



GLOSTER LIMITED

21, Strand Road, Kolkata-700 001 (India)
Phone : +91 (33) 2230-9601 (4 Lines), Fax : +91(33)2231 4222/2210 6167, E-mail : info@glosterjute.com, Web : www.glosterjute.com
CIN: L17119WB1992PLC054454

Dated – 02.08.2017

The Deputy General Manager BSE Limited Corporate Relationship Department 1 st Floor, New Trading Ring Rotunda Building, P J Towers, Dalal Street, Fort Mumbai - 400 001	The Manager Calcutta Stock Exchange Limited 7, Lyons Range, Dalhousie, Murgighata, BBD Bagh, Kolkata – 700 001
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**SUBJECT: NOTICE NCLT CONVENED MEETING OF THE EQUITY SHAREHOLDERS,
SECURED CREDITORS AND UNSECURED CREDITORS OF THE COMPANY**

Dear Sir/Madam,

In terms of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the copies of the Notice of Meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Company as directed by the Hon'ble National Company Law Tribunal, Kolkata Bench, vide its order dated July 11, 2017 as amended by order dated July 25, 2017 (“**Order**”) for the Scheme of Amalgamation of Gloster Limited into and with Kettlewell Bullen & Company Limited (“**Scheme**”) to be held on September 5, 2017 at 10.30 AM, 12.30 P.M. and 2.00 P.M. respectively at Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700020.

Please note that, we have simultaneously sent the notice of the NCLT Convened meeting of the equity shareholders to all the registered members of the Company as on 21st July, 2017 as well as to the Secured and Unsecured Creditors of the Company as on 31st March, 2017.

Further, SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015, *inter alia*, requires that the Scheme shall be approved by the Public Shareholders of the Company. The voting in respect of the same is to be carried out through postal ballot and e-voting. The Order passed by the NCLT, *inter alia*, provides that since the Company is directed to convene a meeting of equity shareholders, which includes Public Shareholders, and the voting in respect of equity shareholders, which includes public shareholders is through postal ballot and e-voting, it is sufficient compliance of the aforesaid SEBI Circular.



145 YEARS OF EXCELLENCE WITH THE GOLDEN FIBRE



GLOSTER LIMITED

CIN: L17119WB1992PLC054454

Continuation Sheet

E-voting and voting through Postal Ballot, in connection with the resolution proposed in the notice of the meeting of the equity shareholders, will commence on and from Sunday, 6 August, 2017 at 9.00 a.m. and shall end on Monday, 4 September, 2017 at 5.00 p.m. Equity Shareholders of the Company, as at the Cut-off date of July 21, 2017 shall be entitled to vote.

The notice of meeting of equity shareholders of the Company will be displayed on the website of the Company www.glosterjute.com and on the website of Central Depository Services Limited www.evotingindia.com.

You are requested to kindly take the same on records.

Thanking you.

Yours faithfully,

For Gloster Ltd


Ajay Kumar Agarwal
Manager Finance & Company Secretary

Encl : as above



145 YEARS OF EXCELLENCE WITH THE GOLDEN FIBRE



GLOSTER LIMITED

Registered Office : 21, Strand Road, Kolkata – 700001
Tel No : (033) 2230-9601
CIN : L17119WB1992PLC054454
Website : www.glosterjute.com
E-mail : ajay@glosterjute.com

MEETING OF THE EQUITY SHAREHOLDERS OF GLOSTER LIMITED

(convened pursuant to order dated 11th day of July 2017 read with order dated 25th day of July 2017 passed by the National Company Law Tribunal, Bench at Kolkata)

Day	Tuesday
Date	5th September 2017
Time	10.30 A.M.
Venue	Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700020

POSTAL BALLOT AND E-VOTING:

Start Date and Time	6th August, 2017 at 9.00 A.M.
End Date and Time	4th September, 2017 at 5.00 P.M.

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH

Company Application No.207 of 2017

In the matter of:

The Companies Act, 2013

And

In the matter of Sections 230 and 232 of the Companies Act, 2013

And

In the Matter of:

Gloster Limited (CIN L17119WB1992PLC054454), a company incorporated in 1992 under the provisions of the Companies Act, 1956, having its registered office at 21, Strand Road, Kolkata – 700001

And

Kettlewell Bullen & Company Limited, (CIN U65192WB1923PLC004628), a company incorporated under the provisions of the Companies Act, 1913, having its registered office at 8, Munshi Premchand Sarani, Kolkata 700 022

..... Applicants.

FORM NO. CAA 2

[Pursuant to Section 230 (3) and rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016]

Company Application No. 207 of 2017

Gloster Limited ... Applicant

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS (WHICH INCLUDES PUBLIC SHAREHOLDERS) OF GLOSTER LIMITED

To

The Equity Shareholders of Gloster Limited

NOTICE is hereby given that by an order made on the 11th day of July 2017 read with order dated 25th day of July 2017 in the above mentioned Company Application, the Hon'ble National Company Law Tribunal, Bench at Kolkata ("NCLT") has directed separate meetings to be held of the equity shareholders, secured creditors and unsecured creditors of Gloster Limited, being the Applicant Company no.1 above named (hereinafter referred to as the "**Transferor Company**") and equity shareholders and unsecured creditors of Kettlewell Bullen & Company Limited, being the Applicant Company no.2 above named (hereinafter referred to as the "**Transferee Company**") for the purpose of considering, and if thought fit, approving, with or without modification, the arrangement proposed to be made between the Transferor Company and the Transferee Company.

In pursuance of the said Order and as directed therein, further notice is hereby given that meeting of the equity shareholders of the Transferor Company will be held at Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700020, India on Tuesday, the 5th day of September 2017 at 10.30 A.M. Shareholders of the Transferor Company are requested to attend the same.

At the said meeting, the following resolution will be considered and if thought fit, be passed:

***"RESOLVED THAT** pursuant to the provisions of Sections 230 and 232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India Circular*

No. CIR/CFD/CMD/16/2015 dated 30th November 2015, the observation letters issued by each of BSE Limited and The Calcutta Stock Exchange Limited, dated March 10, 2017 and April 3, 2017 respectively and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Amalgamation of Gloster Limited with Kettlewell Bullen & Company Limited and their respective shareholders and creditors ("Scheme") placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."

Persons entitled to attend and vote at the said meeting may vote in person or by proxy, provided that all proxies in the prescribed form, duly signed by you or your authorised representative, are deposited at the registered office of the Transferor Company at 21, Strand Road, Kolkata – 700001, India not later than 48 (forty eight) hours before the time fixed for the said meeting.

Forms of Proxy can be obtained free of charge from the registered office of the Transferor Company.

TAKE FURTHER NOTICE that in compliance with the provisions of (i) Section 230(4) read with Sections 108 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and the Companies (Management and Administration) Amendment Rules, 2016, respectively; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and (v) Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015 issued by the Securities and Exchange Board of India, the Transferor Company has provided the facility of voting by postal ballot and e-voting so as to enable the equity shareholders, which includes the Public Shareholders (as defined in the Notes below), to consider and approve the Scheme by way of the aforesaid resolution.

It is clarified that casting of votes by postal ballot or remote e-voting does not disentitle an equity shareholder from attending the Meeting. It is further clarified that the Proxies can only vote on Poll at the meeting and not through any other mode.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the aforesaid Index, can be obtained free of charge at the registered office of the Transferor Company at 21, Strand Road, Kolkata – 700001, India or at the office of its advocates, M/s. Khaitan & Co, Emerald House, 1B, Old Post Office Street, Kolkata 700 001, India.

NCLT has appointed Mr. Vinod Kothari a practising Company Secretary to be the Chairman / Chairperson of the said meeting, including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the aforesaid Index are enclosed.

Sd/-

Dated : 26th Day of July 2017

Vinod Kothari
Chairman appointed for the Meeting

Notes:

1. Only registered equity shareholders of the Transferor Company may attend and vote, either in person or by proxy (a proxy need not be an equity shareholder of the Transferor Company) or in the case of a body corporate/FIL by a representative authorized

under Section 113 of the Companies Act, 2013, at the meeting of the equity shareholders of the Transferor Company. The authorised representative of a body corporate/FII which is a registered equity shareholder of the Transferor Company may attend and vote at the meeting of the equity shareholders of the Transferor Company provided a copy of the resolution of the board of directors or other governing body of the body corporate/FII authorising such representative to attend and vote at the meeting of the equity shareholders of the Transferor Company, duly certified to be a true copy by a director, the manager, the secretary or other authorised officer of such body corporate/FII, is deposited at the registered office of the Transferor Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the equity shareholders of the Transferor Company.

2. As per Section 105 of the Companies Act, 2013 and the rules made thereunder, a person can act as proxy on behalf of not more than 50 (fifty) equity shareholders holding in aggregate, not more than 10% (ten percent) of the total share capital of the Transferor Company carrying voting rights. Equity shareholders holding more than 10% (ten percent) of the total share capital of the Transferor Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or equity shareholder.
3. The form of proxy can be obtained free of charge from the registered office of the Transferor Company.
4. All alterations made in the form of proxy should be initialed.
5. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, an equity shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Transferor Company, provided that not less than 3 (three) days of notice in writing is given to the Transferor Company.
6. The quorum of the said meeting shall be 15(fifteen) members present in person.
7. A registered equity shareholder of the Transferor Company or his proxy or the authorised Representative, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
8. The registered equity shareholder of the Transferor Company who hold shares in dematerialized form and who are attending the meeting are requested to bring their DP ID and Client ID for easy identification.
9. The registered equity shareholders of the Transferor Company are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the register of members of the Transferor Company / list of beneficial owners as received from National Securities Depository Limited (“NSDL”)/ Central Depository Services (India) Limited (“CDSL”) in respect of such joint holding, will be entitled to vote.
10. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the equity shareholders of the Transferor Company at the registered office of the Transferor Company between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting.
11. NCLT, by its said Order, has, inter alia, directed that meeting of the equity shareholders of the Transferor Company shall be convened and held at Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700020, India on Tuesday, the 5th day of September 2017 for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Equity shareholders of the Transferor Company would be entitled to vote in the said meeting either in person or through proxy.

In addition, the Transferor Company is seeking the approval of its equity shareholders to the Scheme by way of voting through postal ballot and e-voting. Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015 (“SEBI Circular”) issued by the Securities and Exchange Board of India (“SEBI”), inter alia, provides that approval of Public Shareholders of the Transferor Company to the Scheme shall be obtained by way of voting through postal ballot and e-voting. Since, the Transferor Company is seeking the approval of its equity shareholders (which includes Public Shareholders) to the Scheme by way of voting through postal ballot and e-voting, this notice will be deemed (i) to be issued in accordance with the provisions of the Companies Act, 2013; and (ii) to be the notice sent to the Public Shareholders of the Transferor Company in accordance with the SEBI Circular. For this purpose, the term “Public” shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term “Public Shareholders” shall be construed accordingly.

12. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority in number representing three fourth in value of the equity shareholders (which includes Public Shareholders) of the Transferor Company, voting in person or by proxy or by postal ballot or e-voting, agree to the Scheme.

Further, in accordance with the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the Public Shareholders (through postal ballot or e-voting) in favour of the aforesaid resolution for approval of Scheme are more than the number of votes cast by the Public Shareholders against it.

13. The Transferor Company has engaged the services of Central Depository Services Limited (“CDSL”) for facilitating e-voting for the said meeting to be held on 5th September, 2017. Equity shareholders desiring to exercise their vote by using e-voting facility are requested to follow the instructions mentioned in Note 33 below.
14. Equity shareholders (which includes Public Shareholders) holding equity shares as on 21st day of July, 2017, being the cut-off date, will be entitled to exercise their right to vote on the above resolution.
15. The Notice together with the documents accompanying the same, is being sent to all the equity shareholders either by registered post or speed post/ airmail or by courier service or electronically by e-mail to those equity shareholders who have registered their e-mail ids with the Transferor Company /Registrar and Share Transfer Agents/ NSDL/CDSL, whose names appear in the register of members/list of beneficial owners as received from NSDL/CDSL as on 21st July 2017. The Notice will be displayed on the website of the Transferor Company at www.glosterjute.com and on the website of Central Depository Services Limited (CDSL) at www.evotingindia.com.
16. The notice convening the meeting, the date of dispatch of the notice and the Explanatory Statement along with the postal ballot papers, amongst others, will be published through advertisement in the following newspapers, namely, (i) The Economic Times (English Daily); and (ii) translation thereof in Ei Samay (Vernacular Daily)
17. Mr. Arun Kumar Gupta, Practicing Chartered Accountant, (Membership No. 60892) has been appointed as the scrutinizer to conduct the voting process in a fair and transparent manner.
18. A person, whose name is not recorded in the register of members or in the register of beneficial owners maintained by NSDL/ CDSL as on the cut-off date i.e. 21st July, 2017 shall not be entitled to avail the facility of e-voting or voting through postal ballot or voting at the meeting to be held on 5th September, 2017. Voting rights shall be reckoned on the paid-up value of the shares registered in the names of the members as on 21st day of July, 2017. Persons who are not equity shareholders of the Transferor Company as on the cut-off date i.e. 21st day of July, 2017 should treat this notice for information purposes only.
19. The equity shareholders (which includes Public Shareholders) have the option either to vote through e-voting process or through the postal ballot form or voting at the venue of the meeting.
20. A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed. Equity shareholders voting in physical form are requested to carefully read the instructions printed in the attached postal ballot form. Equity shareholders who have received the postal ballot notice by e-mail and who wish to vote through postal ballot form, can download the postal ballot form from the Transferor Company’s website at www.glosterjute.com or seek duplicate postal ballot form from the Transferor Company.
21. Equity shareholders of the Transferor Company shall fill in the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage pre-paid envelope to the scrutinizer so as to reach the scrutinizer before 5.00 p.m. on or before 4th day of September, 2017. Postal ballot form, if sent by courier or by registered post/speed post at the expense of an equity shareholder will also be accepted. Any postal ballot form received after the said date and time period shall be treated as if the reply from the member has not been received.
22. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected.
23. The vote on postal ballot cannot be exercised through proxy.
24. There will be only 1 (one) postal ballot form for every registered folio/client ID irrespective of the number of joint members.
25. The postal ballot form should be completed and signed by the equity shareholders (as per specimen signature registered with the Transferor Company and/or furnished by the Depositories). In case, shares are jointly held, this form should be completed and signed by the first named member and, in his/her absence, by the next named member. Holder(s) of Power of Attorney (“PoA”) on behalf of an equity shareholder may vote on the postal ballot mentioning the registration number of the PoA with the Transferor Company or enclosing a copy of the PoA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution/ authorisation giving the requisite authority to the person voting on the postal ballot form.
26. The scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the postal ballots including e-votes and the votes received at the venue of the meeting submitted/cast by the equity shareholders (which includes Public Shareholders). The scrutinizer will also submit his report to the Chairman of the meeting or to the person so authorised by the Chairman of the meeting after completion of the scrutiny of the postal ballots including e-votes submitted/cast by the Public Shareholders. The scrutinizer’s decision on the validity of the vote (including e-votes) shall be final. The results of the postal ballot, e-voting and the votes received at the meeting including the separate results of the postal ballot and e-voting exercised by the Public Shareholders will be announced on or before 7th day, September 2017, at the registered office of

the Transferor Company. The results, together with the scrutinizer's Reports, will be displayed at the registered office of the Transferor Company, on the website of the Transferor Company at www.glosterjute.com and on the website of CDSL at www.evotingindia.com, besides being communicated to BSE Limited and The Calcutta Stock Exchange Limited.

27. Kindly note that the equity shareholders (which includes Public Shareholders) can opt only one mode for voting i.e. either by postal ballot or e-voting or voting at the venue of the meeting. If an equity shareholder has opted for e-voting, then he/she should not vote by postal ballot form also and vice versa. However, in case equity shareholder(s) (which includes Public Shareholder(s)) cast their vote via postal ballot, e-voting and at the meeting, then voting validly done through e-voting shall prevail and voting done by postal ballot / at the meeting shall be treated as invalid.
28. The equity shareholders of the Transferor Company attending the meeting who have not cast their vote either through postal ballot or e-voting shall be entitled to exercise their vote at the venue of the meeting. Equity shareholders who have cast their votes through postal ballot or e-voting may also attend the meeting but shall not be entitled to cast/change their vote again.
29. The voting through postal ballot and e-voting period will commence at 9.00 a.m. on Sunday, the 6th day of August 2017 and will end at 5.00 p.m. on Monday, the 4th day of September, 2017. During this period, the equity shareholders (which includes Public Shareholders) of the Transferor Company holding shares either in physical form or in dematerialized form, as on the cut off date, i.e. 21st day of July, 2017 may cast their vote electronically or by postal ballot. The e-voting module shall be disabled by CDSL for voting on 4th day of September 2017 at 5.00 p.m. Once the vote on the resolution is cast by an equity shareholder, he or she will not be allowed to change it subsequently.
30. The members, who have not cast their vote through e-voting or postal ballot can exercise their voting rights at the meeting. The Transferor Company will make necessary arrangements in this regard at the venue of the Meeting.
31. Any queries/grievances in relation to the voting by postal ballot or e-voting may be addressed to Mr. Ajay Kumar Agarwal, Company Secretary of the Transferor Company at 21, Strand Road, Kolkata 700001, or through email at ajay@glosterjute.com. Mr. Ajay Kumar Agarwal, Company Secretary of the Transferor Company can also be contacted at 033-2230-9601 (4 lines).
32. The resolution shall be deemed to be passed on the date of the meeting i.e. 5th September, 2017 subject to receipt of the requisite number of votes in favour of the resolution.
33. Voting through Electronic Means

In compliance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules 2014, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015, as amended, the Applicant Company is pleased to provide its equity shareholders (which include Public Shareholders) facility to exercise their right to vote by electronic means and the business may be transacted through e-voting services provided by CDSL. The procedure and instructions for equity shareholders (which include Public Shareholders) for voting electronically are as under:

- (i) The voting period begins on 9.00 a.m. on Sunday, the 6th day of August 2017 and will end at 5.00 p.m. on Monday, the 4th day of September 2017. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st July, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
•	Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
•	In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> if both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Gloster Limited on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH

Company Application No. 207 of 2017

In the matter of:

The Companies Act, 2013;

And

In the matter of Sections 230 and 232 of the Companies Act, 2013;

And

In the Matter of:

Gloster Limited (CIN L17119WB1992PLC054454), a company incorporated in 1992 under the provisions of the Companies Act, 1956, having its registered office at 21, Strand Road, Kolkata – 700001

and

Kettlewell Bullen & Company Limited (CIN U65192WB1923PLC004628), a company incorporated under the provisions of the Companies Act, 1913, having its registered office at 8, Munshi Premchand Sarani, Kolkata 700 022

..... Applicants.

EXPLANATORY STATEMENT UNDER SECTION 230(3), 232(1) AND (2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to an order dated 11th day of July, 2017, read with order dated 25th day of July 2017, passed by the Hon'ble National Company Law Tribunal, Bench, at Kolkata (the "NCLT"), in Company Application No. 207 of 2017 ("**Order**"), meeting of the equity shareholders of Gloster Limited ("the Transferor Company") is being convened at Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700020, India on Tuesday 5th day, the September, 2017 at 10.30 A.M. for the purpose of considering, and if thought fit, approving, with or without modification, the Scheme of Amalgamation of the Transferor Company with Kettlewell Bullen & Company Limited ("**the Transferee Company**") under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (the "**Scheme**").

A copy of the Scheme which has been, inter alia, approved by the Audit Committee of the Transferor Company and the Board of Directors of the Applicant Companies at their respective meetings held on March 29, 2016 and further on August 12, 2016 is enclosed as Annexure 1. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme unless otherwise stated.

2. In terms of the said Order, the quorum for the said meeting of the equity shareholders of the Transferor Company shall be 15 (fifteen) members present in person.

Further, in terms of the said Order, NCLT, has appointed Mr. Vinod Kothari, a practising Company Secretary as the Chairman of the meeting of the Transferor Company, including for any adjournment or adjournments thereof.

3. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the "Act") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "Rules").
4. As stated earlier, NCLT, by its said Order, has, inter alia, directed that meetings of the equity shareholders, secured creditors and unsecured creditors of the Transferor Company and equity shareholders and unsecured creditors of the Transferee Company shall be convened and held at Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700020, India on Tuesday, the 5th day of September 2017 for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. The eligible shareholders and creditors of the Applicant Companies would be entitled to vote in the said meeting(s) as the case may be either in person or through proxy.

In addition, the Transferor Company is seeking the approval of its equity shareholders to the Scheme by way of voting through

postal ballot and e-voting. Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015 (“SEBI Circular”) issued by the Securities and Exchange Board of India (“SEBI”), inter alia, provides that approval of Public Shareholders of the Listed Company to the Scheme shall be obtained by way of voting through postal ballot and e-voting in certain prescribed cases. Since, the Transferor Company is seeking the approval of its equity shareholders, which includes the Public Shareholders, to the Scheme by way of voting through postal ballot and e-voting, no separate procedure for voting through postal ballot and e-voting would be required to be carried out by the Transferor Company for seeking the approval to the Scheme by its Public Shareholders in terms of SEBI Circular. However, the scrutinizer appointed for conducting the postal ballot and e-voting process will submit his separate report to the Chairman of the Transferor Company or to the person so authorised by the Chairman of the Transferor Company after completion of the scrutiny of the postal ballot including e-voting submitted/cast by the Public Shareholders so as to announce the results of the postal ballot and e-voting exercised by the Public Shareholders of the Transferor Company. For this purpose, the term “Public” shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term “Public Shareholders” shall be construed accordingly. In terms of the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the Public Shareholders (through postal ballot or e-voting) in favour of the resolution for approval of Scheme are more than the number of votes cast by the Public Shareholders against it.

5. In accordance with the provisions of Sections 230 – 232 of the Act, the Scheme shall be acted upon only if a majority in number representing three fourths in value of the members, or class of members, of the Transferor Company, as the case may be, voting in person or by proxy or by postal ballot (which includes e-voting), agree to the Scheme.
6. In terms of the Order dated 11th day of July 2017 read with order dated 25th day of July 2017, passed by the NCLT, in Company Application No. 207 of 2017, if the entries in the books/registers of the Transferor Company in relation to the number/value of the shares are disputed, the Chairman shall determine the number/value for the purposes of the said meeting and his decision in that behalf shall be final.

Particulars of the Transferor Company

7. The Transferor Company (having CIN L17119WB1992PLC054454) was incorporated on 18th February, 1992 under the name and style of “Gloster Jute Mills Limited” as a public company limited by shares under the provisions of the Companies Act, 1956. The name of the Transferor Company was changed to its existing name with effect from 20th October, 2010. There has been no change in the name of the Transferor Company in the last five (5) years. The Permanent Account Number of the Transferor Company is AAACG9800B. The shares of the Transferor Company are listed on BSE Ltd. (“**BSE**”) & The Calcutta Stock Exchange Ltd. (“**CSE**”).
8. The Registered Office of Transferor Company is situated at 21, Strand Road, Kolkata – 700001, in the state of West Bengal. There has been no change in the registered office address of the Transferor Company in last five (5) years. The e-mail address of the Transferor Company is ajay@glosterjute.com.
9. The objects for which Transferor Company has been established are set out in its Memorandum of Association. Some of the relevant objects of Transferor Company are, inter alia, as follows:

“3. (A) 1. To acquire and take over as a going concern the Jute Mills Division of Fort Gloster Industries Limited together with all immovable and movable property and all other assets including goodwill of the said Division and to discharge all or any of the liabilities thereof.

2. To carry on business as producers and growers of jute, hemp, flex, cotton, silk, wool or any other natural fibres and to manufacture and produce all types of synthetic and man made fibres including synthetic fibres, viscose, nylon, acrylic, polyester and all types of man made fibres and to carry on business of Spinners and Weavers of all such fibres and yarns, and goods produced therefrom and other similar materials and carry on business of manufacturers, processors, converters, makers, stockists, agents and importers, exporters, traders, retailers, suppliers, buyers, sellers, merchants, distributors and concessionaries of all such fibres, yarns and all types of processed and converted form of such fibres, yarns and goods.”

Clause (6) of Object Clause 3 (B) of the Memorandum of Association of the Transferor Company, which contains provision for amalgamation is reproduced herein below:

“(B) 6. To amalgamate with any other company or body corporate or to acquire whole or any part of undertaking of any company body corporate under any Scheme of amalgamation or arrangement or otherwise.”

There has been no change in the object clause of the Transferor Company in the last 5 years.

10. The Transferor Company is engaged in the business of manufacture and sale of all types of Jute & Jute allied products.
11. The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferor Company as on 31st March 2017 was as follows:

A. Authorised Share Capital	Amount in Rupees
2,50,00,000 Equity shares of Rs. 10 each	25,00,00,000
Total	25,00,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital	Amount in Rupees
1,04,66,880 Equity shares of Rs. 10 each	10,46,68,800
Total	10,46,68,800

12. Subsequent to 31st March 2017, there has not been any change in the Authorised, Issued or Paid up Share Capital of the Transferor Company.

Particulars of the Transferee Company

13. The Transferee Company (having CIN U65192WB1923PLC004628) was incorporated on the 2nd day of January, 1923 as a public company limited by shares under the provisions of the Indian Companies Act, 1913. There has been no change in the name of the Transferee Company in the last five (5) years. The Permanent Account Number of the Transferee Company is AABCK4197J. The shares of the Transferee Company are not listed on any Stock Exchange.
14. The Registered Office of the Transferee Company is situated at 8, Munshi Premchand Sarani, Kolkata 700 022, West Bengal. There has been no change in the registered office address of the Transferee Company in last five (5) years. The e-mail address of the Transferee Company is kb@bangurgroup.com.
15. The objects for which the Transferee Company has been established are set out in its Memorandum of Association. Some of the relevant objects of the Transferee Company are as follows:

“3. (4) To acquire and hold shares, stocks, debentures, debentures-stocks, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in India or elsewhere, and debentures, debenture-stocks, bonds, obligations and securities issued or guaranteed by any Government, public body or authority, supreme, municipal, local or otherwise and whether in India or elsewhere.

(8) To carry on the business of banking in all its branches and departments, including the borrowing, raising or taking up money, the lending or advancing money on securities and property, the discounting, buying, selling and dealing in bills of exchange, promissory notes, coupons, drafts, bills of lading, warrants, debentures, certificates, scrip and other instruments and securities, whether transferable or negotiable or not, the granting and issuing of letters of credit and circular notes, the buying, selling and dealing in bullion and specie the acquiring, holding, issuing on commission, underwriting and dealing with stocks, funds, shares debentures, debenture-stocks, bonds, obligations and other securities.

(10) To lend money, either with or without security, and generally to such persons and upon such terms and conditions as the Company may think fit.”

Clause (21) of Object Clause 3 of the Memorandum of Association of the Transferee Company, which contains provision for amalgamation is reproduced herein below:

“(21) To enter into partnership or into any arrangement for sharing profits or losses, or into any union of interests, joint venture, reciprocal concession or co-operation with any person or persons, or company or companies carrying on, or engaged in, or about to carry on or engage in, or being authorised to carry on, or engage in, any business or transaction which this company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company.”

There has been no change in the object clause of the Transferee Company in the last 5 years.

16. The Transferee Company is engaged in the business of investing and dealing in shares and securities and providing finance.

The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferee Company as on 31st March 2017 was as follows:

A. Authorised Share Capital	Amount in INR
25,00,000 Equity shares of Rs.10 each	2,50,00,000
Total	2,50,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital	Amount in INR
20,00,000 Equity shares of Rs. 10 each	2,00,00,000
Total	2,00,00,000

17. Subsequent to 31st March 2017, there has not been any change in the Authorised, Issued or Paid up Share Capital of the Transferee Company.
18. The Transferee Company presently holds 17.08% of the equity share capital of the Transferor Company.

Description and Rationale for the Scheme

19. The Scheme provides for merger of the Transferor Company into the Transferee Company. The proposal is to be implemented in terms of the Scheme under Sections 230 - 232 of the Act.
20. The rationale for the Scheme is as under:
 - (a) Consolidation of business will lead to reflection of true net worth of the combined business for the stakeholders in the financial statements and enhancement of net worth of the combined business leading to enhancement in earnings and cash flow of the business.
 - (b) The amalgamated company will be able to better leverage its large net worth base and have enhanced business potential.
 - (c) Enhancement in value of stakeholders through seamless access to strong corporate relationships and other intangible benefits of Gloster Ltd and Kettlewell Bullen & Company Ltd. built up over decades of experience.
 - (d) Simplification of shareholding structure and reduction in shareholding tiers.
 - (e) Simplification of management structure leading to better administration and reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes and elimination of duplication and rationalization of administrative expenses.

Corporate Approvals

21. A draft Scheme, was placed before the Audit Committee of the Transferor Company at its meeting held on March 29, 2016. The Audit Committee of the Transferor Company took into account the Valuation & Share Exchange Ratio Report, dated March 28, 2016, issued by M/s. Sharp & Tannan, an independent chartered accountant, the Fairness Opinion, dated March 28, 2016, provided by M/s. Ashika Capital Limited, a Category I Merchant Banker, appointed for this purpose by the Transferor Company. The Audit Committee based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of the Transferor Company.
22. The Scheme along with the Valuation Report was placed before the Board of Directors of the Transferor Company, at their meeting dated March 29, 2016. The Fairness Opinion and the report of the Audit Committee dated March 29, 2016 was also submitted to the Board of Directors of the Transferor Company. Based on the aforesaid, the Board of Directors of the Transferor Company approved the Scheme. The meeting of the Board of Directors of the Transferor Company, held on March 29, 2016, was attended by Directors namely, Mr. Hemant Bangur, Mrs. Nandita Sen, Mr. S.N. Bhattacharya, Mr. K. Mahapatra and Mr. Prabir Ray. Mr. Hemant Bangur, being part of the Promoter Group of the Transferor Company, abstained from voting on the resolution in respect of the Scheme. None of the directors of the Transferor Company who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of the Transferor Company who attended and voted at the meeting.
23. Separately, the proposed Scheme along with the Valuation Report was placed before the Board of Directors of the Transferee Company, at their meeting dated March 29, 2016. Based on the aforesaid, the Board of Directors of the Transferee Company approved the Scheme. The meeting of the Board of Directors of the Transferee Company, held on March 29, 2016, was attended by Directors namely Mrs. Pushpa Devi Bangur, Mrs. Vinita Bangur, Mr. Lakshmi Narayan Bihani and Mr. Om Prakash Modani. Mrs. Pushpa Devi Bangur and Mrs. Vinita Bangur, being part of the Promoter Group of the Transferee Company, abstained from voting on the resolution in respect of the Scheme. None of the directors of the Transferee Company who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of the Transferee Company who attended and voted at the meeting.
24. Post approval of the Scheme by the Board of Directors of the Applicant Companies, the Transferor Company allotted bonus shares to its equity shareholders in the ratio 1:1 on May 24, 2016. In view of the aforesaid bonus issue and in terms of the requirements of BSE Ltd., a supplementary valuation report and supplementary fairness opinion was issued by the Valuer and Merchant Banker reflecting the adjusted share exchange ratio. Consequently, the Scheme was also amended to reflect the adjusted share exchange ratio.
25. The amended Scheme, was placed before the Audit Committee of the Transferor Company at its meeting held on August 12, 2016. The Audit Committee of the Transferor Company took into account the Valuation & Share Exchange Ratio Report dated March 28, 2016 and Supplementary Valuation & Share Exchange Ratio Report dated August 9, 2016, issued by M/s. Sharp & Tannan, an independent chartered accountant (collectively referred to as "Valuation Report"), the Fairness Opinion dated March 28, 2016 and Supplementary Fairness Opinion dated August 9, 2016, provided by M/s. Ashika Capital Limited, a

Category I Merchant Banker (collectively referred to as “Fairness Opinion”), appointed for this purpose by the Transferor Company. The Audit Committee based on the aforesaid, inter alia, recommended the amended Scheme to the Board of Directors of the Transferor Company.

26. The amended Scheme along with the Valuation Report was placed before the Board of Directors of the Transferor Company, at their meeting dated August 12, 2016. The Fairness Opinion and the report of the Audit Committee dated August 12, 2016 was also submitted to the Board of Directors of the Transferor Company. Based on the aforesaid, the Board of Directors of the Transferor Company approved the Scheme. The meeting of the Board of Directors of the Transferor Company, held on August 12, 2016, was attended by Directors namely, Mr. Hemant Bangur, Mr. D.C. Baheti, Mrs. Nandita Sen, Mr. S.N. Bhattacharya and Mr. K. Mahapatra. Mr. Hemant Bangur, being part of the Promoter Group of the Transferor Company, abstained from voting on the resolution in respect of the Scheme. None of the directors of the Transferor Company who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of the Transferor Company who attended and voted at the meeting.
27. Separately, the amended Scheme along with the Valuation Report was placed before the Board of Directors of the Transferee Company, at their meeting dated August 12, 2016. Based on the aforesaid, the Board of Directors of the Transferee Company approved the Scheme. The meeting of the Board of Directors of the Transferee Company, held on August 12, 2016, was attended by Directors namely Mrs. Pushpa Devi Bangur, Mrs. Vinita Bangur, Mr. Lakshmi Narayan Bihani and Mr. Om Prakash Modani. Mrs. Pushpa Devi Bangur and Mrs. Vinita Bangur, being part of the Promoter Group of the Transferee Company, abstained from voting on the resolution in respect of the Scheme. None of the directors of the Transferee Company who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of the Transferee Company who attended and voted at the meeting.
28. A copy of the Valuation Report and Fairness Opinion are enclosed as Annexure 2 and Annexure 3 respectively. The Valuation Report and Fairness Opinion are also open for inspection at the registered office of the Applicant Company.

Approvals and actions taken in relation to the Scheme

29. BSE Limited was appointed as the designated stock exchange by the Transferor Company for the purpose of coordinating with the SEBI, pursuant to the SEBI Circular. The Transferor Company has received observation letters regarding the Scheme from BSE Limited and The Calcutta Stock Exchange Limited on March 10, 2017 and April 3, 2017 respectively. Copies of the observation letters dated March 10, 2017 and April 3, 2017, received from BSE Limited and The Calcutta Stock Exchange Limited, respectively, are enclosed as Annexure 4.
30. As required by the SEBI Circular, the Transferor Company had filed the complaints report with BSE and The Calcutta Stock Exchange Limited, both on October 14, 2016. This report indicates that the Transferor Company received nil complaints. A copy of the complaints report submitted by the Transferor Company to BSE Limited and The Calcutta Stock Exchange Limited, both dated October 14, 2016 is enclosed as Annexure 5.
31. The Transferee Company is registered as a non-banking financial company (non-deposit accepting) with the Reserve Bank of India. The Reserve Bank of India has provided its no-objection to the Scheme of Amalgamation vide letter dated 17th February, 2017.
32. The Applicant Companies or any of them would obtain such necessary approvals/sanctions/no objection(s) from the regulatory or other governmental authorities, if so required.
33. The Scheme was filed by the Applicant Companies with the NCLT, on April 10, 2017.

Salient extracts of the Scheme

34. The salient extracts of the Scheme are as under:

A. DEFINITIONS

“1956 Act” means the Companies Act, 1956 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto;

“2013 Act” means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

“Appointed Date” means January 1, 2015, or such other date as may be determined by the Board of Directors of the concerned Companies or directed by the High Court and is the date with effect from which the Scheme shall upon sanction of the same by the High Court, be deemed to be operative;

“Effective Date” means such date as the Companies mutually agree being the last of the dates or post the last of the dates on which all the conditions and matters referred to in clause 4 of Chapter 3 of the Scheme occur or have been fulfilled or waived in accordance with the Scheme;

“High Court” means the High Court of Judicature at Calcutta having jurisdiction in relation to the Companies and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court under the 1956 Act or the 2013 Act, as applicable;

“Record Date” means the date after the Effective Date to be fixed by the Board of Directors of the Transferee Company and the Transferor Company for the purpose of determining the equity shareholders of the Transferor Company, as applicable, to whom equity shares of the Transferee Company will be allotted pursuant to the Scheme;

“Undertaking” means and includes the entire business of the Transferor Company as a going concern, including, without limitation:

- (a) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) whether or not recorded in the books of accounts of the Transferor Company, including, without limitation, investments of all kinds (i.e. shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates) including furniture, fixtures, office equipment, computers, fixed assets, current assets, cash and bank accounts (including bank balances), insurance policies, contingent rights or benefits, benefits of any deposits, policies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, vehicles, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, memberships with various bodies, certificates awarded by organisations / bodies, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and where-so-ever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;
- (b) all permissions, permits, sanctions, approvals, authorizations, consents, subsidies, quotas, rights, allotments, registrations, draw backs, privileges, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, VAT, sales tax and entry tax laws, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions/deductions, deferment, subsidy receivables from Government, grants from any Governmental Authority, all other rights, liberties, advantages, no-objection certificates, certifications, easements, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;
- (c) all contracts, agreements, engagements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, privileges and benefits of all contracts, agreements and all other rights, including license rights, lease rights, powers and facilities of every kind and description whatsoever or other understandings, deeds and instruments of whatsoever nature to which the Transferor Company are parties, including lease agreements, leave and license agreements, tenancy rights, equipment purchase agreements, hire purchase agreements, lending agreements and other agreements with the customers, sales orders, purchase orders and other agreements/contracts with the supplier of goods and/or service providers and all rights, title, interests, claims and benefits there under of whatsoever nature to which the Transferor Company is party;
- (d) all intellectual property rights (including intangible assets and business or commercial rights), registrations, trademarks, trade names, service marks, copyrights, patents, designs, logo, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names, used by or held for use by the Transferor Company, whether or not recorded in the books of accounts of the Transferor Company, and other intellectual rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Company, whether used or held for use by it;
- (e) all liabilities, lien or security thereon, whether in Indian rupees or foreign currency and whether or not provided for in the books of account or disclosed in the balance sheet of the Transferor Company;
- (f) all incentives, benefits, exemptions, payments deferrals, subsidies, concessions, grants, taxes, duties, cess, levies etc., that are allocable, referable or related to Transferor Company, including all or any refunds, interest due thereon, credits and claims relating thereto, including service tax, input credits, CENVAT credits, value added tax, sales tax, entry tax credits or set-offs and any other tax benefits, exemptions and refunds etc.; and

- (g) any and all permanent employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Transferor Company, at its respective offices, mills, plants, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Transferor Company.
- B. Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Transferor Company shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in Transferee Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act, 1961 without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, part of the Transferee Company by virtue of and in the manner provided in the Scheme.
- C. Without prejudice to the generality of Clause B above, upon the coming into effect of the Scheme and with effect from the Appointed Date,
- a) all the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided and/or recorded in the books of accounts of the Transferor Company, comprised in the Undertaking of whatsoever nature and where-so-ever situated shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances of the Transferee Company.
 - b) such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Transferee Company and/or be deemed to stand transferred to the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become from the Appointed Date, the assets and properties of the Transferee Company. The vesting, pursuant to this sub-clause, shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to the Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
 - c) all other movable properties of the Transferor Company, including investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, deposits with any Government, quasi government, local or other authority or body or with any company or other person, shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Transferee Company and/or deemed to have been transferred to and vested in the Transferee Company, by way of delivery or possession of the respective documents, as applicable, as a part of the transfer of the Undertaking as a going concern, so as to become from the Appointed Date, the assets and properties of the Transferee Company.
 - d) The Transferee Company may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor that pursuant to the sanction of the Scheme by the High Court, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realize all such debts (including the debts payable by such debtor or obligor to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by the Transferor Company and all the rights, title and interest of the Transferor Company in any licensed properties or leasehold properties shall, pursuant to Section 394(2) of the 1956 Act or any provision of the 2013 Act and the provisions of the Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company.
 - e) all immovable properties of the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or licensed or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be

vested in and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title or interest in the immovable properties shall, upon the Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the Court in accordance with the terms hereof.

