Corp Ltd	10	1,026	10.55	1,038	7.14	-	-
Reliance Industries Ltd.	10	909	8.02	-	-	-	-
Ramkrishna Forgings Ltd.	10	583	4.10	-	-	-	-
Ratnamani Metals And Tubes Ltd	2	281	2.39	-	-	-	-

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Face value	No. of units	31 March 2018	No. of units	31 March 2017	No. of units	1 April 2016
South Indian Bank Ltd.	1	7,017	1.60	-	-	-	-
Shriram Transport Finance Co. Ltd.	10	399	5.74	-	-	-	-
Shree Cements Ltd	10	16	2.59	25	4.26	-	-
Speciality Restaurants Ltd	10	-	-	-	-	373	0.32
State Bank of India	1	-	-	-	-	2,505	4.87
Sun Pharmaceuticals Ltd.	1	-	-	-	-	1,250	10.25
Suprajit Engineering Ltd	1	920	2.56	-	-	-	-
TTK Prestige Ltd	10	97	6.00	120	7.05	-	-
Timken India Limited	10	321	2.26	-	-	-	-
The Ramco Cements Limited	1	459	3.32	-	-	-	-
Tata Metaliks Ltd.	10	437	3.25	-	-	-	-
Tata Steel Limited	10	698	3.99	-	-	-	-
Tata Consultancy Services Ltd.	1	-	-	-	-	251	6.33
United Spirits Ltd	10	74	2.32	-	-	158	3.95
Voltas Ltd.	1	4,395	27.29	4,395	18.11	2,155	5.99
VIP Industries Limited	2	1,311	4.19	-	-	-	-
Wonderla Holidays Limited	10	696	2.38	-	-	-	-
Welspun India Ltd	1	5,487	3.18	3,141	2.75	-	-
DIVI'S Laboratories Ltd	2	285	3.11	-	-	-	-
Investment in Equity Instruments - Fully paid up							
Unquoted							
Fine Worthy Software Solutions Private Limted	10	91,411	214.80	91,411	214.82	91,411	214.82
Abhyudaya Developers Pvt. Ltd	10	-	-	-	-	4,00,000	96.97
Blackberry Properties Pvt. Ltd.	10	10,00,000	468.14	10,00,000	547.80	10,00,000	547.80
Cambay Investment Corporation Ltd.	10	38,000	388.42	38,000	316.56	38,000	275.06
Credwyn Holdings India Pvt. Ltd.	100	30,000	1,561.47	30,000	1,321.32	30,000	1,008.78
Devendra Finvest & Holding Pvt. Ltd.	10	-	-	-	-	8,000	0.81
Kamla Company Ltd.	10	-	-	-	-	58,050	12.42
Laxmi Asbestos Products Ltd.	100	5,000	5.00	5,000	5.00	5,000	5.00
Mangal Builders & Enterprises Ltd.	10	-	-	-	-	2,00,000	38.92
P.D.G.D. Investments & Trading Pvt. Ltd.	10	-	-	-	-	20,000	59.08
Sudipta Traders Pvt.Ltd	10	90,000	601.83	90,000	640.65	90,000	640.65
The Oriental Company Ltd.	100	845	1,105.94	845	911.83	845	223.26
Woodland Multispeciality Hospital Ltd	10	4,290	0.21	4,290	0.21	4,290	0.21
Investment in Equity Instruments - Fully paid up							
Quoted							
The Cochin Malabar Estates & Industries Limited	10	98,939	45.71	1,13,939	28.54	1,13,939	44.28
Joonktollee Tea & Industries Limited	10	5,38,838	835.74	5,46,338	935.96	5,46,338	758.68
Adani Port & SEZ Ltd	2	-	-	75	0.25	75	0.19
(Formerly Mundra Port & SEZ Ltd.)							
ABB India Limited	2	200	2.59	200	2.56	200	2.56
Amar Remedy Ltd.	10	200	0.01	200	0.01	200	0.01
Barak Valley Cements Ltd.	10	303	0.08	303	0.08	303	0.05
Dena Bank	10	5,000	0.94	5,000	1.92	5,000	1.44
Emami Ltd.	1	-	-	-	-	2,400	-

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Face value	No. of units	31 March 2018	No. of units	31 March 2017	No. of units	1 April 2016
Emami Infra structure Ltd	10	-	-	300	0.25	300	0.12
Himachal Futiristic Communications Ltd.	1	16,900	4.37	16,900	2.15	16,900	2.74
Hindalco Industries Ltd	1	-	-	4,000	7.80	4,000	3.52
Himatsingka Seide Ltd	2	900	3.15	6,533	22.44	6,533	12.75
Indian Ovearseas Bank	10	1,000	0.17	1,000	0.27	1,000	0.30
Indraprashta Gas Ltd.	10	-	-	700	7.10	700	3.99
Interglobe Aviation Ltd	10	100	1.29	1,000	10.51	1,000	8.73
Jaiprakash Power Ventures Limited	10	16,900	0.80	16,900	0.85	16,900	0.79
Kolte Patil Developers Ltd.	10	-	-	40	0.07	40	0.04
Larsen & Tubro Ltd	2	-	-	100	1.57	100	1.22
Penta Media Graphics Ltd	1	11,070	0.06	11,070	0.07	11,070	0.07
Port Shipping Co. Ltd.	10	1,64,330	16.43	1,64,330	16.43	1,64,330	16.43
Punjab National Bank	2	-	-	470	0.70	470	0.40
Siemens Ltd	2	-	-	200	2.51	200	-
The Phosphate Co. Ltd.	10	1,70,000	51.00	1,70,000	51.00	1,70,000	51.00
Uco Bank	10	3,000	0.65	3,000	1.08	3,000	1.16
Total			**9,697.24**		**8,947.60**		**6,603.85**
Aggregate amount of quoted investments and market value thereof			**2,563.96**		**2,960.76**		**2,228.96**
Aggregate amount of unquoted investments			**7,133.28**		**5,986.84**		**4,374.88**

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 4(b) Loans (Non-current)

Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured, considered good			
Security deposits	6.40	6.76	2.67
Total	**6.40**	**6.76**	**2.67**

Note: 5 Other non-current assets

Particulars	31 March 2018	31 March 2017	1 April 2016
Capital advances	**115.27**	**126.09**	**170.16**
Deposits - Government authorities	53.52	42.01	23.88
Total	**168.79**	**168.10**	**194.04**

Note: 6 Inventories

Particulars	31 March 2018	31 March 2017	1 April 2016
Raw materials	4,057.43	3,919.01	4,609.47
Stock-in-process	825.93	698.79	1,610.70
Semi finished goods	406.32	269.30	292.72
Finished goods (includes goods in transit ₹ 258.30 lakhs (31.03.17- ₹ 474.45 lakhs, 01.04.2016 - ₹ 171.17 lakhs)	2,547.53	2,295.03	2,521.63
Stores and spares	911.77	852.15	913.57
Total	**8,748.98**	**8,034.28**	**9,948.09**

Note: 7(a) Investments (Current)

Particulars	Face value	No of units	31 March 2018	No of units	31 March 2017	No of units	1 April 2016
I. Designated at FVOCI							
Quoted Equity Instruments- Fully paid-up (Direct Investment)							
J K Paper Limited	10	1,00,000	135.25	1,50,000	141.75	-	-
J K Tyre & Industries Limited	2	-	-	1,00,000	131.40	-	-
Larsen & Toubro Ltd.	2	3,500	45.92	1,000	15.78	-	-
Magma Fincorp Limited	2	25,000	38.35	98,100	103.84	-	-
National Aluminium Company Ltd	5	70,000	46.73	70,000	53.20	-	-
NBCC (India) Ltd	2	25,000	47.59	15,000	25.82	-	-
Udaipur Cement Limited	4	1,00,000	22.85	-	-	-	-
HEG Ltd.	10	23,000	731.75	-	-	-	-
Century Textiles Industries Ltd.	10	2,000	22.91	-	-	-	-
Bombay Dyeing & Mfg. Co. Ltd.	2	12,000	28.72	-	-	-	-
Usha Martin Limited	1	3,00,000	54.90	-	-	-	-
Himadri Speciality Chemicals Ltd.	1	40,000	58.64	-	-	-	-
HBL Power Systems Ltd.	1	1,00,000	44.95	-	-	-	-
Shree Cements Ltd	10	4,000	647.26	600	102.12	-	-
State Bank of India	1	30,000	75.03	20,000	58.52	-	-
Tata Global Beverages Ltd.	1	-	-	50,000	75.13	-	-
Infosys Ltd	10	7,400	73.06	7,400	75.54	7,400	90.94