- f) all lease/license or rent agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the assets of the Transferor Company, together with security deposits and advance/prepaid lease/license fee, etc., shall stand transferred and vested in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent or lease or license fee as provided for in such agreements and the Transferee Company and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants thereunder. Without limiting the generality of the foregoing, the Transferee Company shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.
- g) All permissions, permits, sanctions, approvals, authorizations, consents, subsidies, quotas, rights, allotments, registrations, privileges, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, VAT, sales tax and entry tax laws, income tax benefits and exemptions/deductions, deferment, subsidy receivables from Government, grants from any Governmental Authority, indirect tax benefits and exemptions, all other rights, liberties, advantages, no-objection certificates, certifications, easements, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, if any, shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vest in and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.
- h) All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Transferor Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which, the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it is the duly constituted attorney of that Transferor Company.
- i) Without prejudice to the generality of the foregoing, all leave and license agreements/deeds, lease agreements/deeds, bank guarantees, corporate guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Transferor Company or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon the Scheme becoming effective, by operation of law pursuant to the vesting orders of the Court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Transferee Company. Such property and rights shall stand vested in the Transferee Company and shall be deemed to have become the property of the Transferee Company by operation of law, whether the same is implemented by endorsement or delivery and possession or recordal in any other manner.
- j) All the intellectual property rights of any nature whatsoever, including but not limited to intangible assets appertaining

to the Transferor Company, whether or not provided in books of accounts of the Transferor Company, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Transferee Company.

- k) All intangible assets including various business or commercial rights, etc belonging to but not recorded in books of the Transferor Company shall be transferred to and vested with the Transferee Company and shall be recorded at their respective fair values. The consideration agreed under the Scheme shall be deemed to include payment towards these intangible assets at their respective fair values. Such intangible assets shall, for all purposes, be regarded as intangible assets in terms of Explanation 3(b) to Section 32(1) of Income Tax Act and shall be eligible for depreciation there under at the prescribed rates.
- l) All taxes (including but not limited to advance tax, tax deducted at source, tax collected at source, minimum alternate tax credits, securities transaction tax, input credit, CENVAT credit, taxes with held/paid in a foreign country, value added tax, sales tax, service tax, excise duty, etc.) payable by or refundable to or being the entitlement of the Transferor Company, including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, tax holidays, remissions, reductions, rebates etc as would have been available to the Transferor Company, shall pursuant to the Scheme becoming effective, be available to the Transferee Company. Benefit of tax losses including brought forward business loss, unabsorbed depreciation, etc., up to Appointed Date, shall be available to Transferee Company w.e.f. the Appointed Date in terms of section 72A of Income Tax Act, 1961.
- m) The Transferee Company shall be entitled to claim refunds or credits, including Input Tax Credits, CENVAT credit with respect to taxes paid by, for, or on behalf of, the Transferor Company under applicable laws, including but not limited to sales tax, value added tax, service tax, excise duty, cess or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. Any inter-se transactions in relation to Transferor Company and Transferee Company between the Appointed Date and Effective Date shall be considered as transactions from Transferee Company to itself, and Transferee Company shall be entitled to claim refund of tax paid, if any on these inter-se transactions, as per applicable law. For the avoidance of doubt, Input Tax Credits already availed of or utilized by the Transferor Company and the Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to the Scheme.
- n) All statutory rights and obligations of Transferor Company would vest on/accrue to Transferee Company. Hence, obligation of the Transferor Company, prior to the Effective Date, to issue or receive any statutory declaration or any other Forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Transferee Company and if any Form relating to the period prior to the said Effective Date is received in the name of the Transferor Company, it would be deemed to have been received by the Transferee Company in fulfillment of its obligations.
- o) Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a part of the transfer of the Transferee Company as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by the Transferee Company.
- p) The resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the 1956 Act or the 2013 Act as applicable, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.
- q) Such of the assets which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer

of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the assets of the Transferee Company.

- D. Without prejudice to the generality of Clause B above, upon the coming into effect of this Scheme and with effect from the Appointed Date,
- (a) All the Liabilities, whether or not provided in the books of the Transferor Company, shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.
 - (b) All Liabilities which are incurred or which arise or accrue to the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.
 - (c) Any Liabilities of the Transferor Company as on the Appointed Date that are discharged by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Transferee Company.
 - (d) All loans raised and utilized, liabilities, duties and taxes and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date, the Transferee Company shall meet, discharge and satisfy the same.
 - (e) Loans, advances and other obligations (including any arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.
- E. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secure or relate to the Liabilities shall, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to the Transferee Company. It is being clarified that the aforesaid Encumbrances shall not be extended to any assets of the Transferor Company which were earlier not Encumbered or the existing assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- F. (a) Upon the coming into effect of this Scheme, all permanent employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Transferor Company who are on its payrolls shall become employees of the Transferee Company with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous.

- (b) The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits created by the Transferor Company for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company or as may be created by the Transferee Company for such purpose. It is the intent that all rights, duties, powers and obligations of Transferor Company in relation to such fund or funds shall stand transferred to the Transferee Company without need of any fresh approval from any statutory authority. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Transferee Company to the existing funds maintained by the Transferor Company.
- (c) The Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of the Transferor Company, the past services of such employees with the Transferor Company shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Transferor Company will transfer/handover to the Transferee Company, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- G.(a) All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Transferor Company shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.
- (b) Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company, whether pending and/or arising on or before the Effective Date shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Transferee Company.
- H. Upon the Scheme coming into effect, all equity shares which the Transferee Company holds in the Transferor Company shall stand cancelled without any issue or allotment of equity shares of Transferee Company or payment whatsoever by the Transferee Company in lieu of such equity shares of the Transferor Company.
- I. The Transferee Company shall without any further application, act, instrument or deed, issue and allot to each shareholder of the Transferor Company whose name is recorded in the register of members of the Transferor Company on the Record Date (except the Transferee Company itself in terms of the Scheme) in the following ratio ("**Share Exchange Ratio**"):
- "2 (two) fully paid up equity shares of Rs. 10 (Rupees Ten) each of Transferee Company for every 5 (five) fully paid up equity share of Rs. 10 (Rupees Ten) each held by such shareholder in Transferor Company."*
- J. The equity shares to be issued and allotted by the Transferee Company in terms of Clauses I above shall be subject to the provisions of the Memorandum and Articles of Association of Transferee Company and shall rank pari passu in all respects with the existing equity shares of Transferee Company.
- K. The new equity shares to be issued pursuant to Clause I above shall be issued in the dematerialized form by the Transferee Company unless otherwise notified in writing by the shareholders of the Transferor Company to Transferee Company on or before such date as may be determined by the board of directors of Transferee Company or a committee thereof. In the event, such notice has not been received by Transferee Company in respect of any of the members of Transferor Company, the new equity shares shall be issued to such shareholders in dematerialized form and directly credited to the dematerialized securities account provided that the members of Transferor Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. In the event that Transferee Company has received the notice from any of the shareholders of Transferor Company that the new equity shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depository participant or other confirmations as may be required, then the Transferee Company shall issue the new equity shares in certificate form.
- L. In case any shareholder's holding in the Transferor Company is such that the shareholder becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue any fractional shares to such shareholder but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Transferee Company in that behalf, who shall hold these equity shares in trust for and on behalf of the shareholders entitled to such fractional entitlements with the express understanding that such trustee shall sell such shares at such time or times and at such price or prices to such

person or persons as he/she may deem fit and shall distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders entitled to the same in proportion as their respective fractional entitlements bears to the consolidated fractional entitlements.

- M. The equity shares to be issued pursuant to this Scheme by Transferee Company in respect of the equity shares of Transferor Company which are held in abeyance under the provisions of Section 126 of the 2013 Act and/or applicable provisions of 1956 Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by Transferee Company.
- N. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Transferor Company, the Board of Directors or any committee thereof, of Transferor Company, at the sole discretion, shall be empowered in appropriate cases, prior to or even subsequent to the Effective Date as the case may be to effectuate such a transfer in Transferor Company as if such changes in registered holder were operative as on the Effective Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the Board of Directors of Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in Transferee Company on account of difficulties faced in the transition period.
- O. The equity shares issued to the shareholders under Clause I will be listed with BSE and CSE and admitted for trading and the Transferee Company shall comply with the requirements of the SEBI Circular and take all steps to get the equity shares to be issued pursuant to the Scheme listed on CSE and BSE on which the equity shares of the Transferor Company are listed, in accordance with relevant regulations.
- P. The equity shares in the Transferee Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- Q. Post the issue of shares pursuant to Clause I, there shall be no change in the shareholding pattern or control in the Transferee Company between the record date and the listing which may affect the status of the approval by the Stock Exchanges.
- R. In the event the shares of the Transferee Company including shares issued to the Promoters' of Transferor Company pursuant to the Clause I above are subject to lock-in under the SEBI Circular then subject to applicable laws, the shares kept under lock-in may be pledged with Scheduled Commercial Bank or Public Financial Institution as collateral security and shares may also be transferred within the promoters' group during such lock-in period.
- S. The issue and allotment of equity shares by Transferee Company to the equity shareholders of Transferor Company as provided in this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by Transferee Company as if the procedure laid down under Section 62(1)(c) of the 2013 Act and/or any other applicable provisions of the 1956 Act or 2013 Act, if applicable, were duly complied with.
- T. (a) The Transferee Company shall record the assets (including intangible assets, if any, whether or not recorded in the books of Transferor Company) 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 notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs under section 133 of 2013 Act.
 - (b) The Transferee Company shall record issuance of shares at fair value and accordingly credit to its Share Capital Account the aggregate face value of the equity shares issued on Amalgamation. The excess, if any, of the fair value of the equity shares over the face value of the shares issued shall be credited to Securities Premium Reserve. The Securities Premium Reserve so credited shall be available for issuance of bonus shares in accordance with applicable laws.
 - (c) The equity shares held by the Transferee Company in the Transferor Company appearing in the books of accounts of the Transferee Company shall stand cancelled in terms of clause H above and there shall be no further obligation in that behalf.
 - (d) To the extent that there are inter-company loans, advances, deposits, balances unpaid dividend or other obligations as amongst the Transferor Company and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company as well as Transferor Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
 - (e) Excess, if any, of the consideration, viz., fair value of new shares issued in terms of Clause I above and the value of investment in the Transferor Company as appearing in the books of the Transferee Company, over the fair value of Net Assets (including identifiable intangible assets, if any, whether or not recorded in the books of accounts) taken over and recorded by the Transferee Company will be recognized as goodwill in accordance with Accounting Standard - 14. In the event the result is negative, it shall be credited as Capital Reserve in the books of account of the Transferee Company.
- U. Upon the coming into effect of the Scheme, the Transferor Company shall, without any further act, instrument or deed, stand dissolved without winding-up.
- V. As an integral part of the Scheme, upon this Scheme becoming effective and with effect from Appointed Date, the authorised

share capital of the Transferor Company as on the Effective Date shall, without any further act, instrument or deed or payment of additional fees payable to the Registrar of Companies or stamp duty, stand transferred to and be merged with the authorised share capital of the Transferee Company.

- W. Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 13 of the 2013 Act and other applicable provisions of the 2013 Act, as the case may be and be replaced by the following clause:

“The Authorised Share Capital of the Company is Rs 27,50,00,000 (Rupees Twenty Seven Crores Fifty Lacs only) divided into 2,75,00,000 (Two Crore Seventy Five Lac) Equity Shares of Rs 10/- (Rupees Ten only) each, with rights, privileges and conditions attaching thereto as may be provided by the Articles of Association of the Company. The Company shall have the power to increase or reduce its capital for the time being and to consolidate, divide or sub-divide and re-classify the shares in such capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as to dividend, voting or otherwise and to vary, modify or abrogate any such rights, privileges or conditions in accordance with the provisions of the Act and Articles of the Company and issue Shares of higher or lower denominations.”

- X. It is further clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval for the increase of the authorized capital, amendment of the capital clause of the Memorandum of Association, under the provisions of Section 13 of the 2013 Act and other applicable provisions of the 2013 Act.
- Y. Upon this Scheme becoming effective, the name of Transferee Company shall be deemed to have been changed from “Kettlewell Bullen & Company Limited” to “Gloster Limited” in accordance with Section 13 of the 2013 Act and other relevant provisions of the 2013 Act, as applicable. It is hereby clarified that for the purposes of this clause, the consent of the shareholders of the Transferee Company and Transferor Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the name change and that no further resolution under Section 13 of 2013 Act or any other applicable provisions of the 2013 Act, as applicable, would be required to be separately passed. Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for change of its name.
- Z. (a) With effect from the Appointed Date and upon the Scheme becoming effective, the Object Clause of the Memorandum of Association of the Transferee Company shall stand amended.
- (b) The following sub clause shall be inserted after sub-clause 32 of Clause 3 of the Object of the Memorandum of Association of the Transferee Company:

“33. To carry on business as producers and growers of jute, hemp, flex, cotton, silk, wool, or any other natural fibres and to manufacture and produce all types of synthetic and man made fibres including synthetic fibres, viscose, nylon, acrylic, polyester and all types of man made fibres and to carry on business of Spinners and Weavers of all such fibres and yarns, and goods produced therefrom and other similar materials and carry on business of manufacturers, processors, converters, makers, stockists, agents and importers, exporters, traders, retailers, suppliers, buyers, sellers, merchants, distributors and concessionaries of all such fibres, yarns and all types of processed and converted form of such fibres, yarns and goods.

34. To carry on the trades or business of manufacturers of chemicals and manure's, distillers, dye makers, gas makers and makers of chemical and identical preparations of all kinds.”

- (c) It shall be deemed that the members of the Transferee Company and Transferor Company have also resolved and accorded all relevant consents under Section 13 of the 2013 Act or other relevant provision of 2013 Act, as applicable. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the 2013 Act or other relevant provision of 2013 Act, as applicable, for the amendments of the Memorandum of Association of the Transferee Company as above. Pursuant to the Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for alteration of its main objects and the consequent amendment of the Memorandum of Association.
- AA. The Scheme is conditional upon and subject to:
- this Scheme being approved by the respective requisite majorities of the various classes of shareholders, as applicable, of the Companies as required under the 1956 Act or the 2013 Act, as applicable, and the requisite order of the High Court being obtained, or dispensation having been received from the High Court in relation to obtaining such consent from the shareholders, as applicable;
 - approval of the Scheme by the public shareholders of the Transferor Company in accordance with the provisions of the SEBI Circulars. Such approval will be obtained through resolution passed through postal ballot and e-voting and the Scheme shall be acted upon only if the votes cast by public shareholders in favour of the proposal are more than the number of votes cast by public shareholders against it.
 - such other approvals and sanctions including sanction of any Governmental Authority, as may be required by law in respect of the Scheme;

- (d) the High Court having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to the Companies; and
 - (e) such certified/authenticated copy of the Order of the High Court being filed with the Registrar of Companies, Kolkata.
- BB. The Companies shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the salient extracts thereof.

Summary of the Valuation Report

35. M/s Sharp & Tannan ("Valuer") had carried out independent analysis and had applied standard and acceptable valuation methodologies in arriving at the valuation of the Transferor Company and Transferee Company for the Share Exchange Ratio (i.e. 4 (four) equity shares of Transferee Company for every 5 (five) equity shares held in Transferor Company) recommended in its report dated March 28, 2016. The approach adopted by the Valuer in determining the share exchange ratio is summarised as under:

- (a) The Valuer adopted a combination of valuation methodologies to arrive at the relative valuation of the Transferor Company as under:
 - Comparable Companies Multiple Method under Market Approach
 - Discounted Cash Flow Method under Income Approach
- (b) The Valuer adopted the Break-up value method for determining the relative valuation of the Transferee Company, being an investment holding company.

Further, Ashika Capital Ltd. performed an independent analysis using generally accepted methodologies to opine on the fairness of the share exchange ratio recommended by the Valuer vide its report dated March 28, 2016.

However, in view of bonus issue made by the Transferor Company to its equity shareholders in the ratio 1:1 and in terms of the requirements of BSE Ltd., the Valuer recommended an adjusted share exchange ratio (i.e. 2 (two) equity shares of Transferee Company for every 5 (five) equity shares held in Transferor Company) vide its Supplementary Valuation Report dated August 9, 2016 which was opined to be fair by the Merchant Banker vide its Supplementary Fairness Opinion dated August 9, 2016.

Other matters

36. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificates issued by the respective Statutory Auditors of the Companies are open for inspection.
37. Under the Scheme, an arrangement is sought to be entered into between the Transferor Company and its equity shareholders (promoter and non-promoter shareholders). Upon the sanctioning of the Scheme, and in terms of Chapter 2 of the Scheme, the equity shareholders (whether promoter shareholders or non-promoter shareholders) (other than the Transferee Company) of the Transferor Company shall become the equity shareholders of the Transferee Company based on the Share Exchange Ratio as stipulated in Clause 11 of Chapter 2 of the Scheme and that the said equity shareholders would no longer remain the equity shareholders of the Transferor Company as upon the effectiveness of the Scheme, the Transferor Company shall stand dissolved without winding up. Upon the effectiveness of the Scheme, the equity shares held by the Transferee Company in the paid-up equity share capital of the Transferor Company shall stand cancelled.

Under the Scheme, there is no arrangement with the creditors, either secured or unsecured of the Transferor Company except to the extent that upon the effectiveness of the Scheme, the creditors belonging to the Transferor Company shall become the creditors of the Transferee Company in the manner as provided in the Scheme. No compromise is offered under the Scheme to any of the creditors of the Transferor Company. The liability of the creditors of the Transferor Company, under the Scheme, is neither being reduced nor being extinguished. The creditors of the Transferor Company would in no way be affected by the present Scheme.

As on date, the Transferor Company has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise. As on date, the Transferor Company has not issued any debentures and therefore, the effect of the Scheme on the debenture holders and debenture trustees does not arise.

Under Clause 5 of Chapter 2 of the Scheme, on and from the Effective Date, the Transferee Company undertakes to engage all the employees of the Transferor Company on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service and in the manner provided under the Scheme. In the circumstances, the rights of the employees of the Transferor Company would in no way be affected by the Scheme. The key managerial personnel of the Transferor Company are also the employees of the Transferor Company.

Upon the effectiveness of the Scheme, the directors of the Transferor Company shall cease to be its directors as Transferor Company shall stand dissolved without winding up.

Further, none of the Directors, the Key Managerial Personnel (as defined under Companies Act, 2013 and rules framed thereunder) of the Transferor Company and their respective relatives (as defined under Companies Act, 2013 and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Applicant Companies and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the respective Companies. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme.

38. Under the Scheme, an arrangement is sought to be entered into between the Transferee Company and its equity shareholders. Upon the effectiveness of the Scheme, the Transferee Company shall allot equity shares to the shareholders of Transferor Company based on the Share Exchange Ratio and in the manner stipulated in Clause 11 of Chapter 2 of the Scheme.

Under the Scheme, there is no arrangement with the creditors, either secured or unsecured, of the Transferee Company. No compromise is offered under the Scheme to any of the creditors of the Transferee Company. The liability of the creditors of the Transferee Company under the Scheme is neither being reduced nor being extinguished.

As on date, the Transferee Company has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise.

As on date, the Transferee Company has not issued any debentures and therefore, the effect of the Scheme on the debenture holders and debenture trustees does not arise.

Under the Scheme, no rights of the employees of the Transferee Company are being affected.

There is no effect of the Scheme on the Key Managerial Personnel and/or the directors of the Transferee Company.

Further, none of the Directors, the Key Managerial Personnel (as defined under Companies Act, 2013 and rules framed thereunder) of the Transferee Company and their respective relatives (as defined under Companies Act, 2013 and rules framed thereunder) has any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Applicant Companies and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the respective Companies. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme.

39. In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of the Applicant Companies, have adopted a report explaining effect, as aforesaid, of Compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio and specifying any special valuation difficulties. Such report adopted by the Board of Directors of the Transferor Company and Transferee Company is enclosed as Annexure 6 and Annexure 7 respectively.
40. A copy of the proposed draft Scheme has been filed by the Applicant Companies with the Registrar of Companies on 26th July 2017.
41. No investigation proceedings have been instituted or are pending in relation to the Applicant Companies under Sections 210 to 229 of Chapter XIV of Companies Act, 2013 or under the corresponding provisions of Companies Act, 1956. Further, no proceedings are pending under Companies Act, 2013 or under the corresponding provisions of Companies Act, 1956 against any of the Applicant Companies.
42. To the knowledge of the Applicant Companies, no winding up proceedings have been filed or are pending against them under the Companies Act, 2013 or the corresponding provisions of Companies Act, 1956.
43. The audited Financial Results of the Transferor Company and Transferee Company for the year ended 31st March, 2017 are enclosed as Annexure 8 and Annexure 9 respectively.
44. As on March 31, 2017, the Transferor Company had 5 Secured Creditors having total claim of Rs.35,95,72,616; 608 Unsecured Creditors having claims of Rs. 15,58,22,693. As on March 31, 2017, the Transferee Company had 8 Unsecured Creditors having claims of Rs.4,76,37,950.

45. The name and addresses of the promoters of the Transferor Company including their shareholding in the Applicant Companies as on March 31, 2017 are as under:

Particulars	Shareholding in Transferor Company		Shareholding in Transferee Company	
	% holding	No of shares	% holding	No of shares
Pranov Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	0.01%	800	-	-
Purushottam Dass Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	0.11%	11,424	2.50%	50,000
Gopal Das Bangur HUF Address: 21, Strand Road. Kolkata 700001	0.94%	98,372	9.25%	1,85,000
Vinita Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	2.74%	2,86,882	16.58%	3,31,600
Hemant Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	2.61%	2,73,332	13.24%	2,64,700
Hemant Kumar Bangur HUF Address: 21, Strand Road. Kolkata 700001	4.01%	4,19,824	4.66%	93,250
Pushpa Devi Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	7.96%	8,32,840	11.63%	2,32,500
The Cambay Investment Corporation Ltd Address: 21, Strand Road. Kolkata 700001	0.40%	42,384	12.50%	2,50,000
Credwyn Holdings (India) Pvt Ltd Address: 21, Strand Road. Kolkata 700001	4.88%	5,10,380	-	-
Madhav Trading Corporation Ltd Address: 21, Strand Road. Kolkata 700001	11.54%	12,08,115	5.50%	1,10,000
The Oriental Company Ltd Address: 21, Strand Road. Kolkata 700001	14.43%	15,10,016	-	-
Kettlewell Bullen & Company Ltd Address: 21, Strand Road. Kolkata 700001	17.08%	17,87,806	-	-
Total	66.71%	69,82,175	75.85%	15,17,050

46. The name and addresses of the promoters of the Transferee Company including their shareholding in the Applicant Companies as on March 31, 2017 are as under:

Particulars	Shareholding in Transferor Company		Shareholding in Transferee Company	
	% holding	No. of shares	% holding	No of shares
Vinita Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	2.74%	2,86,882	16.58%	3,31,600
Hemant Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	2.61%	2,73,332	13.24%	2,64,700
Cambay Investment Corporation Ltd. Address: 21, Strand Road. Kolkata 700001	0.40%	42,384	12.50%	2,50,000
Pushpa Devi Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	7.96%	8,32,840	11.63%	2,32,500

Particulars	Shareholding in Transferor Company		Shareholding in Transferee Company	
	% holding	No. of shares	% holding	No of shares
Gopal Das Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	-	-	11.25%	2,25,000
Gopal Das Bangur HUF Address:21, Strand Road, Kolkata 700001	0.94%	98,372	9.25%	1,85,000
Madhav Trading Corporation Ltd Address: 21, Strand Road, Kolkata 700001	11.54%	12,08,115	5.50%	1,10,000
Purushottam Dass Bangur Family Trust* Address:21, Strand Road, Kolkata 700001	-	-	4.89%	97,700
Hemant Kumar Bangur HUF Address: 21, Strand Road, Kolkata 700001	4.01%	4,19,824	4.66%	93,250
Purushottam Dass Bangur Address:8, St. Georges' Gate Road, Hastings, Kolkata - 700022	0.11%	11,424	2.50%	50,000
Purushottam Dass Bangur HUF Address: 21, Strand Road, Kolkata 700001	-	-	1.25%	25,000
Purushottam Dass Bangur & Gopal Das Bangur HUF Address : 21, Strand Road, Kolkata 700001	-	-	1.25%	25,000
Total	26.30%	27,53,349	94.49%	18,89,750

* Shares registered in the name of its trustees i.e. Mr. Hemant Bangur and Mrs. Pushpa Devi Bangur.

47. The name, address and shareholding of the Directors and the Key Managerial Personnel (KMP) of the Transferor Company as on March 31, 2017 in the Applicant Companies are as follows:

Name of Director / KMPs	Shares held in the Transferor Company	Shares held in the Transferee Company
Directors of Transferor Company		
Hemant Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	2,73,332	2,64,700
Dharam Chand Baheti Address:P.O. Fort Gloster, Bauria, Howrah 711310.	6,320	Nil
Nandita Sen Address: 52 Shalimar Apartment, 42B Shakespeare Sarani, Kolkata - 700017	Nil	Nil
Satyendra Nath Bhattacharya Address: Flat No. 13, Oval View, Maharshi Karve Road, Churchgate, Opposite Oval Maidan, Mumbai - 400020	Nil	Nil
Krutibas Mahapatra Address: Plot No. 456, Renu Niwas Nuasahi, Nayapalli Bhu- baneshwar - 751012	Nil	Nil
Prabir Ray Address:2E, Limelight Apartment, 6, Port Blair Lane, Barrackpore, 23 Titagarh Maida, Kolkata 743101	Nil	Nil
KMPs of Transferor Company		
Ajay Kumar Agarwal Address: 293/294 Bangur Avenue, Block B, Kolkata - 700055	Nil	Nil
Shankar Lal Kedia Address: 5C, Mumtaram Babu Street, 1st Floor, Kolkata - 700007	1,200	Nil

48. The name, address and shareholding of the Directors and the Key Managerial Personnel (KMP) of the Transferee Company as on March 31, 2017 in the Applicant Companies are as follows:

Name of Director / KMPs	Shares held in the Transferor Company	Shares held in the Transferee Company
Directors of Transferee Company		
Lakshmi Narayan Bihani Address: 55/1, Kavi Bharati Sarani, Lake Road, Kolkata – 700029.	Nil	Nil
Om Prakash Modani Address: 24, Gopi Krishna Paul Lane, 20 Jorabagan, Kolkata – 700006	Nil	Nil
Pushpa Devi Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	8,32,840	2,32,500
Vinita Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	2,86,882	3,31,600
KMPs of Transferee Company		
Abhay Gandhi Address: E-24/7, Karunamoyee, Salt Lake, Kolkata - 700091	Nil	Nil
Ramakant Kankani Address: 9, Atindra Mukherjee Lane, Howrah 711102	Nil	Nil

49. The pre-Scheme shareholding pattern of the Transferor Company and the Transferee Company as on March 31, 2017 and the post-Scheme (expected) shareholding pattern of Transferee Company (assuming the continuing shareholding pattern as on March 31, 2017) is as under:

Category	Transferor Company		Transferee Company			
	Pre-Amalgamation		Pre-Amalgamation		Post-Amalgamation	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoter & Promoter Group						
– Individual/ HUF / Trusts	19,23,474	18.38	15,29,750	76.49	22,99,140	42.02
– Bodies Corporate	50,58,701	48.33	3,60,000	18.00	16,68,358	30.49
Public						
– Insurance Companies	23,03,194	22.00	1,10,000	5.50	10,31,278	18.85
– Bodies Corporate	2,19,910	2.10	-	-	87,964	1.61
– Clearing Member	4,247	0.04	-	-	1,698	0.03
– Others	9,57,354	9.15	250	0.01	3,83,192	7.00
Total	1,04,66,880	100%	20,00,000	100%	54,71,630	100%

50. The post-Scheme (expected) capital structure of Transferee Company will be as follows (assuming the continuing capital structure as on March 31, 2017):

A. Authorised Share Capital	Amount in INR
2,75,00,000 Equity shares of Rs. 10 each	27,50,00,000
Total	27,50,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital	Amount in Rupees
54,71,630 Equity shares of Rs. 10 each	5,47,16,300
Total	5,47,16,300

51. In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.
52. The following documents will be open for inspection by the shareholders of the Transferor Company at its registered office at 21, Strand Road, Kolkata – 700001, between 10.00 a.m. and 12 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting:
- (i) Copy of the order passed by NCLT in Company Application No. 207, dated 11th day of July 2017 read with order dated 25th day of July 2017 directing the Applicant Companies to, inter alia, convene the meetings of its equity shareholders, secured creditors and unsecured creditors;
 - (ii) Copy of the Company Application No. 207 of 2017 along with annexures filed by the Applicant Companies before NCLT;
 - (iii) Copy of the Memorandum and Articles of Association of the Applicant Companies;
 - (iv) Copy of the annual reports of the Applicant Companies for the financial years ended 31st March 2016 and 31st March 2015, respectively;
 - (v) Audited Financial Results of the Applicant Companies for the year ended 31st March, 2017;
 - (vi) Copy of the Register of Directors' shareholding of each of the Applicant Companies;
 - (vii) Copy of Valuation & Share Exchange Ratio Report dated March 28, 2016 along with Supplementary Valuation & Share Exchange Ratio Report dated August 9, 2016 issued by M/s. Sharp & Tannan, Chartered Accountants;
 - (viii) Copy of the Fairness Opinion, dated March 28, 2016 and Supplementary Fairness Opinion dated August 9, 2016, issued by M/s. Ashika Capital Limited, to the Board of Directors of the Transferor Company;
 - (ix) Copy of the Audit Committee Report dated March 29, 2016 and August 12, 2016, of the Transferor Company;
 - (x) Copy of the board resolutions, dated March 29, 2016 and August 12, 2016 passed by the respective Board of Directors of the Transferor Company and the Transferee Company, approving the Scheme;
 - (xi) Copy of the Statutory Auditors' certificate dated March 29, 2016 issued by Messrs. Lovelock and Lewes, Chartered Accountants to the Transferor Company and Statutory Auditors' certificate dated March 22, 2017 issued by Messrs. S. S. Kothari & Co., Chartered Accountants to the Transferee Company certifying that the accounting treatment specified in the Scheme is in compliance with the applicable accounting standards prescribed under Section 133 of Companies Act, 2013 and other generally accepted accounting principles;
 - (xii) Copy of the complaints report, dated October 14, 2016, submitted by the Transferor Company to BSE and The Calcutta Stock Exchange Limited;
 - (xiii) Copy of the no adverse observations/no objection letter issued by BSE and The Calcutta Stock Exchange Limited, dated March 10, 2017 and April 3, 2017, respectively, to the Transferor Company;
 - (xiv) Copy of Form No. GNL-2 filed by the respective Applicant Companies with the concerned Registrar of Companies evidencing filing of the Scheme;
 - (xv) Copy of the Scheme.
 - (xvi) Copy of the Reports dated 12th May, 2017 adopted by the Board of Directors of the Transferor Company and Transferee Company respectively pursuant to Section 232(2)(c) of Companies Act, 2013

The shareholders shall be entitled to obtain the extracts from or for making or obtaining the copies of the documents listed in item numbers (i), (ii), (iii), (ix), (xi) and (xvii) above.

53. This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Rules. A copy of the Scheme, Explanatory Statement and Form of Proxy shall be furnished by the Transferor Company to its shareholders, free of charge, within one (1) day (except Saturdays, Sundays and public holidays) on a requisition being so made for the same by the shareholders of the Transferor Company.
54. After the Scheme is approved by the equity shareholders, secured creditors and unsecured creditors of the Transferor Company, it will be subject to the approval/sanction by NCLT.

sd/-

Dated : 26th Day of July 2017

Vinod Kothari
Chairman appointed for the Meeting

Registered office:

21, Strand Road, Kolkata – 700001.

SCHEME OF AMALGAMATION
(UNDER SECTIONS 391 TO 394 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 1956 AND COMPANIES ACT, 2013)

BETWEEN

GLOSTER LIMITED

AND

KETTLEWELL BULLEN & COMPANY LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS



CHAPTER 1

Chapter 1 of this Scheme of Amalgamation (“Scheme”) sets forth the overview and the objects of the Scheme.

1.0 DESCRIPTION OF COMPANIES

- 1.1 Gloster Limited (CIN No. L17119WB1992PLC054454) is a public company limited by shares incorporated in 1992 under the provisions of the Companies Act, 1956, having its registered office at 21, Strand Road, Kolkata – 700001, West Bengal and is engaged in manufacturing and exporting of all types of Jute & Jute allied products, Woven & Non-Woven Jute Geotextiles, Treated Fabric-Rot Proof, Fire Retardant, jute products for Interior Decoration and Packaging of Industrial and Agricultural produce. Gloster Limited was formed by the demerger of the Jute division of Fort Gloster Industries Limited which was established in the year 1872. The Jute division has been running the factory at Bauria uninterrupted since 1872. 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 in 2010. The equity shares of Gloster Limited are listed on BSE Ltd. (“BSE”) & The Calcutta Stock Exchange Ltd. (“CSE”) (collectively, the “Stock Exchanges”).
- 1.2 Kettlewell Bullen & Company was converted into a company and was incorporated as a limited company namely Kettlewell Bullen & Company Limited in 1923 (CIN No. U65192WB1923PLC004628) under the provisions of the Companies Act 1913 having its registered office at 8, Munshi Premchand Sarani, Kolkata, West Bengal. In 1879, it was appointed as the managing agent of Fort Gloster Jute Manufacturing Company Limited whose name was changed to Fort Gloster Industries Limited subsequently. In compliance with the change in statute, Kettlewell Bullen & Company Limited 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. As required by statute, being the holding Company, in the year 1998, Kettlewell Bullen & Company Limited was registered as a non-banking financial company (non-deposit accepting) with the Reserve Bank of India. As on date, it continues to remain the main Promoter of Gloster Limited. The equity shares of Kettlewell Bullen & Company Limited were listed on CSE till 9th August 2015.
- 1.3 Gloster Limited and Kettlewell Bullen & Company Limited are collectively referred to as the “Companies”.

2.0 RATIONALE FOR THE SCHEME OF AMALGAMATION

2.1 The rationale for the proposed Scheme is set out below:

- (i) Consolidation of business will lead to reflection of true net worth of the combined business for the stakeholders in the financial statements and enhancement of net worth of the combined business leading to enhancement in earnings and cash flow of the business.
- (ii) The amalgamated company will be able to better leverage its large net worth base and have enhanced business potential.



- (iii) Enhancement in value of stakeholders through seamless access to strong corporate relationships and other intangible benefits of Gloster Ltd and Kettlewell Bullen & Company Ltd. built up over decades of experience.
- (iv) Simplification of shareholding structure and reduction in shareholding tiers.
- (v) Simplification of management structure leading to better administration and reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes and elimination of duplication and rationalization of administrative expenses.

2.2 Consequently, the Board of Directors (as hereinafter defined) of the Companies have considered and approved this Scheme of Amalgamation and have accordingly proposed the Amalgamation (as hereinafter defined) as integral part of the Scheme.

3.0 CHAPTERS IN THE SCHEME

The Scheme is divided into three (3) chapters, the details of which are as follows:

- 3.1 **Chapter 1:** Chapter 1 of this Scheme sets forth the overview and objects of the Scheme. Further this Chapter 1 also contains the provisions with respect to definitions, interpretation and share capital of the companies to the Scheme which are common to and shall be applicable on all Chapters of the Scheme;
- 3.2 **Chapter 2:** Chapter 2 provides for the amalgamation of Gloster Limited into and with Kettlewell Bullen & Company Limited;
- 3.3 **Chapter 3:** Chapter 3 provides for the reorganization of share capital, changes to the main object clause of Kettlewell Bullen & Company Limited, change in name of Kettlewell Bullen & Company Limited, and certain general terms and conditions applicable to the Scheme.