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Face value	No of units	31 March 2018	No of units	31 March 2017	No of units	1 April 2016
Investment in Alternative Investment Funds (Equity) - Fully paid up - Unquoted							
Orios venture Partners Fund	100	2,00,000	180.01	-	-	-	-
IIFL Best Of Class Fund - I							
Class B1	10	5,00,000	61.60	-	-	-	-
Class B2	6	5,00,000	52.98	-	-	-	-
Forfront Alternative Equity Scheme	10	-	-	7,04,113	128.65	7,04,113	102.42
II. Mandatorily measured at FVTPL							
Investment in Mutual fund -Fully paid-up (Debt) - Quoted							
HDFC CMF Treasury Advantage Plan - Regular Growth	1,000	47,514	1,710.26	11,840	400.11	-	-
ICICI Prudential Gilt Fund Investment Plan- PF Option-Regular Plan	10	11,53,120	404.40	11,53,120	383.58	11,53,120	337.18
Birla Sunlife Cash Plus Growth Regular Plan	10	-	-	1,34,388	350.10	-	-
ICICI Prudential Liquid Plan - Growth	100	-	-	1,45,782	350.10	4,48,284	1,003.50
Reliance Fixed Horizon Fund XXVIII Series 14 - Growth	10	25,00,000	326.08	-	-	-	-
Kotak Mahindra FMP Series -172 Mutual Fund	10	5,00,000	65.64	-	-	-	-
UTI Fixed Term Income Fund Series XXIIVI - Growth	10	12,50,000	162.43	-	-	-	-
Investment in Mutual fund -Fully paid-up (Debt) - Unquoted							
Sheth Buildwell Pvt Ltd	1,00,000	-	-	-	-	96	33.54
Investment in Debentures - Fully Paid up - Quoted							
Edelweiss Finance & Investments Limted	1,00,000	-	-	-	-	99	93.37
India Infoline Finance Limited	10,00,000	-	-	-	-	10	84.20
Aspire Home Finance Corporation Ltd	1,00,000	20	116.75	20	214.36	-	-
ECL Finance Limited	1,00,000	100	113.51	100	108.70	-	-
Total			**5,267.57**		**2,718.70**		**1,745.15**
Aggregate amount of quoted investments and market value thereof			**4,972.95**		**2,590.04**		**1,609.19**
Aggregate amount of unquoted investments			**294.62**		**128.66**		**135.96**

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 7(b) Trade receivables

Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured, considered good (Refer note below)	2,448.83	2,067.29	2,552.52
Total	**2,448.83**	**2,067.29**	**2,552.52**

Note: Transferred receivables

The carrying amounts of the trade receivables include receivables which are subject to a bill discounting. Under this arrangement, Gloster Limited has transferred the relevant receivables to the Bank in exchange for cash and is prevented from selling or pledging the receivables. However, Gloster Limited has retained late payment and credit risk. The group therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the bill discounting is presented as secured borrowing.

The relevant carrying amounts are as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
Total transferred receivables	267.19	107.98	-
Associated secured borrowing (refer note 17(a))	(267.19)	(107.98)	-

Note: 7(c) Cash and cash equivalents

Particulars	31 March 2018	31 March 2017	1 April 2016
Cash and cash equivalents			
Cash on hand	4.52	4.65	14.93
Balances with banks :			
In current accounts	651.81	210.39	367.66
Total	**656.33**	**215.04**	**382.59**

Note: 7(d) Other bank balances

Particulars	31 March 2018	31 March 2017	1 April 2016
Unpaid dividend account	24.38	19.48	18.26
Margin money deposits	0.21	0.21	41.19
Fixed Deposit	416.70	45.25	1,482.75
Total	**441.29**	**64.94**	**1,542.20**

Note: 7(e) Loans (Current)

Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured, considered good			
Security deposits	97.35	222.29	222.29
Employee loans and advances	292.70	241.61	245.00
Loans to bodies corporate	3,083.53	2,883.54	1,622.19
Total	**3,473.58**	**3,347.44**	**2,089.48**

Note: 7(f) Other financial assets - current

Particulars	31 March 2018	31 March 2017	1 April 2016
Derivatives not designated as hedges - Foreign-exchange forward contracts	-	155.10	48.40
Interest accured on intercorporate deposits	51.46	19.45	-
Total	**51.46**	**174.55**	**48.40**

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 8 Current tax assets (net)

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance for taxation [Net of provision ₹ 4,660.97 (31 March 2017 - ₹ 3,298.67, 01 April 2016 - ₹ 2,298.07)]	3,089.89	2,887.00	1,543.58
Total	**3,089.89**	**2,887.00**	**1,543.58**

Note: 9 Other current assets

Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured, considered good			
Prepaid expenses	64.77	62.34	108.57
Retirement benefit asset	44.34	-	-
Balances with government authorities	144.34	6.95	5.62
Advances for goods and services	142.30	119.24	76.80
Dividend distribution tax (DDT) refundable (refer (a) below)	49.14	21.84	10.92
Interest accured on investments	32.11	20.55	28.68
Other advances			
Considered Good	201.00	22.11	215.53
Doubtful	148.17	148.17	148.17
Less : Provision for Doubtful Advance	(148.17)	(148.17)	(148.17)
Total	**678.00**	**253.03**	**446.12**

(a) Pertained to DDT paid by erstwhile Gloster Limited in FY 2016-17 for payment of dividend to erstwhile Kettlewell Bullen & Company Limited now refundable, post merger in accordance with scheme of arrangement referred to in **Note 41.**

Note: 10 Equity share capital

(a) Authorised share capital

Particulars	Equity shares	
	Number of shares	Amount
As at 1 April 2016	**2,75,00,000**	**2,750.00**
Changes during the year	-	-
As at 31 March 2017	**2,75,00,000**	**2,750.00**
Changes during the year	-	-
As at 31 March 2018	**2,75,00,000**	**2,750.00**

Note: Increase in Authoriseed share capital w.e.f 1 January, 2015 in accordance with scheme of amalgamation referred to in Note 41.

(b) Issued, subscribed and fully paid-up shares

Particulars	Equity shares	
	Number of shares	Amount
As at 1 April 2016*	**20,00,000**	**200**
Changes during the year	-	-
As at 31 March 2017	**20,00,000**	**200**
Changes during the year	-	-
As at 31 March 2018	**20,00,000**	**200**

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(c) Details of the shareholders holding more than 5% of equity shares of the Holding Company without considering equity suspense referred to in note 11

Name of the shareholder	31 March, 2018		31 March 2017		1 April 2016	
	Number	% holding	Number	% holding	Number	% holding
Equity shares						
Gopal Das Bangur	-	-	2,25,000	11.25	2,25,000	11.25
Pushpa Devi Bangur	4,56,500	22.83	2,32,500	11.63	2,32,500	11.63
Vinita Bangur	3,31,600	16.58	3,31,600	16.58	3,31,600	16.58
Hemant Bangur	2,64,700	13.24	2,64,700	13.24	2,64,700	13.24
The Cambay Investment Corporation Ltd	2,50,000	12.50	2,50,000	12.50	2,50,000	12.50
Gopal Das Bangur HUF	1,85,000	9.25	1,85,000	9.25	1,85,000	9.25
Madhav Trading Corporation Ltd.	-	-	1,10,000	5.50	1,10,000	5.50

(d) Rights, preferences and restrictions attached to equity shares

The Holding 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 Holding 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 Holding 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.