4.0 GENERAL DEFINITIONS AND INTERPRETATION

4.1 In the Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

"1956 Act" means the Companies Act, 1956 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto;

"2013 Act" means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

"Amalgamation" means amalgamation of Transferor Company with Transferee Company in accordance with Section 2(1B) of the Income Tax Act, 1961, in terms of Chapter 2 of the Scheme;

"Appointed Date" means January 1, 2015, or such other date as may be determined by the Board of Directors of the concerned Companies or directed by the High Court and is the date



with effect from which the Scheme shall upon sanction of the same by the High Court, be deemed to be operative;

"Audit Committee" means the audit committee of Gloster Limited, as constituted from time to time;

"Board of Directors" or **"Board"** in relation to each of the Companies, as the case may be, means the board of directors of such company;

"BSE" means BSE Limited;

"CSE" means The Calcutta Stock Exchange Ltd.;

"Effective Date" means such date as the Companies mutually agree being the last of the dates or post the last of the dates on which all the conditions and matters referred to in clause 4 of Chapter 3 of the Scheme occur or have been fulfilled or waived in accordance with this Scheme;

"Encumbrance" means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term **"Encumbered"** shall be construed accordingly;

"Governmental Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body, statutory body or stock exchange, including but not limited to the Reserve Bank of India (**"RBI"**) and the Securities and Exchange Board of India (**"SEBI"**), or any other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law;

"High Court" means the High Court of Judicature at Calcutta having jurisdiction in relation to the Companies and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court under the 1956 Act or the 2013 Act, as applicable;

"Income Tax Act" means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force;

"Liabilities" means all debts and liabilities, both present and future whether or not provided in the books of accounts or disclosed in the balance sheet of the Transferor Company, including all secured and unsecured debts, liabilities (including deferred tax liabilities, contingent liabilities), duties and obligations (including under any licenses or permits or schemes of every kind) and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations along with any charge, Encumbrance;

"Record Date" means the date after the Effective Date to be fixed by the Board of Directors of the Transferee Company and the Transferor Company for the purpose of determining the equity shareholders of the Transferor Company, as applicable, to whom equity shares of the Transferee Company will be allotted pursuant to this Scheme;



“Registrar of Companies” means the Registrar of Companies, Kolkata;

“Scheme”, “the Scheme”, “this Scheme” means this Scheme of Amalgamation, pursuant to Sections 391 to 394 of the 1956 Act, or any other applicable provisions of the 1956 Act or the 2013 Act, if any, in its present form (along with any annexures, schedules, etc, attached hereto), with such modifications and amendments as may be made from time to time, and with appropriate approvals including approvals of the shareholders, as applicable, and sanction from the High Court under the 1956 Act or 2013 Act, as applicable, and under all applicable laws;

“SEBI Circular” means the circular number CIR/CFD/CMD/16/2015 dated November 30, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, both issued by the Securities and Exchange Board of India and any related and amended circulars that SEBI may issue in respect of schemes of arrangement;

“Share Exchange Ratio” has the meaning ascribed to it in sub-clause 11.2 of Chapter 2 of the Scheme hereof;

“Stock Exchanges” shall mean BSE and CSE;

“Transferee Company” means Kettlewell Bullen & Company Limited;

“Transferor Company” means Gloster Limited;

“Undertaking” means and includes the entire business of the Transferor Company as a going concern, including, without limitation:

- (a) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) whether or not recorded in the books of accounts of the Transferor Company, including, without limitation, investments of all kinds (i.e. shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates) including furniture, fixtures, office equipment, computers, fixed assets, current assets, cash and bank accounts (including bank balances), insurance policies, contingent rights or benefits, benefits of any deposits, policies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, vehicles, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, memberships with various bodies, certificates awarded by organisations / bodies, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and where-so-ever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;



- (b) all permissions, permits, sanctions, approvals, authorizations, consents, subsidies, quotas, rights, allotments, registrations, draw backs, privileges, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, VAT, sales tax and entry tax laws, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions/deductions, deferment, subsidy receivables from Government, grants from any Governmental Authority, all other rights, liberties, advantages, no-objection certificates, certifications, easements, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;
- (c) all contracts, agreements, engagements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, privileges and benefits of all contracts, agreements and all other rights, including license rights, lease rights, powers and facilities of every kind and description whatsoever or other understandings, deeds and instruments of whatsoever nature to which the Transferor Company are parties, including lease agreements, leave and license agreements, tenancy rights, equipment purchase agreements, hire purchase agreements, lending agreements and other agreements with the customers, sales orders, purchase orders and other agreements/contracts with the supplier of goods and/or service providers and all rights, title, interests, claims and benefits there under of whatsoever nature to which the Transferor Company is party;
- (d) all intellectual property rights (including intangible assets and business or commercial rights), registrations, trademarks, trade names, service marks, copyrights, patents, designs, logo, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names, used by or held for use by the Transferor Company, whether or not recorded in the books of accounts of the Transferor Company, and other intellectual rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Company, whether used or held for use by it;
- (e) all liabilities, lien or security thereon, whether in Indian rupees or foreign currency and whether or not provided for in the books of account or disclosed in the balance sheet of the Transferor Company;
- (f) all incentives, benefits, exemptions, payments deferrals, subsidies, concessions, grants, taxes, duties, cess, levies etc., that are allocable, referable or related to Transferor Company, including all or any refunds, interest due thereon, credits and claims relating thereto, including service tax, input credits, CENVAT credits, value added tax, sales tax, entry tax credits or set-offs and any other tax benefits, exemptions and refunds etc.; and



- (g) any and all permanent employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Transferor Company, at its respective offices, mills, plants, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Transferor Company.
- 4.2 All terms and words used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the 1956 Act or the 2013 Act, as applicable, the Income Tax Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made there under), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- 4.3 References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.
- 4.4 The headings herein shall not affect the construction of this Scheme.
- 4.5 The singular shall include the plural and vice versa; and references to one gender include all genders.
- 4.6 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 4.7 References to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works councillor employee representatives body (whether or not having separate legal personality).
- 4.8 References to any of the terms taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally.
- 4.9 Any reference to any statute or statutory provision shall include:
- (a) All subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and
- (b) Such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.



5.0 SHARE CAPITAL

5.1 Gloster Limited

The share capital structure of Gloster Limited as on 31st July, 2016 is as under:

A. Authorised Share Capital		Amount in Rupees
2,50,00,000 Equity shares of Rs. 10each		25,00,00,000
	Total	25,00,00,000

B. Issued, Subscribed and Fully Paid Up Share Capital		Amount in Rupees
1,04,66,880 Equity shares of Rs. 10 each		10,46,68,800
	Total	10,46,68,800

After 31st July, 2016 and till approval of Scheme by Board of Directors, there has been no change in the issued, subscribed and paid up share capital of Gloster Limited.

5.2 Kettlewell Bullen & Company Limited

The share capital structure of Kettlewell Bullen & Company Limited as on 31st July, 2016 is as under:

A. Authorised Share Capital		Amount in INR
25,00,000 Equity shares of Rs.10 each		2,50,00,000
	Total	2,50,00,000

B. Issued, Subscribed and Fully Paid Up Share Capital		Amount in INR
20,00,000 Equity shares of Rs. 10each		2,00,00,000
	Total	2,00,00,000

After 31st July, 2016 and till approval of Scheme by Board of Directors, there has been no change in the issued, subscribed and paid up share capital of Kettlewell Bullen & Company Limited.



CHAPTER 2– AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY

- 1.0 Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Transferor Company shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in Transferee 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, as and from the Appointed Date, part of the Transferee Company by virtue of and in the manner provided in this Chapter.
- 2.0 Without prejudice to the generality of Clause 1.0 above, upon the coming into effect of the Scheme and with effect from the Appointed Date,
- a) all the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided and/or recorded in the books of accounts of the Transferor Company, comprised in the Undertaking of whatsoever nature and where-so-ever situated shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances of the Transferee Company.
 - b) such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Transferee Company and/or be deemed to stand transferred to the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become from the Appointed Date, the assets and properties of the Transferee Company. The vesting, pursuant to this sub-clause, shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
 - c) all other movable properties of the Transferor Company, including investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, deposits with any Government, quasi government, local or other authority or body or with any company or other person, shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all



other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Transferee Company and/or deemed to have been transferred to and vested in the Transferee Company, by way of delivery of possession of the respective documents, as applicable, as a part of the transfer of the Undertaking as a going concern, so as to become from the Appointed Date, the assets and properties of the Transferee Company.

- d) The Transferee Company may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor that pursuant to the sanction of this Scheme by the High Court, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realize all such debts (including the debts payable by such debtor or obligor to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by the Transferor Company and all the rights, title and interest of the Transferor Company in any licensed properties or leasehold properties shall, pursuant to Section 394(2) of the 1956 Act or any provision of the 2013 Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company.
- e) all immovable properties of the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or licensed or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title or interest in the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Court in accordance with the terms hereof.
- f) all lease/license or rent agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the assets of the Transferor Company, together with security deposits and advance/prepaid lease/license fee, etc., shall stand transferred and vested in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent or lease or license fee as provided for in such agreements and the Transferee Company and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants there-under. Without limiting the generality of the foregoing, the Transferee Company shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.



- g) All permissions, permits, sanctions, approvals, authorizations, consents, subsidies, quotas, rights, allotments, registrations, privileges, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, VAT, sales tax and entry tax laws, income tax benefits and exemptions/deductions, deferment, subsidy receivables from Government, grants from any Governmental Authority, indirect tax benefits and exemptions, all other rights, liberties, advantages, no-objection certificates, certifications, easements, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, if any, shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vest in and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.
- h) All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Transferor Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which, the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it is the duly constituted attorney of that Transferor Company.
- i) Without prejudice to the generality of the foregoing, all leave and license agreements/deeds, lease agreements/deeds, bank guarantees, corporate guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Transferor Company or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect



immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the Court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Transferee Company. Such property and rights shall stand vested in the Transferee Company and shall be deemed to have become the property of the Transferee Company by operation of law, whether the same is implemented by endorsement or delivery and possession or recordal in any other manner.

- j) All the intellectual property rights of any nature whatsoever, including but not limited to intangible assets appertaining to the Transferor Company, whether or not provided in books of accounts of the Transferor Company, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Transferee Company.
- k) All intangible assets including various business or commercial rights, etc belonging to but not recorded in books of the Transferor Company shall be transferred to and vested with the Transferee Company and shall be recorded at their respective fair values. The consideration agreed under the Scheme shall be deemed to include payment towards these intangible assets at their respective fair values. Such intangible assets shall, for all purposes, be regarded as intangible assets in terms of Explanation 3(b) to Section 32(1) of Income Tax Act and shall be eligible for depreciation there under at the prescribed rates.
- l) All taxes (including but not limited to advance tax, tax deducted at source, tax collected at source, minimum alternate tax credits, securities transaction tax, input credit, CENVAT credit, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, excise duty, etc.) payable by or refundable to or being the entitlement of the Transferor Company, including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, tax holidays, remissions, reductions, rebates etc as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company. Benefit of tax losses including brought forward business loss, unabsorbed depreciation, etc., up to Appointed Date, shall be available to Transferee Company w.e.f. the Appointed Date in terms of section 72A of Income Tax Act.
- m) The Transferee Company shall be entitled to claim refunds or credits, including Input Tax Credits, CENVAT credit with respect to taxes paid by, for, or on behalf of, the Transferor Company under applicable laws, including but not limited to sales tax, value added tax, service tax, excise duty, cess or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. Any inter-se transactions in relation to Transferor Company and Transferee Company between the Appointed Date and Effective Date shall be considered as



transactions from Transferee Company to itself, and Transferee Company shall be entitled to claim refund of tax paid, if any on these inter-se transactions, as per applicable law. For the avoidance of doubt, Input Tax Credits already availed of or utilized by the Transferor Company and the Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.

- n) All statutory rights and obligations of Transferor Company would vest on/accrue to Transferee Company. Hence, obligation of the Transferor Company, prior to the Effective Date, to issue or receive any statutory declaration or any other Forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Transferee Company and if any Form relating to the period prior to the said Effective Date is received in the name of the Transferor Company, it would be deemed to have been received by the Transferee Company in fulfillment of its obligations.
- o) Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a part of the transfer of the Transferee Company as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by the Transferee Company.
- p) The resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the 1956 Act or the 2013 Act as applicable, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.
- q) Such of the assets which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the assets of the Transferee Company.



3.0 Without prejudice to the generality of Clause 1.0 above, upon the coming into effect of this Scheme and with effect from the Appointed Date,

- (a) All the Liabilities, whether or not provided in the books of the Transferor Company, shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.
- (b) All Liabilities which are incurred or which arise or accrue to the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.
- (c) Any Liabilities of the Transferor Company as on the Appointed Date that are discharged by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Transferee Company.
- (d) All loans raised and utilized, liabilities, duties and taxes and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date, the Transferee Company shall meet, discharge and satisfy the same.
- (e) Loans, advances and other obligations (including any arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law,



if any, without any further act, instrument, deed, cost or charge, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

4.0

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secure or relate to the Liabilities shall, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to the Transferee Company. It is being clarified that the aforesaid Encumbrances shall not be extended to any assets of the Transferor Company which were earlier not Encumbered or the existing assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- (b) Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company pursuant to this Scheme.
- (c) Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- (d) The provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

5.0

- (a) Upon the coming into effect of this Scheme, all permanent employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Transferor Company who are on its payrolls shall become employees of the Transferee Company with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the



aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous.

- (b) The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits created by the Transferor Company for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company or as may be created by the Transferee Company for such purpose. It is the intent that all rights, duties, powers and obligations of Transferor Company in relation to such fund or funds shall stand transferred to the Transferee Company without need of any fresh approval from any statutory authority. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Transferee Company to the existing funds maintained by the Transferor Company.
- (c) The Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of the Transferor Company, the past services of such employees with the Transferor Company shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Transferor Company will transfer/handover to the Transferee Company, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- (d) The Transferee Company shall continue to abide by any agreement(s)/ settlement(s) entered into by the Transferor Company with any of its employees prior to Appointed Date and from Appointed Date till the Effective Date.

6.0

- (a) All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Transferor Company shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.
- (b) Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company, whether pending and/or arising on or before the Effective Date shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent



as if the same had been instituted and/or pending and/or arising by or against the Transferee Company.

- (c) The Transferee Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against the Transferor Company transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.
- 7.0 All books, records, files, papers, information, databases, and all other books and records, whether in physical or electronic form, of the Transferor Company, to the extent possible and permitted under applicable laws, be handed over to the Transferee Company.
- 8.0 Without prejudice to the provisions of Clause 1.0 to 7.0 above, with effect from the Appointed Date, all inter-party transactions amongst the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.
- 9.0 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company are party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Court, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 10.0 Conduct of Business**
- 10.1 With effect from the Appointed Date and up to and including the Effective Date:
- (a) the Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the entire business for and on account of, and in trust for, the Transferee Company;
- (b) all profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by the Transferor Company for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Transferee Company;
- (c) any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the



obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent of the Transferee Company;

- (d) all taxes, where applicable, (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, wealth tax, fringe benefit tax, tax collected at source, taxes withheld/paid in a foreign country, sales tax, excise duty, customs duty, service tax or goods and service tax, as applicable, value Added Tax, cess, tax refunds) payable by or refundable to the Transferor Company, including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of the Transferor Company) as the case may be, of the Transferee Company, and any unabsorbed tax losses and depreciation, etc., as would have been available to the Transferor Company on or before the Effective Date, shall be available to the Transferee Company upon the Scheme coming into effect;

10.2 Subject to the terms of the Scheme, the transfer and vesting of the Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or after the Appointed Date till the Effective Date. The Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company.

11.0 Consideration

11.1 Upon the Scheme coming into effect, all equity shares which the Transferee Company holds in the Transferor Company shall stand cancelled without any issue or allotment of equity shares of Transferee Company or payment whatsoever by the Transferee Company in lieu of such equity shares of the Transferor Company.

11.2 The Transferee Company shall without any further application, act, instrument or deed, issue and allot to each shareholder of the Transferor Company whose name is recorded in the register of members of the Transferor Company on the Record Date (except the Transferee Company itself in terms of clause 11.1 above) in the following ratio ("**Share Exchange Ratio**"):

"2 (two) fully paid up equity shares of Rs. 10 (Rupees Ten) each of Transferee Company for every 5 (five) fully paid up equity share of Rs. 10 (Rupees Ten) each held by such shareholder in Transferor Company."

11.3 The Share Exchange Ratio has been arrived at on basis of the valuation report read with supplementary valuation report, to determine the adjusted Share Exchange Ratio post completion of bonus issue by Transferor Company on 24th May, 2016, of M/s. Sharp & Tannan, an independent chartered accountant. Ashika Capital Limited, an independent merchant banker has provided a fairness report along with a supplementary fairness report (on account of the bonus issue discussed earlier in this Clause) on the fairness of the Share Exchange Ratio determined for the vesting of the Transferor Company into Transferee Company.

11.4 The equity shares to be issued and allotted by the Transferee Company in terms of Clauses 11.2 above shall be subject to the provisions of the Memorandum and Articles of Association of Transferee Company and shall rank *pari passu* in all respects with the existing equity shares of Transferee Company.



- 11.5 The new equity shares to be issued pursuant to Clause 11.2 above shall be issued in the dematerialized form by the Transferee Company unless otherwise notified in writing by the shareholders of the Transferor Company to Transferee Company on or before such date as may be determined by the board of directors of Transferee Company or a committee thereof. In the event, such notice has not been received by Transferee Company in respect of any of the members of Transferor Company, the new equity shares shall be issued to such shareholders in dematerialized form and directly credited to the dematerialized securities account provided that the members of Transferor Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. In the event that Transferee Company has received the notice from any of the shareholders of Transferor Company that the new equity shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depository participant or other confirmations as may be required, then the Transferee Company shall issue the new equity shares in certificate form.
- 11.6 In case any shareholder's holding in the Transferor Company is such that the shareholder becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue any fractional shares to such shareholder but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Transferee Company in that behalf, who shall hold these equity shares in trust for and on behalf of the shareholders entitled to such fractional entitlements with the express understanding that such trustee shall sell such shares at such time or times and at such price or prices to such person or persons as he/she may deem fit and shall distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders entitled to the same in proportion as their respective fractional entitlements bears to the consolidated fractional entitlements.
- 11.7 The equity shares to be issued pursuant to this Scheme by Transferee Company in respect of the equity shares of Transferor Company which are held in abeyance under the provisions of Section 126 of the 2013 Act and/or applicable provisions of 1956 Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by Transferee Company.
- 11.8 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Transferor Company, the Board of Directors or any committee thereof, of Transferor Company, at the sole discretion, shall be empowered in appropriate cases, prior to or even subsequent to the Effective Date as the case may be to effectuate such a transfer in Transferor Company as if such changes in registered holder were operative as on the Effective Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the Board of Directors of Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in Transferee Company on account of difficulties faced in the transition period.
- 11.9 The equity shares issued to the shareholders under Clause 11.2 will be listed with BSE and CSE and admitted for trading and the Transferee Company shall comply with the requirements of the SEBI Circular and take all steps to get the equity shares to be issued pursuant to the Scheme listed on CSE and BSE on which the equity shares of the Transferor Company are listed, in accordance with relevant regulations.



- 11.10 The equity shares of the Transferee Company issued in terms of this Scheme shall pursuant to the SEBI Circular and subject to compliance with requisite formalities be listed and/or admitted to trading on the relevant stock exchange(s) where the existing equity shares of the Transferor Company are listed and/or admitted to trading, i.e., BSE and CSE. The Transferee Company shall enter into such arrangement and issue such confirmations and/or undertakings as may be necessary in accordance with the applicable law or regulation for the above purpose.
- 11.11 The equity shares in the Transferee Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- 11.12 Post the issue of shares pursuant to Clause 11.2, there shall be no change in the shareholding pattern or control in the Transferee Company between the record date and the listing which may affect the status of the approval by the Stock Exchanges.
- 11.13 In the event the shares of the Transferee Company including shares issued to the Promoters' of Transferor Company pursuant to the Clause 11.2 above are subject to lock-in under the SEBI Circular then subject to applicable laws, the shares kept under lock-in may be pledged with Scheduled Commercial Bank or Public Financial Institution as collateral security and shares may also be transferred within the promoters' group during such lock-in period.
- 11.14 In the event that the Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 11.15 The issue and allotment of equity shares by Transferee Company to the equity shareholders of Transferor Company as provided in this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by Transferee Company as if the procedure laid down under Section 62(1)(c) of the 2013 Act and/or any other applicable provisions of the 1956 Act or 2013 Act, if applicable, were duly complied with.

12.0 Accounting Treatment

- 12.1 The Transferee Company shall record the assets (including intangible assets, if any, whether or not recorded in the books of Transferor Company) 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 notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs under section 133 of 2013 Act.
- 12.2 The Transferee Company shall record issuance of shares at fair value and accordingly credit to its Share Capital Account the aggregate face value of the equity shares issued on Amalgamation. The excess, if any, of the fair value of the equity shares over the face value of the shares issued shall be credited to Securities Premium Reserve. The Securities Premium Reserve so credited shall be available for issuance of bonus shares in accordance with applicable laws.
- 12.3 The equity shares held by the Transferee Company in the Transferor Company appearing in the books of accounts of the Transferee Company shall stand cancelled in terms of clause 11.1



above and there shall be no further obligation in that behalf.

- 12.4 To the extent that there are inter-company loans, advances, deposits, balances unpaid dividend or other obligations as amongst the Transferor Company and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company as well as Transferor Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
- 12.5 Excess, if any, of the consideration, viz., fair value of new shares issued in terms of Clause 11.2 above and the value of investment in the Transferor Company as appearing in the books of the Transferee Company, over the fair value of Net Assets (including identifiable intangible assets, if any, whether or not recorded in the books of accounts) taken over and recorded by the Transferee Company will be recognized as goodwill in accordance with Accounting Standard - 14. In the event the result is negative, it shall be credited as Capital Reserve in the books of account of the Transferee Company.
- 12.6 The Transferee Company shall record in its books of account, all transactions of the Transferor Company in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.
- 12.7 All costs and expenses incurred as per Clause 10 of Chapter 3 below as well as other costs incidental with the finalization of this Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the Scheme, shall be charged to Profit and Loss Account with exception of the following cost and expenses, which will be accounted in the books of the Transferee Company as under:
- Stamp duty payable, if any, on the basis of value of immovable properties of the Transferor Company transferred to the Transferee Company shall be capitalized in the books of the Transferee Company with the said fixed assets in accordance with Accounting Standard - 10 "Accounting of Fixed Assets".
- 12.8 The goodwill and/or intangible assets (if any) transferred/arising on Amalgamation, as aforesaid, shall be amortized in the books of the Transferee Company over a period of 5 years and 10 years respectively or such other period based on the useful life as may be determined by the Board.
- 12.9 The Board of Directors may adopt any other accounting treatment for the Amalgamation which is in accordance with Accounting Standards notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of 2013 Act.
- 13.0 **Dissolution of the Transferor Company**

Upon the coming into effect of the Scheme, the Transferor Company shall, without any further act, instrument or deed, stand dissolved without winding-up.



CHAPTER 3 – OTHER TERMS AND CONDITIONS

1.0 Reorganisation of Authorised Share Capital

- 1.1 As an integral part of the Scheme, upon this Scheme becoming effective and with effect from Appointed Date, the authorised share capital of the Transferor Company as on the Effective Date shall, without any further act, instrument or deed or payment of additional fees payable to the Registrar of Companies or stamp duty, stand transferred to and be merged with the authorised share capital of the Transferee Company.
- 1.2 Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 13 of the 2013 Act and other applicable provisions of the 2013 Act, as the case may be and be replaced by the following clause:

“The Authorised Share Capital of the Company is Rs 27,50,00,000 (Rupees Twenty Seven Crores Fifty Lacs only) divided into 2,75,00,000 (Two Crore Seventy Five Lac) Equity Shares of Rs 10/- (Rupees Ten only) each, with rights, privileges and conditions attaching thereto as may be provided by the Articles of Association of the Company. The Company shall have the power to increase or reduce its capital for the time being and to consolidate, divide or sub-divide and re-classify the shares in such capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as to dividend, voting or otherwise and to vary, modify or abrogate any such rights, privileges or conditions in accordance with the provisions of the Act and Articles of the Company and issue Shares of higher or lower denominations.”

- 1.3 It is further clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval for the increase of the authorized capital, amendment of the capital clause of the Memorandum of Association, under the provisions of Section 13 of the 2013 Act and other applicable provisions of the 2013 Act.

2.0 Change of Name of Transferee Company

Upon this Scheme becoming effective, the name of Transferee Company shall be deemed to have been changed from “Kettlewell Bullen & Company Limited” to “Gloster Limited” in accordance with Section 13 of the 2013 Act and other relevant provisions of the 2013 Act, as applicable. It is hereby clarified that for the purposes of this clause, the consent of the shareholders of the Transferee Company and Transferor Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the name change and that no further resolution under Section 13 of 2013 Act or any other applicable provisions of the 2013 Act, as applicable, would be required to be separately passed. Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for change of its name.



3.0 Change in Object Clause of Transferee Company

- 3.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Object Clause of the Memorandum of Association of the Transferee Company shall stand amended.
- 3.2 The following sub clause shall be inserted after sub-clause 32 of Clause 3 of the Object of the Memorandum of Association of the Transferee Company:

"33. To carry on business as producers and growers of jute, hemp, flex, cotton, silk, wool, or any other natural fibres and to manufacture and produce all types of synthetic and man made fibres including synthetic fibres, viscose, nylon, acrylic, polyester and all types of man made fibres and to carry on business of Spinners and Weavers of all such fibres and yarns, and goods produced therefrom and other similar materials and carry on business of manufacturers, processors, converters, makers, stockists, agents and importers, exporters, traders, retailers, suppliers, buyers, sellers, merchants, distributors and concessionaries of all such fibres, yarns and all types of processed and converted form of such fibres, yarns and goods.

34. To carry on the trades or business of manufacturers of chemicals and manure's, distillers, dye makers, gas makers and makers of chemical and identical preparations of all kinds."

- 3.3 It shall be deemed that the members of the Transferee Company and Transferor Company have also resolved and accorded all relevant consents under Section 13 of the 2013 Act or other relevant provision of 2013 Act, as applicable. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the 2013 Act or other relevant provision of 2013 Act, as applicable, for the amendments of the Memorandum of Association of the Transferee Company as above. Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for alteration of its main objects and the consequent amendment of the Memorandum of Association.

4.0 Conditions to effectiveness of the Scheme

- 4.1 The Scheme is conditional upon and subject to:
- (a) this Scheme being approved by the respective requisite majorities of the various classes of shareholders, as applicable, of the Companies as required under the 1956 Act or the 2013 Act, as applicable, and the requisite order of the High Court being obtained, or dispensation having been received from the High Court in relation to obtaining such consent from the shareholders, as applicable;
 - (b) approval of the Scheme by the public shareholders of the Transferor Company in accordance with the provisions of the SEBI Circulars. Such approval will be obtained through resolution passed through postal ballot and e-voting and the Scheme shall be acted upon only if the votes cast by public shareholders in favour of the proposal are more than the number of votes cast by public shareholders against it.
 - (c) such other approvals and sanctions including sanction of any Governmental Authority, as may be required by law in respect of the Scheme;
 - (d) the High Court having accorded sanction to the Scheme and if any modifications have



been prescribed the same being acceptable to the Companies; and

- (e) such certified/authenticated copy of the Order of the High Court being filed with the Registrar of Companies, Kolkata.

4.2 In case any of the conditions in the Scheme are not satisfied or waived, then the Companies shall be at liberty to withdraw the Scheme.

5.0 Dividend

5.1 The Companies shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date.

5.2 The holders of the shares of the Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

5.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Companies to demand or claim any dividends which, subject to the provisions of the 1956 Act or the 2013 Act, as applicable, shall be entirely at the discretion of the respective Boards of Directors of the Companies, and subject to the approval, if required, of the respective members of the Companies.

6.0 Applications

6.1 The Companies shall make necessary applications before the High Court for the sanction of this Scheme under Sections 391 to 394 and other applicable provisions of the 1956 Act or relevant provision of 2013 Act, as applicable, seeking orders for dispensing with or convening, holding and/or conducting of the meetings of the classes of their respective shareholders and for sanctioning this Scheme with such modifications, as may be approved by the Court.

6.2 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to carry on the business of the Transferor Company.

7.0 Modifications to the Scheme

The Companies (by their Board of Directors) may, in their full and absolute discretion, jointly and as mutually agreed in writing:

- (a) assent to any alteration(s) or modification(s) to this Scheme which a High Court and/or any other Governmental Authority may deem fit to approve or impose, and/or effect any other modification or amendment jointly and mutually agreed in writing, including, without limitation, any modifications to the accounting treatment set out in the Scheme due to the Indian Accounting Standards being made applicable to the Companies or to the matters set forth in this Scheme, and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme;

- (b) such directions (acting jointly) as they may consider necessary to settle any



question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation hereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to any of those (to the extent permissible under law);

- (c) modify or vary this Scheme prior to the Effective Date in any manner at any time; or
- (d) if any part of this Scheme is found to be unworkable for any reasons whatsoever withdraw this Scheme prior to the Effective Date in any manner at any time; or
- (e) determine jointly whether any asset, liability, employee, legal or other proceedings pertains to the Transferor Company or not, on the basis of any evidence that they may deem relevant for this purpose.

8.0 When the Scheme comes into operation

8.1 The Scheme shall come into operation from the Appointed Date but the same shall become effective on and from the Effective Date.

8.2 With effect from the Effective Date, the Transferee Company shall carry on and shall be authorized to carry on the businesses of the Transferor Company. For the purposes of giving effect to the order of the High Court under Section(s) 391 to 394 and other applicable provisions of the 1956 Act or relevant provision of 2013 Act as applicable, approving the Scheme, the Transferee Company shall at any time pursuant to such orders be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Transferor Company in accordance with the provisions of the Section(s) 391 to 394 of the 1956 Act or the relevant provision of the 2013 act as applicable. The Transferee Company is and shall always be deemed to have been authorized to execute any pleadings, applications, forms etc. as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of the Scheme.

8.3 The Transferor Company and the Transferee Company shall be entitled to, amongst other, file/ or revise its income tax returns, TDS/TCS returns, wealth tax returns, service tax, excise, Value Added Tax, sales tax, cess, entry tax, professional tax or any other statutory returns, if required. The Transferee Company shall be entitled to claim credit for advance tax paid, tax deducted at source or tax collected at source, claim for deduction of sum prescribed under Section 43B of the Income Tax Act on payment basis, claim for deduction of provisions written back by Transferee Company previously disallowed in the hands of Transferor Company under the Income Tax Act, credit of tax under Section 115JB read with Section 115JAA of the Income Tax Act, credit of foreign taxes paid/ withheld etc., if any, pertaining to the Transferor Company as may be required consequent to implementation of this Scheme and where necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum. The Transferee Company shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to its income or transactions entered into by it with effect from Appointed Date. The taxes or duties paid by, for, or on behalf of, the Transferor Company relating to the period on or after Appointed Date shall be deemed to be the taxes or duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit or refund for such taxes or duties.



8.4 Any advance tax, self-assessment tax, minimum alternate tax and/or TDS/TCS credit available or vested with the Transferor Company, including any taxes paid and taxes deducted/collected at source and deposited by the Transferor Company on inter se transactions during the period between Appointed Date and the Effective Date shall be treated as tax paid by the Transferee Company and shall be available to the Transferee Company for set-off against its liability under the Income Tax Act and any excess tax so paid shall be eligible for refund together with interest. Further, TDS/TCS deposited, TDS/TCS certificates issued or TDS/TCS returns filed by the Transferor Company on transactions other than inter se transactions during the period between Appointed Date and the Effective Date shall continue to hold good as if such TDS/TCS amounts were deposited, TDS/TCS certificates were issued and TDS/TCS returns were filed by the Transferee Company. Any TDS/TCS deducted/collected by, or on behalf of, the Transferor Company on inter se transactions will be treated as tax deposited or tax collected by the Transferee Company.

8.5 Transfer and vesting of assets and liabilities of the Transferor Company (including intangible assets, whether or not recorded in the books) as the case may be in terms of Chapter 2 is not a sale in the course of business or otherwise.

9.0 Severability

9.1 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Companies, affect the validity or implementation of the other parts and/or provisions of this Scheme.

9.2 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Companies and their respective shareholders, and the terms and conditions of this Scheme, the latter shall prevail.

10.0 Costs

All costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) in relation to or in connection with the Scheme and incidental to the completion of the Amalgamation in pursuance of the Scheme shall be borne by Transferor Company and/or Transferee Company as the case may be.





SHARP & TANNAN
Chartered Accountants

28th March 2016

The Board of Directors
Gloster Limited
21, Strand Road
Kolkata - 700001,
India.

The Board of Directors
Kettlewell Bullen and Co. Ltd.
8, Munshi Prem Chand,
Sarani, Kolkata 700 022,
India.

Re: Recommendation of fair exchange ratio for the proposed merger of Gloster Limited into Kettlewell Bullen & Company Ltd.

Dear Sir/Madam,

We, Sharp & Tannan Chartered Accountants ("S&T."), have been appointed vide letter dated March 16, 2016 to determine the share exchange ratio for the proposed merger of Gloster Limited ("Gloster") into Kettlewell Bullen & Company Limited ("KBCL") pursuant to the proposed scheme of amalgamation between Gloster and KBCL and their respective shareholders and creditors under section 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013 ("the Scheme"). The cut-off date for the valuation exercise has been considered as 31st December 2015 ("Valuation Date"). We are pleased to present herewith our report on the same.

1. Brief Background & Purpose

- 1.1. Gloster Ltd, listed on BSE Ltd. and The Calcutta Stock Exchange Ltd., is a manufacturer and exporter of jute and jute allied products. It was incorporated on 18th February, 1992.
- 1.2. Gloster's manufacturing facility is located at Bauria in West Bengal.
- 1.3. Kettlewell Bullen & Company Limited was incorporated as a limited company in the year 1923 and is a non-banking financial company (non-deposit accepting) registered with the Reserve Bank of India.
- 1.4. We understand that management of Gloster and KBCL (together referred to as "the Companies") have proposed to merge Gloster into KBCL ("Proposed Merger").
- 1.5. In this regard, we, S&T have been appointed to undertake the valuation of the Companies to determine the share swap ratio for the Proposed Merger.



Strictly Private and Confidential

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Also at Pune. Associate Offices : Bangalore, Chennai, Goa & New Delhi

SHARP & TANNAN

LETTER NO: _____

SHEET NO: _____

2. Sources of Information

- 2.1. For the purpose of undertaking this valuation exercise, we have relied on the following sources of information:
- 2.2. KBCL
 - Provisional financial statements of KBCL for the nine months period ended 31 December 2015;
- 2.3. Gloster
 - Provisional financial statements of Gloster for the nine months period ended 31 December 2015;
 - Audited Financials of Gloster for Financial Years 2012-13, 2013-14 and 2014-15;
 - Financial projections of Gloster from 1 January 2016 to 31 March 2020;
 - Income Tax Computation and Income Tax Return for Gloster for AY 2015-16;
 - Details of Fixed Asset Schedule of Gloster for FY15 as per Income Tax Act, 1961;
- 2.4. Relevant data and information provided to us by the representatives of KBCL and Gloster in written or oral form or in form of soft copy;
- 2.5. Discussions with the representatives of KBCL and Gloster regarding their past, current & future business projections.
- 2.6. Information provided by leading database sources, market research reports and other published data.
- 2.7. Management Representation Letter dated 27 March 2016.

3. Exclusions and Limitations

- 3.1. This report, its contents and the results herein are (i) Specific to the purpose mentioned in this report (ii) Specific to the date of this report and (iii) are based on the financial statement of the Companies. The Management has represented that the business activities of the Companies have been carried out in the normal and ordinary course between 31 December 2015 and date of this report and that no material adverse change has occurred in their respective operations and financial position between 31 December 2015 and date hereof.
- 3.2. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of information (both written & verbal) made available to us by the Companies and (ii) the accuracy of the information that was publicly available, and formed substantial basis for this report. We have not carried out a due diligence or audit of the Companies, nor have we independently investigated or otherwise verified the data provided by the Companies. In rendering this report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof. We do not express any opinion or offer any form of assurance that the explanations, financial information or other information as prepared and provided by the Companies is accurate and complete. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that, in case of any doubt, they have checked the relevance or materiality of any specific information with respect to the present exercise with us.

Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

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- 3.3. Our conclusions are based on these assumptions and information given by/on behalf of the Companies. The respective management of the Companies have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our analysis/result. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/incorrect. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.
- 3.4. During the course of work, we have relied upon the financial projections of the Companies provided to us by the Management. The assumptions underlying the projections have not been reviewed or independently verified by us and accordingly there can be no assurance that these assumptions are accurate. We must emphasize that realizations of the free cash flow forecast used in the analysis will be dependent on the continuing validity of the assumptions on which they are based. The assumptions used in their preparation, as we have been explained, are based on the management's present expectation of both the most likely set of future business events and circumstances and the management's course of action related to them. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since, the projections relate to the future, actual results may be different from the projected results because events and circumstances do not occur as expected, and differences may be material.
- 3.5. Valuation work, by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions, expert opinion may differ due to number of separate judgement decisions, which have to be made. There can therefore be no standard formulae to establish an undisputable value, although certain formulae are helpful in assessing reasonableness.
- 3.6. This report and its contents is prepared for the Companies and to be used only for the specific engagement and regulatory reporting purpose and must not be copied, disclosed or circulated or referred to or quoted in any correspondence, registration statement, prospectus, offering memorandum, loan agreement or other agreement or discussion with any person. The report is confidential to the Companies and it is given on the express undertaking that will not be communicated, in whole or in part, to any third party without any prior written consent of S&T. Neither this report nor its contents may be used for any other purpose other than in connection with this Proposed Merger without prior written consent of S&T.
- 3.7. Whilst all reasonable care has been taken to ensure that the facts stated in the report are accurate and the opinions given are fair and reasonable. Neither ourselves, nor any of our Partners, or Officers or employees shall in any way be responsible contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of completeness, authenticity or accuracy of such statements. We expressly disclaim any and all liabilities which may arise based on the information used in this report. We owe responsibility to the Board of Directors of the Companies and nobody else. We are not liable to any third party in relation to the issue of this report. In no event we shall be liable for any loss, damage, cost or expense arising in any way for fraudulent acts, misrepresentations or willful default on the part of the Companies, their management, directors, employees or agents.
- 3.8. A valuation of this nature is necessarily based on prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available

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to us of, the date hereof. Events occurring after the date hereof, may affect this Report and the assumptions used in preparing it, and we do not assume any obligations to update, revise or reaffirm this Report. However, we reserve the right to amend or replace the report at any time in the event of any material change in the facts presented to us.

- 3.9. The report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited balance sheet of the Companies. Our conclusion of value assumes that the assets & liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the date hereof.
- 3.10. This report does not look into the business / commercial reasons behind the proposed Amalgamation nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed Amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.
- 3.11. This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. In addition, this Report does not in any manner address the price at which equity shares will trade following approval of the Amalgamation and we express no opinion or recommendation as to how the shareholders or creditors of Companies should vote at their respective meeting(s) to be held in connection with the proposed Amalgamation.
- 3.12. The fee for this engagement is not contingent upon the results of this report.