(f) Details of bonus shares issued

The Holding Company has issued 16,00,000 number of equity shares allocated as fully paid up by way of bonus shares of ₹ 10 each on 07 March, 2016

Note: 11 Equity share suspense

Particulars	31 March 2018	31 March 2017	1 April 2016
34,71,630 Equity shares of ₹ 10 each	78,493.55	78,493.55	78,493.55
	78,493.55	**78,493.55**	**78,493.55**

34,71,630 equity shares of ₹ 10 each are to be issued pursuant to scheme of amalgamation referred in note 41. Pending allotment of such equity shares as at 31 March 2018, the related amount of ₹ 78,493.55 lakhs is considered as 'Equity Share Suspense'.

Note: 12 Other equity

A. Reserve and Surplus

Particulars	31 March 2018	31 March 2017	1 April 2016
(i) General reserve	3,658.91	1,567.02	1,381.50
(ii) Retained earnings	4,631.23	2,369.21	(609.78)
Total reserves and surplus	**8,290.14**	**3,936.23**	**771.72**

Particulars	31 March 2018	31 March 2017
(i) General reserve		
Balance at the beginning of the year	1,567.02	1,381.50
Transferred from retained earnings	2091.89	185.52
Balance at the end of the year	3,658.91	1,567.02
(ii) Retained earnings		
Balance as at the beginning of the year	2,369.21	(609.78)
Profit/ (Loss) for the year	4,217.45	3,494.48

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2018	31 March 2017
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	699.14	(50.27)
- Gain on sale of FVOCI equity investments, net of tax transferred to retained earnings	220.76	33.68
Dividend paid during the year	(650.93)	(260.38)
Tax on dividend paid during the year	(132.51)	(53.00)
Transferred to general reserve	(2,091.89)	(185.52)
Balance at the end of the year	**4,631.23**	**2,369.21**

B. Other reserves - Equity instruments through Other comprehensive income

Particulars	31 March 2018	31 March 2017
Balance at the beginning of the year	3,538.66	2,307.34
Changes in fair value of FVOCI equity instruments	955.97	1,547.59
Deferred tax	(164.67)	(282.59)
Gain on sale of FVOCI equity investments, net of tax transferred to retained earnings	(220.76)	(33.68)
Balance at the end of the year	4,109.20	3,538.66
Total(A+B)	**12,399.34**	**7,474.89**

(iii) General reserve

General reserve is created and utilised in compliance with provisions of the Companies Act, 2013

(iv) Equity instruments through OCI

The Holding Company has elected to recognise changes in the fair value of all investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Holding Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Note: 13(a) Borrowings (Non-current)

Particulars	31 March 2018	31 March 2017	1 April 2016
Secured			
From banks [Refer note (a) below]	-	-	192.50
Unsecured			
Term loan from banks [Refer note (b) and (c) below]	128.40	166.67	388.00
	128.40	**166.67**	**580.50**
Less: Current maturities of long term debt [Refer note 17 (c)]	-	166.67	293.67
Total	**128.40**	-	**286.83**

Nature of security		Terms of repayment
(a)	Term loan from banks amounting to ₹ Nil (31 March 2017 - ₹ Nil, 01 April 2016 - ₹ 192.50 lakhs) are secured by equitable mortgage of factory land and building, hypothecation of all plant & machinery and all other movable property, plant & equipment of the Holding Company.	Repayable in 24 equal quarterly instalments beginning from March 2015 along with interest rate linked to bank base rate +1.40% spread.
(b)	Unsecured term loan from bank amounting to ₹ 128.40 lakhs (31 March 2017 - ₹ Nil, 01 April 2016 - Nil).	Repayable in 12 equal quarterly instalments beginning from June 2019 along with interest rate linked to Bank's One year MCLR.
(c)	Unsecured term loan from bank amounting to ₹ Nil (31 March 2017 - ₹ 166.67, 01 April 2016 - ₹ 388 lakhs)	Repayable in 3 equal quarterly instalments beginning from December 2016 along with interest rate linked to Bank base rate + 0.25% spread.

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 13(b) Other financial liabilities (Non-current)

Particulars	31 March 2018	31 March 2017	1 April 2016
Security deposit	-	75.90	75.90
Total	**-**	**75.90**	**75.90**

Note: 14 Provisions (Non-current)

Particulars	31 March 2018	31 March 2017	1 April 2016
Other non-current provisions	2.17	2.17	1.37
Total	**2.17**	**2.17**	**1.37**

Note: 15 Deferred tax liabilities (net)

Particulars	31 March 2018	31 March 2017	1 April 2016
Deferred tax liabilities			
Investment in financial instruments at FVTPL	84.63	49.93	21.70
Investment in financial instruments at FVOCI	881.69	723.17	436.03
Derivatives asset	-	53.68	16.75
Property, plant and equipment	8,145.00	7,090.61	5,332.60
	9,111.32	**7,917.39**	**5,807.08**
Deferred tax assets			
Derivatives liability	8.55	-	-
Provision for leave encashment	108.95	110.81	77.46
Provision for doubtful advances	51.78	51.28	51.28
Deferred government grant	84.38	67.36	18.87
MAT credit entitlement	2,878.16	1,250.66	272.69
Unabsorbed depreciation	1,861.97	3,454.18	3,437.76
Others	207.66	189.89	158.65
	5,201.45	**5,124.18**	**4,016.71**
Net deferred tax liabilities [Refer note (a) below]	3,909.87	2,793.21	1,790.37

Note:

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

Note: 16 Other non-current liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Deferred government grant	224.16	180.81	50.63
Total	**224.16**	**180.81**	**50.63**

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 17(a) Borrowings (Current)

Particulars	31 March 2018	31 March 2017	1 April 2016
Secured			
Loans from banks [refer note (a) below]	1,281.02	3,333.67	6,234.09
Liability on bill discounting [refer note (a) below]	267.19	107.98	-
Unsecured			
Loans from banks [refer note (b) below]	-	-	2,500.00
Buyers credit	-	93.28	-
Interest accured and due on borrowings	-	2.11	4.53
Interest accured but not due on borrowings	-	-	6.51
Total	**1,548.21**	**3,537.04**	**8,745.13**

Notes:

(a) Secured by hypothecation of stock of raw material, stock -in-process, finished goods, stores & consumables, book debts and other current assets of the Holding Company.

(b) Unsecured loans from banks are repayabe within 30 days fom the date of disbursement of loan.

Note: 17(b) Trade payables

Particulars	31 March 2018	31 March 2017	1 April 2016
Trade payables (refer note 38 for details of dues to Micro, Small and Medium Enterprises)	827.06	431.39	616.87
Total	**827.06**	**431.39**	**616.87**

Note: 17(c) Other financial liabilities - current

Particulars	31 March 2018	31 March 2017	1 April 2016
Current maturities of long-term debt [Refer Note 13(a)]	-	166.67	293.67
Interest accured and due on borrowings	-	-	5.41
Interest accured but not due on borrowings	-	-	-
Unpaid dividends (refer note(a) below)	24.38	19.48	18.26
Capital creditors	10.15	11.89	55.42
Derivatives not designated as hedges - Foreign-exchange forward contracts	24.46	-	-
Other payables (refer note(b) below)	1,209.16	1,485.64	1,055.02
Total	**1,268.15**	**1,683.68**	**1,427.78**

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 C of the Companies Act, 2013 as at the end of the year.

(b) Other payables include employee cost liability of ₹ 812.85 lakhs (31.03.2017- ₹ 854.33 lakhs, 01.04.2016 - ₹ 657.88 Lakhs).

Note: 18 Other current liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Advances received from customers	220.75	308.92	160.89
Statutory dues	832.58	830.06	733.06
Deferred government grant	17.33	13.83	3.89
Other payables	71.03	67.49	73.65
Total	**1,141.69**	**1,220.30**	**971.49**

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 19 Provisions (Current)

Particulars	31 March 2018	31 March 2017	1 April 2016
Provision for Employee benefits			
Provision for Gratuity	-	442.61	916.35
Provision for compensated absences of employees	510.57	502.06	385.61
Total	**510.57**	**944.67**	**1,301.96**

Note: 20 Current tax liabilities (net)

Particulars	31 March 2018	31 March 2017	1 April 2016
Provision for taxation [Net of advance tax ₹ 4,213.33 lakhs (31.03.2017 - ₹ 4,202.12 lakhs, 01.04.2016 - ₹ 4,201.77 lakhs)]	488.06	488.53	489.49
Total	**488.06**	**488.53**	**489.49**

Note: 21 Revenue from operations

Particulars	31 March 2018	31 March 2017
Sale of products		
Finished goods	45,249.08	49,519.86
Other operating revenues		
Export incentive	1,149.42	1,222.93
Total	**46,398.50**	**50,742.79**

Note:

Post applicability of Goods and Service Tax (GST) w.e.f. July 1, 2017, revenue from operations is disclosed net of GST. However, revenue for the period upto June 30, 2017 is inclusive of excise duty. Accordingly, revenue from operations and other expenses for the year ended 31 March 2018 are not comparable with the previous year.

Note: 22 Other income

Particulars	31 March 2018	31 March 2017
Interest income from financial assets at amortised cost	521.78	381.13
Interest income from financial assets measured at FVTPL	80.28	61.33
Dividend income from investments measured at FVOCI (refer note (a) below)	29.11	13.99
Dividend income from investments measured at FVTPL	4.23	2.24
Rental income	22.79	22.11
Net gains/(losses) on fair value changes on investments classified at FVTPL	195.99	155.14
Fair value gains on derivatives not designated as hedges	-	106.70
Net gain on disposal of property, plant and equipment	7.80	212.72
Net gain on sale of investments	24.40	21.79
Liabilities no longer required written back	68.73	0.09
Net foreign exchange gains (losses)	305.72	318.67
Government grants (refer note (b) below)	17.33	8.86
Miscellaneous income (refer note (c) below)	296.87	471.68
Total	**1,575.03**	**1,776.45**

(a) All dividends from equity investments designated at FVOCI relate to investments held at the end of the reporting period except dividend income amounting to ₹ 4.43 lakhs (31.03.2017 - ₹ 0.02 lakhs) relate to investments derecognised during the reporting period.

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(b) Government grants are related to investments in property, plant and equipment. There are no unfulfilled conditions or other contingencies attaching to these grants.

(c) Miscelleneous income include insurance claim realized amounting to ₹ 224.01 lakhs (31.03.2017 - ₹ 456.18 lakhs)

Note: 23 Cost of materials consumed

Particulars	31 March 2018	31 March 2017
Inventory at the beginning of the year	3,919.01	4,609.47
Add : Purchases (net)	21,887.60	24,569.30
	25,806.61	**29,178.77**
Less : Inventory at the end of the year	4,057.43	3,919.01
Total	**21,749.18**	**25,259.76**

Note: 24 Changes in inventories of finished goods and work-in-progress

Particulars	31 March 2018	31 March 2017
Inventories at the end of the year		
Stock-in-process	825.93	698.79
Semi Finished Goods	406.32	269.30
Finished Goods	2,547.53	2,295.03
Total (A)	**3,779.78**	**3,263.12**
Inventories at the beginning of the year		
Stock-in-process	698.79	1,610.70
Semi Finished Goods	269.30	292.72
Finished Goods	2,295.03	2,521.63
Total (B)	**3,263.12**	**4,425.05**
(Increase)/decrease in inventories (B-A)	**(516.66)**	**1,161.93**

Note: 25 Employee benefits expense

Particulars	31 March 2018	31 March 2017
Salaries, wages & bonus	7,036.95	7,035.88
Contribution to provident and other funds [refer note below]	1,353.45	1,280.39
Workmen and staff welfare expenses	63.89	72.73
Total	**8,454.29**	**8,389.00**

(A) Post-employment obligations

(i) Defined contribution plans

The total expenses recognised in the statement of profit and loss during the year on account of defined contribution plans amounts to:

Particulars	31 March 2018	31 March 2017
Employer's contribution to pension fund	398.27	396.38
Employer's contribution to superannuation fund	99.17	84.86
	497.44	**481.24**

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(ii) Defined benefit plan

(a) 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. Gratuity benefit vests 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.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation (Gratuity) over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2016	**5,176.17**	**(4,259.82)**	**916.35**
Current service cost	372.73	(43.19)	329.54
Interest expense/(income)	403.71	(367.51)	36.20
Total amount recognised in profit or loss	**776.44**	**(410.70)**	**365.74**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(371.48)	(371.48)
Actuarial (gain)/loss from change in financial assumptions	723.40	-	723.40
Actuarial (gain)/loss from unexpected experience	**(275.05)**	**-**	**(275.05)**
Total amount recognised in other comprehensive income	448.35	(371.48)	76.87
Employer contributions/ premium paid	-	(916.35)	(916.35)
Benefit payments	(131.91)	131.91	-
31 March 2017	**6,269.05**	**(5,826.44)**	**442.61**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2017	**6,269.05**	**(5,826.44)**	**442.61**
Current service cost	372.00	-	372.00
Interest expense/(income)	417.24	(387.36)	29.88
Total amount recognised in profit or loss	**789.24**	**(387.36)**	**401.88**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(78.32)	(78.32)
Actuarial (gain)/loss from change in demographic assumptions	(41.02)	-	(41.02)
Actuarial (gain)/loss from change in financial assumptions	(538.72)	-	(538.72)
Actuarial (gain)/loss from unexpected experience	**(230.77)**	**-**	**(230.77)**
Total amount recognised in other comprehensive income	**(810.51)**	**(78.32)**	**(888.83)**
Employer contributions/ premium paid	-	-	-
Benefit payments	(175.46)	175.46	-
31 March 2018	6,072.32	(6,116.66)	(44.34)

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
Discount rate	7.60%	6.75%	7.90%
Rate of salary increase	9.00%	9.00%	9.00%
Mortality rate	Indian assured lives mortality (2006-08) (modified)	Indian assured lives mortality (2006-08) (modified)	Indian assured lives mortality (2006-08) (modified)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risks of assets management, historical results of the return on plan assets, and other relevant factors.

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Assumptions	Change in assumption	Impact on scheme liabilities
31 March 2018		
Discount rate	Increase by 0.5%, decrease by 0.5%	Decrease by ₹ 283.46 lakhs, increase by ₹ 307.62 lakhs
Rate of salary increase	Increase by 0.5%, decrease by 0.5%	Increase by ₹ 302.12 lakhs, decrease by ₹ 281.25 lakhs
31 March 2017		
Discount rate	Increase by 0.5%, decrease by 0.5%	Decrease by ₹ 331.98 lakhs, increase by ₹ 362.12 lakhs
Rate of salary increase	Increase by 0.5%, decrease by 0.5%	Increase by ₹ 352.68 lakhs, decrease by ₹ 326.89 lakhs

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied while calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Major categories of plan assets

The defined benefit plan is funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies. Thus the composition of each major category of plan assets has not been disclosed.

Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk

The defined benefit plans are funded with insurance company of India. The Company does not have any liberty to manage the funds provided to insurance company. The managed by the insurance company and the the assets are invested in their conventional group gratuity product. The fund is subject to market risk as the price of units may go up or down. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Interest rate risk

The defined benefit obligation is calculated using a discount rate based on government bonds. If the bond yields fall, the obligation will tend to increase.