4. Brief Background – Gloster Ltd

- 4.1. Gloster, listed on BSE Ltd. and The Calcutta Stock Exchange Ltd., is a manufacturer and exporter of jute and jute allied products. It offers geo textiles, floor coverings and home furnishings. It also offers hessian cloth and bags, sacking cloth and bags, spirally sewn bags, fine yarn, blended yarn, carpet weft yarn, dyed yarn and twines/ropes, among others. Its manufacturing facility is located at Bauria in West Bengal.
- 4.2. The issued & paid up equity share capital of Gloster as at 31st December 2015 was INR 52.33 mn divided into 5,233,440 equity shares of INR 10/- each (face value) and its shareholding pattern was as follows on 31 December 2015:

Sr.No	Category of Shareholder	No. of shares held	% of Holding
A	Promoter & Promoter Group	3,478,870	66.5%
B	Public	1,754,570	33.5%
	Total	5,233,440	100.0%

- 4.3. We have been informed by the management of Gloster that there has been no change in the share capital of the Company till the date of this report.

5. Brief Background – Kettlewell Bullen and Company Ltd

- 5.1. KBCL was incorporated as a limited company in the year 1923 and is a non-banking financial company (non-deposit accepting) registered with the Reserve Bank of India.

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- 5.2. The issued, subscribed and paid up share capital of KBCL as on 31st December, 2015 was INR 4,000,000 comprising of 40,000 equity shares of INR 100 each. We have been informed by the management of KBCL that post the valuation date it has split the equity shares in the ratio of 1:10 such that one equity share with the face value of INR100 each will be split into ten equity shares of INR10 each. Further, we have been informed that KBCL has declared bonus shares in the ratio of 4:1 to its equity shareholders post the valuation date. Thus, the revised share capital is arrived at INR 20,000,000 comprising of 2,000,000 equity shares of INR10 each.

6. Valuation Approach

- 6.1. The Proposed Merger scheme contemplates the merger of the Companies pursuant to the scheme of Amalgamation under sections 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013. Arriving at the fair equity share exchange ratio for the Proposed Merger would require determining the relative values of each company. These values are to be determined independently but on a relative basis, and without considering the effect of the Proposed Merger.
- 6.2. It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.
- 6.3. The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.
- 6.4. There are three generally accepted approaches to valuation:
- (a) "Cost" approach
 - (b) "Income" approach
 - (c) "Market" approach

Cost Approach

- 6.5. The cost approach focuses on the net worth or net assets of a company. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" or where the assets base dominates earnings capability or if it is investment holding company and significant value is derived from its investment holdings.
- 6.6. The Net Asset Value ("NAV") Method under the Cost Approach considers the Assets and Liabilities, including Intangible Assets and Contingent Liabilities. The Net Assets, after reducing the dues to the Preference Shareholders, if any, represent the equity value of a company.

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- 6.7. In Break-up Value ("BUV") Method, the assets and liabilities are considered at their realizable or restated value including intangible assets and contingent liabilities or liabilities on account of corporate guarantees given by the company, if any, which are not stated in the Balance Sheet. From the realizable value of the assets, the potential liabilities (including the preference share capital, if any, with the amount of surplus due to them), which would have to be paid, would be deducted and the resultant value is the BUV of the business.

Income Approach

- 6.8. The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow (DCF) Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

Discounted Cash Flow ("DCF") Method

- 6.9. Under the DCF Method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both, the owners and creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by the Weighted Average Cost of Capital (WACC). The WACC based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of the future cash flows as it considers equity-debt risk by incorporating debt-equity ratio of the firm.
- 6.10. The perpetuity (terminal) value is calculated based on the business' potential for further growth beyond the explicit forecast period. The "constant growth model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period. The perpetuity (terminal) value is calculated based on the business' potential for further growth beyond the explicit forecast period. The "constant growth model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period.
- 6.11. The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business' future operations.
- 6.12. The Enterprise Value (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further adjusted for the borrowings, cash, non-operating assets/liabilities (e.g fair value of investments in subsidiaries/associates/mutual funds, value of surplus assets, any contingent liability, etc.) and preference shareholders liability, if any, to arrive at value to the owners of the business.

Market Approach

- 6.13. Under the Market approach, the valuation is based on the market capitalisation of the company in case of listed companies or/and comparable companies trading or transaction multiples of comparable

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companies. The Market approach generally reflects the investors' perception about the true worth of the company.

Market Price ("MP") Method

- 6.14. Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.

Comparable Companies Multiples ("CCM") Method

- 6.15. The value is determined on the basis of multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies.
- 6.16. This valuation is based on principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.
- 6.17. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Comparable Transactions Multiples ("CTM") Method

- 6.18. Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples have to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are EV/ EBITDA multiple and EV/ Revenue multiple
- 6.19. Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples have to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are EV/ EBITDA multiple and EV/ Revenue multiple.

7. Conclusion on Valuation Approach of Gloster and Kettlewell

- 7.1. We have considered the DCF method under Income Approach and CCM method under Market approach for valuation of Gloster. We have ignored the market price method under the market approach as the total volume of shares traded under the recognized stock exchanges during the trailing twelve months was very close to 10% which is the threshold limit of an infrequently traded stock.
- 7.2. KBCL is an investment holding company. It has investments in several quoted and unquoted companies. Hence we have considered the BUW method under the cost approach for valuation of KBCL.

8. Basis of Valuation

- 8.1. The exchange ratio for the Proposed Merger would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending a fair exchange ratio of

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equity shares it is necessary to arrive at a single value for the shares of Gloster and KBCL. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of Gloster and KBCL but at their relative values to facilitate the determination of a fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

- 8.2. The cut-off date for the valuation exercise has been considered as at 31st December 2015 for considering the financial statements for Income Approach.
- 8.3. Arriving at the exchange ratio for the Proposed Merger would require determining the value of the equity shares of Gloster in terms of the value of the equity shares of KBCL. These values are to be determined independently but on a relative basis, and without considering the Proposed Merger.
- 8.4. As discussed in para 7, we have considered the DCF Method and CCM Method for valuation of Gloster and BUV method for valuation of KBCL.
- 8.5. The fair exchange ratio of equity shares of Gloster and KBCL have been arrived on the basis of a relative equity valuation for Gloster and KBCL based on the methodology explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations.
- 8.6. In the light of the above, and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion a fair ratio of exchange

In the event of merger of Gloster with KBCL would be:

4 (Four) equity shares of KBCL of INR 10/- each fully paid up for every **5 (Five)** equity shares of Gloster of INR 10/- each fully paid up.

Yours faithfully,

For Sharp & Tannan,
Chartered Accountants
Firm Regn No.: 109982W



Edwin Augustine
(Partner)
Membership No. – 043385

Date: 28 March, 2016
Place: Mumbai



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SHARP & TANNAN
Chartered Accountants

9th August, 2016

The Board of Directors Gloster Limited 21, Strand Road Kolkata - 700001, India.	The Board of Directors Kettlewell Bullen and Co. Ltd. 8, Munshi Prem Chand, Sarani, Kolkata 700 022, India.
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**Re: Recommendation of fair share exchange ratio for the proposed merger of
Gloster Limited into Kettlewell Bullen & Company Ltd.**

Dear Sir/Madam,

- 1.0 We, Sharp & Tannan Chartered Accountants ("S&T."), had been appointed vide letter dated March 16, 2016 to determine the share exchange ratio for the proposed merger of Gloster Limited ("Gloster") into Kettlewell Bullen & Company Limited ("KBCL") pursuant to the proposed scheme of amalgamation between Gloster and KBCL and their respective shareholders under section 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013 ("the Scheme") pursuant to which we had issued our report dated March 28, 2016 which was noted and approved by the Board of Directors of Gloster and KBCL in their respective meetings held on March 29, 2016.
- 2.0 The Board of Directors of Gloster had also recommended issue of bonus shares of face value of Rs. 10/- each, to the equity shareholders of Gloster in the ratio 1:1 which was subsequently approved by the shareholders of Gloster vide their extra-ordinary meeting conducted through postal ballot on 11th May, 2016 ("Bonus Issue").
- 3.0 Gloster has since, on 24th May, 2016, issued & allotted 52,33,440 equity shares of face value of Rs. 10/- each, to the equity shareholders of Gloster pursuant to the Bonus Issue.
- 4.0 As conveyed by BSE Limited to Gloster, a supplementary valuation report indicating the revised share exchange ratio for the Scheme is required, considering the impact of the Bonus Issue.
- 5.0 In this regard, we, S&T have been asked to issue this Supplementary Valuation Report to determine the revised share exchange ratio, after considering the Bonus Issue, for the Scheme.
- 6.0 In the light of the above, in our opinion, a fair ratio of exchange

In the event of merger of Gloster with KBCL would be:

"2 (Two) equity shares of KBCL of INR 10/- each fully paid up for every 5 (Five) equity shares of Gloster of INR 10/- each fully paid up."

Yours faithfully,
For SHARP & TANNAN,
Chartered Accountants
Firm Registration No.: 109982W


Edwin P. Augustine
(Partner)
Membership No. - 043385
Date: 9th August, 2016
Place: Mumbai



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March 28, 2016
ACL: MUM: 2015-16:0077

To
The Board of Directors,
Gloster Limited,
21, Strand Road,
KOLKATA - 700001.

Sub: Issue of Fairness Opinion Certificate on the valuation carried out by M/s. Sharp & Tannan, Chartered Accountants

Ref: Proposed Scheme of Amalgamation between Gloster Limited and Kettlewell Bullen & Company Limited

Dear Sir,

This is with reference to the request made by the management of **Gloster Limited** (hereinafter referred to as "**Gloster**"), for issue of the fairness opinion certificate on the valuation exercise and share exchange ratio recommendation carried out by M/s. Sharp & Tannan, Chartered Accountants (hereinafter referred to as "**Valuer**") for the proposed Scheme of Amalgamation between **Gloster Limited** and **Kettlewell Bullen & Company Limited** (hereinafter referred to as "**KBCL**") in connection with the proposed amalgamation of **Gloster Limited** into **Kettlewell Bullen & Company Limited**.

1) PURPOSE OF VALUATION UNDERTAKEN BY THE VALUER:

- 1.1 We have been informed that the Board of Directors of **Gloster Limited** and **Kettlewell Bullen & Company Limited** (collectively referred as "**Companies**") are considering a proposal for the amalgamation of **Gloster Limited** into **Kettlewell Bullen & Company Limited** under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, subject to necessary approvals.
- 1.2 The Board of Directors of **KBCL** proposes to issue Equity Shares of face value INR 10/- each to the Shareholders of **Gloster** in consideration for the proposed Scheme of Amalgamation.
- 1.3 In this regard, M/s. Sharp & Tannan, Chartered Accountants were appointed to carry out the valuation to determine their respective share prices of the Companies and to recommend the share exchange ratio in the event of amalgamation of **Gloster** with **KBCL**.



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1.4 The information contained herein and our certificate is confidential. It is intended only for the sole use of captioned purpose including for the purpose of obtaining requisite approvals as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2) SOURCES OF INFORMATION:

- For the purpose of fairness opinion, we have relied upon the following sources of information provided by the management of the Companies:

- Valuation Report dated March 28, 2015 prepared by M/s. Sharp & Tannan, Chartered Accountants
- Audited financial statements of Gloster for years ending 31.03.2013, 31.03.2014, and 31.03.2015
- Provisional financial statements of KBCL and Gloster for the nine months ending 31.12.2015
- Financial projections of Gloster from January 01, 2016 to March 31, 2020
- Income Tax computation and Income Tax Return for Gloster for AY 2015-16
- Details of the fixed asset schedule of Gloster for FY 15 as per Income Tax Act, 1961
- Such other information/explanations that has been provided to us by the management of Gloster and KBCL
- Management Representation letter dated March 27, 2016 from Gloster
- Relevant data and information provided to us by the representative of KBCL and Gloster in written or oral form or in form of soft copy

3) EXCLUSIONS AND LIMITATIONS:

3.1 We have relied upon and assumed, without independent verification, the truthfulness, accuracy, and completeness of information provided to us by the Companies in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. We have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our certificate.

3.2 This certificate is prepared with a limited purpose/scope as identified/stated earlier and will be confidential being for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.

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- 3.3 This certificate does not give any valuation or suggest any share exchange ratio. However, it is limited to provide its fairness opinion on the valuation and share exchange report as given by the Valuer.
- 3.4 Whilst all reasonable care has been taken to ensure that the facts stated in this certificate are accurate and the opinions expressed are fair and reasonable, neither ourselves, nor any of our partners, or officers, or employees shall in any ways be responsible for the contents stated herein. We expressly disclaim any and all liabilities whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out herein in this certificate.
- 3.5 The fees for this engagement is not contingent upon the results of this certificate.
- 3.6 This fairness opinion certificate is not a substitute for third party's own diligence/appraisal/enquiries/independent advice that the third party should undertake for its purpose.

4) **BACKGROUND OF COMPANIES**

4.1. **Kettlewell Bullen & Company Limited** (CIN - U65192WB1923PLC004628) was incorporated as a limited company in 1923 under the provisions of the Companies Act, 1913 having its registered office at 8, Munshi Premchand Sarani, Kolkata, West Bengal. In 1879, it was appointed as the managing agent of Fort Gloster Jute Manufacturing Company Limited. Kettlewell Bullen & Company Limited ceased to be the managing agent in 1969. Having regard to Kettlewell Bullen & Company Limited's experience in administration of companies, it was appointed as the Secretary and Registrar of Fort Gloster Jute Manufacturing Company Limited for a period of 5 years commencing from 1st January, 1970. In the year 1998, Kettlewell Bullen & Company Limited was registered as a Non-Banking Financial Company (non-deposit accepting) with the Reserve Bank of India. As on date, it continues to remain as one of the main promoters of Gloster Limited. The equity shares of Kettlewell Bullen & Company Limited were listed on The Calcutta Stock Exchange Limited ("CSE") till 9th August 2015.

4.2. **Gloster Limited** (CIN - L17119WB1992PLC054454) is a public company limited by shares incorporated in 1992 under the provisions of the Companies Act, 1956, having its registered office at 21, Strand Road, Kolkata - 700001, West Bengal and is engaged in manufacturing and exporting of all types of Jute & Jute allied products, Woven & Non-Woven Jute Geotextiles, Treated Fabric-Rot Proof, Fire Retardant, jute products for Interior Decoration and Packaging of Industrial and Agricultural produce.. Gloster Limited was part of Fort Gloster Jute Manufacturing Company Limited which was established in 1872. The name of the company was changed to Fort Gloster Industries Limited in 1957. 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 in 2010. The equity shares of Gloster Limited are listed on BSE Limited ("BSE") and The Calcutta Stock Exchange Limited ("CSE").

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5) VALUATION METHODOLOGIES CONSIDERED BY THE VALUER:

For the purpose of arriving at the value per equity share the Valuer has selected the following valuation methodologies:

- (a) Comparable Companies Multiple Method
- (b) Breakup Value method
- (c) Discounted Cash Flows Method

The detailed description for above-mentioned methods is given as under:

(a) Comparable Companies Multiple (CCM) Method:

Under this method, the value is determined on the basis of the multiples derived from valuation of comparable companies, as manifest in the stock market price of the listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to the valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

(b) Breakup Value Method:

In this method, the assets and liabilities are considered at their realizable or restated value including the intangible assets and contingent liabilities or liabilities on account of corporate guarantees given by the company, if any which are not stated in the Balance Sheet of the company. From the realizable value of the assets, the potential liabilities (including the preference share capital if any, with the amount of surplus due to them), which would have to be paid, would be deducted and the resultant value of the business is Breakup Value (BUV).

(c) Discounted Cash Flows Method:

This method is based on projected cash flow of the Company. The projected cash flows of the Company are discounted at an appropriate rate relating to the risk envisaged by the investor, to arrive at the present value. As already mentioned in the valuation report, this method is very popular as, ultimately 'cash is king' in any business and this method places greater emphasis on cash flows. More importantly, cash flows are not affected by the accounting treatment of a particular item.



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SEBI Registration No.: INM 000010536

This method involves:

- Projections of future earnings;
- Determination of Free Cash Flow;
- Determination of NPV for the Free Cash Flow during the explicit forecast period;
- Determination of Continuing Value beyond the explicit forecast period.

For Gloster, the valuer has used a combination of Comparable Companies Multiple Method (CCM) and Discounted Cash Flow Method (DCF) and for KBCL, the Breakup Value Method (BUV) has been used.

6) FAIRNESS OPINION ON THE VALUATION REPORT:

- 6.1 We have reviewed the methodologies as mentioned above adopted by the Valuer for arriving at the fair valuation of the equity shares of the Companies and also reviewed the working and underlining assumptions adopted to arrive at the values under each of the above approaches, for determining their respective share prices and to recommend the share exchange ratio.
- 6.2 On the basis of the foregoing points, we are of the opinion, as of the date hereof, the following share exchange ratio is "Fair" to the equity shareholders.

"4 (Four) equity shares of KBCL of INR 10/- per equity share, will be allotted for every 5 (Five) equity shares of Gloster of INR 10/- per equity share."

Thanking you,

For Ashika Capital Limited


Mihir Mehta
Senior Manager



Registered Office:
Trinity, 226/1, A. J. C. Bose Road
7th Floor, Kolkata 700 020
Tel.: +91 33 4010 2500
Fax: +91 33 2289 1555
E-mail: ashika@ashikagroup.com

Corporate Office:
1008, 10th Floor, Raheja Centre
214, Nariman Point, Mumbai-400 021
Tel.: +91 22 6611 1700
Fax: +91 22 6611 1710
E-mail: mbd@ashikagroup.com

www.ashikagroup.com



ASHIKA CAPITAL LTD

CIN: U30009WB2000PLC091674
SEBI Authorised Merchant Banker
SEBI Registration No.: INM 000010536

August 9, 2016
ACL: MUM: 2016-17:0033

To
The Board of Directors,
Gloster Limited,
21, Strand Road,
KOLKATA - 700001.

Sub: Supplementary Fairness Opinion Certificate on the valuation carried out by M/s. Sharp & Tannan, Chartered Accountants

Ref: Proposed Scheme of Amalgamation between Gloster Limited and Kettlewell Bullen & Company Limited

We refer to our Fairness Opinion Certificate vide our Letter No. ACL:MUM: 2015-16:0077 dated March 28, 2016, on the valuation carried out by M/s. Sharp & Tannan, Chartered Accountants, issued for the proposed Scheme of Amalgamation between Gloster Limited ('Gloster') and Kettlewell Bullen & Company Limited ('Kettlewell') under Sections 391-394, of the Companies Act, 1956 or under Section 230-234 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 1956 and/or Companies Act, 2013 ('Scheme').

The Board of Directors of Gloster in their meeting held on March 29, 2016, has considered and approved the Scheme placed before the Board, subject to necessary approvals. The Board of Directors of Kettlewell had also in their Board meeting held on March 29, 2016, approved the said Scheme.

The Board of Directors of Gloster had also, in their meeting held on March 29, 2016, recommended issue of bonus shares of face value of Rs. 10/- each, to the equity shareholders of Gloster in the ratio 1:1 which was subsequently approved by the shareholders of Gloster by way of ordinary resolution vide their extra-ordinary meeting conducted through Postal Ballot on May 11, 2016 ("Bonus Issue").

As per clause 11.13 of the Scheme, in the event that the Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.

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ASHIKA CAPITAL LTD

CIN: U30009WB2000PLC091674
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M/s. Sharp & Tannan, Chartered Accountants (hereinafter referred to as 'Valuer') have issued a supplementary Valuation Report recommending therein adjusted share exchange ratio considering the impact of the Bonus Issue with respect to the Scheme.

In the circumstances as mentioned above, having regard to all relevant factors and on the basis of information, material and explanation made available to us, including the supplementary Report of the Valuer, We are of the opinion on the date hereof, that the following adjusted share exchange ratio with respect to the Scheme recommended by the Valuer is Fair and proper:

'2 (Two) equity shares of Kettlewell of INR 10/- per equity share, will be allotted for every 5 (Five) equity shares of Gloster of INR 10/- per equity share.'

Thanking you,

For Ashika Capital Limited


Mihir Mehta
Asst. Vice President-MBD

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DCS/AMAL/AC/R37/732/2016-17

March 10, 2017

The Company Secretary
Gloster Ltd
 21, Strand Road, Kolkata,
 West Bengal, 700001.

Sir,

Sub: Observation letter regarding the Draft Scheme of Amalgamation between Gloster Limited and Kettlewell Bullen & Company Limited.

We are in receipt of Draft Scheme of Amalgamation between Gloster Limited and Kettlewell Bullen & Company Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated March 10, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that post merger the resultant company shall be listed in atleast one national level stock exchange."
- "Company shall ensure that additional information, if any, submitted by the company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- Copy of the High Court approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitin Pujari
Manager

The Calcutta Stock Exchange Ltd.

7, Lyons Range, Kolkata - 700 001
Phone : +91 33 4025 3000, Fax : +91 33 4025 3030 / 3017
Website : www.cse-india.com, E-mail : cseadm@cse-india.com
CIN: U67120WB1923PLC004707

Ref.No. CSE/LD/13392/2017

3rd March, 2017

The Managing Director
Gloster Ltd.,
21, Strand Road,
Kolkata-700 001.

Dear Sir,

Sub: Observation letter for draft Scheme of Amalgamation between Gloster Ltd. and Kettlewell Bullen & Company Ltd.

We are in receipt of the draft Scheme of Amalgamation between Gloster Ltd. and Kettlewell Bullen & Company Ltd.

As required under SEBI Circular. No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI has vide its letter dated March 30, 2017, has inter alia given its comments on draft scheme filed by the company. A copy of SEBI comment letter is attached for your perusal and necessary compliance at your end.


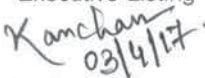
In view hereof, we hereby convey to you the Exchange's 'No-objection' of aforesaid securities with limited reference to those matters having bearing on listing/de-listing/continuous listing requirements (if any) within the provisions of the Listing Agreement and subject to the approval of the shareholders to the Scheme of Arrangement at the ensuing General meeting of the company.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

For THE CALCUTTA STOCK EXCHANGE LTD.


(CS Chandrani Datta)
Executive-Listing

03/4/17

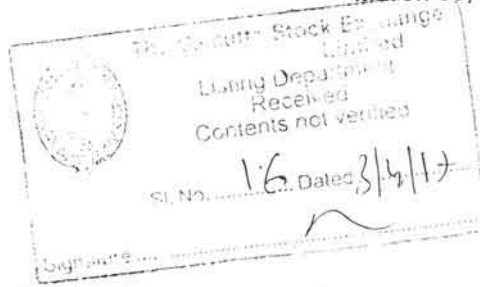


भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

Navpreet Singh
Assistant General Manager
Corporation Finance Department
Division of Issues and Listing-1
Phone: +91-22 26449000 (Extn.: 9303)
Fax: +91-22 26449022. Email: navpreets@sebi.gov.in

CFD/DIL-1/NS/07230/1/2017
March-30, 2017

Shri C S Chandrani Datta,
The Calcutta Stock Exchange Ltd,
7, Lyons Range,
Kolkata – 700001



Dear Sir,

Sub: Draft Scheme of Amalgamation between Gloster Limited and Kettlewell Bullen & Company Limited

1. This has reference to BSE letter No. LIST/LO/SEBI/AC/174/2016-17 dated September 20, 2016 forwarding the application of Draft Scheme of Amalgamation between Gloster Limited and Kettlewell Bullen & Company Limited filed in accordance with SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 (hereinafter referred to as 'the Circular') for our comments on the draft Scheme of Arrangement (hereinafter referred to as 'draft Scheme').
2. The matter has been examined by SEBI in the light of the provisions under Part A, Annexure I of the aforesaid Circular. Accordingly, SEBI's comments on the draft Scheme are as under:
 - a. The Stock Exchange shall ensure post merger the resultant company shall be listed in atleast one national level stock exchange.
 - b. The Stock Exchange shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.
 - c. The stock exchange may ensure compliance with the said Circulars.
 - d. The company shall duly comply with various provisions of the Circulars.

NS

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051.
दूरभाष : 2644 9950 / 4045 9950 (आई.सी.आर. एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

Please note that the submission of documents/information in accordance with the Circulars, to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Yours faithfully,

Navpreet Singh
Navpreet Singh



GLOSTER LIMITED

21, Strand Road, Kolkata-700 001 (India)
 Phone : +91 (33) 2230-9601 (4 Lines), Fax : +91(33)2231 4222/2210 6167, E-mail : info@glosterjute.com, Web : www.glosterjute.com
 CIN: L17119WB1992PLC054454

Annexure A

Complaints Report under Para (I)(A)(6) of Annexure I to the Securities and Exchange Board of India
 Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 on Scheme of Amalgamation

Part A

Sr No	Particulars	Number
1.	Number of complaints received directly	- Nil -
2.	Number of complaints forwarded by Stock exchanges	- Nil -
3.	Total Number of complaints/comments received (1+2)	- Nil -
4.	Number of complaints resolved	- Nil -
5.	Number of complaints pending	- Nil -

Part B

Sr No	Name of the Complainant	Date of Complaint	Status (Resolved/ Pending)
1.	- N.A, as no complaints received -		

For Gloster Limited

Company Secretary

Date: 14.10.2016



GLOSTER LIMITED

21, Strand Road, Kolkata-700 001 (India)
Phone : +91 (33) 2230-9601 (4 Lines), Fax : +91(33)2231 4222/2210 6167, E-mail : info@glosterjute.com, Web : www.glosterjute.com
CIN: L17119WB1992PLC054454

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF GLOSTER LIMITED AT ITS MEETING HELD ON FRIDAY THE 12 TH DAY OF MAY , 2017 AT 11.45 A.M. EXPLAINING THE EFFECT OF SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1.0 Background

1.1 The Proposed Scheme of Amalgamation between Gloster Limited (“Gloster” or “Transferor Company”) and Kettlewell Bullen & Company Limited (“Kettlewell” or “Transferee Company”)(collectively referred to as “Companies”) and their respective shareholders and creditors was approved by the Board of Directors of Gloster(“Board”) vide resolution dated March 29, 2016 and further on August 12, 2016. Subsequent to the said date, provisions of Section 230 to 232 of the Companies Act, 2013, interalia, governing amalgamation of companies have become operative with effect from 15th December, 2016. Provisions of Section 232(2)(c) of Companies Act, 2013 require the Board to adopt a report explaining the effect of arrangement and amalgamation on equity shareholders, Key Managerial Personnel, Promoters and Non-Promoter Shareholders of the Company laying out in particular the share exchange ratio and which is required to be circulated to the equity shareholders.

1.2 This report of the Board is accordingly being made in pursuance to the requirements of section 232(2)(c) of the Companies Act, 2013.

1.3 The following documents were placed before the Board:

1.3.1 Draft Scheme of Amalgamation duly initialed by the Chairman.

1.3.2 Valuation & Share Exchange Ratio Report dated March 28, 2016 along with Supplementary Valuation & Share Exchange Ratio Report dated August 9, 2016, prepared by M/s. Sharp & Tannan, Chartered Accountants, recommending the share exchange ratio (“Valuation Report”).

1.3.3 Fairness Opinion dated March 28, 2016 along with Supplementary Fairness Opinion certificate dated August 9, 2016 prepared by M/s. Ashika Capital Limited, Merchant Banker providing the Fairness opinion on the Share Exchange Ratio recommended M/s. by Sharp & Tannan (“Fairness opinion”).

1.3.4 Report of the Audit Committee of the Board of Directors dated March 29, 2016 and August 12, 2016.

2.0 Effect of the Scheme of Amalgamation on equity shareholders (promoter and non-promoter shareholders) of Gloster:

2.1 Under the Scheme, an arrangement is sought to be entered into between the Transferor Company, the Transferee Company and their equity shareholders (promoter and non-promoter shareholders). Upon the sanctioning of the Scheme, and in terms of Chapter 2 of the Scheme, the equity shareholders (whether promoter shareholders or non-promoter shareholders) (other than the Transferee Company) of the Transferor Company shall become the equity shareholders of the Transferee Company based on the Share Exchange Ratio as under and as stipulated in Clause 11 of Chapter 2 of the Scheme:

“2 (two) fully paid up equity shares of Rs.10 (Rupees Ten) each of Transferee Company for every 5 (five) fully paid up equity share of Rs.10 (Rupees Ten) each held by such shareholder in Transferor Company”

2.2 Upon the effectiveness of the Scheme, the equity shares held by the Transferee Company in the paid-up equity share capital of the Transferor Company shall stand cancelled.

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GLOSTER LIMITED

21, Strand Road, Kolkata-700 001 (India)

Phone : +91 (33) 2230-9601 (4 Lines), Fax : +91(33)2231 4222/2210 6167, E-mail : info@glosterjute.com, Web : www.glosterjute.com
CIN: L17119WB1992PLC054454

3.0 **Effect of the Scheme of Amalgamation on the employees (including key managerial personnel) of Gloster:**

3.1 Under Clause 5 of Chapter 2 of the Scheme, on and from the Effective Date, the Transferee Company undertakes to engage all the employees of the Transferor Company on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service and in the manner provided under the Scheme. In the circumstances, the rights of the employees of the Transferor Company would in no way be affected by the Scheme. The key managerial personnel of the Transferor Company are also the employees of the Transferor Company.

3.2 Under the Scheme, no rights of the employees (including key managerial personnel) of the Transferee Company are being affected.

4.0 **Effect of the Scheme of Amalgamation on the Directors of Gloster:**

4.1 Upon the effectiveness of the Scheme, the directors of the Transferor Company shall cease to be its directors as Transferor Company shall stand dissolved without winding up.

5.0 No special valuation difficulties were reported.

By order of the Board

Sd/-

D.C. Baheti,
Managing Director
DIN:00040953

Date: 12th May, 2017

Place: Kolkata

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF KETTLEWELL BULLEN & COMPANY LIMITED AT ITS MEETING HELD ON FRIDAY THE 12 TH DAY OF MAY, 2017 AT 02.30 P.M. EXPLAINING THE EFFECT OF SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1.0 Background

1.1 The Proposed Scheme of Amalgamation between Gloster Limited (“Gloster” or “Transferor Company”) and Kettlewell Bullen & Company Limited (“Kettlewell” or “Transferee Company”) (collectively referred to as “Companies”) and their respective shareholders and creditors was approved by the Board of Directors of Kettlewell (“Board”) vide resolution dated March 29, 2016 and further on August 12, 2016. Subsequent to the said date, provisions of Section 230 to 232 of the Companies Act, 2013, inter alia, governing amalgamation of companies have become operative with effect from 15th December, 2016. Provisions of Section 232(2)(c) of Companies Act, 2013 require the Board to adopt a report explaining the effect of arrangement and amalgamation on equity shareholders, Key Managerial Personnel, Promoters and Non-Promoter Shareholders of the Company laying out in particular the share exchange ratio and which is required to be circulated to the equity shareholders.

1.2 This report of the Board is accordingly being made in pursuance to the requirements of section 232(2)(c) of the Companies Act, 2013.

1.3 The following documents were placed before the Board:

1.3.1 Draft Scheme of Amalgamation duly initialed by the Chairman.

1.3.2 Valuation & Share Exchange Ratio Report dated March 28, 2016 along with Supplementary Valuation & Share Exchange Ratio Report dated August 9, 2016, prepared by M/s. Sharp & Tannan, Chartered Accountants, recommending the share exchange ratio (“Valuation Report”).

1.3.3 Fairness Opinion dated March 28, 2016 along with Supplementary Fairness Opinion certificate dated August 9, 2016 prepared by M/s. Ashika Capital Limited, Merchant Banker providing the Fairness opinion on the Share Exchange Ratio recommended M/s. by Sharp & Tannan (“Fairness opinion”).

2.0 Effect of the Scheme of Amalgamation on equity shareholders (promoter and non-promoter shareholders) of Kettlewell:

2.1 Under the Scheme, an arrangement is sought to be entered into between the Transferee Company, Transferor Company and their equity shareholders. Upon the effectiveness of the Scheme, the Transferee Company shall allot equity shares to the shareholders of Transferor Company based on the Share Exchange Ratio as under and in the manner stipulated in Clause 11 of Chapter 2 of the Scheme:

“2 (two) fully paid up equity shares of Rs. 10 (Rupees Ten) each of Transferee Company for every 5 (five) fully paid up equity share of Rs. 10 (Rupees Ten) each held by such shareholder in Transferor Company”

2.2 Upon the effectiveness of the Scheme, the equity shares held by the Transferee Company in the paid-up equity share capital of the Transferor Company shall stand cancelled.

3.0 Effect of the Scheme of Amalgamation on the employees (including key managerial personnel)of Kettlewell:

3.1 Under Clause 5 of Chapter 2 of the Scheme, on and from the Effective Date, the Transferee Company undertakes to engage all the employees of the Transferor Company on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service and in the manner provided under the Scheme. In the circumstances, the rights of the employees of the Transferor Company would in no way be affected by the Scheme. The key managerial personnel of the Transferor Company are also the employees of the Transferor Company.

3.2 Under the Scheme, no rights of the employees (including key managerial personnel)of the Transferee Company are being affected.

4.0 Effect of the Scheme of Amalgamation on the Directors of Kettlewell:

4.1 There is no effect of the Scheme on the directors of the Transferee Company.

5.0 No special valuation difficulties were reported.

By order of the Board

Sd/-
O.P. Modani
Director
DIN:00615363

Date:12th May, 2017
Place: Kolkata

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOSTER LIMITED

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
 - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone financial statements – Refer Note 31.
 - ii. The Company has derivative contracts as at March 31, 2017 for which there were no material foreseeable losses Refer Note 35. There are no long term contracts outstanding as at March 31, 2017.
 - 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, 2017.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 42.

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

Sunit Kumar Basu
Partner
Membership Number 55000

Place: Kolkata
Date: May 12, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Gloster Limited on the standalone financial statements for the year ended March 31, 2017

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

1. We have audited the internal financial controls over financial reporting of Gloster Limited ("the Company") as of March 31, 2017 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sunit Kumar Basu
Partner
Membership Number 55000

Place: Kolkata
Date: May 12, 2017

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Gloster Limited on the standalone financial statements as of and for the year ended March 31, 2017

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of four years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) The title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the financial statements, are held in the name of the Company.
- ii. 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 not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii) (a), (iii) (b) and (iii) (c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. 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 and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax, service-tax, duty of customs, duty of excise which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, and value added tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount of Demand* (Rs.)	Period to which the amount relates	Forum where the dispute is pending
West Bengal VAT Act, 2003	West Bengal VAT	1,304,424	2007-08	West Bengal Taxation Tribunal
Central Sales Tax Act, 1956	Central Sales Tax	671,033	2007-08	Calcutta High Court
West Bengal VAT Act, 2003	West Bengal VAT	4,570,981	2008-09	West Bengal Taxation Tribunal
West Bengal VAT Act, 2003	West Bengal VAT	1,734,219	2009-10	Appellate & Revisional Board

Name of the statute	Nature of dues	Amount of Demand* (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	1,554,342	2009-10	Appellate & Revisional Board
West Bengal VAT Act, 2003	West Bengal VAT	2,226,350	2010-11	Appellate & Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	3,883,904	2010-11	Appellate & Revisional Board
West Bengal VAT Act, 2003	West Bengal VAT	2,985,287	2011-12	Appellate & Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	7,540,895	2011-12	Appellate & Revisional Board
West Bengal VAT Act, 2003	West Bengal VAT	5,164,136	2012-13	Appellate & Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	8,153,448	2012-13	Appellate & Revisional Board

*Against the above, a sum of Rs. 42.01 lakhs has been deposited by the company under protest.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any banks as at balance sheet date. The Company does not have any loans or borrowings from any financial institution or Government nor has issued any debentures as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer, 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 financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Sunit Kumar Basu
Partner
Membership Number 55000

Place: Kolkata
Date: May 12, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

	Note	As at	
		31st March, 2017	31st March, 2016
		Rs. lakhs	Rs. lakhs
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	1,046.69	523.34
Reserves and Surplus	4	36,494.47	32,435.63
		37,541.16	32,958.97
Non-current Liabilities			
Long-term borrowings	5	-	286.83
Deferred tax liabilities (net)	6	102.24	56.84
Long-term provisions	7	400.18	303.23
		502.42	646.90
Current Liabilities			
Short-term borrowings	8	3,333.67	7,765.21
Trade Payables (includes dues of Micro and Small enterprises Rs 0.33 Lakh (2015-16 :Rs 1.21 Lakhs)	9	431.39	616.87
Other current liabilities	10	2,982.92	2,426.01
Short-term provisions	11	943.41	1,617.59
		7,691.39	12,425.68
Total		45,734.97	46,031.55
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	12	26,215.63	25,583.96
Intangible assets	13	17.41	19.41
Capital work-in-progress		174.68	400.16
Intangible Assets under development		32.85	32.85
Non-current investments	14	3,849.90	3,008.62
Long-term loans and advances	15	574.85	596.72
		30,865.32	29,641.72
Current assets			
Current investments	16	2,385.90	1,530.08
Inventories	17	8,034.28	9,948.09
Trade receivables	18	1,959.31	2,552.52
Cash and Bank balances	19	223.50	411.33
Short-term loans and advances	20	2,247.21	1,947.81
Other current assets	21	19.45	-
		14,869.65	16,389.83
Total		45,734.97	46,031.55
Corporate Information		1	
Summary of significant accounting policies		2	

The accompanying notes are an integral part of these financial statements.

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

For Lovelock & Lewes

Firm Registration No. 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership No. 55000

Shankar Lal Kedia

Chief Financial Officer

Ajay Kumar Agarwal

Company Secretary

Hemant Bangur

D.C. Baheti Executive Chairman

Nandita Sen Managing Director

S.N. Bhattacharya Director

K. Mahapatra Director

Prabir ray Director

Place : Kolkata

Date: 12th May, 2017

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH, 2017

	Note	As at	
		31st March, 2017	31st March, 2016
		Rs. lakhs	Rs. lakhs
Income			
Revenue from operations (gross)	22	50,742.79	43,026.30
Less: Excise Duty and R & D Cess		369.85	315.60
Revenue from operations (net)		50,372.94	42,710.70
Other Income	23	1,400.34	1,167.13
Total Revenue		51,773.28	43,877.83
EXPENSES			
Cost of materials consumed	24	25,259.75	25,030.46
Purchase of traded goods		-	10.17
Changes in inventories of finished goods, stock-in-process and semi -finished goods	25	1,161.93	(1,795.22)
Employee benefits expense	26	8,421.82	8,194.39
Finance costs	27	341.75	411.50
Depreciation and amortization expense	28	769.23	780.03
Other expenses	29	8,744.22	7,554.31
Total Expenses		44,698.70	40,185.64
Profit before exceptional items and tax		7,074.58	3,692.19
Exceptional items		-	-
Profit before tax		7,074.58	3,692.19
Tax expense			
Current tax		2,447.00	1,243.00
Deferred tax		45.40	(14.83)
Total Tax expenses		2,492.40	1,228.17
Profit for the year		4,582.18	2,464.02
Earnings per equity share[Nominal Value per Share Rs.10 (31.03.2016 - Rs.10)]			
Basic & Diluted	30	43.78	23.54
Corporate Information		1	
Summary of significant accounting policies		2	

The accompanying notes are an integral part of these financial statements.