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Demographic risk

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criterta. It is important not to overstate withdrawals because in the financial analysis the retirement beneft of a short career employee typically costs less per year as compared to a long service employee.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the year ending 31 March 2019 are ₹ 371.07 lakhs.

The weighted average duration of the defined benefit obligation is 10 years (2017 – 11 years).

(b) Provident fund

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 toghether 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. In view of the Company's obligation to meet the shortfall, this is a defined benefit plan.

(B) Other long term employee benefit plan

The Company provides benefits in the nature of compensated absences which can be accumulated. The compensated absences are other long term employee benefits plan. The plan is unfunded. Based on actuarial valuation, a provision is recognised in full for the projected obligation and are classified as current since the Company does not have an unconditional right to defer settlement for any of these obligations. Expenses recognised in the Statement of Profit and loss towards compensated absences includes re-measurement gains and losses.

Note: 26 Finance costs

Particulars	31 March 2018	31 March 2017
Interest and finance charges on financial liabilities at amortised cost	79.59	332.35
Other borrowing costs	39.76	25.59
Total	**119.35**	**357.94**

Note: 27 Depreciation and amortization expense

Particulars	31 March 2018	31 March 2017
Depreciation of property, plant and equipment	1,029.51	987.15
Amortisation of Goodwill (Refer note 41)	1,666.54	1,666.54
Amortisation of Trademark (Refer note 41)	468.42	468.42
Amortisation of other intangible assets	11.84	6.09
Total	**3,176.31**	**3,128.20**

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 28 Other expenses

Particulars	31 March 2018	31 March 2017
Consumption of stores and spare parts	2,998.03	2,969.50
Power and fuel	2,059.93	2,035.08
Rent	45.55	49.51
Repairs to building	37.58	62.27
Repairs to machinery	3.21	0.87
Repairs - others	35.28	29.20
Insurance	202.10	665.18
Rates and taxes	44.93	34.91
Processing charges	779.67	577.05
Freight and delivery charges	337.47	328.36
Research & development cess and excise duty [Refer note (a) below]	5.69	118.34
Export dock and toll charges	111.27	137.93
Brokerage and commission	284.05	260.59
Fair value losses on derivatives not designated as hedges	180.23	-
Corporate social responsibility expenses [Refer note (c) below]	67.01	246.18
Net loss on sale of investments	0.62	4.70
Provision for impairment of property, plant & equipment	110.27	-
Miscellaneous expenses [Refer note (b) below]	976.55	1,092.00
Total	**8,279.44**	**8,611.67**

Notes:

(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 ₹ Nil (2017 - ₹ 3.73 lakhs)

(b) Miscellaneous expenses includes remuneration to auditors for :

Particulars	31 March 2018	31 March 2017
Audit Fees	13.45	13.37
Other Services	9.00	12.75
Reimbursement of expenses (including service tax or GST)	0.97	5.47
Total	**23.42**	**31.59**

(c) Corporate social responsibility expenditure

Particulars	31 March 2018	31 March 2017
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above (in cash)	67.01	246.18
Total	**67.01**	**246.18**
Amount required to be spent as per Section 135 of the Act.	49.37	-

Note: 29 Income tax expense

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(a) Income tax expense

Particulars	31 March 2018	31 March 2017
Current tax		
Current tax on profits for the year	1,454.10	1,030.72
Total current tax expense	**1,454.10**	**1,030.72**
Deferred tax		
Decrease (increase) in deferred tax assets	(77.26)	(1,107.48)
(Decrease) increase in deferred tax liabilities	1,035.20	1,823.17
Total deferred tax expense/(benefit)	**957.94**	**715.69**
Income tax expense	2,412.04	1,746.41

(b) Amounts recognised directly in other comprehensive income

Particulars	31 March 2018	31 March 2017
The amount of income tax relating to each component of other comprehensive income		
(i) Remeasurements of post-employment benefit obligations	(189.69)	26.60
(ii) FVOCI equity instruments		
- Current tax	(6.12)	4.54
- Deferred tax	(158.53)	(287.14)
	(354.34)	**(256.00)**

(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	31 March 2018	31 March 2017
Profit before tax	6,629.49	5,240.89
Tax at the indian tax rate	**2,290.29**	**1,809.80**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	807.69	(46.09)
Tax effect on gains on which tax has been recognised in OCI	(103.51)	(16.32)
Deferred on unabsorbed depreciation	(17.90)	(16.42)
Impact of change in tax rate	107.14	(3.71)
MAT credit entitlement	43.42	-
Others	**(715.10)**	**19.15**
Total income tax expense/(credit)	**2,412.04**	**1,746.41**

(c) Details of MAT credit balance available with expiry date

Particulars	31 March 2018	31 March 2017	1 April 2016
MAT credit balance			
Expiry			
AY 2030-31	272.69	272.69	272.69
AY 2031-32	977.97	977.97	-
AY 2032-33	1,627.49	-	-
	2,878.15	**1,250.66**	**272.69**

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 30 Fair value measurements

Financial instruments by category

Particulars	31 March 2018			31 March 2017			01 April 2016		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Investments	4,683.69	10,281.12	-	3,665.58	8,000.73	-	2,996.13	5,352.87	-
Loans to bodies corporate	-	-	3,083.53	-	-	2,883.54	-	-	1,622.19
Security deposits	-	-	103.75	-	-	229.05	-	-	224.96
Derivative assets	-	-	-	155.10	-	-	48.40	-	-
Trade Receivables	-	-	2,448.83	-	-	2,067.29	-	-	2,552.52
Cash & cash equivalents	-	-	656.33	-	-	215.04	-	-	382.59
Bank balances	-	-	441.29	-	-	64.94	-	-	1,542.20
Employee advances	-	-	292.70	-	-	241.61	-	-	245.00
Interest accured on Intercorporate Deposits	-	-	51.46	-	-	19.45	-	-	-
Total financial assets	4,683.69	10,281.12	7,077.89	3,820.68	8,000.73	5,720.92	3,044.53	5,352.87	6,569.46
Financial liabilities									
Borrowings	-	-	1,676.61	-	-	3,703.71	-	-	9,331.04
Trade payables	-	-	827.06	-	-	431.39	-	-	616.87
Derivative liabilities	24.46	-	-	-	-	-	-	-	-
Unpaid dividends	-	-	24.37	-	-	19.48	-	-	18.26
Security deposit	-	-	-	-	-	75.90	-	-	75.90
Capital creditors	**-**	**-**	**10.15**	**-**	**-**	**11.89**	**-**	**-**	**55.42**
Other payables	**-**	**-**	**1,209.16**	**-**	**-**	**1,485.64**	**-**	**-**	**1,055.02**
Total financial liabilities	**24.46**	**-**	**3,747.35**	**-**	**-**	**5,728.01**	**-**	**-**	**11,152.51**

The investments in equity instruments are not held for trading. Instead, they are held for medium or long term investment purposes. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments at FVOCI as the management believe that this provides a more meaningful presentation for medium or long-term investments, than reflecting changes in fair value immediately in profit or loss.

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements - At 31 March 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Investments				
- Quoted investments	4,875.52	-	-	4,875.52
- Unquoted investments	-	4,251.85	5,837.45	10,089.29
Total financial assets	**4,875.52**	**4,251.85**	**5,837.45**	**14,964.81**

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Financial assets and liabilities measured at fair value - recurring fair value measurements - At 31 March 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Investments				
- Quoted investments	4,066.91	-	-	4,066.91
- Unquoted equity investments	-	3,172.63	4,426.77	7,599.40
Derivative financial assets (not designated as hedges)	-	155.09	-	155.09
Total financial assets	**4,066.91**	**3,327.72**	**4,426.77**	**11,821.40**

Financial assets and liabilities measured at fair value - recurring fair value measurements At 1 April 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Investments				
- Quoted equity investments	2,497.48	-	-	2,497.48
- Unquoted equity investments	-	2,527.12	3,324.39	5,851.51
Derivative financial assets (not designated as hedges)	-	48.40	-	48.40
Total financial assets	**2,497.48**	**2,575.52**	**3,324.39**	**8,397.39**

Level 1 [Quoted prices in an active market]:

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

Level 2 [Fair values determined using valuation techniques with observable inputs]:

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

Level 3 [Fair values determined using valuation techniques with significant unobservable inputs]:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is generally the case for unlisted equity securities.

There are no transfers between levels 1 and 2 during the year.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity and debt securities where the fair values have been determined based on present values and the discount rates used were adjusted for various risks.

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(iii) Fair value of financial assets and liabilities measured at amortised cost

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Loans to body corporate	-	-	-	-	-	-
Security deposits	6.40	6.40	6.76	6.76	2.67	2.67
Total financial assets	**6.40**	**6.40**	**6.76**	**6.76**	**2.67**	**2.67**
Financial liabilities						
Borrowings	128.40	128.40	-	-	286.83	286.83
Security deposits	-	-	75.90	75.90	75.90	75.90
Total financial liabilities	**128.40**	**128.40**	**75.90**	**75.90**	**362.73**	**362.73**

a) The carrying amounts of trade receivables, loans, cash and cash equivalents, other bank balances, other financial assets, security deposits, trade payables and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

b) The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

c) The investments in equity instruments are not held for trading. Instead, they are held for medium or long term investment purposes. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments at FVOCI as the management believe that this provides a more meaningful presentation for medium or long-term investments, than reflecting changes in fair value immediately in profit or loss. The carrying amounts of other borrowings with floating rate of interest are considered to be close to the fair value.

(d) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

e) For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note: 31 Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of it in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Diversification of customer base and approved counter parties.
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward exchange contract
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Diversified debt portfolio Regular monitoring of borrowings
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments carried at amortised cost.

i) Trade receivables

Customer credit risk is managed by the Company through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying 30 to 60 days credit terms. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. Trade receivables are consisting of a large number of customers. Where credit risk is high, domestic trade receiavbles are backed by security deposits. Export receivables are backed by letters of credit.

Financial assets are considered to be of good quality and there is no significant increase in credit risk.

Provision for expected credit loss

The requirement for impairment is analysed at each reporting date. For impairment, individual debtors are identified and assessed specifically. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. There has been no material default history in the past and accordingly no provision is considered necessary. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables.

ii) Financial instruments and cash deposits

Credit risk from balances with banks and investments is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus fund in portfolio management services, mutual funds, alternate investment funds, direct equity and in private companies are made only with approved counterparties and within credit limits assigned to each counterparty, if any. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

For investment in banks and financial institutions, only high rated banks/institutions are accepted.

The Company's maximum exposure to credit risk for the components of the balance sheet is the carrying amounts as disclosed.

(B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

(i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity group based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Contractual maturities of financial liabilities 31 March 2018	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	1,559.11	103.03	45.69	-	1,707.83
Other financial liabilities	1,242.83	-	-	-	1,242.83
Trade payables	827.06	-	-	-	827.06
Total non-derivative financial liabilities	**3,629.00**	**103.03**	**45.69**	**-**	**3,777.72**
Derivatives (net settled)					
Foreign exchange forward contracts	24.46	-	-	-	24.46
Total derivative liabilities	**24.46**	**-**	**-**	**-**	**24.46**

Contractual maturities of financial liabilities 31 March 2017	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	3,740.19	-	-	-	3,740.19
Other financial liabilities	1,592.77	-	-	-	1,592.77
Trade payables	431.39	-	-	-	431.39
Total non-derivative financial liabilities	**5,764.35**	**-**	**-**	**-**	**5,764.35**

Contractual maturities of financial liabilities 1 April 2016	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	9,098.37	232.29	83.24	18.25	9,432.16
Other financial liabilities	1,204.45	-	-	-	1,204.45
Trade payables	616.87	-	-	-	616.87
Total non-derivative financial liabilities	**10,919.69**	**232.29**	**83.24**	**18.25**	**11,253.48**

(C) Market risk

(i) Foreign currency risk

The Company undertakes transactions (e.g. sale of goods and purchases on raw materials or capital goods) denominated in foreign currencies and thus is exposed to exchange rate fluctuations. The Company evaluates its exchange rate exposure arising from foreign currency transactions and manages the same based upon approved risk management policies which inter-alia includes entering into forward foreign exchange contracts.

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR lakhs (foreign currency amount multiplied by closing rate), are as follows:

Particulars	31 March 2018		31 March 2017		1 April 2016	
	USD	EUR	USD	EUR	USD	EUR
Financial assets						
Trade receivables	519.80	120.30	452.57	140.57	293.19	38.30
Derivative assets						
Foreign exchange forward contracts - Sell foreign currency	(519.80)	(120.30)	(452.57)	(140.57)	(293.19)	(38.30)
Net exposure to foreign currency risk (assets)	-	-	-	-	-	-
Financial liabilities						
Trade payables	53.29	-	127.73	-	320.39	-
Derivative liabilities						
Foreign exchange forward contracts - Buy foreign currency	(53.29)	-	(112.17)	-	(320.39)	-
Net exposure to foreign currency risk (liabilities)	-	-	15.56	-	-	-

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

Particulars	Impact on profit before tax		Impact on equity	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
USD sensitivity				
INR/USD Increases by 5% (31 March 2017 - 5%)*	-	0.78	-	0.51
INR/USD Decreases by 5% (31 March 2017 - 5%)*	-	(0.78)	-	(0.51)
EUR sensitivity				
INR/EUR Increases by 5% (31 March 2017 - 5%)*	-	-	-	-
INR/EUR Decreases by 5% (31 March 2017 - 5%)*	-	-	-	-

* Holding all other variables constant

The Company also has exposures in below currencies for which no sensitivity is disclosed:

Particulars	31 March 2018		31 March 2017		1 April 2016	
	GBP	JPY	GBP	JPY	GBP	JPY
Financial assets						
Trade receivables	44.74	-	83.31	-	24.72	18.16
Derivative assets						
Foreign exchange forward contracts - Sell foreign currency	44.74	-	83.31	-	24.72	18.16

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure on financial liabilities

The exposure of the Company's financial liabilities to interest rate risk is as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
Variable rate borrowings	1,409.42	3,500.34	6,014.59
Fixed rate borrowings	267.19	201.26	3,300.00
Total borrowings	**1,676.61**	**3,701.60**	**9,314.59**

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

Particulars	Impact on profit before tax		Impact on equity	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Interest expense rates – increase by 70 basis points (50 bps)*	(9.87)	(17.50)	(6.42)	(11.44)
Interest expense rates – decrease by 70 basis points (50 bps)*	9.87	17.50	6.42	11.44

* holding all other variables constant

Note: 32 Capital management

(a) Risk management

The company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, long term borrowings and short term borrowings.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Loan covenants

Under the terms of the major borrowing facilities, the Company is required to comply with certain financial covenants. The Company has complied with the debt covenants throughout the reporting period.

(b) Dividends paid and proposed

Particulars	31 March 2018	31 March 2017
(i) Equity shares		
Final dividend paid for the year ended 31 March 2017 - ₹ 7.50 (1 April 2016 - ₹ 7.50) per fully paid share	650.93 #	260.38 #
Dividend Distribution Tax	132.51 #	53.00 #
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the board has recommended the payment of a final dividend of ₹ 10 per fully paid equity share (31 March 2017 – ₹ 7.50). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	547.16	650.93 #
Tax on proposed dividend	112.47	132.51 #

These dividends paid pertains to dividend proposed and paid by erstwhile Gloster Limited.

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 33 Segment information

(a) Description of segments and principal activities

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 and is having its manufacturing facilities located in India. The performance of the Company is assessed and reviewed by the Chief Operating Decision Maker ('CODM') as a single operating segment and accordingly manufacture and sale of jute goods is the only operating segment.