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

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu

Partner
Membership No. 55000

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

Hemant Bangur
D.C. Baheti
Nandita Sen
S.N. Bhattacharya
K. Mahapatra
Prabir ray
Executive Chairman
Managing Director
Director
Director
Director
Director

Place : Kolkata
Date: 12th May, 2017

CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2017

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Rs. Lakhs		Rs. Lakhs	
A. Cash Flow from Operating Activities				
Net profit before tax		7,074.58		3,692.19
Adjustments for :				
Depreciation and Amortisation Expenses	769.23		780.03	
Finance Costs	341.75		411.50	
Bad Debts Written Off	-		4.38	
Net (Profit) / Loss on sale of fixed assets	(30.66)		(2.45)	
Net gain on sale of current investments	(4.09)		(36.30)	
Net gain on sale of Long Term Investments	(14.26)		(99.92)	
Unrealised (Gain) / Loss on exchange (net)	(1.85)		(2.86)	
(Gain)/ Loss on Mark to Market adjustment for Derivative Instrument	-		22.57	
Export License utilized	(7.51)		(3.79)	
Interest Income	(261.45)		(191.64)	
Dividend income on long term investments	(8.26)		(1.13)	
Liabilities no longer required written back	(0.09)		(5.79)	
Provision for Impairment of Power Plant written back	(245.07)			
Diminution in value of Investment	54.49		21.43	
Provision for Diminution in Investment Written Back	(21.43)		(11.73)	
Fixed Asset Written Off	67.41	638.21	-	884.30
Operating profit before working capital changes		7,712.79		4,576.49
Adjustments for :				
Decrease/(Increase) in Inventories	1,913.81		(3,141.14)	
Decrease/(Increase) in Trade and Other Receivables	839.52		(952.70)	
(Decrease)/Increase in Trade and Other Payables	227.36	2,968.69	1,408.04	(2,685.80)
Cash generated from operations		10,681.48		1,890.69
Income Taxes paid		(2,287.81)		(1,505.52)
Net Cash from Operating Activities	A	8,393.67		385.17
B. Cash Flow from investing activities				
Purchase of Fixed Assets	(1,337.72)		(1,504.11)	
Grant/ Capital Subsidy Received against Specific Fixed Assets	148.98		16.92	
Sale of Fixed Assets	231.70		12.57	
Purchase of Current investments	(9,842.16)		(3,427.38)	
Application Money paid for Investment	(20.00)		(200.00)	
Sale/ Redemption of Investments	8,130.46		2,062.25	
Interest received	241.99		191.64	
Dividend received	8.26		1.13	
Intercompany Deposit given	(1,200.00)		(1,200.00)	

CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2017 (Contd.)

Particulars		Year ended 31st March, 2017		Year ended 31st March, 2016	
	Repayment of Intercompany Deposit	700.00		-	
	(Increase)/Decrease in Margin Money Deposits	40.98		(40.98)	
	Net (Finance)/Repayment against Bill Discounting	(64.08)			
	Net Cash used in Investing activities		(2,961.59)		(4,087.96)
C.	Cash Flow from Financing Activities				
	Net proceeds / (repayment) of Short term Borrowings	(4,433.53)		4,763.76	
	Proceeds from Long-term Borrowings	112.00		598.00	
	Repayment of Long-term Bank Borrowings	(525.83)		(995.73)	
	Finance costs paid	(356.08)		(405.57)	
	Dividend paid	(312.79)		(314.01)	
	Dividend Taxes paid	(63.92)		(63.92)	
	Net Cash from / (used) in Financing Activities		(5,580.15)		3,582.53
	Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		(148.07)		(120.26)
D.	Cash and Cash Equivalents				
	Net Increase/ (Decrease) in Cash and Cash Equivalents		(148.07)		(120.26)
	Cash and Cash Equivalents as on 1 April		351.88		472.14
	Cash and Cash Equivalents 31 March		203.81		351.88

Notes

- The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard -3, on Cash Flow Statement as per Companies Accounting Standard Rules, 2006.
- Previous year's figures have been regrouped/ rearranged wherever necessary.
This is the Cash Flow statement referred to in our report of even date.

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

Place : Kolkata
Date: 12th May, 2017

Sunit Kumar Basu
Partner
Membership No. 55000

Shankar Lal Kedia Ajay Kumar Agarwal
Chief Financial Officer Company Secretary

Hemant Bangur Executive Chairman
D.C. Baheti Managing Director
Nandita Sen Director
S.N. Bhattacharya Director
K. Mahapatra Director
Prabir ray Director

Notes to the Financial Statements

1. Corporate Information

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

2. Summary of significant accounting policies

2.1 Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7(1) of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

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

2.2 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 Tangible assets and Depreciation

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

Notes to the Financial Statements

- e) An impairment loss is recognized where applicable when the carrying amount of tangible asset exceeds its recoverable amount.

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.
- b) Intangible assets comprising of computer software is depreciated on straight line method over a period of five years.
- c) Profit and Loss on disposal of Intangible assets is recognized in the Statement of Profit and Loss.
- d) An impairment loss is recognized where applicable when the carrying amount of intangible asset exceeds its recoverable amount.

2.5 Impairment of Assets

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

2.6 Investments

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

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

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

2.7 Subsidy / Government Grant

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

2.8 Inventories

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

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

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

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

Notes to the Financial Statements

2.9 Employee Benefit

a) Defined Contribution Plans

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

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

b) Defined Benefit Plans

(i) Gratuity

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

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

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

(ii) Compensated Absences

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

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

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

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

2.10 Research & Development Cess and Excise duty

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

Notes to the Financial Statements

2.11 Sale of Goods

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

2.12 Other Income

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

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

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

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

2.13 Foreign Currency Transaction

(i) Initial Recognition

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

(ii) Subsequent Recognition

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

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

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

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

2.14 Taxation

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

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

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

Notes to the Financial Statements

2.15 Borrowing Cost

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

2.16 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.

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

2.17 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.

2.18 Cash and Cash Equivalents

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

2.19 Change in Accounting Policy

The Company used to provide for proposed final dividend recommended by the Board of Directors as an appropriation to the Profit for the period. Pursuant to Companies (Accounting Standards) Amendment Rules, 2016 final dividend is being provided for only on approval by the shareholders in Annual General Meeting. Had the Company provided for proposed final dividend as in the past, provisions would have been higher by Rs.944.83 lakhs and net current assets would have been lower by a similar amount. The aforesaid change in Accounting policy, however does not have any impact on the profit for the current year.

Notes to the Financial Statements

3. Share Capital

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Authorised 2,50,00,000 (31.03.2016 - 2,50,00,000) Equity Shares of Rs. 10/- each	2,500.00	2,500.00
Issued, Subscribed and Fully Paid-up 1,04,66,880 (31.03.2016 - 52,33,440) Equity Shares of Rs. 10/- each	1,046.69	523.34
Total	1,046.69	523.34

(a) Reconciliation of number of equity shares

	As at			
	31st March, 2017		31st March, 2016	
	No. of Shares	Rs. lakhs	No. of Shares	Rs. lakhs
Balance as at the beginning of the year	5,233,440	523.344	5,233,440	523.344
Add: Shares Issued as fully paid up bonus shares during the Year	5,233,440	523.344	-	-
Balance as at the end of the year	10,466,880	1,046.688	5,233,440	523.344

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

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

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

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

	As at	
	31st March, 2017	31st March, 2016
	No. of Shares	No. of Shares
Equity shares allotted as fully paid-up pursuant contract(s) without payment being received in cash 1993-94	217,360	217,360
Equity shares allotted as fully paid up bonus share by way of capitalisation of General Reserve in 2002-03	654,180	654,180
Equity shares allotted as fully paid up bonus share by way of capitalisation of General Reserve in 2008-09	1,308,360	1,308,360
Equity shares allotted as fully paid-up bonus share by way of capitalisation of Securities Premium Account and General Reserve in 2013-14	2,616,720	2,616,720
Equity shares allotted as fully paid-up bonus share by way of capitalisation of General Reserve in 2016-17	5,233,440	-

Notes to the Financial Statements

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

	As at			
	31st March, 2017		31st March, 2016	
	No. of Shares	% holding	No. of Shares	% holding
Life Insurance Corporation of India	2,303,194	22.00	1,151,597	22.05
Kettlewell Bullen & Company Limited	1,787,806	17.08	893,903	17.08
The Oriental Company Limited	1,510,016	14.43	755,008	14.43
Madhav Trading Corporation Limited	1,208,115	11.54	591,840	11.31
Credwyn Holdings (India) Pvt.Ltd.	510,380	4.88	305,190	5.83
Pushpa Devi Bangur	832,840	7.96	395,228	7.55

4. Reserves and Surplus

	As at			
	31st March, 2017		31st March, 2016	
	Rs. lakhs		Rs. lakhs	
Capital Reserve		150.00		150.00
Revaluation Reserve				
Balance as at the beginning of the year		18,980.68		24,379.95
Deduct:				
Adjustment [Refer Note 12(a)]		-		5,399.27
Balance as at the end of the year		18,980.68		18,980.68
General Reserve				
Balance as at the beginning of the year		12,795.66		10,795.66
Deduct: Capitalised by Issue of Bonus Share		523.34		-
Add: Transferred from Surplus in the Statement of Profit and Loss during the year		2,000.00		2,000.00
Balance as at the end of the year		14,272.32		12,795.66
Surplus in the Statement of Profit and Loss				
Balance as at the beginning of the year		509.29		423.20
Add: Profit for the year		4,582.18		2,464.02
Deduct: Appropriations				
i) Proposed dividend on equity shares for the year [Refer Note (a) below and Note 2.19] (2015-16 Rs. 3/- per share)		-		314.01
ii) Dividend distribution tax on proposed dividend on equity shares		-		63.92
iii) Transfer to General Reserve		2,000.00		2,000.00
Balance as at the end of the year		3,091.47		509.29
Total		36,494.47		32,435.63

(a) The Board has recommended a dividend of 50% i.e Rs. 5/- per equity share for the year ended 31st March, 2017 and a special dividend - "25 years of Gloster's operations" of 25% i.e Rs. 2.5/- per equity share, making a total dividend of 75% i.e Rs. 7.5/- per equity share. The Payment is subject to approval of the shareholders at the ensuing Annual general meeting of the Company.

Notes to the Financial Statements

5. Long-term borrowings

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Secured		
Term Loan from Banks [Refer Note (a) below]	-	192.50
Unsecured		
Term Loan from Banks [Refer Note (b) below]	166.67	388.00
	166.67	580.50
Less: Amount disclosed under the head "Other current liabilities" [Refer Note 10]	166.67	293.67
Total	-	286.83
Nature of security and terms of repayment for secured borrowings (including current maturities of Long term borrowings in Note 10)		
Nature of Security	Terms of repayment	
a) Term loan from banks amounting to Rs.nil lakhs (31.03.2016: Rs 192.50 lakhs) are secured by equitable mortgage of factory, land and building, hypothecation of all plant & machinery and all other movable fixed assets of the Company.	Repayable in 24 equal quarterly instalments beginning from August 2015 along with interest rate linked to Bank base rate + 1.40% spread.	
b) Unsecured Term Loan from Bank amounting to Rs 166.67 Lakhs (31.03.2016: Rs 388 Lakhs)	Repayable in 3 equal quarterly instalments beginning from December 2016 along with interest rate linked to Bank base rate + 0.25% spread.	

6. Deferred tax liabilities (net)

		As at	
		31st March, 2017	31st March, 2016
		Rs. lakhs	Rs. lakhs
Deferred tax liabilities			
Depreciation (A)	483.50	458.70	
Deferred tax assets			
Provision for leave encashment	128.26	95.29	
Provision for doubtful advances	51.28	51.28	
Provision for Impairment	11.82	96.64	
Others	189.90	158.65	
	(B)	381.26	401.86
Total [Refer note (a) below]	(A-B)	102.24	56.84

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

7. Long-term provisions

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Provision for Compensated absences of employees	400.18	303.23
Total	400.18	303.23

Notes to the Financial Statements

8. Short-term borrowings

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Secured		
Loans from banks [refer note (a) below]	3,333.67	5,265.21
Unsecured :		
Loans From Banks [refer note (b) below]	-	2,500.00
Total	3,333.67	7,765.21

(a) Loan repayable on demand amounting to Rs. 3,333.67 lakhs (31.03.2016: Rs. 5,265.21 lakhs) are secured by hypothecation of stock of raw material, stock -in-process, finished goods, stores & consumables, book debts and other current assets of the Company.

Further, loans repayable on demand to bank amounting to Rs. 2,159.52 lakhs (31.03.2016: Rs. 3,414.16 lakhs) is also secured by Corporate Guarantee of Kettlewell Bullen & Company Limited.

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

9. Trade payables

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Total outstanding dues of Micro Small & Medium Enterprises (Refer note 36)	0.33	1.21
Total outstanding dues of creditors other than Micro Small & Medium Enterprises	431.06	615.66
Total	431.39	616.87

10. Other current liabilities

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Current maturities of long-term debt (also refer note 5)	166.67	293.67
Advances received from customers	308.92	160.89
Interest accrued and due on borrowings	2.11	9.94
Interest accrued but not due on borrowings	-	6.51
Unpaid Dividends [refer note (a) below]	19.48	18.26
Statutory dues	231.83	184.86
Capital Creditors	11.89	55.42
Other payables [Refer note (b) below]	2,242.15	1,696.46
Total	2,982.92	2,426.01

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the end of the year.

(b) Other payables include Buyers Credit of Rs. 93.28 lakhs (31.03.2016: Rs.Nil) and Employee Cost liability of Rs. 854.33 lakhs (31.03.2016: Rs. 657.88 lakhs).

Notes to the Financial Statements

11. Short-term provisions

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Provision for Employee Benefits (also refer note 26)		
Provision for Gratuity	442.61	916.35
Provision for compensated absences of employees	91.18	72.87
Other Provisions		
i) Proposed dividend on equity shares for the year [Refer Note 4 and Note 2.19] (2015-16 Rs. 3/- per share)	-	314.01
Provision for Dividend Distribution Tax	-	63.92
Provision for Taxation [Net of Advance Tax Rs.10,303.30 lakhs (2015-16 Rs. 8,015.49 Lakhs)]	409.62	250.44
Total	943.91	1,617.59

Notes to the Financial Statements

12. Tangible assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				Impairment				NET BLOCK After Impairment		
	Cost/Valuation as at 1st April, 2016 [Note (a)]	Additions during the year	Sale/ Adjustment during the year [Note (b)]	Cost/ Valuation as at 31st March, 2017	As at 1st April, 2016	For the Year	Sale/ Adjustment during the year	As at 31st March, 2017	As at 1st April, 2016	Impairment Loss For the Year	Sale/ Adjustment during the year	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs
Freehold Land	19,093.18	-	-	19,093.18	-	-	-	-	-	-	-	-	-	19,093.18	19,093.18
Buildings	4,118.62	397.92	65.32	4,451.22	923.80	117.73	25.46	1,016.07	57.94	-	21.29	3,413.86	3,136.88	3,413.86	3,136.88
Roads	198.64	-	-	198.64	156.82	12.53	-	169.35	-	-	-	29.29	41.82	29.29	41.82
Plant & Equipment	9,061.42	1,089.13	1,006.26	9,444.29	6,261.13	491.60	639.77	6,112.96	211.62	199.65	11.97	3,019.36	2,588.67	3,019.36	2,588.67
Furniture & Fixtures	396.33	6.04	-	402.37	153.47	39.46	-	192.93	-	-	-	209.44	242.86	209.44	242.86
Motor Vehicles	259.59	68.48	5.95	322.12	97.18	34.61	4.57	127.22	-	-	-	194.90	162.41	194.90	162.41
Launches	0.04	-	-	0.04	0.03	0.00	-	0.03	-	-	-	0.01	0.01	0.01	0.01
Office Equipment	157.53	5.62	1.22	161.93	108.93	28.66	1.02	136.57	0.71	0.13	0.58	24.78	47.89	24.78	47.89
Electrical Installations	581.01	-	17.75	563.26	301.82	38.55	8.23	332.14	8.95	8.64	0.31	230.81	270.24	230.81	270.24
Total	33,866.36	1,567.19	1,096.50	34,337.05	8,003.18	763.14	679.05	8,087.27	279.22	245.07	34.15	26,215.63	25,583.96	26,215.63	25,583.96
Previous Year	44,334.25	1,206.99	11,674.88	33,866.36	13,474.93	776.82	6,248.57	8,003.18	279.22	-	279.22	25,583.96	-	25,583.96	-

Note:

- a) The Company had revalued all of its Land, Buildings and Plant & Machinery at its factory at Bauria, Howrah at current replacement value as at 31st March, 2010 and 31st March, 2013 as per valuation report of an approved valuer. Revaluation Reserve balance of Rs.5,399.27 lakhs attributable to the depreciable tangible assets (Buildings and Plant & Machinery) has been reversed during previous financial year with corresponding reduction in the book value of such assets with effect from 1st April, 2015.

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

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

- b) Adjustment to Plant & Machinery includes Subsidy received Rs. 148.98 lacs (2015-16: Rs.16.93 lacs)

13. Intangible assets

Particulars	GROSS BLOCK			AMORTISATION			Net Block	
	Cost/ Valuation as at 1st April, 2016	Additions during the year	Sale/Adjustment during the year	As at 1st April, 2016	For the Year	Sale/Adjustment during the year	As at 31st March, 2017	As at 31st March, 2016
	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs
Computer - Software	52.72	4.09	-	33.31	6.09	-	39.40	19.41
Total	52.72	4.09	-	33.31	6.09	-	39.40	19.41
Previous Year	40.79	11.93	-	30.10	3.21	-	33.31	19.41

Notes to the Financial Statements

14. Non-current investments

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Long Term Investments					
Trade Investments (valued at cost unless stated otherwise)					
Unquoted Equity Instruments -Fully paid-up					
Investment in Subsidiaries					
Gloster Lifestyle Limited	10	40,00,000	400.00	40,00,000	400.00
Gloster Specialities Limited	10	40,00,000	400.00	40,00,000	400.00
Unquoted Equity Instruments -Fully paid-up					
Fine Worthy Software Solutions Private Limited [Net of provision for other than temporary diminution agregating to Rs 41.86 lakhs)(31.03.2016 : nil)]	10	91,411	171.83	91,411	213.68
Mutual Fund (Quoted)- Fully paid-up					
Reliance Fixed Horizon Fund XXVIII Series 14 - Growth	10	25,00,000	250.00	25,00,000	250.00
Kotak Mahindra FMP Series -172 Mutual Fund	10	5,00,000	50.00	5,00,000	50.00
ICICI Prudential FMP Series 78	10	10,00,000	100.00	10,00,000	100.00
Reliance Fixed Horizon Fund XXX Series 14 - Growth	10	10,00,000	100.00	10,00,000	100.00
Reliance Fixed Horizon Fund XXXI Series 15 - Growth	10	10,00,000	100.00	-	-
UTI Fixed Term Income Fund Series XXII - VI - Growth	10	12,50,000	125.00	12,50,000	125.00
HDFC FMP Growth Series 37	10	10,00,000	100.00	-	-
Others (Unquoted)-Fully paid -up					
IIFL Income Opportunities Fund	0.7693	29,44,328.38	24.85	29,44,328.38	28.45
IIFL Asset Revival Fund Series 2	10	2,00,000	200.00	-	-
Peninsula Brookfield India Real Estate Fund	100,000	124.64	126.64	166.70	168.70
IIFL National Development Agenda Fund	8.471	1,968,813.88	170.00	19,68,813.88	200.00
IIFL Real Estate Fund (Domestic) - Series 2 Class B units	10	18,66,885.30	200.00	18,66,885.30	200.00
Indiareit Apartment Fund	100,000	66.62	67.48	49.15	50.00
Orios Venture Partners Fund	100	1,65,000	165.00	1,25,000	125.00
IIFL Best of Class Fund - I : -					
Class B1	10	5,00,000	50.00	5,00,000	50.00
Class B2	10	5,00,000	50.00	5,00,000	50.00
IIFL Real Estate Fund (Domestic) - Series 3 Class B	10	2,00,000	200.00	20,00,000	200.00
IIFL Special Opportunities Fund Class A1	10	500,000	50.00	-	-
IIFL Re Organize India Equity Fund Class A1	10	500,000	50.00	-	-
IIFL Focussed Equity Strategies Fund : -					
Class A1	10	2,49,862.58	25.00	-	-
Class B1	10	2,50,365.53	25.00	-	-
Malabar Value Fund	100	40,354.75	40.00	-	-
Sundaram Alternative Opportunities Fund- Nano Cap Series I	100,000	14.97	15.00	-	-
DSP Blackrock AIF Pharma Fund Class B	100	1,02,753.75	100.00	-	-
Tata Motors Finance Limited Compulsorily Convertible Preference Shares	100	1,00,000	100.00	1,00,000	100.00
Carried Forward ...			3,455.80		2,810.83

Notes to the Financial Statements

14. Non-current investments (Contd)

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Long Term Investments Contd ...					
Brought Forward			3,455.80		2,810.83
Quoted Equity Instruments- Fully paid-up (Investment through PMS)					
Aegis Logistic Ltd	2	9,091	15.40	-	-
Alkem Laboratories Ltd	2	619	10.57	186	2.56
Asian Paints Ltd.	1	438	5.15	744	6.38
Ajanta Pharma Ltd	2	232	4.60	-	-
Amara Raja Batteries Ltd	1	531	5.47	-	-
Astral Poly Technik Ltd	1	850	3.36	-	-
Bajaj Finance Ltd.	10	1,943	17.25	204	10.67
Bajaj Finserv Ltd	2	178	5.78	-	-
Bharat Forge Ltd.	2	787	7.19	903	8.31
Bharat Petroleum Corpn. Ltd	10	-	-	759	6.46
Birla Corporation Ltd.	10	1,700	11.70	-	-
Britannia Industries Ltd	2	165	5.64	-	-
Bosch Ltd.	10	67	14.24	78	16.57
Canfin Homes Ltd.	10	296	4.87	-	-
City Union Bank Ltd.	1	6,484	7.42	3,609	3.15
Cholamandalam Investment And Finance Company Ltd	10	421	4.18	-	-
Colgate-Palmolive (India) Limited	1	555	5.37	232	2.26
Container Corporation of India Ltd.	10	285	3.67	159	2.10
Cummins India Ltd.	2	881	8.73	493	5.29
Development Credit Bank Ltd	10	9,268	11.60	-	-
Dhanuka Agritech Ltd	2	510	3.60	-	-
Dishman Pharmaceuticals & Chemicals Ltd	2	1,225	3.63	-	-
Dr Lal Pathlabs Ltd	10	454	5.13	-	-
Eicher Motors Ltd.	10	86	16.74	115	20.49
Emami Limited	1	823	8.74	339	3.61
Engineers India Ltd	5	1,734	2.18	467	0.94
Gabriel India Limited	1	5,521	6.63	-	-
Glaxo Smithkline Consumer Healthcare Ltd.	10	96	5.58	53	3.20
Godrej Industries Ltd	1	1,013	4.97	-	-
Havells India Ltd	1	1,077	4.44	-	-
HDFC Bank Ltd.	2	-	-	708	7.73
Hero Motocorp Limited	2	-	-	165	4.25
Hindustan Petroleum Corporation Ltd.	10	7,334	27.21	1,381	10.52
Housing Development Finance Corporation Ltd.	2	-	-	398	5.07
Interglobe Aviation Ltd	10	-	-	574	5.04
Ipca Laboratories Ltd.	2	913	6.21	508	3.97
Carried Forward ...			3,703.05		2,939.40

Notes to the Financial Statements

14. Non-current investments (Contd)

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Brought Forward			3,703.05		2,939.40
Quoted Equity Instruments- Fully paid-up					
Indusind Bank Ltd	10	422	5.13	-	-
ltd Cementation India Ltd	1	2,468	3.46	-	-
Jammu Kashmir Bank Ltd	1	4,461	3.40	2,295	2.01
Kotak Mahindra Bank Limited	5	2,621	18.88	1,664	11.27
Kajaria Ceramics Ltd	1	990	6.60	-	-
Larsen & Toubro Ltd.	2	-	-	337	5.27
L&T Technology Services Ltd	2	792	6.85	-	-
Lakshmi Vilas Bank Limited	10	3,280	5.05	-	-
Lupin Ltd	2	350	5.27	-	-
Mahanagar Gas Ltd	10	671	4.09	-	-
Max Financial Services Ltd	2	2,457	10.39	1,107	5.89
M R F Ltd	10	9	4.74	-	-
Motherson Sumi Systems Ltd	1	1,558	5.06	-	-
Page Industries Ltd.	10	146	21.32	63	8.99
Phoenix Lamps Limited	10	2,133	3.52	-	-
P I Industries Ltd	1	679	5.59	-	-
Pidilite Industries Ltd	1	554	3.87	-	-
Quess Corp Ltd	10	1,038	5.64	-	-
Speciality Restaurants Ltd	10	Nil	-	373	0.54
Shree Cements Ltd	10	25	4.30	-	-
State Bank of India	1	Nil	-	2,505	6.14
Sun Pharmaceuticals Ltd.	1	Nil	-	1,250	11.23
Tata Consultancy Services Ltd.	1	Nil	-	251	6.54
TTK Prestige Ltd	10	120	5.89	-	-
United Spirit Ltd	10	Nil	-	158	4.94
Voltas Ltd.	1	4,395	14.99	2,155	6.40
Welspun India Ltd	10	3,141	2.81	-	-
Total			3,849.90		3,008.62
Aggregate amount of Quoted Investments			1,219.10		822.79
Aggregate Market Value of Quoted Investments			1,393.60		855.40
Aggregate amount of Unquoted Investments			2,630.80		2,185.83
Aggregate Provision for diminution in value of Investments			41.86		-

Notes to the Financial Statements

15. Long-term loans and advances

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good (unless otherwise stated)		
Capital Advance	126.08	170.17
Security Deposits	448.77	426.55
Total	574.85	596.72

16. Current Investments

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Trade Investments (valued at cost unless stated otherwise)					
Quoted Equity Instruments- Fully paid-up (Direct Investment)					
J K Paper Limited	10	150,000	102.16	-	-
J K Tyre & Industries Limited	2	100,000	128.52	-	-
Larsen & Toubro Ltd.	2	1,000	15.00	-	-
Magma Fincorp Limited	2	98,100	103.84	-	-
[Net of provision for other than temporary diminution agregating to Rs 11.81 lakhs)(31.03.2016 : nil)]					
National Aluminium Company Ltd	5	70,000	40.92	-	-
NBCC (India) Ltd	2	15,000	22.76	-	-
Shree Cements Ltd	10	600	102.12	-	-
[Net of provision for other than temporary diminution agregating to Rs 0.82 lakhs)(31.03.2016 : nil)]					
State Bank of India	1	20,000	50.87	-	-
Tata Global Beverages Ltd.	1	50,000	69.71	-	-
At cost or fair value, whichever is less					
Quoted					
Debentures - Fully paid-up					
Edelweiss Finance & Investments Limited (Debt Market Linked Non Convertible Debentures) (31.03.2016-Net of provision for other than temporary diminution agregating to Rs 5.63 lakhs)	100,000	-	-	99	93.37
India Infoline Finance Limited (Principal Protected Secured Redeemable Non Convertible Market Linked Debentures) (31.03.2016-Net of provision for other than temporary diminution agregating to Rs 15.80 lakhs)	1,000,000	-	-	10	84.20
Aspire Home Finance Corporation Ltd (Secured Redeemable Listed Principal Protected Non Convertible Market Linked Debentures)	100,000	20	200.00	-	-
ECL Finance Limited (Secured Redeemable Non Convertible Debentures)	100,000	100	100.00	-	-

Notes to the Financial Statements

16. Current Investments (contd.)

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Investment in Mutual fund -Fully paid-up					
Unquoted					
ICICI Prudential Gilt Fund Investment Plan- PF Option-Regular Plan	10	11,53,119.58	250.00	11,53,119.58	250.00
ICICI Prudential Liquid Plan - Growth	100	1,45,781.82	350.00	4,48,284.14	1,002.51
Birla Sunlife Cash Plus Growth Regular Plan	10	1,34,387.80	350.00	-	-
HDFC Cash Management Fund Savings Plan Regular Plan Growth	1,000	11,840.33	400.00	-	-
Forefront Alternative Equity Scheme	10	7,04,112.94	100.00	7,04,112.94	100.00
Total			2,385.90		1,530.08
Aggregate amount of quoted investments			935.90		177.57
Aggregate Market Value of quoted investments			1,007.92		177.57
Aggregate amount of unquoted investments			1,450.00		1,352.51
Aggregate Provision for diminution in value of Investments			12.63		21.43

17. Inventories

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Raw materials	3,919.01	4,609.47
Stock-in-process	698.79	1,610.70
Semi Finished Goods	269.30	292.72
Finished Goods (includes in transit Rs.474.45 lakhs, {31.03. 2016:Rs. 171.17 lakhs})	2,295.03	2,521.63
Stores and Spares	852.15	913.57
Total	8,034.28	9,948.09

18. Trade receivables

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	106.20	72.08
Others	1,853.11	2,480.44
Total	1,959.31	2,552.52

19. Cash and Bank balances

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Cash and cash equivalents		
Cash on hand	4.01	14.78
Balances with Banks :		
In current accounts	199.81	337.11
	203.81	351.88
Other Bank Balances		
Unpaid dividend account	19.48	18.26
Margin money deposits	0.21	41.19
Total	223.50	411.33

Notes to the Financial Statements

20. Short-term loans and advances

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good (unless otherwise stated)		
Security Deposits	96.39	96.39
Prepaid Expenses	62.02	108.57
Balances with Government Authorities	6.95	5.62
Advances for goods and services - Considered Good	119.24	76.77
Employee Advances	241.61	245.00
Loans to Bodies Corporate	1,700.00	1,200.00
Other Advances		
Considered Good	21.00	215.48
Doubtful	148.17	148.17
Less : Provision for Doubtful Advance	(148.17)	(148.17)
Total	2,247.21	1,947.83

21. Other current assets

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good :		
Interest accrued on Loans to Bodies Corporate	19.45	-
Total	19.45	-

22. Revenue from operations

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Sale of products		
Finished goods	49,519.86	42,517.75
Traded goods	-	10.73
	49,519.86	42,528.48
Other operating revenues		
Export incentive	1,222.93	497.82
Revenue from operations (gross)	50,742.79	43,026.30
Less : Excise duty and R&D Cess	369.85	315.60
Total	50,372.94	42,710.70

Notes to the Financial Statements

23. Other Income

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Interest Income on		
Bank deposits	0.66	5.78
Other deposits	163.92	92.24
Long - term investments	61.33	62.24
Others	35.54	31.38
Dividend on long term investment	8.26	1.13
Rent	2.79	2.93
Profit on sale of fixed asset	30.66	2.45
Profit on sale of current investments (Net)	4.09	36.30
Profit on Sale of Long Term Investment	14.26	99.92
Liabilities no longer required written back	0.09	5.79
Net Gain on foreign currency transaction and translation	318.66	18.06
Miscellaneous Income [Refer note (a) below]	436.46	27.96
Provision for Diminution in Investment Written Back	21.43	11.73
Provision for Impairment Written Back	245.07	-
Keyman Insurance claim realised	57.12	769.22
Total	1,400.34	1,167.13

(a) Miscellaneous Income includes Insurance claim realized amounting to Rs 399.06 Lakhs. (31.03.2016.Rs.nil)

24. Cost of materials consumed

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Inventory at the beginning of the year	4,609.47	3,289.49
Add : Purchases (net) [Refer note (a) below]	24,569.29	26,350.44
	29,178.76	29,639.93
Less : Inventory at the end of the year	3,919.01	4,609.47
Total	25,259.75	25,030.46

(a) Purchases is net of discount received on prompt payment of supplier's bills amounting to Rs.352.62 lakhs (2015-16 : Rs. 425.98 lakhs)

25. Changes in inventories of finished goods, stock-in-process and semi -finished goods

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Inventories at the end 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 (A)	3,263.12	4,425.05
Inventories at the beginning of the year		
Stock-in-Process	1,610.70	747.88
Semi- Finished Goods	292.72	378.00
Finished Goods	2,521.63	1,503.95
Total (B)	4,425.05	2,629.83
(Increase)/decrease in inventories (B-A)	1,161.93	(1,795.22)

Notes to the Financial Statements

26. Employees benefits expense

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Salaries, Wages & Bonus	6,995.33	6,358.31
Contribution to Provident and Other Funds [Refer notes (a) and (b) below]	1,353.93	1,767.09
Workmen and Staff Welfare expenses	72.56	68.99
Total	8,421.82	8,194.39

Notes :

(a) Defined Contribution Plans

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

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Employer's Contribution to Provident Fund	140.97	125.90
Employer's Contribution to Pension Fund	395.96	377.71
Employer's Contribution to Superannuation Fund	84.86	72.54

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

(b) Defined Benefit Plans

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

Sl. No.	Description	Gratuity (Funded)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
		Rs lakhs	Rs lakhs
(a)	Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation		
	Present Value of Obligation at the beginning of the year	5,176.17	4,358.59
	Current Service Cost	329.54	266.18
	Interest Cost	403.71	333.00
	Acquisition Cost	43.19	-
	Actuarial (Gains)/Losses	448.35	397.01
	Benefits Paid	(131.91)	(178.61)
	Present Value of Obligation at the end of the year	6,269.05	5,176.17
(b)	Reconciliation of the Opening and Closing balances of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	4,259.82	4,261.71
	Expected Return on Plan Assets	372.16	337.67
	Acquisition Adjustment	43.19	-
	Actuarial Gains/(Losses)	366.83	(257.83)
	Contributions	916.35	96.88
	Benefits paid	(131.91)	(178.61)
	Fair Value of Plan Assets at the end of the year	5,826.44	4,259.82

Notes to the Financial Statements

Sl. No.	Description	Gratuity (Funded)	
		Year ended 31st March, 2017 Rs lakhs	Year ended 31st March, 2016 Rs lakhs
(c)	Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets		
	Present Value of Obligation at the end of the year	6,269.05	5,176.17
	Fair Value of Plan Assets at the end of the year	5,826.44	4,259.82
	Assets/(Liabilities) recognized in the Balance Sheet	(442.61)	(916.35)
(d)	Expense recognised in the Profit and Loss Account		
	Current Service Cost	329.54	266.18
	Interest Cost	403.71	333.00
	Acquisition Cost	43.19	-
	Expected Return on Plan Assets	(372.16)	(337.67)
	Acquisition Adjustment	(43.19)	-
	Actuarial (Gains)/Losses	81.52	654.84
	Total Expense recognized	442.61	916.35
(e)	Category of Plan Assets : [Refer note (b) below]		
	Fund with Birla Sun Life Insurance Company Limited	5,217.11	4,135.36
	Fund with HDFC Life	609.33	124.46
	Total	5,826.44	4,259.82
(f)	Actuarial Assumptions		
	Discount Rate (Per annum)	6.75%	7.90%
	Expected Rate of Return on Assets (Per annum)	8.00%	8.00%
	Salary Escalation	9.00%	9.00%
	Mortality Rate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate

- a) The estimates of future salary increases, considered in actuarial valuations, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investment of funds during the estimated term of the obligation.
- b) The Company made annual contributions to the insurer of an amount as determined by actuarial valuation. Company was not informed of the investments made by the insurer.
- c) The table below illustrates experience adjustment disclosure as per para 120 (n) (ii) of Accounting Standard 15 – Employee Benefits.

	2016-17	2015-16	2014-15	2013-14	2012-13
	Rs.lakhs	Rs.lakhs	Rs.lakhs	Rs.lakhs	Rs.lakhs
Defined benefit obligation	(6,269.05)	(5,176.17)	(4,358.59)	(3,684.68)	(3,254.32)
Plan assets	5,826.44	4,259.82	4,261.71	3,340.49	2,760.15
Surplus / (deficit)	(442.61)	(916.35)	(96.88)	(344.19)	(494.17)
Experience adjustments on plan liabilities	275.05	61.56	203.74	(90.60)	(168.25)
Experience adjustments on plan assets	366.83	(257.83)	459.11	2.89	64.22

Notes to the Financial Statements

27. Finance costs

	Year Ended	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Interest expenses	316.16	373.30
Other borrowing costs	25.59	38.20
Total	341.75	411.50

28. Depreciation and amortization expense

	Year Ended	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Depreciation on Tangible assets	763.14	776.82
Amortization of Intangible assets	6.09	3.21
Total	769.23	780.03

29. Other expenses

	Year Ended	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Consumption of stores and spare parts (net)	2,969.50	2,308.35
Power and fuel	2,031.51	1,919.64
Rent	85.04	79.18
Repairs to building	62.27	50.14
Repairs to machinery	0.87	0.83
Repairs - others	29.03	38.90
Insurance	665.03	600.39
Rates and Taxes	33.74	28.14
Processing Charges	577.05	585.70
Freight and Delivery Charges	328.36	257.93
Research & Development Cess and Excise Duty [Refer note (a) below]	118.34	114.79
Export Dock and Toll Charges	137.93	104.88
Brokerage and Commission	260.59	163.33
Bad Debts Written Off	-	4.38
CSR Expenses [Refer note (c) below]	246.18	18.70
Miscellaneous expenses [Refer note (b) below]	1,076.88	829.21
Diminution in value of Investment	54.49	21.43
Fixed Asset Written Off	67.41	-
Raw Jute Damaged In Fire	-	428.39
Total	8,744.22	7,554.31

(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 Rs.3.73 lakhs (31.03.2016: Rs. 11.54 lakhs)

(b) Miscellaneous expenses includes remuneration to auditors for :

	Year Ended	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Audit Fees	13.25	13.25
Other Services	12.75	10.25
Reimbursement of expenses (including service tax)	5.47	4.69
Total	31.47	28.19

Notes to the Financial Statements

(c) Corporate Social Responsibility (CSR)

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

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

Gross Amount required to be spent by the Company during the year : Rs.60.32 lakhs (2015-16 Rs.55.27 Lakhs)

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

Amount spent during the year under various heads	In Cash	Yet to be paid in cash	Total
	Rs. lakhs	Rs. lakhs	Rs. lakhs
(i) Construction / acquisition of any asset	Nil	Nil	Nil
(ii) On purposes other than (i) above	246.18	Nil	246.18

30. Earnings per equity share (EPS)

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

Particulars	Year Ended	
	31st March, 2017	31st March, 2016
(I) Basic		
a. Net Profit after tax (Rs. in lakhs)	4,582.18	2,464.02
b. (i) Number of Equity Shares at the beginning of the year	5,233,440	5,233,440
(ii) Number of Equity Shares at the end of the year	10,466,880	5,233,440
(iii) Weighted average number of Equity Shares outstanding during the year	10,466,880	5,233,440
(iv) Face Value of Equity Share (Rs.)	10	10
c. Basic Earning / (Loss) per share [a/b (iii)] (Rs.)	43.78	23.54
(II) Diluted		
a. Dilutive Potential Equity Shares	-	-
b. Weighted average number of Equity Shares for computing diluted earnings per shares [(I)b(iii)+(II)a] *	10,466,880	10,466,880
c. Diluted Earning / (Loss) per Share [(I)(a) / (II)(b)] (Rs.) *	43.78	23.54

Consequent to approval of the shareholders through Postal Ballot on 11th May,2016, the Company has allotted Bonus Shares in the ratio of 1:1 i.e. one new equity share for every one existing equity share to the eligible shareholders of the Company.

*The weighted average number of Equity Shares for computing diluted earnings and earnings per share for all periods presented are based on current capital after issue of Bonus Shares.

31. Contingent liabilities

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
a) Claims against the Company not acknowledged as debts :		
Sales tax matter	325.73	379.97
ESI matter	45.57	45.57
b) Export bills discounted with bank	107.98	263.86

32. Commitments

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Estimated amounts of contracts remaining to be executed on capital account and not provided for tangible assets	220.81	507.06
Other Commitment - towards investments	835.00	137.00

Notes to the Financial Statements

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

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

Particulars	Within India		Outside India		Total	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
Segment revenue by location of customers	37,066.28	31,580.00	12,083.73	10,632.88	49,150.01	42,212.88
Carrying amount of segment assets	1,282.82	2,044.08	676.49	508.44	1,959.31	2,552.52
Additions to tangible and intangible assets	1,345.80	1,507.37	-	-	1,345.80	1,507.37

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

Names of Related Parties and nature of relationship

a) Subsidiary Companies

Gloster Lifestyle Limited

Gloster Specialities Limited

b) Key Management Personnel

Shri G D Bangur (upto 7th June,2015)

Shri Hemant Bangur

Shri D C Baheti

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

Joonktollee Tea & Industries Limited

Kettlewell Bullen & Company Limited

Notes to the Financial Statements

Transactions with related parties are as follows:				
	Particulars	Year	Key Management Personnel	Enterprise over which Key Management Personnel & relatives of Key Management Personnel have significant Influence
			Rs lakhs	Rs lakhs
A	Transactions during the year			
1	Remuneration Paid	2016-17	614.15	-
		2015-16	347.73	-
2	Dividend Paid	2016-17	8.39	53.63
		2015-16	8.39	53.63
3	Rent Paid	2016-17	-	41.36
		2015-16	-	40.94
4	Sales	2016-17	-	109.44
		2015-16	-	94.68
5	Dividend Received	2016-17	-	-
		2015-16	-	0.23
B	Outstanding balance at year end			
1	Commission Payable	2016-17	375.00	-
		2015-16	200.00	-
2	Deposits	2016-17	-	400.00
		2015-16	-	400.00

35. Derivative instruments and unhedged foreign currency exposure

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

Nature of Exposure	As at	
	31st March, 2017	31st March, 2016
	In lakhs	In lakhs
Forward Contracts to sell (in USD)	6.98	4.42
Forward Contracts to sell (in GBP)	1.03	0.26
Forward Contracts to sell (in EUR)	2.03	0.51
Forward Contracts to sell (in JPY)	-	36.28
Forward Contracts to buy (in USD)	1.73	4.83

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

Nature of Exposure	As at	
	31st March, 2017	31st March, 2016
	In lakhs	In lakhs
Import Trade payables (USD)	0.24	-

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

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

Nature of Exposure	As at	
	31st March, 2017	31st March, 2016
	In lakhs	In lakhs
Provision for Resultant Mark to Market Loss	-	22.57

Notes to the Financial statements

36. 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	31st March, 2017	31st March, 2016
		Rs lakhs	Rs lakhs
1	The principal amount remaining unpaid to any supplier as at the year end	0.33	1.21
	The interest remaining unpaid to any supplier as at the year end	1.62	1.44
2	Principal amounts paid to suppliers beyond the appointed day during the year.	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	0.17	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.	1.61	1.44

*Included in Sl No. 1 above is Rs 0.33 lakh (31.03.2016 : Rs. 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.

37. The Company's Board of Directors at its meeting held on March 29, 2016 had approved the Scheme of Arrangement between "the Company" and Kettlewell Bullen & Company Limited in terms of the provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 & Companies Act, 2013, to the extent applicable. Upon the coming into effect of the Scheme and with effect from the Appointed Date i.e. 1st January, 2015, the Undertaking of Gloster Limited will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in Kettlewell Bullen & Company Limited, as a going concern, in accordance with Section 2(1B) of the Income Tax Act. The Company has since received No Objection Certificate from BSE Ltd. & Calcutta Stock Exchange Ltd. with regard to the Scheme and application has been filed before the National Company Law Tribunal for approval.

38. Value of imports calculated on CIF basis

	Year ended	
	31st March, 2017	31st March, 2016
	Rs lakhs	Rs lakhs
Stores, Spare parts and Components	115.95	301.26
Capital Goods	303.89	306.61
Raw Materials	2,164.85	2,444.68

39. Expenditure in Foreign currency

	Year ended	
	31st March, 2017	31st March, 2016
	Rs lakhs	Rs lakhs
Interest	-	6.15
Other expenses	110.22	28.11
Total	110.22	34.26

Notes to the Financial statements

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

	Year ended		Year ended	
	31st March, 2017	31st March, 2017	31st March, 2016	31st March, 2016
	%	Rs lakhs	%	Rs lakhs
Raw materials				
Indigenous	88.91	22,458.29	95.43	23,886.59
Imported	11.09	2,801.46	4.57	1,143.87
	100.00	25,259.75	100.00	25,030.46
Stores, spare parts and components				
Indigenous	84.47	2,508.30	73.69	1,701.05
Imported	15.53	461.20	26.31	607.30
	100.00	2,969.50	100.00	2,308.35
Stores and spare parts consumed includes value of stores written off during the year.		20.93		25.03

41. Earnings in Foreign currency

	Year ended	
	31st March, 2017	31st March, 2016
	Rs lakhs	Rs lakhs
Export on F.O.B basis	11,881.24	10,471.55

42. Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	55.30	14.52	69.82
(+) Permitted receipts	-	24.16	24.16
(-) Permitted payments	-	34.53	34.53
(-) Amount deposited in Banks	55.30	-	55.30
Closing cash in hand as on 30 December 2016	-	4.15	4.15

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.

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

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu

Partner
Membership No. 55000

Place : Kolkata
Date: 12th May, 2017

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

Hemant Bangur
D.C. Baheti
Nandita Sen
S.N. Bhattacharya
K. Mahapatra
Prabir ray

Executive Chairman
Managing Director
Director
Director
Director
Director

INDEPENDENT AUDITORS' REPORT

To the Members of Gloster Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Gloster Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), (refer Note 1 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs 1,261.65 lakhs and net assets of Rs 1,221.46 lakhs as at March 31, 2017, total revenue of Rs. 126.53 lakhs, net profit of Rs 75.66 lakhs and net cash flows amounting to Rs (1,431.19) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and (11) 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 financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 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, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

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

- i) The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Group – Refer Note 31 to the consolidated financial statements.
- ii) The Group has derivative contracts as at March 31, 2017 for which there were no material foreseeable losses – Refer Note 35 to the consolidated financial statements. There are no long term contracts outstanding as at March 31, 2017.
- 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, 2017.
- iv) The Group has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company, and its subsidiary companies, incorporated in India and as produced to us by the Management – Refer Note 37 to the consolidated financial statements.

For **Lovelock & Lewes**

Firm Registration Number: 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership Number 55000

Place: Kolkata

Date: May 12, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 9 (f) of the Independent Auditors' Report of even date to the members of Gloster Limited on the consolidated financial statements for the year ended March 31, 2017.

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Gloster Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph 9 below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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 **Lovelock & Lewes**

Firm Registration Number: 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership Number 55000

Place: Kolkata

Date: May 12, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

	Note	As at	As at
		31st March, 2017	31st March, 2016
		Rs. lakhs	Rs. lakhs
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	1,046.69	523.34
Reserves and Surplus	4	36,911.42	32,776.89
		37,958.11	33,300.23
Non-current Liabilities			
Long-term borrowings	5	-	286.83
Deferred tax liabilities (net)	6	102.24	56.84
Long-term provisions	7	400.18	303.23
		502.42	646.90
Current Liabilities			
Short-term borrowings	8	3,333.67	8,734.08
Trade Payables (includes dues of Micro and Small enterprises Rs 0.33 Lakh (2015-16 :Rs 1.21 Lakhs)	9	431.39	616.87
Other current liabilities	10	2,983.05	2,426.15
Short-term provisions	11	934.91	1,620.16
		7,683.02	13,397.26
Total		46,143.55	47,344.39
Assets			
Non-current Assets			
Fixed assets			
Tangible assets	12	26,215.63	25,583.96
Intangible assets	13	17.41	19.41
Capital work-in-progress		174.68	400.16
Intangible Assets under development		32.85	32.85
Non-current Investments	14	3,670.62	2,696.41
Long-term loans and advances	15	574.85	596.72
		30,686.04	29,329.51
Current assets			
Current Investments	16	2,461.45	1,643.68
Inventories	17	8,034.28	9,948.09
Trade receivables	18	1,959.31	2,552.52
Cash and Bank balances	19	275.06	1,894.09
Short-term loans and advances	20	2,687.41	1,947.83
Other current assets	21	40.00	28.67
		15,457.51	18,014.88
Total		46,143.55	47,344.39
Corporate Information	1		
Summary of significant accounting policies	2		

The notes are an integral part of these financial statements.

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

For Lovelock & Lewes

Firm Registration No. 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership No. 55000

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

Hemant Bangur

D.C. Baheti Executive Chairman
Managing Director

Nandita Sen
Director

S.N. Bhattacharya
Director

K. Mahapatra
Director

Prabir ray
Director

Place : Kolkata
Date: 12th May, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH, 2017

	Note	As at	As at
		31st March, 2017	31st March, 2016
		Rs. lakhs	Rs. lakhs
Income			
Revenue from operations (gross)	22	50,742.79	43,026.30
Less: Excise Duty and R & D Cess		369.85	315.60
Revenue from operations (net)		50,372.94	42,710.70
Other Income	23	1,526.87	1,342.46
Total Revenue		51,899.81	44,053.16
Expenses			
Cost of materials consumed	24	25,259.75	25,030.46
Purchase of traded goods		-	10.17
Changes in inventories of finished goods, stock-in-process and semi-finished goods	25	1,161.93	(1,795.22)
Employee benefits expense	26	8,421.82	8,194.39
Finance costs	27	357.94	478.97
Depreciation and amortization expense	28	769.23	780.03
Other expenses	29	8,757.27	7556.01
Total Expenses		44,727.94	40,254.81
Profit before exceptional items and tax		7,171.87	3,798.35
Exceptional items		-	-
Profit before tax		7,171.87	3,798.35
Tax expense			
Current tax		2,468.60	1261.45
Deferred tax		45.40	(14.83)
Tax for earlier year		-	0.31
Total Tax expenses		2,514.00	1,246.93
Profit for the year		4,657.87	2,551.42
Earnings per equity share [nominal value per share Rs.10 (31.03.2016 - Rs.10)]			
Basic & Diluted	30	44.50	24.38
Corporate Information	1		
Summary of significant accounting policies	2		

The notes are an integral part of these financial statements.

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

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu

Partner
Membership No. 55000

Place : Kolkata
Date: 12th May, 2017

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

Hemant Bangur
D.C. Baheti
Nandita Sen
S.N. Bhattacharya
K. Mahapatra
Prabir ray
Executive Chairman
Managing Director
Director
Director
Director
Director

CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2017

Particulars		Year ended 31st March, 2017		Year ended 31st March, 2016	
A. Cash Flow from Operating Activities					
Net profit before tax			7,171.87		3,798.35
Adjustments for :					
Depreciation and Amortisation Expenses		769.23		780.03	
Finance Costs		357.94		478.97	
Bad Debts Written Off		-		4.38	
Net (Profit) / Loss on sale of fixed assets		(30.66)		(2.45)	
Net gain on sale of current investments		0.62		(34.78)	
Net gain on sale of Long Term Investments		(14.26)		(99.92)	
Unrealised (Gain) / Loss on exchange (net)		(1.85)		(2.88)	
(Gain)/ Loss on Mark to Market adjustment for Derivative Instrument		-		22.57	
Export Incentive received under SHIS Scheme		(7.51)		(3.79)	
Interest Income		(385.86)		(355.26)	
Dividend income on long term investments		(10.38)		(14.36)	
Liabilities no longer required written back		(0.09)		(5.79)	
Provision for Impairment of Power Plant written back		(245.07)		-	
Diminution in value of Investment		59.01		21.43	
Provision for Diminution in Investment Written Back		(21.43)		(11.73)	
Fixed Asset Written Off		67.41		-	
			537.10		776.42
Operating profit before working capital changes			7,708.97		4,574.77
Adjustments for :					
Decrease/(Increase) in Inventories		1,913.81		(3,141.14)	
Decrease/(Increase) in Trade and Other Receivables		839.52		(952.69)	
(Decrease)/Increase in Trade and Other Payables		215.37	2,968.70	1,408.05	(2,685.77)
Cash generated from operations			10,677.67		1,889.00
Income Taxes paid			(2,320.49)		(1,521.68)
Net Cash from Operating Activities	A		8,357.18		367.32
B. Cash Flow from investing activities					
Purchase of Fixed Assets		(1,337.72)		(1,504.11)	
Grant Received against Specific Assets		148.98		16.92	
Sale of Fixed Assets		231.70		12.57	
Purchase of Current investments		(9,842.16)		(3,660.94)	
Application Money paid for Current Investment		(20.00)		(200.00)	
Purchase of Long Term investments		(200.00)		(67.07)	
Sale/ Redemption of Investments		8,226.36		2,260.74	
Interest received		366.41		345.00	
Dividend received		10.39		14.37	
Intercorporate Deposit given		(1,400.00)		(1,200.00)	

CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2017 (Contd.)

Particulars		Year ended 31st March, 2017		Year ended 31st March, 2016	
	Repayment of Intercompany Deposit	700.00		-	
	(Increase)/Decrease in Margin Money	40.98		(40.98)	
	Net (Finance)/Repayment against Bill Discounting	(296.16)			
	Net Cash used in Investing activities		(3,371.22)		(4,023.50)
C.	Cash Flow from Financing Activities				
	Net proceeds / (repayment) of Short term Borrowings	(5,402.40)		4,734.86	
	Proceeds from Long-term Borrowings	111.98		598.00	
	Repayment of Long-term Bank Borrowings	(525.83)		(995.73)	
	Finance costs paid	(372.27)		(473.04)	
	Dividend paid	(312.79)		(314.01)	
	Dividend Taxes paid	(63.92)		(63.92)	
	Net Cash from / (used) in Financing Activities		(6,565.23)		3,486.16
	Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		(1,579.27)		(170.02)
D.	Cash and Cash Equivalents				
	Net Increase/ (Decrease) in Cash and Cash Equivalents		(1,579.27)		(170.02)
	Cash and Cash Equivalents as on 1 April		1,834.64		2,004.66
	Cash and Cash Equivalents 31 March		255.37		1,834.64

Notes

The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard -3, on Cash Flow Statement as per Companies Accounting Standard Rules, 2006.

Previous year's figures have been regrouped/ rearranged wherever necessary.

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

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu

Partner
Membership No. 55000

Shankar Lal Kedia Ajay Kumar Agarwal
Chief Financial Officer Company Secretary

Hemant Bangur Executive Chairman
D.C. Baheti Managing Director
Nandita Sen Director
S.N. Bhattacharya Director
K. Mahapatra Director
Prabir ray Director

Place : Kolkata
Date: 12th May, 2017

Notes to the Consolidated Financial Statements

1. Corporate Information

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

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

Name of the company	Country of Incorporation	% of Holding as at 31st March, 2017
Gloster Lifestyle Limited	India	100%
Gloster Specialities Limited	India	100%

2. Summary of significant accounting policies

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7(1) of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

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

2.2 Basis of Consolidation

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

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

2.3 Use of estimates

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

Notes to the Consolidated Financial Statements

2.4 Tangible assets and Depreciation

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

2.5 Intangible assets and Amortization

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

2.6 Impairment of Assets

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

2.7 Investments

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

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

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

2.8 Subsidy / Government Grant

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

Notes to the Consolidated Financial Statements

2.9 Inventories

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

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

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

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

2.10 Employee Benefit

a) Defined Contribution Plans

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

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

b) Defined Benefit Plans

(i) Gratuity

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

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

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

(ii) Compensated absences

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

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

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

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

d) Other Short Term Employee Benefits

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

Notes to the Consolidated Financial Statements

2.11 Research & Development Cess and Excise duty

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

2.12 Sale of goods

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

2.13 Other Income

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

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

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

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

2.14 Foreign Currency Transaction

(i) Initial Recognition

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

(ii) Subsequent Recognition

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

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

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

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

2.15 Taxation

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

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

Notes to the Consolidated Financial Statements

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

2.16 Borrowing Cost

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

2.17 Provisions and Contingent Liabilities

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

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

2.18 Earnings per Share

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

2.19 Cash and Cash Equivalents

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

2.20 Change in Accounting Policy

The Company used to provide for proposed final dividend recommended by the Board of Directors as an appropriation to the Profit for the period. Pursuant to Companies (Accounting Standards) Amendment Rules, 2016 final dividend is being provided for only on approval by the shareholders in Annual General Meeting. Had the Company provided for proposed final dividend as in the past, provisions would have been higher by Rs.944.83 lakhs and net current assets would have been lower by a similar amount. The aforesaid change in Accounting policy, however does not have any impact on the profit for the current year.

Notes to the Consolidated Financial Statements

3. Share Capital

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Authorised 2,50,00,000 (31.03.2016 - 2,50,00,000) Equity Shares of Rs. 10/- each	2,500.00	2,500.00
Issued, Subscribed and Fully Paid-up 1,04,66,880 (31.03.2016 - 52,33,440) Equity Shares of Rs. 10/- each	1,046.69	523.34
Total	1,046.69	523.34

(a) Reconciliation of number of equity shares

	As at			
	31st March, 2017		31st March, 2016	
	No. of Shares	Rs. lakhs	No. of Shares	Rs. lakhs
Balance as at the beginning of the year	5,233,440	523.344	5,233,440	523.344
Add: Shares Issued as fully paid up bonus shares during the Year	5,233,440	523.344	-	-
Balance as at the end of the year	10,466,880	1,046.688	5,233,440	523.344

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

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

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

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

	As at	
	31st March, 2017	31st March, 2016
	No. of Shares	No. of Shares
Equity shares allotted as fully paid-up pursuant contract(s) without payment being received in cash 1993-94	217,360	217,360
Equity shares allotted as fully paid up bonus share by way of capitalisation of General Reserve in 2002-03	654,180	654,180
Equity shares allotted as fully paid up bonus share by way of capitalisation of General Reserve in 2008-09	1,308,360	1,308,360
Equity shares allotted as fully paid-up bonus share by way of capitalisation of Securities Premium Account and General Reserve in 2013-14	2,616,720	2,616,720
Equity shares allotted as fully paid-up bonus share by way of capitalisation of General Reserve in 2016-17	5,233,440	-

Notes to the Consolidated Financial Statements

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

	As at			
	31st March, 2017		31st March, 2016	
	No. of Shares	% holding	No. of Shares	% holding
Life Insurance Corporation of India	2,303,194	22.00	1,151,597	22.05
Kettlewell Bullen & Company Limited	1,787,806	17.08	893,903	17.08
The Oriental Company Limited	1,510,016	14.43	755,008	14.43
Madhav Trading Corporation Limited	1,208,115	11.54	591,840	11.31
Credwyn Holdings (India) Pvt.Ltd.	510,380	4.88	305,190	5.83
Pushpa Devi Bangur	832,840	7.96	395,228	7.55

4. Reserves and Surplus

	As at			
	31st March, 2017		31st March, 2016	
	Rs. lakhs		Rs. lakhs	
Capital Reserve		150.00		150.00
Revaluation Reserve				
Balance as at the beginning of the year		18,980.69		24,379.96
Deduct:				
Adjustment [Refer Note 12(a)]		-		5,399.27
Balance as at the end of the year		18,980.69		18,980.69
General Reserve				
Balance as at the beginning of the year		12,795.66		10,795.66
Deduct: Capitalised by Issue of Bonus Share		523.34		-
Add: Transferred from Surplus in the Statement of Profit and Loss during the year		2,000.00		2,000.00
Balance as at the end of the year		14,272.32		12,795.66
Surplus in the Statement of Profit and Loss				
Balance as at the beginning of the year		850.54		677.05
Add: Profit for the year		4,657.87		2,551.42
Deduct: Appropriations				
i) Proposed dividend on equity shares for the year [Refer Note (a) below and Note 2.20] (2015-16 Rs. 3/- per share)		-		314.01
ii) Dividend distribution tax on proposed dividend on equity shares		-		63.92
iii) Transfer to General Reserve		2,000.00		2,000.00
Balance as at the end of the year		3,508.41		850.54
Total		36,911.42		32,776.89

(a) The Board has recommended a dividend of 50% i.e Rs. 5/- per equity share for the year ended 31st March, 2017 and a special dividend - "25 years of Gloster's operations" of 25% i.e Rs. 2.5/- per equity share, making a total dividend of 75% i.e Rs. 7.5/- per equity share. The Payment is subject to approval of the shareholders at the ensuing Annual general meeting of the Company.

Notes to the Consolidated Financial Statements

5. Long-term borrowings

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Secured		
Term Loan from Banks [Refer Note (a) below]	-	192.50
Unsecure		
Term Loan from Banks [Refer Note (b) below]	166.67	388.00
	166.67	580.50
Less: Amount disclosed under the head "Other current liabilities" [Refer Note 10]	166.67	293.67
Total	-	286.83
Nature of security and terms of repayment for secured borrowings (including current maturities of Long term borrowings in Note 10)		
Nature of Security	Terms of repayment	
a) Term loan from banks amounting to Rs.nil lakhs (31.03.2016: Rs 192.50 lakhs) are secured by equitable mortgage of factory, land and building, hypothecation of all plant & machinery and all other movable fixed assets of the Company.	Repayable in 24 equal quarterly instalments beginning from August 2015 along with interest rate linked to Bank base rate + 1.40% spread.	
b) Unsecured Term Loan from Bank amounting to Rs 166.67 Lakhs (31.03.2016: Rs 388 Lakhs)	Repayable in 3 equal quarterly instalments beginning from December 2016 along with interest rate linked to Bank base rate + 0.25% spread.	

6. Deferred tax liabilities (net)

		As at	
		31st March, 2017	31st March, 2016
		Rs. lakhs	Rs. lakhs
Deferred tax liabilities			
Depreciation	(A)	483.50	458.70
Deferred tax assets			
Provision for leave encashment		128.26	95.29
Provision for doubtful advances		51.26	51.28
Provision for Impairment		11.82	96.64
Others		189.90	158.65
	(B)	381.26	401.86
Total [Refer note (a) below]	(A-B)	102.24	56.84

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

7. Long-term provisions

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Provision for Compensated absences of employees	400.18	303.23
Total	400.18	303.23

Notes to the Consolidated Financial Statements

8. Short-term borrowings

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Secured		
Loans from banks [refer note a]	3,333.67	6,234.08
Unsecured :		
Loans From Banks	-	2,500.00
Total	3,333.67	8,734.08

(a) For Parent Company:

Loan repayable on demand amounting to Rs. 3,333.67 lakhs (31.03.2016: Rs. 5,265.21 lakhs) are secured by hypothecation of stock of raw material, stock -in-process, finished goods, stores & consumables, book debts and other current assets of the Company.

Further, loans repayable on demand to bank amounting to Rs. 2,159.52 lakhs (31.03.2016: Rs. 3,414.16 lakhs) is also secured by Corporate Guarantee of Kettlewell Bullen & Company Limited.

(b) For Subsidiaries:

Loan Repayable on Demand amounting to Rs. nil Lakhs (31.03.2016: Rs. 968.87 Lakhs) are secured against Fixed Deposit

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

9. Trade payables

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Total outstanding dues of Micro Small & Medium Enterprises	0.33	1.21
Total outstanding dues of creditors other than Micro Small & Medium Enterprises	431.06	615.66
Total	431.39	616.87

10. Other current liabilities

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Current maturities of long-term debt (also refer note 5)	166.67	293.67
Advances received from customers	308.92	160.89
Interest accrued and due on borrowings	2.11	9.94
Interest accrued but not due on borrowings	-	6.51
Unpaid Dividends [refer note (a) below]	19.48	18.26
Statutory dues	231.83	184.86
Capital Creditors	11.89	55.42
Other payables [Refer note (b) below]	2,242.15	1,696.60
Total	2,983.05	2,426.15

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the end of the year.

(b) Other payables include Buyers Credit of Rs. 93.28 lakhs (31.03.2016: Rs.Nil) and Employee Cost liability of Rs. 854.33 lakhs (31.03.2016: Rs. 657.88 lakhs).

Notes to the Consolidated Financial Statements

11. Short-term provisions

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Provision for Employee Benefits (also refer note 26)		
Provision for Gratuity	442.61	916.35
Provision for compensated absences of employees	91.18	72.87
Other Provisions		
i) Proposed dividend on equity shares for the year [Refer Note 4 and Note 2.20] (2015-16 Rs. 3/- per share)	-	314.01
Provision for Dividend Distribution Tax	-	63.92
Provision for Taxation [Net of Advance Tax Rs.10,351.87 lakhs (2015-16 Rs. 8,061.52 Lakhs)]	401.12	253.01
Total	934.91	1,620.16

Notes to the Consolidated Financial Statements

12. Tangible assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				Impairment				NET BLOCK After Impairment	
	Cost/Valuation as at 1st April, 2016 [Note (a)]	Additions during the year	Sale/Adjustment during the year [Note (b)]	Cost/Valuation as at 31st March, 2017	As at 1st April, 2016	For the Year	Sale/Adjustment during the year	As at 31st March, 2017	Impairment Loss For the Year	Sale/Adjustment during the year	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs
Freehold Land	19,093.18	-	-	19,093.18	-	-	-	-	-	-	-	19,093.18	19,093.18	
Buildings	4,118.62	397.92	65.32	4,451.22	923.80	117.73	25.46	1,016.07	57.94	21.29	3,413.86	3,413.86		
Roads	198.64	-	-	198.64	156.82	12.53	-	169.35	-	-	29.29	29.29		
Plant & Equipment	9,061.42	1,089.13	1,006.26	9,144.29	6,261.13	491.60	639.77	6,112.96	211.62	11.97	3,019.36	2,588.67		
Furniture & Fixtures	396.33	6.04	-	402.37	153.47	39.46	-	192.93	-	-	209.44	242.86		
Motor Vehicles	259.59	68.48	5.95	322.12	97.18	34.61	4.57	127.22	-	-	194.90	162.41		
Launches	0.04	-	-	0.04	0.03	0.00	-	0.03	-	-	0.01	0.01		
Office Equipment	157.53	5.62	1.22	161.93	108.93	28.66	1.02	136.57	0.71	0.13	24.78	47.89		
Electrical Installations	581.01	-	17.75	563.26	301.82	38.55	8.23	332.14	8.95	8.64	230.81	270.24		
Total	33,866.36	1,567.19	1,096.50	34,337.05	8,003.18	763.14	679.05	8,087.27	279.22	245.07	34.15	26,215.63	25,583.96	
Previous Year	44,334.25	1,206.99	11,674.88	33,866.36	13,474.93	776.82	6,248.57	8,003.18	279.22	-	279.22	25,583.96	-	

Note:

a) The Company had revalued all of its Land, Buildings and Plant & Machinery at its factory at Bauria, Howrah at current replacement value as at 31st March, 2010 and 31st March, 2013 as per valuation report of an approved valuer. Revaluation Reserve balance of Rs.5,399.27 lakhs attributable to the depreciable tangible assets (Buildings and Plant & Machinery) has been reversed during previous financial year with corresponding reduction in the book value of such assets with effect from 1st April, 2015.

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

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

b) Adjustment to Plant & Machinery includes Subsidy received Rs. 148.98 lacs (2015-16: Rs.16.93 lacs)

13. Intangible assets

Particulars	GROSS BLOCK				AMORTISATION				Net Block	
	Cost/Valuation as at 1st April, 2016	Additions during the year	Sale/Adjustment during the year	Cost/Valuation as at 31st March, 2017	For the Year	Sale/Adjustment during the year	As at 1st April, 2016	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs
Computer - Software	52.72	4.09	-	56.81	-	6.09	33.31	39.40	17.41	19.41
Total	52.72	4.09	-	56.81	-	6.09	33.31	39.40	17.41	19.41
Previous Year	40.79	11.93	-	52.72	-	3.21	30.10	33.31	19.41	-

Notes to the Consolidated Financial Statements

14. Non-current investments

	As at 31st March, 2017			As at 31st March, 2016	
	Face Value	No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Long Term Investments					
Trade Investments (valued at cost unless stated otherwise)					
Unquoted Equity Instruments -Fully paid-up					
Fine Worthy Software Solutions Private Limited [Net of provision for other than temporary diminution agregating to Rs 41.86 lakhs)(31.03.2016 : nil)]	10	91,411	171.83	91,411	213.68
Quoted Bonds-Fully paid-up					
National Highways Authority of India (Secured Redeemable Non Convertible Tax free Bonds)	1,000	42,072	420.72	42,072	420.72
Debentures (Unquoted)-Fully paid-up					
Sheth Buildwell Pvt. Ltd. (Non Convertible Debentures)	100,000	-	-	96	67.07
Mutual Fund (Quoted)- Fully paid-up					
Reliance Fixed Horizon Fund XXVIII Series 14 - Growth	10	25,00,000	250.00	25,00,000	250.00
Kotak Mahindra FMP Series -172 Mutual Fund	10	5,00,000	50.00	5,00,000	50.00
ICICI Prudential FMP Series 78	10	10,00,000	100.00	10,00,000	100.00
Reliance Fixed Horizon Fund XXX Series 14 - Growth	10	10,00,000	100.00	10,00,000	100.00
Reliance Fixed Horizon Fund XXXI Series 15 - Growth	10	10,00,000	100.00	-	-
UTI Fixed Term Income Fund Series XXII - VI - Growth	10	12,50,000	125.00	12,50,000	125.00
HDFC FMP Growth Series 37	10	10,00,000	100.00	-	-
Others (Unquoted)-Fully paid -up					
IIFL Income Opportunities Fund	0.7693	29,44,328.38	24.85	29,44,328.38	28.45
IIFL Asset Revival Fund Series 2	10	2,000,000	200.00	-	-
Peninsula Brookfield India Real Estate Fund	100,000	124.64	126.64	166.70	168.70
IIFL National Development Agenda Fund	8.471	19,68,813.88	170.00	19,68,813.88	200.00
IIFL Real Estate Fund (Domestic) - Series 2 Class B units	10	18,66,885.30	200.00	18,66,885.30	200.00
Indiareit Apartment Fund	100,000	66.62	67.48	49.15	50.00
Orios Venture Partners Fund	100	1,65,000	165.00	1,25,000	125.00
IIFL Best of Class Fund - I :-					
Class B1	10	5,00,000	50.00	5,00,000	50.00
Class B2	10	5,00,000	50.00	5,00,000	50.00
IIFL Real Estate Fund (Domestic) - Series 3 Class B	10	20,00,000	200.00	20,00,000	200.00
IIFL Special Opportunities Fund Class A1	10	500,000	50.00	-	-
IIFL Re Organize India Equity Fund Class A1	10	500,000	50.00	-	-
IIFL Focussed Equity Strategies Fund :-					
Class A1	10	2,49,862.58	25.00	-	-
Class B1	10	2,50,365.53	25.00	-	-
IIFL Real Estate Fund (Domestic Series 4)	10	1,993,858.92	200.00	-	-
Malabar Value Fund	100	40,354.75	40.00	-	-
Carried Forward ...			3,061.52		2,398.62

Notes to the Consolidated Financial Statements

14. Non-current investments (Contd)

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Long Term Investments Contd ...					
Brought Forward			3,061.52		2,398.62
Others (Unquoted)-- Fully paid-up					
Sundaram Alternative Opportunities Fund- Nano Cap Series I	100,000	14.97	15.00	-	-
DSP Blackrock AIF Pharma Fund Class B	100	1,02,753.75	100.00	-	-
Tata Motors Finance Limited Compulsorily Convertible Preference Shares	100	1,00,000	100.00	1,00,000	100.00
Quoted Equity Instruments- Fully paid-up (Investment through PMS)					
Aegis Logistic Ltd	2	9,091	15.40	-	-
Alkem Laboratories Ltd	2	619	10.57	186	2.56
Asian Paints Ltd.	1	438	5.15	744	6.38
Ajanta Pharma Ltd	2	232	4.60	-	-
Amara Raja Batteries Ltd	1	531	5.47	-	-
Astral Poly Technik Ltd	1	850	3.36	-	-
Bajaj Finance Ltd.	10	1943	17.25	204	10.67
Bajaj Finserv Ltd	2	178	5.78	-	-
Bharat Forge Ltd.	2	787	7.19	903	8.31
Bharat Petroleum Corpn. Ltd	10	-	-	759	6.46
Birla Corporation Ltd.	10	1,700	11.70	-	-
Britannia Industries Ltd	2	165	5.64	-	-
Bosch Ltd.	10	67	14.24	78	16.57
Canfin Homes Ltd.	10	296	4.87	-	-
City Union Bank Ltd.	1	6,484	7.42	3,609	3.15
Cholamandalam Investment And Finance Company Ltd	10	421	4.18	-	-
Colgate-Palmolive (India) Limited	1	555	5.37	232	2.26
Container Corporation of India Ltd.	10	285	3.67	159	2.10
Cummins India Ltd.	2	881	8.73	493	5.29
Development Credit Bank Ltd	10	9,268	11.60	-	-
Dhanuka Agritech Ltd	2	510	3.60	-	-
Dishman Pharmaceuticals & Chemicals Ltd	2	1,225	3.64	-	-
Dr Lal Pathlabs Ltd	10	454	5.13	-	-
Eicher Motors Ltd.	10	86	16.74	115	20.49
Emami Limited	1	823	8.74	339	3.61
Engineers India Ltd	5	1,734	2.18	467	0.94
Gabriel India Limited	1	5,521	6.63	-	-
GlaxoSmithkline Consumer Healthcare Ltd.	10	96	5.58	53	3.20
Godrej Industries Ltd	1	1,013	4.97	-	-
Havells India Ltd	1	1,077	4.44	-	-
HDFC Bank Ltd.	2	-	-	708	7.73
Hero Motocorp Limited	2	-	-	165	4.25
Hindustan Petroleum Corporation Ltd.	10	7,334	27.21	1,381	10.52
Carried Forward ...			3,517.57		2,613.11

Notes to the Consolidated Financial Statements

14. Non-current investments (Contd)

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Long Term Investments Contd ...					
Brought Forward			3,517.57		2,613.11
Quoted Equity Instruments- Fully paid-up					
Housing Development Finance Corporation Ltd.	2	-	-	398	5.07
Interglobe Aviation Ltd	10	-	-	574	5.04
Ipca Laboratories Ltd.	2	913	6.21	508	3.97
Indusind Bank Ltd	10	422	5.13	-	-
Itl Cementation India Ltd	1	2,468	3.46	-	-
Jammu Kashmir Bank Ltd	1	4,461	3.39	2,295	2.01
Kotak Mahindra Bank Limited	5	2,621	18.88	1,664	11.27
Kajaria Ceramics Ltd	1	990	6.60	-	-
Larsen & Toubro Ltd.	2			337	5.27
L & T Technology Services Ltd	2	792	6.85	-	-
Lakshmi Vilas Bank Limited	10	3,280	5.05	-	-
Lupin Ltd	2	350	5.27	-	-
Mahanagar Gas Ltd	10	671	4.09	-	-
Max Financial Services Ltd	2	2,457	10.39	1,107	5.89
M R F Ltd	10	9	4.74	-	-
Motherson Sumi Systems Ltd	1	1,558	5.06	-	-
Page Industries Ltd.	10	146	21.32	63	8.99
Phoenix Lamps Limited	10	2,133	3.52	-	-
P I Industries Ltd	1	679	5.59	-	-
Pidilite Industries Ltd	1	554	3.87	-	-
Quess Corp Ltd	10	1,038	5.64	-	-
Speciality Restaurants Ltd	10	-	-	373	0.54
Shree Cements Ltd	10	25	4.30	-	-
State Bank of India	1	-	-	2,505	6.14
Sun Pharmaceuticals Ltd.	1	-	-	1,250	11.23
Tata Consultancy Services Ltd.	1	-	-	251	6.54
TTK Prestige Ltd	10	120	5.89	-	-
United Spirit Ltd	10	-	-	158	4.94
Voltas Ltd.	1	4,395	14.99	2,155	6.40
Welspun India Ltd	10	3,141	2.81	-	-
Total			3,670.62		2,696.41
Aggregate amount of Quoted Investments			1,639.82		1,243.51
Aggregate Market Value of Quoted Investments			1,856.49		1,322.39
Aggregate amount of Unquoted Investments			2,030.80		1,452.90
Aggregate Provision for diminution in value of Investments			41.86		-

Notes to the Consolidated Financial Statements

15. Long-term loans and advances

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good (unless otherwise stated)		
Capital Advance	126.08	170.17
Security Deposits	448.77	426.55
Total	574.85	596.72