Geographical Information

The company is domiciled in India, however also sells its products outside India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

Revenue from external customers	31 March 2018	31 March 2017
India	34,279.99	37,436.13
Outside India		
Americas	2,906.09	2,472.42
Europe	4,272.42	4,702.72
Asia	1,398.55	2,338.48
Australia	1,575.79	1,690.99
Others	816.24	879.12
Total	**45,249.08**	**49,519.86**

Assets	31 March 2018	31 March 2017
India	66,581.66	68,809.51
Outside India	-	-
Total revenue	**66,581.66**	**68,809.51**

There are no single customer directly or indirectly from whom more than 10% of the revenue is derived .

Note: 34 Related party transactions

a) Set out below are the subsidiaries of the Company as at 31 March 2018 which, in the opinion of the directors, are material to the Company. These investments are carried at cost. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Particulars	Ownership interest in percentage		
	31 March 2018	31 March 2017	1 April 2016
Subsidiaries			
Gloster Lifestyle Limited	100%	100%	100%
Gloster Specialities Limited	100%	100%	100%

Both the Companies are incorporated in India with principal business of investing activities.

b) Key Management Personnel

- Shri Hemant Bangur
- Shri D C Baheti

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

- Joonktollee Tea & Industries Limited

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(d) Transactions with related parties are as follows:

Particulars	Year	Key Management Personnel	Joonktollee Tea & Industries Ltd
Transactions during the year			
Dividend Paid	2017-18	20.97	-
	2016-17	8.39	-
Dividend Received	2017-18		5.39
	2016-17		5.39
Sales	2017-18	-	89.12
	2016-17	-	109.44
Outstanding balances at year end			
Commission payable	31 March 2018	350.00	-
	31 March 2017	375.00	-
	01 April 2016	200.00	-

Key management personnel compensation	31 March 2018	31 March 2017
a. Short-term employee benefits	574.54	540.15
b. Post-employment benefits	100.70	74.00
	675.24	**614.15**

Terms and conditions of the transactions

All outstanding balances are unsecured and are repayable in cash.

Note: 35 Earnings per equity share

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 31 March 2018	Year ended 31 March 2017
(I) Basic		
a. Net profit after tax	4,217.45	3,494.48
b. (i) Number of equity shares at the beginning of the year*	54,71,630	54,71,630
(ii) Number of equity shares at the end of the year*	54,71,630	54,71,630
(iii) Weighted average number of equity shares outstanding during the year	54,71,630	54,71,630
c. Face value of equity share (₹)	10	10
d. Basic earning per share (₹)	77.08	63.87
(II) Diluted		
a. Dilutive potential equity shares	-	-
b. Weighted average number of equity shares for computing diluted earnings per shares	54,71,630	54,71,630
c. Diluted earning per share (₹)	77.08	63.87

* Includes equity share suspense referred to in note 11.

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 36 Contingent liabilities

Particulars	As at 31 March 2018	As at 31 March 2017
Claims against the Company not acknowledged as debts		
Sales tax matter	470.08	325.73
ESI matter	45.57	45.57

(i) The future cash outflow, if any, cannot be ascertained, pending resolution of the proceedings.

(ii) The Company does not expect any reimbursement in respect of the above contingent liabilites.

Note: 37 Commitments

Particulars	As at 31 March 2018	As at 31 March 2017
Estimated amounts of contracts remaining to be executed on capital account and not provided for tangible assets	498.79	220.81
Other Commitment towards investments	460.00	835.00

Note: 38 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	31 March 2018	31 March 2017	1 April 2016
1	The principal amount remaining unpaid to any supplier as at the year end	1.08	0.33	1.21
	The interest remaining unpaid to any supplier as at the year end	1.75	1.62	1.44
2	Principal amounts paid to suppliers beyond the appointed day during the year	5.61	13.86	11.16
	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	0.13	0.17	0.25
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	1.75	1.61	1.44

*Included in Sl No. 1 above is ₹ 0.33 lakh (31.03.2016 : ₹ 1.21 lakhs) 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.

Note: 39 Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt

Particulars	31 March 2018	31 March 2017
Current borrowings	1,548.21	3,441.65
Non-current borrowings	128.40	166.67
Net debt	**1,676.61**	**3,608.32**

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Liabilities from financing activities	
	Non-current borrowings	Current borrowings
Net debt as at 01 April 2017	**166.67**	**3,441.65**
Add: Proceeds from borrowings during the year	128.40	1,281.02
Less: Repayment of borrowings during the year	(166.67)	(3,333.67)
Bills discounted reinstated as short term borrowings	-	267.19
Settlement of bills discounted reinstated as short term borrowings	-	(107.98)
Net debt as at 31 March 2018	**128.40**	**1,548.21**

Note: 40 First-time adoption of Ind AS

Transition to Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS.

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

A. Exemptions and exceptions availed

Set below are the applicable Ind AS optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible assets.

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

A.1.2 Investments in subsidiaries

Ind AS 101 permits a first time-adopter to elect to continue with the carrying values of all its investments in subsidiaries, associates and joint ventures as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Group has elected to measure all of its investments in subsidiaries at their previous GAAP carrying value.

A.1.3 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Group has elected to apply this exemption for its investment in equity investments.

A.1.4 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model;
- Investment in equity instruments carried at FVOCI
- Investment in debt instruments carried at FVTPL.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS. Accordingly, the Group has determined the classification and measurements of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS.

B: Reconciliations between previous GAAP and Ind AS

Reconciliation of total equity as at 31 March 2017 and 1 April 2016

Particulars	Notes	31 March 2017	31 March 2016
Total equity (shareholder's funds) as per previous GAAP		**1,954.41**	**1,758.05**
Impact of merger with erstwhile Gloster Limited		80,291.67	77,374.38
Total equity (shareholder's funds) as per previous GAAP- revised		**82,246.08**	**79,132.43**
Adjustments			
Fair valuation of investments	1	4,526.00	2,711.46
Gain on MTM of derivative instruments	2	155.77	70.97
Reversal of Proposed dividend and tax thereon	3	-	313.38
Tax effects on above adjustments		(759.42)	(455.61)
Total equity as per Ind AS		**86,168.43**	**81,772.62**

Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Notes	31 March 2017
Profit/ (Loss) after tax as per previous GAAP		**196.36**
Impact of merger with erstwhile Gloster Limited		2,913.99
Profit/ (Loss) after tax as per previous GAAP- revised		**3,110.35**
Ind AS adjustments:		
Fair valuation of investments measured at FVTPL	1	266.95
Gain on MTM of derivative instruments	2	84.80
Actuarial gain/ loss reclassed from to OCI	5	76.87
Tax effect on above adjustments		(44.49)
Total adjustments		**384.13**
Profit after tax impact as per Ind AS		**3,494.48**
Other comprehensive income net of tax effects	6	1,214.72
Total comprehensive income as per Ind AS		**4,709.21**

Notes to the Consolidated Financial Statements

C: Notes to first-time adoption:

Note 1: Derivatives

Under the previous GAAP, the Group applied the requirements of the guidance note issued on accounting for derivatives and accordingly all derivative contracts outstanding at the balance sheet were marked to market and resulting loss, if any, was recognized in the statement of profit and loss. However, no gains were recognized.

Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in profit or loss. Consequently, the total equity has increased as on the date of transition and profit for the year ended 31 March 2017 has also increased.

Note 2: Fair valuation of investments

Under the previous GAAP, investments in equity instruments, alternate investment funds and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2017. This increased the retained earnings as at 31 March 2017 and 1 April 2016. Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI – Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March 2017. This increased other reserves as at 31 March 2017 and 1 April 2016.

Note 3: Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 4: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. There is no impact on the total equity as at 31 March 2016.