16. Current Investments

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Trade Investments (valued at cost unless stated otherwise)					
Quoted Equity Instruments- Fully paid-up (Direct Investment)					
Infosys Limited	5	7,400	75.54	7,400	80.06
[Net of provision for other than temporary diminution agregating to Rs 4.52 lakhs)(31.03.2016 : nil)]					
J K Paper Limited	10	1,50,000	102.16	-	-
J K Tyre & Industries Limited	2	1,00,000	128.52	-	-
Larsen & Toubro Ltd.	2	1,000	15.00	-	-
Magma Fincorp Limited	2	98,100	103.85	-	-
[Net of provision for other than temporary diminution agregating to Rs 11.81 lakhs)(31.03.2016 : nil)]					
National Aluminium Company Ltd	5	70,000	40.92	-	-
NBCC (India) Ltd	2	15,000	22.76	-	-
Shree Cements Ltd	10	600	102.12	-	-
[Net of provision for other than temporary diminution agregating to Rs 0.82 lakhs)(31.03.2016 : nil)]					
State Bank of India	1	20,000	50.87	-	-
Tata Global Beverages Ltd.	1	50,000	69.71	-	-
At cost or fair value, whichever is less					
Quoted					
Debentures - Fully paid-up					
Edelweiss Finance & Investments Limited	100,000	-	-	99	93.37
(Debt Market Linked Non Convertible Debentures)					
(31.03.2016-Net of provision for other than temporary diminution agregating to Rs 5.63 lakhs)					
India Infoline Finance Limited	1,000,000	-	-	10	84.20
(Principal Protected Secured Redeemable Non Convertible Market Linked Debentures)					
(31.03.2016-Net of provision for other than temporary diminution agregating to Rs 15.80 lakhs)					
Aspire Home Finance Corporation Ltd	100,000	20	200.00	-	-
(Secured Redeemable Listed Principal Protected Non Convertible Market Linked Debentures)					
ECL Finance Limited	100,000	100	100.00	-	-
(Secured Redeemable Non Convertible Debentures)					
Debentures (Unquoted)-Fully paid-up					
Sheth Buildwell Pvt. Ltd.	100,000	-	-	96	33.54
(Non Convertible Debentures)					

Notes to the Consolidated Financial Statements

16. Current Investments (contd.)

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Investment in Mutual fund -Fully paid-up					
Unquoted					
ICICI Prudential Gilt Fund Investment Plan- PF Option-Regular Plan	10	11,53,119.58	250.00	11,53,119.58	250.00
ICICI Prudential Liquid Plan - Growth	100	1,45,781.82	350.00	4,48,284.14	1,002.51
Birla Sunlife Cash Plus Growth Regular Plan	10	1,34,387.80	350.00	-	-
HDFC Cash Management Fund Savings Plan Regular Plan Growth	1000	11,840.33	400.00	-	-
Forefront Alternative Equity Scheme	10	7,04,112.94	100.00	7,04,112.94	100.00
Total			2,461.45		1,643.68
Aggregate amount of quoted investments			1,011.45		257.63
Aggregate Market Value of quoted investments			1,083.46		267.70
Aggregate amount of unquoted investments			1,450.00		1,386.05
Aggregate Provision for diminution in value of Investments			17.15		21.43

17. Inventories

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Raw materials	3,919.01	4,609.47
Stock-in-process	698.79	1,610.70
Semi Finished Goods	269.30	292.72
Finished Goods (includes in transit Rs.474.45 lakhs, {31.03. 2016:Rs. 171.17 lakhs})	2,295.03	2,521.63
Stores and Spares	852.15	913.57
Total	8,034.28	9,948.09

18. Trade receivables

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	106.20	72.08
Others	1,853.11	2,480.44
Total	1,959.31	2,552.52

19. Cash and Bank balances

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Cash and cash equivalents		
Cash on hand	4.01	14.78
Balances with Banks :		
In current accounts	206.11	337.11
In Fixed Deposit	45.25	1,482.75
	255.37	1,834.64
Other Bank Balances		
Unpaid dividend account	19.48	18.26
Margin money deposits	0.21	41.19
Total	275.06	1,894.09

Notes to the Consolidated Financial Statements

20. Short-term loans and advances

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good (unless otherwise stated)		
Security Deposits	96.39	96.39
Prepaid Expenses	62.02	108.57
Balances with Government Authorities	6.95	5.62
Advances for goods and services - Considered Good	119.24	76.77
Employee Advances	241.61	245.00
Loans to Bodies Corporate	1,900.00	1,200.00
Other Advances		
Considered Good	261.20	215.48
Doubtful	148.17	148.17
Less : Provision for Doubtful Advance	(148.17)	(148.17)
Total	2,687.41	1,947.83

21. Other current assets

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good :		
Interest accrued on Bonds	17.20	17.20
Interest accrued on Fixed Deposits	0.96	6.95
Interest accrued on Loans to Bodies Corporate	19.45	-
Interest accrued on Debentures	2.39	4.52
Total	40.00	28.67

22. Revenue from operations

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Sale of products		
Finished goods	49,519.86	42,517.75
Traded goods	-	10.73
	49,519.86	42,528.48
Other operating revenues		
Export incentive	1,222.93	497.82
Revenue from operations (gross)	50,742.79	43,026.30
Less : Excise duty and R&D Cess	369.85	315.60
Total	50,372.94	42,710.70

Notes to the Consolidated Financial Statements

23. Other Income

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Interest Income on		
Bank deposits	37.80	101.65
Other deposits	163.92	109.97
Long - term investments	61.33	62.24
Debentures	23.02	15.52
Others	99.79	65.88
Dividend Income on current investments	2.12	13.23
Dividend on long term investment	8.26	1.13
Rent	2.79	2.93
Net Profit on sale of fixed asset	30.66	2.45
Profit on sale of current investments	4.09	34.78
Profit on sale of Long term investment	14.26	99.92
Liabilities no longer required written back	0.09	5.79
Net Gain on foreign currency transaction and translation	318.66	18.06
Miscellaneous Income [Refer note (a) below]	436.46	27.96
Provision for Diminution in Investment Written Back	21.43	11.73
Provision for Impairment Written Back	245.07	
Keyman Insurance Realised	57.12	769.22
Total	1,526.87	1,342.46

(a) Miscellaneous Income includes Insurance claim realized amounting to Rs 399.06 Lakhs. (31.03.2016.Rs.nil)

24. Cost of materials consumed

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Inventory at the beginning of the year	4,609.47	3,289.49
Add : Purchases (net) [Refer note (a) below]	24,569.29	26,350.44
	29,178.76	29,639.93
Less : Inventory at the end of the year	3,919.01	4,609.47
Total	25,259.75	25,030.46

(a) Purchases is net of discount received on prompt payment of supplier's bills amounting to Rs.352.62 lakhs (2015-16 : Rs. 425.98 lakhs)

25. Changes in inventories of finished goods, stock-in-process and semi -finished goods

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Inventories at the end 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 (A)	3,263.12	4,425.05
Inventories at the beginning of the year		
Stock-in-Process	1,610.70	747.88
Semi- Finished Goods	292.72	378.00
Finished Goods	2,521.63	1,503.95
Total (B)	4,425.05	2,629.83
(Increase)/decrease in inventories (B-A)	1,161.93	(1,795.22)

Notes to the Consolidated Financial Statements

26. Employees benefits expense

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Salaries, Wages & Bonus	6,995.33	6,358.31
Contribution to Provident and Other Funds [Refer notes (a) and (b) below]	1,353.93	1,767.09
Workmen and Staff Welfare expenses	72.56	68.99
Total	8,421.82	8,194.39

(a) Defined Contribution Plans

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

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Employer's Contribution to Provident Fund	140.97	125.90
Employer's Contribution to Pension Fund	395.96	377.71
Employer's Contribution to Superannuation Fund	84.86	72.54

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

(b) Defined Benefit Plans

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

Sl. No.	Description	Gratuity (Funded)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
		Rs lakhs	Rs lakhs
(a)	Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation		
	Present Value of Obligation at the beginning of the year	5,176.17	4,358.59
	Current Service Cost	329.54	266.18
	Interest Cost	403.71	333.00
	Acquisition Cost	43.19	-
	Actuarial (Gains)/Losses	448.35	397.01
	Benefits Paid	(131.91)	(178.61)
	Present Value of Obligation at the end of the year	6,269.05	5,176.17
(b)	Reconciliation of the Opening and Closing balances of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	4,259.82	4,261.71
	Expected Return on Plan Assets	372.16	337.67
	Acquisition Adjustment	43.19	-
	Actuarial Gains/(Losses)	366.83	(257.83)
	Contributions	916.35	96.88
	Benefits paid	(131.91)	(178.61)
	Fair Value of Plan Assets at the end of the year	5,826.44	4,259.82

Notes to the Consolidated Financial Statements

Sl. No.	Description	Gratuity (Funded)	
		Year ended 31st March, 2017 Rs lakhs	Year ended 31st March, 2016 Rs lakhs
(c)	Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets		
	Present Value of Obligation at the end of the year	6,269.05	5,176.17
	Fair Value of Plan Assets at the end of the year	5,826.44	4,259.82
	Assets/(Liabilities) recognized in the Balance Sheet	(442.61)	(916.35)
(d)	Expense recognised in the Profit and Loss Account		
	Current Service Cost	329.54	266.18
	Interest Cost	403.71	333.00
	Acquisition Cost	43.19	-
	Expected Return on Plan Assets	(372.16)	(337.67)
	Acquisition Adjustment	(43.19)	-
	Actuarial (Gains)/Losses	81.52	654.84
	Total Expense recognized	442.61	916.35
(e)	Category of Plan Assets : [Refer note (b) below]		
	Fund with Birla Sun Life Insurance Company Limited	5,217.11	4,135.36
	Fund with HDFC Life	609.33	124.46
	Total	5,826.44	4,259.82
(f)	Actuarial Assumptions		
	Discount Rate (Per annum)	6.75%	7.90%
	Expected Rate of Return on Assets (Per annum)	8.00%	8.00%
	Salary Escalation	9.00%	9.00%
	Mortality Rate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate

- a) The estimates of future salary increases, considered in actuarial valuations, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investment of funds during the estimated term of the obligation.
- b) The Company made annual contributions to the insurer of an amount as determined by actuarial valuation. Company was not informed of the investments made by the insurer.
- c) The table below illustrates experience adjustment disclosure as per para 120 (n) (ii) of Accounting Standard 15 – Employee Benefits.

	2016-17	2015-16	2014-15	2013-14	2012-13
	Rs.lakhs	Rs.lakhs	Rs.lakhs	Rs.lakhs	Rs.lakhs
Defined benefit obligation	(6,269.05)	(5,176.17)	(4,358.59)	(3,684.68)	(3,254.32)
Plan assets	5,826.44	4,259.82	4,261.71	3,340.49	2,760.15
Surplus / (deficit)	(442.61)	(916.35)	(96.88)	(344.19)	(494.17)
Experience adjustments on plan liabilities	275.05	61.56	203.74	(90.60)	(168.25)
Experience adjustments on plan assets	366.83	(257.83)	459.11	2.89	64.22

Notes to the Consolidated Financial Statements

27. Finance costs

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Interest expenses	332.35	440.77
Other borrowing costs	25.59	38.20
Total	357.94	478.97

28. Depreciation and amortization expense

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Depreciation on Tangible assets	763.14	776.82
Amortization of Intangible assets	6.09	3.21
Total	769.23	780.03

29. Other expenses

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Consumption of stores and spare parts (net)	2,969.50	2308.35
Power and fuel	2,031.51	1919.64
Rent	85.04	79.18
Repairs to building	62.27	50.14
Repairs to machinery	0.87	0.83
Repairs - others	29.03	38.90
Insurance	665.03	600.39
Rates and Taxes	33.82	28.23
Processing Charges	577.05	585.70
Freight and Delivery Charges	328.36	257.93
Research & Development Cess and Excise Duty [Refer note (a) below]	118.34	114.79
Export Dock and Toll Charges	137.93	104.88
Brokerage and Commission	260.59	163.33
Bad Debts Written Off	-	4.38
CSR Expenses [Refer note (b) below]	246.18	18.70
Miscellaneous Expenses	1,080.62	830.82
Diminution in value of Investment	59.01	21.43
Fixed Asset Written Off	67.41	-
Raw Jute Damaged In Fire	-	428.39
Loss on sale of Long term investment	4.71	-
Total	8,757.27	7556.01

(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 Rs.3.73 lakhs (31.03.2016: Rs. 11.54 lakhs)

(b) Corporate Social Responsibility (CSR)

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

Notes to the Consolidated Financial Statements

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

Gross Amount required to be spent by the Company during the year : Rs.60.32 lakhs (2015-16 Rs.55.27 Lakhs)

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

Amount spent during the year under various heads	In Cash	Yet to be paid in cash	Total
	Rs. lakhs	Rs. lakhs	Rs. lakhs
(i) Construction / acquisition of any asset	Nil	Nil	Nil
(ii) On purposes other than (i) above	246.18	Nil	246.18

30. Earnings per equity share (EPS)

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

Particulars	Year Ended	
	31st March, 2017	31st March, 2016
a. Net Profit after tax (Rs. in lakhs)	4,657.87	2,551.42
b. (i) Number of Equity Shares at the beginning of the year	5,233,440	5,233,440
(ii) Number of Equity Shares at the end of the year	10,466,880	52,33,440
(iii) Weighted average number of Equity Shares outstanding during the year	10,466,880	5,233,440
(iv) Face Value of Equity Share (Rs.)	10	10
c. Basic Earning / (Loss) per share [a/b (iii)] (Rs.)	44.50	24.38
(II) Diluted		
a. Dilutive Potential Equity Shares	0.00	0.00
b. Weighted average number of Equity Shares for computing diluted earnings per shares [(I)b(iii)+(II)a] *	10,466,880	10,466,880
c. Diluted Earning / (Loss) per Share [(I)(a) / (II)(b)] (Rs.) *	44.50	24.38

Consequent to approval of the shareholders through Postal Ballot on 11th May,2016, the Company has allotted Bonus Shares in the ratio of 1:1 i.e. one new equity share for every one existing equity share to the eligible shareholders of the Company.

*The weighted average number of Equity Shares for computing diluted earnings and earnings per share for all periods presented are based on current capital after issue of Bonus Shares.

31. Contingent liabilities

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
a) Claims against the Company not acknowledged as debts :		
Sales tax matter	325.73	379.97
ESI matter	45.57	45.57
b) Export bills discounted with bank	107.98	263.86

32. Commitments

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Estimated amounts of contracts remaining to be executed on capital account and not provided for tangible assets	220.81	507.06
Other Commitment - towards investments	835.00	137.00

Notes to the Consolidated Financial Statements

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

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

Particulars	Within India		Outside India		Total	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
Segment revenue by location of customers	37,066.28	31,580.00	12,083.73	10,632.88	49,150.01	42,212.88
Carrying amount of segment assets	1,282.82	2,044.08	676.49	508.44	1,959.31	2,552.52
Additions to tangible and intangible assets	1,345.80	1,507.37	-	-	1,345.80	1,507.37

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

Names of Related Parties and nature of relationship

- a) Key Management Personnel
Shri G D Bangur (upto 7th June,2015)
Shri Hemant Bangur
Shri D C Baheti
- b) Enterprise over which Key Management Personnel have significant influence-
Joonktollee Tea & Industries Limited
Kettlewell Bullen & Company Limited

Transactions with related parties are as follows:				
	Particulars	Year	Key Management Personnel	Enterprise over which Key Management Personnel & relatives of Key Management Personnel have significant Influence
			Rs lakhs	Rs lakhs
A	Transactions during the year			
1	Remuneration Paid	2016-17 2015-16	614.15 347.73	- -
2	Dividend Paid	2016-17 2015-16	8.39 8.39	53.63 53.63
3	Rent Paid	2016-17 2015-16	- -	41.36 40.94
4	Sales	2016-17 2015-16	- -	109.44 94.68
5	Dividend Received	2016-17 2015-16	- -	- 0.23
B	Outstanding balance at year end			
1	Commission Payable	2016-17 2015-16	375.00 200.00	- -
2	Deposits	2016-17 2015-16	- -	400.00 400.00

Notes to the Consolidated Financial Statements

35. Derivative instruments and unhedged foreign currency exposure.

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

Nature of Exposure	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Forward Contracts to sell (in USD)	6.98	4.42
Forward Contracts to sell (in GBP)	1.03	0.26
Forward Contracts to sell (in EUR)	2.03	0.51
Forward Contracts to sell (in JPY)	-	36.28
Forward Contracts to buy (in USD)	1.73	4.83

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

Nature of Exposure	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Import Trade payables (USD)	0.24	-

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

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

Nature of Exposure	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Provision for Resultant Mark to Market Loss	-	22.57

36. The Company's Board of Directors at its meeting held on March 29, 2016 had approved the Scheme of Arrangement between "the Company" and Kettlewell Bullen & Company Limited in terms of the provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 & Companies Act, 2013, to the extent applicable. Upon the coming into effect of the Scheme and with effect from the Appointed Date i.e. 1st January, 2015, the Undertaking of Gloster Limited will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in Kettlewell Bullen & Company Limited, as a going concern, in accordance with Section 2(1B) of the Income Tax Act. The Company has since received No Objection Certificate from BSE Ltd. & Calcutta Stock Exchange Ltd. with regard to the Scheme and application has been filed before the National Company Law Tribunal for approval.

37. Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	55.30	14.53	69.83
(+) Permitted receipts	-	24.16	24.16
(-) Permitted payments	-	34.53	34.53
(-) Amount deposited in Banks	55.30	-	55.30
Closing cash in hand as on 30 December 2016	-	4.16	4.16

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.

Notes to the Consolidated Financial Statements

38. Previous year's figure have been arranged and/ or regrouped wherever necessary to make them comparable with that of current year.
39. 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			
	31st March, 2017		31st March, 2016		31st March, 2017		31st March, 2016	
Name of the Entity [Refer Note (a) below]	Net Assets Rs. lakhs	As a % of Consoli- dated Net Assets	Net Assets Rs. lakhs	As a % of Consoli- dated Net Assets	Net Profit Rs. lakhs	As a % of Consolidat- ed Profit / (Loss)	Net Profit Rs. lakhs	As a % of Consoli- dated Profit /(Loss)
Parent Gloster Limited	36,741.16	96.79%	32,158.96	96.57%	4,582.18	98.38%	2,464.02	96.58%
Subsidiaries Gloster Lifestyle Limited	604.44	1.59%	562.19	1.69%	42.24	0.90%	42.95	1.68%
Gloster Specialities Limited	612.51	1.62%	579.08	1.74%	33.43	0.72%	44.45	1.74%
	37,958.11	100.00%	33,300.23	100%	4,657.85	100.00%	2,551.42	100.00%

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

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Hemant Bangur Executive Chairman
D.C. Baheti Managing Director
Nandita Sen Director
S.N. Bhattacharya Director
K. Mahapatra Director
Prabir ray Director

Sunit Kumar Basu

Partner
Membership No. 55000

Place : Kolkata
Date: 12th May, 2017

Shankar Lal Kedia Chief Financial Officer
Ajay Kumar Agarwal Company Secretary

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

Rs. in lakhs

Sl. No.		1	2
1.	Name of the subsidiary	Gloster Lifestyle Limited	Gloster Specialities Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Uniform reporting period	Uniform reporting period
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable
4.	Share Capital	400.00	400.00
5.	Reserves and Surplus	204.43	212.50
6.	Total Assets	626.73	630.40
7.	Total Liabilities	626.73	630.40
8.	Investments	241.63	454.63
9.	Turnover	-	-
10.	Profit before Taxation	55.28	41.99
11.	Provision for Taxation	13.04	8.56
12.	Profit after Taxation	42.24	33.43
13.	Proposed Dividend	Nil	Nil
14.	% of shareholding	100%	100%

- Names of subsidiaries which are yet to commence operations : Nil
- Names of subsidiaries which have been liquidated or sold during the year : Nil

Part "B" : Associates and Joint Ventures : Not Applicable

Place : Kolkata
Date : 12th May, 2017

Shankar Lal Kedia **Ajay Kumar Agarwal**
Chief Financial Officer Company Secretary

Hemant Bangur Executive Chairman
D.C. Baheti Managing Director
Nandita Sen Director
S.N.Bhattacharya Director
K.Mahapatra Director
Prabir Ray Director

Independent Auditor's Report

To the Members of Kettlewell Bullen & Company Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting

and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements subject to Note No.23 Regarding non-provision for diminution in value of investments amounting to Rs. 126.22 Lacs with its consequent effect on Statement of profit and the Balance Sheet and read together with other notes and Significant Accounting Policies and Practices 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 31 March 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit And Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls refer to our separate report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's 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 Company has no pending litigations. Thus rule 11(a) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- ii. The Company has not made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts- subject to note no. 23 to the Financial Statements.
- iii. There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 31.

For S. S. Kothari & Co.
Chartered Accountants
Firm's Regn. No.: 302034E

Tapan Kanti Sengupta
Partner
Membership no. 50938

Kolkata

Dated : The 12th day of May, 2017

“Annexure A” to the Independent Auditors’ Report

The Annexure referred to in paragraph 1 under the heading “Report on Other Legal & Regulatory Requirements” of our Independent Auditors’ Report to the members of the Company on the Financial Statements for the year ended 31 March 2017.

As required by the companies (Auditor’s Report) order 2016 (“the order”) issued by the central government of India in terms of sub-section (11) of section 143 of the act, and on the basis of such checks as we considered appropriate and the information and explanations given to us we further report that:-

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) As per the information and explanation given to us the title deeds of immovable properties are held in the name of the company.
- (ii) The Company is an Investment company, primarily engaged in investing in shares and securities of other companies. Accordingly it does not hold physical inventories. Thus, paragraph 3(ii) of the order is not applicable.
- (iii)(a) The Company has granted unsecured loan to Body Corporates covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’).
- (b) In the case of the loans granted to the body corporates listed in the register maintained under section 189 of the Act according to the information and explanations given to us the rate of interest and the other terms and condition of such loans are not prima-facie prejudicial to the interest of the company, and the such loan is repayable on demand and as such there is no overdue balance of principal amount and interest are being fully received.
- (c) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The Company has not accepted any deposits from the public within the meaning of the section 73 to 76 or any other relevant provisions of the co. Act 2013 and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees’ state insurance and duty of excise.

According to the information and explanations given to us, the company has no disputed amounts payable in respect of provident fund, income tax, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, service tax and have not been deposited by the Company on account of disputes. considering the non-provision of diminution in value of investments as indicated in our audit report.
- (viii) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year thus rule 3(viii) of the order is not applicable.
- (ix) As per our opinion and according to the explanation and information given to us the company has not raised any money by way of public offer either in the form of equity or debt instruments so the clause (ix) of para 3 of the order does not applies to the company.
- (x) As per our opinion and according to explanations and information given to us no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) As per our opinion and according to explanations and information given to us the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of the section 197 read with Schedule V to the Companies Act.
- (xii) The company is not a Nidhi Company so the clause (xii) of para 3 of the order is not applicable.
- (xiii) As per our opinion and according to explanations and information given to us the transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) As per our opinion and according to explanations and information given to us the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review so clause (xiv) of para 3 of the order is not applicable to the company.
- (xv) As per our opinion and according to explanations and information given to us the company has not entered into any non-cash transactions with directors or persons connected with him so the clause (xv) of para 3 of the order is not applicable.
- (xvi) The company is an investment company registered as an Non- Banking Financial company under section 45-IA of the Reserve Bank of India Act, 1934 carrying RBI Certification No.: 05.01847 Dt. 30.04.1998

For **S. S. Kothari & Co.**
Chartered Accountants
Firm's Regn. No.: 302034E

Tapan Kanti Sengupta
Partner
Membership no. 50938

Kolkata

Dated : The 12th day of May, 2017

“Annexure B” to the Independent Auditors’ Report

The Annexure referred to in paragraph 2(f) under the heading “Report on Other Legal & Regulatory Requirements” of our Independent Auditors’ Report to the members of the Company on the standalone Financial Statements for the year ended 31 March 2017.

Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of The Companies Act 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of “Kettlewell Bullen & Company Limited” (the Company”) as of March 31st 2017 in conjunction with our audit of the financial statements of the company for the year ended as on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit in accordance with the Guidance Note on Audit of internal financial controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are 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 Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and as per the information and explanation given to us, the company has, in all material respects, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.S. Kothari & Co**

Chartered Accountants

Firm's registration number: 302034E

Tapan Kanti Sengupta

Partner

Membership number: 50938

Place: Kolkata

Date: The 12th day of May, 2017

KETTLEWELL BULLEN AND COMPANY LTD

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note	As at 31st March, 2017	As at 31st March, 2016
		₹	₹
I EQUITY AND LIABILITIES			
1 Shareholder's Fund			
Share Capital	2	20,000,000	20,000,000
Reserves and Surplus	3	133,747,014	121,677,922
2 Non-Current Liabilities			
Long Term Provisions	4	1,286,853	1,087,619
3 Current Liabilities			
Other Current Liabilities	5	47,906,520	47,872,542
Short Term Provisions	6	2,450,000	4,032,000
TOTAL		205,390,387	194,670,083
II ASSETS			
1 Non Current Assets			
Fixed Assets	7	2,326,089	1,659,153
Non Current Investments	8	111,507,054	129,772,654
Deferred Tax Assets		444,719	404,390
Long Term Loans & Advances	9	74,334,913	42,219,463
2 Current Assets			
Cash and Cash Equivalents	10	491,850	3,068,296
Short-term Loan and Advances	11	16,285,761	17,546,127
TOTAL		205,390,387	194,670,083

The notes form an integral part of these financial statements

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

For **S.S.Kothari & Co**
Chartered Accountants
Firm Registration No. 302034E

(Tapan Kanti Sengupta)
Partner
Membership No. 50938

Kolkata
Dated : 12/05/2017

Abhay Gandhi
Chief Executive Officer

Ramakant Kankani
Chief Financial Officer

For and on behalf of the Board of Directors

Pushpa Devi Bangur
(DIN No. 00695640)
Vinita Bangur
(DIN No.01140985)
Lakshmi Narayan Bihani
(DIN No. 00194509)
Om Prakash Modani
(DIN No. 00615363)
Directors

KETTLEWELL BULLEN AND COMPANY LTD
Statement of Profit & Loss for the year ended 31st March, 2017

Particulars	Note	2016-17	2015-16
		₹	₹
I Revenue from Operation	12	15,183,534	16,249,105
II Other Income	13	5,532,000	10,987,236
III Total Revenue		20,715,534	27,236,341
IV Expenses :			
Employees Benefit Expenses	14	4,405,709	3,948,439
Depreciation	15	438,649	476,572
Other Expenses	16	1,602,199	1,521,676
Finance Cost	17	-	9,667
Contingent Provision against Standard Assets		80,214	(4,468)
V Total Expenses		6,526,771	5,951,886
VI Profit before Tax		14,188,763	21,284,455
VII Tax Expenses :			
Current Tax		2,160,000	3,742,000
Deferred Tax		(40,329)	(84,912)
VIII Profit for the year		12,069,092	17,627,367
XI Earning per Equity Shares			
Basic & Diluted		6.03	36.57

The notes form an integral part of these financial statements

This is the Statement of Profit & Loss referred to in our report of even date

For **S.S.Kothari & Co**
Chartered Accountants
Firm Registration No. 302034E

(Tapan Kanti Sengupta)
Partner
Membership No. 50938

Kolkata
Dated : 12/05/2017

Abhay Gandhi
Chief Executive Officer

Ramakant Kankani
Chief Financial Officer

For and on behalf of the Board of Directors

Pushpa Devi Bangur
(DIN No. 00695640)

Vinita Bangur
(DIN No.01140985)

Lakshmi Narayan Bihani
(DIN No. 00194509)

Om Prakash Modani
(DIN No. 00615363)

Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note	2016-17	2015-16
		₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax and Extraordinary items		14,188,763	21,284,455
Adjustment for depreciation		438,649	476,592
Assets Written off		-	-
Income tax Adjustment Account		175,183	146,110
Interest Received on Loan		(5,660,960)	(6,346,671)
Interest Paid		-	9,667
Profit/Loss on Sale of Investments		(3,575,543)	(2,892,273)
Interest Received on others		-	(65,442)
Contingent provision agst. Standard Assets		80,214	(4,468)
Dividend Received		(5,947,031)	(7,010,161)
Operating Profit before working capital changes		(300,725)	5,597,809
Adjustment for :			
Loans & Advances		(32,251,340)	1,859,849
Trade Payables		233,212	84,830
Cash generated from Operations		(32,318,853)	7,542,488
Direct Taxes received/paid		(2,601,141)	(3,663,951)
Net Cash from Operating Activities	(A)	(34,919,994)	3,878,538
B. CASH FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(1,105,585)	-
Sale of Fixed Assets		-	-
Purchase of Investments		(21,000,000)	(51,515,176)
Sale of Investments		42,841,142	36,332,410
Dividend Received		5,947,031	7,010,161
Interest Received on Loan		5,660,960	6,346,671
Interest Paid		-	(9,667)
Net Cash used in Investing Activities	(B)	32,343,548	(1,825,934)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of Share Capital		-	-
Proceeds from Borrowings		-	-
Dividends Paid including tax		-	-
Net Cash used in Financing Activities	(C)	-	-
Net increase in Cash and Cash Equivalent	(A+B+C)	(2,576,446)	2,052,604
Cash and Cash Equivalents			
(Opening Balance)		3,068,296	1,015,693
Cash and Cash Equivalents			
(Closing Balance)		491,850	3,068,297

As per our report of even date attached herewith

For **S.S.Kothari & Co**
Chartered Accountants
Firm Registration No. 302034E

(Tapan Kanti Sengupta)
Partner
Membership No. 50938

Kolkata
Dated : 12/05/2017

Abhay Gandhi
Chief Executive Officer

Ramakant Kankani
Chief Financial Officer

For and on behalf of the Board of Directors

Pushpa Devi Bangur
(DIN No. 00695640)

Vinita Bangur
(DIN No.01140985)

Lakshmi Narayan Bihani
(DIN No. 00194509)

Om Prakash Modani
(DIN No. 00615363)

Directors

Notes to the Financial Statement for the year ended 31st March 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES :

(annexed to and forming part of the Financial Statements for the year ended on that date)

a) General

These accounts have been prepared under historical cost convention in accordance with Generally Accepted Accounting principles and the Accounting Standards prescribed under section 133 of the Companies Act' 2013 ('Act') read with the Rule 7 of Companies (Accounts) Rules' 2014 and other provisions of the Act, to the extent applicable.

The Financial Statements have been prepared in accordance with the accepted Accounting standards in India. A Summary of significant accounting policies , which have been applied consistently, is set out below

All the assets and liabilities have been classified as current and non- as per the Company's normal operating cycle and other criteria set out in schedule III of the Companies Act' 2013.

b) Fixed Assets

Fixed Assets are stated at their original cost less depreciation using cost model. An impairment loss is recognised where applicable when the carrying value of fixed assets exceeds its market value or value in use whichever is higher.

Depreciation

Depreciation on Fixed Assets has been provided for on written down value basis at the rates specified in Schedule II the Companies Act, 2013, and in respect of assets acquired or sold during the year prorata depreciation for the period calculated on day's basis during which each such assets was in use has been provided.

c) Investments

Securities which are intended to be held for one year or more are classified as Non current-Long Term Investments. Investments are stated at cost less permanent diminutions in value, if any. Current Investments are stated at Cost or fair value whichever is lower.

d) Revenue Recognition

Income and expenditure are accounted for on accrual basis.

e) Retirement Benefit

- i) The company contributes to government administered fund towards which the company has no further liability beyond its monthly contribution.
- ii) Accrued Liability in respect of retirement gratuities is ascertained by the management up to 31st March, 2016 and is funded to approve gratuity fund.
- iii) Leave Encashment on retirement as on 31st March, 2017 as calculated by the management, has been provided for in the Accounts

f) Taxation

Current tax is determined on the basis of the amount payable for the year under Income Tax Act. Deferred tax is calculated at Current Statutory Income Tax rate and is recognised on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets, subject to consideration of prudence, are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Notes to the Financial Statement for the year ended 31st March 2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
2 SHARE CAPITAL		
Authorised :		
25,00,000 Ordinary Shares of Rs.10/- each	25,000,000	25,000,000
(previous year Rs. 25,00,000 Ordinary shares of Rs. 10/- each)	<u>25,000,000</u>	<u>25,000,000</u>
Issued, Subscribed & Paid Up :		
20,00,000 Equity Shares of Rs.10/- each fully Paid up (20,00,000 Equity Shares of Rs.10/- each fully Paid up)	20,000,000	20,000,000
Total	<u>20,000,000</u>	<u>20,000,000</u>

Reconciliation of Number of Shares :

Equity Shares	Face Value		As at 31st March 2017		As at 31st March 2016	
	₹	Number	Number	Number	Number	Number
Shares Outstanding at the Beginning of the year	100	2,000,000	20,000,000	40,000	4,000,000	4,000,000
Face Value converted from Rs. 100/- to Rs. 10/-	10	-	-	400,000	4,000,000	4,000,000
Bonus Issued on 7.3.16	10	-	-	1,600,000	16,000,000	16,000,000
Shares Outstanding at the end of the year	10	2,000,000	20,000,000	2,000,000	20,000,000	20,000,000

Details of Shareholders holding more than 5%

Name of the Shareholders	As at 31st March' 2017		As at 31st March' 2016	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Gopal Das Bangur	225,000	11.25	225,000	11.25
Pushpa Devi Bangur	232,500	11.63	232,500	11.63
Hemant Bangur	264,700	13.24	264,700	13.24
Vinita Bangur	331,600	16.58	331,600	16.58
Gopal Das Bangur and Hemant Bangur	185,000	9.25	185,000	9.25
The Cambay Investment Corporation Ltd	250,000	12.50	250,000	12.50
Madhav Trading Corporation Ltd.	110,000	5.50	110,000	5.50

3 RESERVES & SURPLUS

Capital Reserve

Balance at the beginning of the year	2,295,700	2,295,700
Balance at the end of the year	<u>2,295,700</u>	<u>2,295,700</u>

Special Reserve Fund - As per RBI guidelines for NBFCs

Balance at the beginning of the year	21,418,407	17,892,934
Add : Transferred from Profit & Loss Account	2,413,818	3,525,473
	-	-
Balance at the end of the year	<u>23,832,225</u>	<u>21,418,407</u>

General Reserve

Balance at the beginning of the year	87,105,897	95,105,897
Add : Transferred from Profit & Loss Account	10,000,000	5,000,000
Less : Bonus issued during the year	-	13,000,000
	<u>97,105,897</u>	<u>87,105,897</u>

Notes to the Financial Statement for the year ended 31st March 2017

	As at 31st March' 2017	As at 31st March' 2016
Name of the Shareholders	₹	₹
Profit & Loss Account		
Balance at the beginning of the year	10,857,918	1,756,024
Add: Profit for the year	12,069,092	17,627,367
Less : Appropriations		
Transferred to Special Reserve Fund	2,413,818	3,525,473
Transferred to General Reserve	10,000,000	5,000,000
Balance at the end of the year	<u>10,513,192</u>	<u>10,857,918</u>
Total	<u><u>133,747,014</u></u>	<u><u>121,677,922</u></u>
4. LONG TERM PROVISIONS		
Contingent Provision agst. Standard Asset	217,313	137,099
Provision for Leave Encashment	1,069,540	950,520
Total	<u><u>1,286,853</u></u>	<u><u>1,087,619</u></u>
5. OTHER CURRENT LIABILITIES		
Creditor for Expenses	292,670	253,242
Bonus Payable	23,850	22,050
Security Deposit	47,590,000	47,590,000
TDS on Payment	-	7,250
Total	<u><u>47,906,520</u></u>	<u><u>47,872,542</u></u>
6. SHORT TERM PROVISIONS		
Provisions for Taxation	2,450,000	4,032,000
Total	<u><u>2,450,000</u></u>	<u><u>4,032,000</u></u>

Notes to the Financial Statement for the year ended 31st March 2017

7. FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NETBLOCK		
	As at 31st March 2016 ₹	Addition During the Year ₹	Sales/Adj. During the Year ₹	As at 31st March 2017 ₹	Upto 31st March 2016 ₹	Deduction / Adjustment on 01.04.14 ₹	For the Year ₹	Adjust.on Sale during the Year ₹	Upto 31st March 2017 ₹	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Land Freehold	12,620	-	-	12,620	-	-	-	-	-	12,620	12,620
Building	2,177,703	-	-	2,177,703	1,145,216	-	82,164	-	1,227,380	950,323	1,032,487
Machinery	492,731	-	-	492,731	400,688	-	30,716	-	431,404	61,327	92,043
Furniture & Fittings	848,942	543,310	-	1,392,252	770,410	-	156,828	-	927,238	465,014	78,532
Computer	140,193	37,275	-	177,468	129,138	-	8,650	-	137,788	39,680	11,055
Vehicles	603,049	-	-	603,049	450,584	-	67,708	-	518,292	84,757	152,465
Office Equipments	1,611,962	525,000	-	2,136,962	1,332,011	-	92,583	-	1,424,594	712,368	279,951
Total	5,887,200	1,105,585	-	6,992,785	4,228,047	-	438,649	-	4,666,696	2,326,089	1,659,153
Previous Year	6,464,080	27,300	604,180	5,887,200	3,504,200	1,377	776,272	527,620	3,751,475	2,135,725	

Notes to the Financial Statement for the year ended 31st March 2017

8. NON CURRENT INVESTMENTS

Particulars	Face Value	Number	As at	Number	As at
			31st March 2017		31st March 2016
Other than trade - Long Term (At Cost)			₹		₹
EQUITY SHARES - FULLY PAID UP					
Quoted					
Adani port & SEZ Ltd (Formerly Mundra Port & SEZ Ltd.)	2	75	6,600	75	6,600
ABB India Ltd.	2	200	206,391	200	206,391
Amar Remedy Ltd.	10	200	5,600	200	5,600
Barak Valley Cements Ltd.	10	303	12,726	303	12,726
Dena Bank	10	5,000	135,000	5,000	135,000
Emami Infra structure Ltd.	10	300	-	300	-
Gloster Ltd.	10	1,787,806	18,533,479	893,903	18,533,479
Himachal Futuristic Communications Ltd.	1	16,900	239,135	16,900	239,135
Himatsingka Seide Ltd.	2	6,533	1,066,887	6,533	1,066,887
HINDALCO Industries Ltd.	1	4,000	261,694	4,000	261,694
Indian Overseas Bank	10	1,000	24,000	1,000	24,000
Indraprashta Gas Ltd.	10	700	33,600	700	33,600
Interglobe Aviation Ltd.	10	1,000	861,914	1,000	861,914
Jaiprakash Power Ventures Limited	10	16,900	540,800	16,900	540,800
Joonktollee Tea & Industries Ltd.	10	538,838	28,824,722	538,838	28,824,722
Kolte Patil Developers Ltd.	10	40	5,800	40	5,800
Larsen Tubro Ltd.	2	100	117,919	100	117,919
Penta Media Graphics Ltd.	1	11,070	73,673	11,070	73,673
Port Shipping Co. Ltd.	10	164,330	1,617,261	164,330	1,617,261
Punjab National Bank	2	470	36,660	470	36,660
Siemens Ltd.	2	200	200,371	200	200,371
The Cochin Malabar Estates & Industries Ltd.	10	98,939	6,680,526	98,939	6,680,526
The Phosphate Co. Ltd.	10	170,000	3,983,400	170,000	3,983,400
Uco Bank	10	3,000	36,000	3,000	36,000
			63,504,158		63,504,158
Unquoted					
Abhyudaya Developers Pvt. Ltd	10	-	-	400,000	8,000,000
Blackberry Properties Pvt. Ltd.	10	1,000,000	20,000,000	1,000,000	20,000,000
Cambay Investment Corporation Ltd.	10	38,000	387,021	38,000	387,021
Credwyn Holdings India Pvt. Ltd.	100	30,000	4,500,000	30,000	4,500,000
Devendra Finvest & Holding Pvt. Ltd.	10	-	-	8,000	80,800
Kamla Company Ltd.	10	-	-	58,050	1,184,300
Laxmi Asbestos Products Ltd.	100	5,000	500,000	5,000	500,000
Mangal Builders & Enterprises Ltd.	10	-	-	200,000	5,000,000
P.D.G.D. Investments & Trading Pvt. Ltd.	10	-	-	20,000	4,000,500
Sudipta Traders Pvt. Ltd.	10	90,000	22,500,000	90,000	22,500,000
The Oriental Company Ltd.	100	845	94,475	845	94,475
Woodland Multispeciality Hospital Ltd	10	4,290	21,400	4,290	21,400
			48,002,896		66,268,496
			111,507,054		129,772,654
Quoted Investment - Cost			63,504,158		63,504,158
- Market Value			1,050,695,614		636,863,793
Unquoted Investment - Cost			48,002,896		66,268,496

Notes to the Financial Statement for the year ended 31st March 2017

Particulars	As at	As at
	31st March 2017	31st March 2016
	₹	₹
9. LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Loan to Body Corporates	74,334,913	42,219,463
Total	74,334,913	42,219,463
10. CASH AND CASH EQUIVALENT		
Balances with Bank in Current Account	428,871	3,055,733
Cash on hand	62,979	12,563
Total	491,850	3,068,296
11. SHORT TERM LOAN AND ADVANCES		
(Unsecured, considered good)		
Security Deposits	12,590,400	12,590,400
Advances for Taxation	3,552,221	4,948,477
Prepaid Expenses	32,140	-
Other Advance	111,000	7,250
Total	16,285,761	17,546,127
	2016-17	2015-16
	₹	₹
12. REVENUE FROM OPERATIONS		
Interest Income	5,660,960	6,346,671
Dividend Income	5,947,031	7,010,161
Profit on sale of Long Term Investments	3,075,600	2,783,807
Profit on Redemption of units of Mutual Fund	499,943	108,467
Total	15,183,534	16,249,105
13. OTHER INCOME		
Interest from others	-	65,422
Other Income	5,532,000	5,528,000
Insurance Claim Rceived	-	5,393,813
Total	5,532,000	10,987,236
14. EMPLOYEES BENEFIT EXPENSES		
Salary , Bonus and Allowances	4,055,320	3,638,590
Contribution to Provident & other fund	333,141	296,174
Staff Welfare	17,248	13,675
Total	4,405,709	3,948,439
15. DEPRECIATION		
Depreciation on Fixed Assets	438,649	476,572
Total	438,649	476,572

Notes to the Financial Statement for the year ended 31st March 2017

	2016-17	2015-16
	₹	₹
16. OTHER EXPENSES		
Advertisement & Publicity Expenses	-	1,000
Auditors Remuneration		
Audit Fees	18,000	18,000
Other matters	11,450	6,840
Books & Periodicals	3,464	2,023
Car Expenses	204,043	194,989
Conveyance Expenses	10,072	9,561
Directors Sitting Fees	40,000	52,000
Donation	-	20,000
Electric Charges	357,270	388,250
Filing fees	150,663	21,752
General Expenses	29,304	24,050
Insurance	14,571	12,231
Listing Fees & Subscription	35,781	46,960
Office Maintenance	174,850	109,403
Printing & Stationery	20,420	22,310
Professional Charges	34,700	111,382
Rates & Taxes	108,894	90,292
Rent	47,400	47,400
Repairs to others	16,661	104,437
Telephone, Mobile & Internet Expenses	112,180	87,132
Travelling Expenses	37,293	-
Security Transaction Tax	-	5,555
Income Tax Adjustment Account	175,183	146,110
Total	1,602,199	1,521,676
17. FINANCE COST		
Interest paid to others	-	-
Interest Paid on Loan	-	9,667
	-	9,667

18. Contingency Liabilities in respect of guarantees issued by the Company to Banks on behalf of a Company for Various facilities enjoyed by the company to the extent of Rs. 2,215.86 Lacs (Previous Year Rs.3,893.78 Lac)

19. (i) Accrued gratuity liability as on 31st March, 2017 amounting to Rs. 27.42 Lacs has been funded to approved gratuity fund. However, as the Number of Employees is below the minimum number specified as per The Payment of Gratuity Act,1972 hence the said Act is not applicable to the Company and no disclosure is required under AS-15 is made.