Note 5: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes items such as remeasurements of defined benefit plans, equity instruments designated as at FVOCI. Tax effect of such items are also included in 'other comprehensive income'. The concept of other comprehensive income did not exist under previous GAAP.

Notes to the Consolidated Financial Statements

Note: 41

A. Pursuant to the Scheme of Amalgamation of erstwhile Gloster Limited ("the Transferor Company"), with Kettlewell Bullen & Company Limited (renamed as Gloster Limited) ('the Holding Company') filed under Section 391 to 394 and other applicable provisions of the Companies Act, 1956 & Companies Act, 2013, to the extent applicable and sanctioned by the National Company Law Tribunal, Kolkata ("NCLT") vide its order dated 19 January 2018 (the 'Scheme'):

a. The Transferor Company stands transferred to and vested in the Holding Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing so as to become, on and from 1 January 2015 (the "Appointed Date"), by virtue of and in the manner provided in the Order. Certified copy of the said Order of NCLT sanctioning the Scheme has been filed by both Transferor Company and the Holding Company with the Registrar of Companies, Kolkata and accordingly, the Scheme became effective on and from 30 March 2018. (the 'Effective Date').

b. In accordance with the NCLT Order sanctioning the Scheme the Holding Company has accounted the assets and liabilities of the Transferor Company vested in it pursuant to the scheme at their respective fair values as per Purchase method in accordance with Accounting Standard- 14- "Accounting for Amalgamations" notified under the Companies Act, 1956 read with Section 133 of The Companies Act, 2013 and Rule 7 of Companies (Accounts) Rules 2014. Although the said accounting treatment is at variance with Ind AS 103, it has been carried out in accordance with the NCLT Order.

c. Further, in keeping with the Scheme the Holding Company has:

i. accounted for the excess of fair value of equity shares issued and cancellation of investment in Transferor Company, over the fair value of net assets of Transferor Company amounting to ₹ 45,348.03 lakhs so acquired, being ₹ 33,330.86 lakhs as Goodwill, representing underlying intangible assets, acquired on amalgamation as on 1 January 2015 (included under point B of this note).

ii. amortized Goodwill acquired on account of amalgamation as indicated in (c) (1) above, during the year in the Statement of Profit and Loss for ₹ 1,666.54 lakhs on the basis of management's estimated useful life of 20 years. Had Goodwill not been amortized, the Depreciation and Amortization expense for the year ended 31 March, 2018 would have been lower by ₹ 1,666.54 lakhs and Profit before tax for the year ended 31 March, 2018 would have been higher by an equivalent amount and the carrying amount of Goodwill (under Intangible Assets- Refer Note 3(c)) and Retained Earnings as at 31 March, 2018 would have been higher by ₹ 5,416.28 lakhs and ₹ 3,682lakhs respectively, considering the cumulative effect of aforesaid amortization from 1 January, 2015.

d. Upon the Scheme coming into effect, the Holding Company has recorded issuance of 34,71,630 (Thirty four lakhs seventy one thousand six hundred and thirty) equity shares of face value of ₹ 10/- each at fair value of ₹ 2,261 per share and accordingly credited to its share capital ₹ 347.61 lakhs on 10 May, 2018 being , the aggregate face value of the equity shares issued on Amalgamation. The excess of the fair value of the equity shares over the face value of the shares issued amounting to ₹ 78,146. 39 lakhs has been credited to Securities Premium Account on 10 May, 2018. Further, the entire shareholding of the Holding Company in transferor Company stands cancelled. Since allotment of such shares was pending till year end, the related amount of ₹ 78,493.55 lakhs has been disclosed as 'Equity Share Suspense' in Note 11 to the Financial Statements.

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

B. The Statement of Assets & Liabilities as at 1 January, 2015, being the Appointed Date, transferred pursuant to the Scheme of Amalgamation is set out below:

PARTICULARS	AMOUNT
Assets acquired	
Property, Plant & Equipment	29,892.63
Identified intangible assets	9,379.42
Capital Work-in-progress	155.05
Other Non-current Assets	2,919.45
Current Assets	11,160.19
Liabilities assumed	
Non-current Liabilities	1,244.89
Current Liabilities	6,913.82
Net identifiable assets	**45,348.03**
Consideration for the above	**78,678.89**
Goodwill arising on amalgamation	**33,330.86**

Notes to the Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note: 42 Statement providing additional information, as required under Schedule III to the Companies Act, 2013, of enterprises considered for preparation of the Consolidated Financial Statements .

	As at						Year Ended				Year Ended				Year Ended			
	31st March, 2018		31st March, 2017		01st April 2016		31st March, 2018		31st March, 2017		31st March, 2018		31st March, 2017		31st March, 2018		31st March, 2017	
Name of the Entity [Refer Note (a) below]	Net Assets ₹ lakhs	As a % of Consolidated Net Assets	Net Assets ₹ lakhs	As a % of Consolidated Net Assets	Net Assets ₹ lakhs	As a % of Consolidated Net Assets	Net Profit ₹ lakhs	As a % of Net Profit	Net Profit ₹ lakhs	As a % of Net Profit	Other Comprehensive Income ₹ lakhs	As a % of Other Comprehensive Income	Other Comprehensive Income ₹ lakhs	As a % of Other Comprehensive Income	Total Comprehensive Income ₹ lakhs	As a % of Total Comprehensive Income	Total Comprehensive Income ₹ lakhs	As a % of Total Comprehensive Income
Parent																		
Gloster Limited	90,535.57	99.39%	85,692.68	99.45%	81,377.59	99.52%	4,128.54	97.89%	3,404.75	97.43%	1,497.80	100.49%	1,223.72	100.74%	5,626.34	98.57%	4,628.47	98.30%
Subsidiaries																		
Gloster Lifestyle Limited	272.10	0.30%	230.40	0.27%	188.44	0.23%	45.55	1.08%	46.45	1.33%	(3.83)	-0.26%	(4.50)	-0.37%	41.72	0.72%	41.95	0.89%
Gloster Specialities Limited	285.22	0.32%	245.36	0.28%	206.58	0.25%	43.36	1.03%	43.28	1.24%	(3.50)	-0.23%	(4.50)	-0.37%	39.86	0.70%	38.78	0.82%
TOTAL	91,092.89	100%	86,168.44	100%	81,772.61	100%	4,217.45	100%	3,494.48	100%	1,490.47	100%	1,214.72	100%	5,707.92	100%	4,709.20	100%

(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 Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009
Chartered Accountants

Sunit Kumar Basu
Partner
Membership No.55000

Place: Kolkata
Date:29th May,2018

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

Hemant Bangur Executive Chairman
D.C. Baheti Managing Director
S.B. Mainak Director
S.N. Bhattacharya Director
Prabir Ray Director

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

Sl. No.		1	2
1	Name of the subsidiary	Gloster Lifestyle Limited	Gloster Specialities Limited
2	The date since when subsidiary was acquired	23.02.2011	23.02.2011
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Uniform reporting period	Uniform reporting period
4	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
5	Share Capital	400.00	400.00
6	Reserves and Surplus	272.10	285.22
7	Total Assets	672.23	687.08
8	Total Liabilities	672.23	687.08
9	Investments	262.87	481.91
10	Turnover	-	-
11	Profit before Taxation	54.95	54.30
12	Provision for Taxation	(9.40)	(10.94)
13	Other Comprehensive Income	(3.84)	(3.50)
14	Profit after Taxation	41.71	39.86
15	Proposed Dividend	Nil	Nil
16	% of shareholding	100%	100%

1. Names of subsidiaries which are yet to commence operations : None
2. Names of subsidiaries which have been liquidated or sold during the year : None

Part "B" : Associates and Joint Ventures : Not Applicable

Hemant Bangur Executive Chairman
D.C. Baheti Managing Director
S.B. Mainak Director
S.N. Bhattacharya Director
Prabir Ray Director

Place: Kolkata
Date:29th May,2018

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

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