(ii) Liability for accumulated Leave as at 31st March, 2017 amounting to Rs. 10.70 Lacs as ascertained by the Management has been provided for.

20. Particulars required in terms of Paragraph 9BB of non Banking Financial Companies Prudential Norms (Reserve Bank) Direction, 1988 are appended to the Balance Sheet.

Notes to the Financial Statement for the year ended 31st March 2017

21. i) The Company has received the registration certificate u/s 45(1A) of the Reserve Bank of India Act, 1934.
 ii) Since the Company did not accept any deposit from the public during the year the question of compliance with Section 45(1B) of Reserve Bank of India Act, 1934 regarding maintenance of minimum investment in approved securities does not arise.
22. There are no amounts due/overdue to micro, small and medium enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006.
23. No provision has been made for fall in value of investments of Rs. 126.22 Lacs as the management considers it as a temporary Phenomenon.
24. Salary, Bonus & other allowances, Contribution to Provident Fund and other fund, staff welfare, Telephone and mobile expenses have been stated net of receipt being Rs.180,256/-, 20,425/-, 7,671/- and Rs. 931/- respectively.
25. There are no separate reportable segment as per Accounting Standard - 17.
26. Related party disclosure as per Accounting Standard 18 :

Key Management Personnel :

a. Smt. Pushpa Bangur	Key Management Personnel	Promotor and Non-Executive Director
b. Smt. Vinita Bangur	Key Management Personnel	Promotor and Non-Executive Director
c. Shri Abhay Gandhi	Key Management Personnel	Chief Executive officer

Transaction with related Party.

₹ in Lacs

Nature of Transaction	Key Management Personnel	
	2016-17	2015-16
	₹	₹
Director's Sitting Fees	0.40	0.10
Remuneration Paid	16.93	13.93

27. Earning per share as per Accounting Standard 20 :

	face Value	31.03.2017	31.03.2016
	(₹)	(₹)	(₹)
Profit after tax		12,069,092	17,627,367
Shares at the Beginning	100	2,000,000	40,000
No. of Shares after Change in Face Value of Rs. 100/- to Rs, 10/- each	10	-	400,000
Bonus Issued on 07-03-16	10	-	1,600,000
Weighted Average		2,000,000	481,967
Basic & Diluted Earning Per Share	10	6.03	36.57

28. Deferred Tax (Liability)/Assets consist as follows :

	31.03.2017	31.03.2016
	(₹)	(₹)
Timing difference for Deprecation	114,231	110,679
Provision for Leave Encashment	330,488	293,711
	444,719	404,390

Notes to the Financial Statement for the year ended 31st March 2017

29. Reserve fund has been created in accordance with the requirement of Section 45-1C of Reserve Bank of India Act, 1934.
30. The Company has made a provision of 0.25% for Standard Assets in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction 2007 as amended.
31. **Disclosure for Specified Bank Notes :-**

	Specified Bank Notes	Other Denomination	Total
Closing Cash in Hand as on 08-11-2016	38000	914	38,914
Transaction between 09-11-16 to 30-12-16			
+ withdrawl from Bank	145,000	145,000	
- Paid for permitted transaction	-	-	-
- paid for petty Expense		5,511	5,511
- Deposited in Bank	38000	-	38,000
Closing Cash in Hand as on 30-12-16			<u>140,403</u>

32. Previous year's figures have been re-arranged and re-grouped wherever necessary.

For S. S. KOTHARI & CO.

Chartered Accountants

Firm Registration No. 302034E

Abhay Gandhi
Chief Executive Officer

(TAPAN KANTI SENGUPTA)

Partner

Membership No. : 50938

Kolkata

Dated : 12/05/2017

For and on behalf of the Board of Directors

Pushpa Devi Bangur
(DIN No. 00695640)

Vinita Bangur
(DIN No.01140985)

Lakshmi Narayan Bihani
(DIN No. 00194509)

Om Prakash Modani
(DIN No. 00615363)

Directors

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH

Company Application No.207 of 2017

In the matter of:

The Companies Act, 2013;

And

In the matter of Sections 230 and 232 of the Companies Act, 2013;

And

In the Matter of:

Gloster Limited (CIN L17119WB1992PLC054454), a company incorporated in 1992 under the provisions of the Companies Act, 1956, having its registered office at 21, Strand Road, Kolkata – 700001

And

Kettlewell Bullen & Company Limited, (CIN U65192WB1923PLC004628), a company incorporated under the provisions of the Companies Act, 1913, having its registered office at 8, MunshiPremchandSarani, Kolkata 700 022.

..... Applicants.

EQUITY SHAREHOLDERS

FORM OF PROXY

I/We, _____, the undersigned Equity Shareholder/s of Gloster Limited, being the Applicant Company no.1 abovenamed, do hereby appoint Mr./Ms. _____ of _____ and failing him/her _____ of _____ as my/our proxy, to act for me/us at the meeting of the Equity Shareholders of the Applicant Company no.1 to be held at Rotary Sadan, 94/2, Chowringhee Road. Kolkata – 700020 on Tuesday, the 5th day of September, 2017 at 10.30 a.m. for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Amalgamation of Gloster Limited with Kettlewell Bullen & Company Limited (the "Scheme") and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here, if 'for', insert 'FOR', if 'against', insert 'AGAINST', and in the latter case, strike out the words below after 'the Scheme') the said arrangement embodied in the Scheme, either with or without modification(s)*, as my/our proxy may approve. (*Strike out whatever is not applicable).

Affix
revenue
stamp

Dated this ____ day of _____ 2017.

Signature-----

Name : _____
Address : _____
No. of shares held : _____
(For Demat holding)

DP Id. _____
(For Physical holding)

Client Id. _____

Folio No. _____

Signature of Shareholder(s):

Sole holder/ First Holder - _____

Second holder - _____

Third holder - _____

Signature of Proxy: - _____

Notes:

1. The proxy must be deposited at the registered office of Gloster Limited at 21, Strand Road, Kolkata – 700001, India, at least 48 (forty-eight) hours before the scheduled time of the commencement of the said meeting.
2. All alterations made in the form of proxy should be initialled.
3. Please affix appropriate revenue stamp before putting signature.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be a shareholder of Gloster Limited.
6. No person shall be appointed as a proxy who is a minor.
7. The proxy of a shareholder blind or incapable of writing would be accepted if such shareholder has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address: provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the shareholder before he attached his signature or mark.
8. The proxy of a shareholder who does not know English would be accepted if it is executed in the manner prescribed in point no. 7 above and the witness certifies that it was explained to the shareholder in the language known to him, and gives the shareholder's name in English below the signature.

GLOSTER LIMITED

Registered office: 21, Strand Road, Kolkata – 700001

Phone No. (033) 2230-9601

CIN: L17119WB1992PLC054454

Website: www.glosterjute.com

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

FOR NCLT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF GLOSTER LIMITED

ON TUESDAY THE 5TH DAY OF SEPTEMBER 2017 AT 10.30 A.M.

I/We hereby record my/our presence at the meeting of the Equity Shareholders of Gloster Limited, the Applicant Company no.1, convened pursuant to the order dated of the NCLT at Rotary Sadan, 94/2, Chowringhee Road. Kolkata – 700020, India on Tuesday the 5th Day of September, 2017 at 10.30 a.m. (10.30 hours).

Name and address of Equity Shareholder
(IN BLOCK LETTERS)

: _____

Signature

: _____

Reg. Folio No.

: _____

Client ID

: _____

D. P. ID

: _____

No. of Shares

: _____

Name of the Proxy*
(IN BLOCK LETTERS)

: _____

Signature

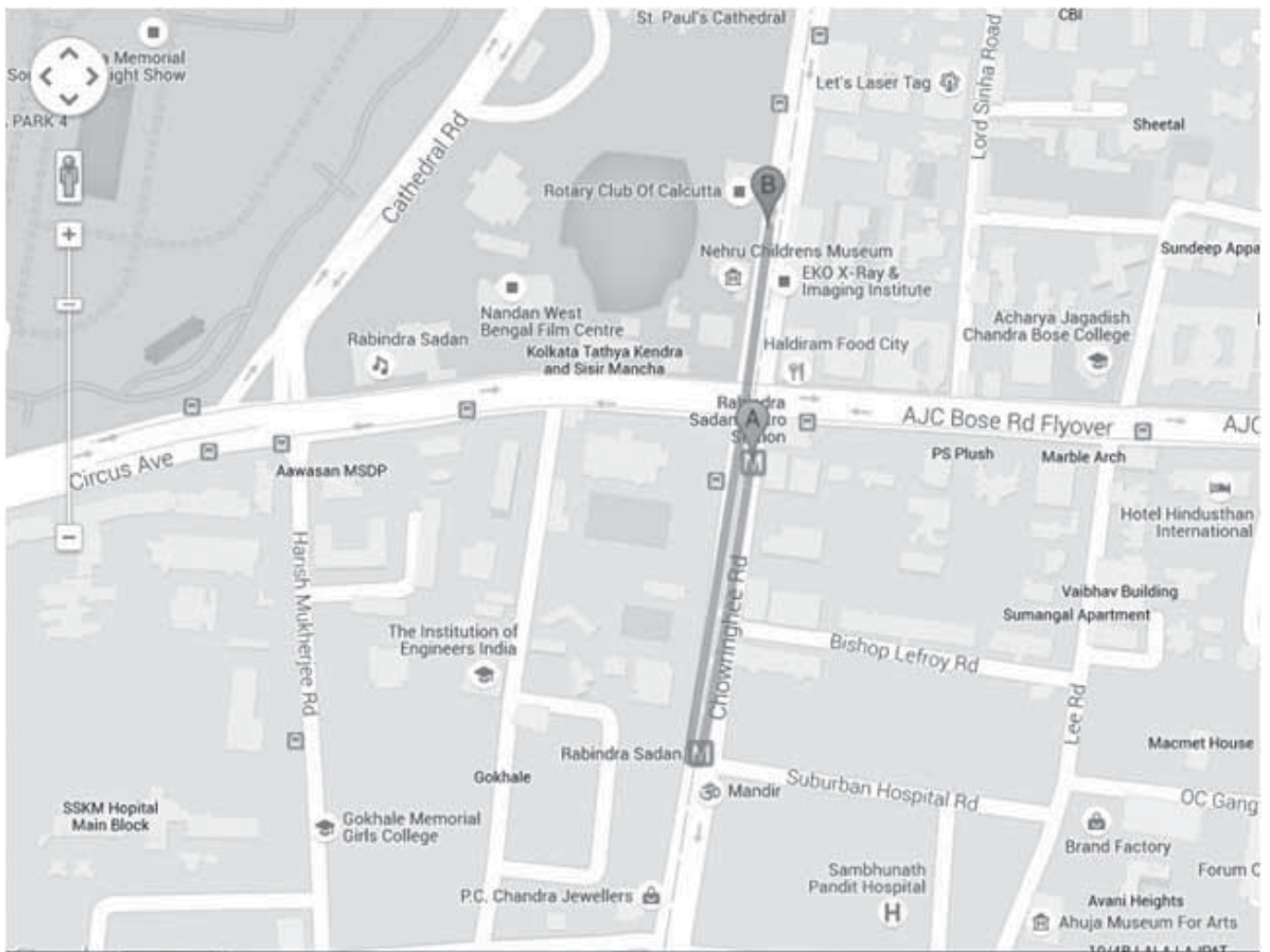
: _____

*(To be filled in by the Proxy in case he/she attends instead of the shareholder)

Notes:

1. Equity Shareholders attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.
2. Equity Shareholders who come to attend the meeting are requested to bring their copy of the Scheme with them.
3. Equity Shareholders who hold shares in dematerialized form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting.
4. Equity Shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of Gloster Limited in respect of such joint holding will be entitled to vote.

Route Map for the venue of the meeting.





GLOSTER LIMITED

Registered Office : 21, Strand Road, Kolkata – 700001
Tel No : (033) 2230-9601
CIN : L17119WB1992PLC054454
Website : www.glosterjute.com
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MEETING OF THE SECURED CREDITORS OF GLOSTER LIMITED

(convened pursuant to order dated 11th day of July 2017 read with order dated 25th day of July 2017 passed by the National Company Law Tribunal, Bench at Kolkata)

Day	Tuesday
Date	5th September 2017
Time	12.30 P.M.
Venue	Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700020

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH

Company Application No.207 of 2017

In the matter of:

The Companies Act, 2013

And

In the matter of Sections 230 and 232 of the Companies Act, 2013

And

In the Matter of:

Gloster Limited (CIN L17119WB1992PLC054454), a company incorporated in 1992 under the provisions of the Companies Act, 1956, having its registered office at 21, Strand Road, Kolkata – 700001

And

Kettlewell Bullen & Company Limited, (CIN U65192WB1923PLC004628), a company incorporated under the provisions of the Companies Act, 1913, having its registered office at 8, Munshi Premchand Sarani, Kolkata 700 022

..... Applicants.

FORM NO. CAA 2

[Pursuant to Section 230 (3) and rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016]

Company Application No. 207 of 2017

Gloster Limited ... Applicant

NOTICE CONVENING MEETING OF THE SECURED CREDITORS OF GLOSTER LIMITED

To

The Secured Creditors of Gloster Limited

NOTICE is hereby given that by an order made on the 11th day of July 2017 read with order dated 25th day of July 2017 in the above mentioned Company Application, the Hon'ble National Company Law Tribunal, Bench at Kolkata ("NCLT") has directed separate meetings to be held of the equity shareholders, secured creditors and unsecured creditors of Gloster Limited, being the Applicant Company no.1 above named (hereinafter referred to as the "**Transferor Company**") and equity shareholders and unsecured creditors of Kettlewell Bullen & Company Limited, being the Applicant Company no.2 above named (hereinafter referred to as the "**Transferee Company**") for the purpose of considering, and if thought fit, approving, with or without modification, the arrangement proposed to be made between the Transferor Company and the Transferee Company.

In pursuance of the said Order and as directed therein, further notice is hereby given that meeting of the secured creditors of the Transferor Company will be held at Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700020, India on Tuesday, the 5th day of September 2017 at 12.30 P.M. Secured Creditors of the Transferor Company are requested to attend the same.

At the said meeting, the following resolution will be considered and if thought fit, be passed:

***"RESOLVED THAT** pursuant to the provisions of Sections 230 and 232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India Circular*

No. CIR/CFD/CMD/16/2015 dated 30th November 2015, the observation letters issued by each of BSE Limited and The Calcutta Stock Exchange Limited, dated March 10, 2017 and April 3, 2017 respectively and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Amalgamation of Gloster Limited with Kettlewell Bullen & Company Limited and their respective shareholders and creditors ("Scheme") placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."

Persons entitled to attend and vote at the said meeting may vote in person or by proxy, provided that all proxies in the prescribed form, duly signed by you or your authorised representative, are deposited at the registered office of the Transferor Company at 21, Strand Road, Kolkata – 700001, India not later than 48 (forty eight) hours before the time fixed for the said meeting.

Forms of Proxy can be obtained free of charge from the registered office of the Transferor Company.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the aforesaid Index, can be obtained free of charge at the registered office of the Transferor Company at 21, Strand Road, Kolkata – 700001, India or at the office of its advocates, M/s. Khaitan & Co, Emerald House, 1B, Old Post Office Street, Kolkata 700 001, India.

NCLT has appointed Mr. Vinod Kothari, a practising Company Secretary, to be the Chairman / Chairperson of the said meeting, including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the aforesaid Index are enclosed.

Sd/-

Dated : 26th Day of July 2017

Vinod Kothari

Chairman appointed for the Meeting

Notes:

1. Only secured creditors of the Transferor Company may attend and vote, either in person or by proxy (a proxy need not be a creditor of the Transferor Company) or in the case of a body corporate by a representative authorized under Section 113 of the Companies Act, 2013, at the meeting of the secured creditors of the Transferor Company. The authorised representative of a body corporate which is a secured creditor of the Transferor Company may attend and vote at the meeting of the secured creditors of the Transferor Company provided a copy of the resolution of the board of directors or governing body of the body corporate authorising such representative to attend and vote at the meeting of the secured creditors of the Transferor Company, duly certified to be a true copy by a director, the manager, the secretary or other authorised officer of such body corporate, is deposited at the registered office of the Transferor Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the secured creditors of the Transferor Company.
2. The form of proxy can be obtained free of charge from the registered office of the Transferor Company.
3. All alterations made in the form of proxy should be initialled.
4. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending

with the conclusion of the meeting, a secured creditor would be entitled to inspect the proxies lodged at any time during the business hours of the Transferor Company, provided that not less than 3 (three) days of notice in writing is given to the Transferor Company.

5. The quorum of the said meeting shall be 2(Two) secured creditors present in person or by proxy.
6. A secured creditor of the Transferor Company or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
7. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the secured creditors of the Transferor Company at the registered office of the Transferor Company between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting.
8. NCLT, by its said Order, has, interalia, directed that meeting of the secured creditors of the Transferor Company shall be convened and held at Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700020, India on Tuesday, the 5th day of September 2017 for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Secured creditors of the Transferor Company would be entitled to vote in the said meeting either in person or through proxy.
9. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority in number representing three fourth in value of the secured creditors of the Transferor Company, voting in person or by proxy, agree to the Scheme.
10. The Notice together with the documents accompanying the same, is being sent to all the secured creditors either by registered post or speed post/ airmail or by courier service or electronically by e-mail .
11. The notice convening the meeting, the date of dispatch of the notice and the Explanatory Statement amongst others, will be published through advertisement in the following newspapers, namely, (i) The Economic Times (English Daily); and (ii) translation thereof in Ei Samay (Vernacular, Daily).
12. Mr. Arun Kumar Gupta, Practicing Chartered Accountant, (Membership No. 60892) has been appointed as the scrutinizer to conduct the voting process in a fair and transparent manner. The scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes received at the venue of the meeting by the secured creditors. The scrutinizer's decision on the validity of the vote shall be final. The results of the votes received at the meeting will be announced on or before 7th day, September 2017, at the registered office of the Transferor Company. The results, together with the scrutinizer's Reports, will be displayed at the registered office of the Transferor Company, on the website of the Transferor Company at www.glosterjute.com, besides being communicated to BSE Limited and The Calcutta Stock Exchange Limited.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH

Company Application No. 207 of 2017

In the matter of:

The Companies Act, 2013;

And

In the matter of Sections 230 and 232 of the Companies Act, 2013;

And

In the Matter of:

Gloster Limited (CIN L17119WB1992PLC054454), a company incorporated in 1992 under the provisions of the Companies Act, 1956, having its registered office at 21, Strand Road, Kolkata – 700001

and

Kettlewell Bullen & Company Limited (CIN U65192WB1923PLC004628), a company incorporated under the provisions of the Companies Act, 1913, having its registered office at 8, Munshi Premchand Sarani, Kolkata 700 022

..... Applicants.

EXPLANATORY STATEMENT UNDER SECTION 230(3), 232(1) AND (2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to an order dated 11th day of July, 2017, read with order dated 25th day of July 2017, passed by the Hon'ble National Company Law Tribunal, Bench, at Kolkata (the "NCLT"), in Company Application No. 207 of 2017 ("**Order**"), meeting of the secured creditors of Gloster Limited ("the Transferor Company") is being convened at Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700020, India on Tuesday 5th day, the September, 2017 at 12.30 P.M. for the purpose of considering, and if thought fit, approving, with or without modification, the Scheme of Amalgamation of the Transferor Company with Kettlewell Bullen & Company Limited ("**the Transferee Company**") under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (the "**Scheme**").

A copy of the Scheme which has been, inter alia, approved by the Audit Committee of the Transferor Company and the Board of Directors of the Applicant Companies at their respective meetings held on March 29, 2016 and further on August 12, 2016 is enclosed as Annexure 1. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme unless otherwise stated.

2. In terms of the said Order, the quorum for the said meeting of the secured creditors of the Transferor Company shall be 2 secured creditors present in person or by proxy.

Further, in terms of the said Order, NCLT, has appointed Mr. Vinod Kothari, a practising Company Secretary as the Chairman of the meeting of the secured creditors of the Transferor Company, including for any adjournment or adjournments thereof.

3. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the "Act") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "Rules").
4. As stated earlier, NCLT, by its said Order, has, inter alia, directed that meetings of the equity shareholders, secured creditors and unsecured creditors of the Transferor Company and equity shareholders and unsecured creditors of the Transferee Company shall be convened and held at Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700020, India on Tuesday, the 5th day of September 2017 for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. The eligible shareholders and creditors of the Applicant Companies would be entitled to vote in the said meeting(s) as the case may be either in person or through proxy.

5. In accordance with the provisions of Sections 230 – 232 of the Act, the Scheme shall be acted upon only if a majority in number

representing three fourths in value of the secured creditors of the Transferor Company, voting in person or by proxy, agree to the Scheme.

6. In terms of the Order dated 11th day of July 2017 read with order dated 25th day of July 2017, passed by the NCLT, in Company Application No. 207 of 2017, if the entries in the books/registers of the Transferor Company in relation to the number/value of the amount are disputed, the Chairman shall determine the number/value for the purposes of the said meeting and his decision in that behalf shall be final.

Particulars of the Transferor Company

7. The Transferor Company (having CIN L17119WB1992PLC054454) was incorporated on 18th February, 1992 under the name and style of “Gloster Jute Mills Limited” as a public company limited by shares under the provisions of the Companies Act, 1956. The name of the Transferor Company was changed to its existing name with effect from 20th October, 2010. There has been no change in the name of the Transferor Company in the last five (5) years. The Permanent Account Number of the Transferor Company is AAACG9800B. The shares of the Transferor Company are listed on BSE Ltd. (“BSE”) & The Calcutta Stock Exchange Ltd. (“CSE”).
8. The Registered Office of Transferor Company is situated at 21, Strand Road, Kolkata – 700001, in the state of West Bengal. There has been no change in the registered office address of the Transferor Company in last five (5) years. The e-mail address of the Transferor Company is ajay@glosterjute.com.
9. The objects for which Transferor Company has been established are set out in its Memorandum of Association. Some of the relevant objects of Transferor Company are, inter alia, as follows:

“3. (A) 1. To acquire and take over as a going concern the Jute Mills Division of Fort Gloster Industries Limited together with all immovable and movable property and all other assets including goodwill of the said Division and to discharge all or any of the liabilities thereof.

2. To carry on business as producers and growers of jute, hemp, flex, cotton, silk, wool or any other natural fibres and to manufacture and produce all types of synthetic and man made fibres including synthetic fibres, viscose, nylon, acrylic, polyester and all types of man made fibres and to carry on business of Spinners and Weavers of all such fibres and yarns, and goods produced therefrom and other similar materials and carry on business of manufacturers, processors, converters, makers, stockists, agents and importers, exporters, traders, retailers, suppliers, buyers, sellers, merchants, distributors and concessionaries of all such fibres, yarns and all types of processed and converted form of such fibres, yarns and goods.”

Clause (6) of Object Clause 3 (B) of the Memorandum of Association of the Transferor Company, which contains provision for amalgamation is reproduced herein below:

“(B) 6. To amalgamate with any other company or body corporate or to acquire whole or any part of undertaking of any company body corporate under any Scheme of amalgamation or arrangement or otherwise.”

There has been no change in the object clause of the Transferor Company in the last 5 years.

10. The Transferor Company is engaged in the business of manufacture and sale of all types of Jute & Jute allied products.
11. The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferor Company as on 31st March 2017 was as follows:

A. Authorised Share Capital	Amount in Rupees
2,50,00,000 Equity shares of Rs. 10 each	25,00,00,000
Total	25,00,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital	Amount in Rupees
1,04,66,880 Equity shares of Rs. 10 each	10,46,68,800
Total	10,46,68,800

12. Subsequent to 31st March 2017, there has not been any change in the Authorised, Issued or Paid up Share Capital of the Transferor Company.

Particulars of the Transferee Company

13. The Transferee Company (having CIN U65192WB1923PLC004628) was incorporated on the 2nd day of January, 1923 as a public company limited by shares under the provisions of the Indian Companies Act, 1913. There has been no change in the name of the Transferee Company in the last five (5) years. The Permanent Account Number of the Transferee Company is AABCK4197J. The shares of the Transferee Company are not listed on any Stock Exchange.
14. The Registered Office of the Transferee Company is situated at 8, Munshi Premchand Sarani, Kolkata 700 022, West Bengal. There has been no change in the registered office address of the Transferee Company in last five (5) years. The e-mail address of the Transferee Company is kb@bangurgroup.com.
15. The objects for which the Transferee Company has been established are set out in its Memorandum of Association. Some of the relevant objects of the Transferee Company are as follows:

“3. (4) To acquire and hold shares, stocks, debentures, debentures-stocks, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in India or elsewhere, and debentures, debenture-stocks, bonds, obligations and securities issued or guaranteed by any Government, public body or authority, supreme, municipal, local or otherwise and whether in India or elsewhere.

(8) To carry on the business of banking in all its branches and departments, including the borrowing, raising or taking up money, the lending or advancing money on securities and property, the discounting, buying, selling and dealing in bills of exchange, promissory notes, coupons, drafts, bills of lading, warrants, debentures, certificates, scrip and other instruments and securities, whether transferable or negotiable or not, the granting and issuing of letters of credit and circular notes, the buying, selling and dealing in bullion and specie the acquiring, holding, issuing on commission, underwriting and dealing with stocks, funds, shares debentures, debenture-stocks, bonds, obligations and other securities.

(10) To lend money, either with or without security, and generally to such persons and upon such terms and conditions as the Company may think fit.”

Clause (21) of Object Clause 3 of the Memorandum of Association of the Transferee Company, which contains provision for amalgamation is reproduced herein below:

“(21) To enter into partnership or into any arrangement for sharing profits or losses, or into any union of interests, joint venture, reciprocal concession or co-operation with any person or persons, or company or companies carrying on, or engaged in, or about to carry on or engage in, or being authorised to carry on, or engage in, any business or transaction which this company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company.”

There has been no change in the object clause of the Transferee Company in the last 5 years.

16. The Transferee Company is engaged in the business of investing and dealing in shares and securities and providing finance.

The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferee Company as on 31st March 2017 was as follows:

A. Authorised Share Capital	Amount in INR
25,00,000 Equity shares of Rs.10 each	2,50,00,000
Total	2,50,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital	Amount in INR
20,00,000 Equity shares of Rs. 10 each	2,00,00,000
Total	2,00,00,000

17. Subsequent to 31st March 2017, there has not been any change in the Authorised, Issued or Paid up Share Capital of the Transferee Company.

18. The Transferee Company presently holds 17.08% of the equity share capital of the Transferor Company.

Description and Rationale for the Scheme

19. The Scheme provides for merger of the Transferor Company into the Transferee Company. The proposal is to be implemented in terms of the Scheme under Sections 230 - 232 of the Act.

20. The rationale for the Scheme is as under:

- (a) Consolidation of business will lead to reflection of true net worth of the combined business for the stakeholders in the

financial statements and enhancement of net worth of the combined business leading to enhancement in earnings and cash flow of the business.

- (b) The amalgamated company will be able to better leverage its large net worth base and have enhanced business potential.
- (c) Enhancement in value of stakeholders through seamless access to strong corporate relationships and other intangible benefits of Gloster Ltd and Kettlewell Bullen & Company Ltd. built up over decades of experience.
- (d) Simplification of shareholding structure and reduction in shareholding tiers.
- (e) Simplification of management structure leading to better administration and reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes and elimination of duplication and rationalization of administrative expenses.

Corporate Approvals

21. A draft Scheme, was placed before the Audit Committee of the Transferor Company at its meeting held on March 29, 2016. The Audit Committee of the Transferor Company took into account the Valuation & Share Exchange Ratio Report, dated March 28, 2016, issued by M/s. Sharp & Tannan, an independent chartered accountant, the Fairness Opinion, dated March 28, 2016, provided by M/s. Ashika Capital Limited, a Category I Merchant Banker, appointed for this purpose by the Transferor Company. The Audit Committee based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of the Transferor Company.
22. The Scheme along with the Valuation Report was placed before the Board of Directors of the Transferor Company, at their meeting dated March 29, 2016. The Fairness Opinion and the report of the Audit Committee dated March 29, 2016 was also submitted to the Board of Directors of the Transferor Company. Based on the aforesaid, the Board of Directors of the Transferor Company approved the Scheme. The meeting of the Board of Directors of the Transferor Company, held on March 29, 2016, was attended by Directors namely, Mr. Hemant Bangur, Mrs. Nandita Sen, Mr. S.N. Bhattacharya, Mr. K. Mahapatra and Mr. Prabir Ray. Mr. Hemant Bangur, being part of the Promoter Group of the Transferor Company, abstained from voting on the resolution in respect of the Scheme. None of the directors of the Transferor Company who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of the Transferor Company who attended and voted at the meeting.
23. Separately, the proposed Scheme along with the Valuation Report was placed before the Board of Directors of the Transferee Company, at their meeting dated March 29, 2016. Based on the aforesaid, the Board of Directors of the Transferee Company approved the Scheme. The meeting of the Board of Directors of the Transferee Company, held on March 29, 2016, was attended by Directors namely Mrs. Pushpa Devi Bangur, Mrs. Vinita Bangur, Mr. Lakshmi Narayan Bihani and Mr. Om Prakash Modani. Mrs. Pushpa Devi Bangur and Mrs. Vinita Bangur, being part of the Promoter Group of the Transferee Company, abstained from voting on the resolution in respect of the Scheme. None of the directors of the Transferee Company who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of the Transferee Company who attended and voted at the meeting.
24. Post approval of the Scheme by the Board of Directors of the Applicant Companies, the Transferor Company allotted bonus shares to its equity shareholders in the ratio 1:1 on May 24, 2016. In view of the aforesaid bonus issue and in terms of the requirements of BSE Ltd., a supplementary valuation report and supplementary fairness opinion was issued by the Valuer and Merchant Banker reflecting the adjusted share exchange ratio. Consequently, the Scheme was also amended to reflect the adjusted share exchange ratio.
25. The amended Scheme, was placed before the Audit Committee of the Transferor Company at its meeting held on August 12, 2016. The Audit Committee of the Transferor Company took into account the Valuation & Share Exchange Ratio Report dated March 28, 2016 and Supplementary Valuation & Share Exchange Ratio Report dated August 9, 2016, issued by M/s. Sharp & Tannan, an independent chartered accountant (collectively referred to as "Valuation Report"), the Fairness Opinion dated March 28, 2016 and Supplementary Fairness Opinion dated August 9, 2016, provided by M/s. Ashika Capital Limited, a Category I Merchant Banker (collectively referred to as "Fairness Opinion"), appointed for this purpose by the Transferor Company. The Audit Committee based on the aforesaid, inter alia, recommended the amended Scheme to the Board of Directors of the Transferor Company.
26. The amended Scheme along with the Valuation Report was placed before the Board of Directors of the Transferor Company, at their meeting dated August 12, 2016. The Fairness Opinion and the report of the Audit Committee dated August 12, 2016 was also submitted to the Board of Directors of the Transferor Company. Based on the aforesaid, the Board of Directors of the Transferor Company approved the Scheme. The meeting of the Board of Directors of the Transferor Company, held on August 12, 2016, was attended by Directors namely, Mr. Hemant Bangur, Mr. D.C. Baheti, Mrs. Nandita Sen, Mr. S.N. Bhattacharya and Mr. K. Mahapatra. Mr. Hemant Bangur, being part of the Promoter Group of the Transferor Company, abstained from voting on the resolution in respect of the Scheme. None of the directors of the Transferor Company who attended the meeting voted

against the Scheme. Thus, the Scheme was approved unanimously by the directors of the Transferor Company who attended and voted at the meeting.

27. Separately, the amended Scheme along with the Valuation Report was placed before the Board of Directors of the Transferee Company, at their meeting dated August 12, 2016. Based on the aforesaid, the Board of Directors of the Transferee Company approved the Scheme. The meeting of the Board of Directors of the Transferee Company, held on August 12, 2016, was attended by Directors namely Mrs. Pushpa Devi Bangur, Mrs. Vinita Bangur, Mr. Lakshmi Narayan Bihani and Mr. Om Prakash Modani. Mrs. Pushpa Devi Bangur and Mrs. Vinita Bangur, being part of the Promoter Group of the Transferee Company, abstained from voting on the resolution in respect of the Scheme. None of the directors of the Transferee Company who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of the Transferee Company who attended and voted at the meeting.
28. A copy of the Valuation Report and Fairness Opinion are enclosed as Annexure 2 and Annexure 3 respectively. The Valuation Report and Fairness Opinion are also open for inspection at the registered office of the Applicant Company.

Approvals and actions taken in relation to the Scheme

29. BSE Limited was appointed as the designated stock exchange by the Transferor Company for the purpose of coordinating with the SEBI, pursuant to the SEBI Circular. The Transferor Company has received observation letters regarding the Scheme from BSE Limited and The Calcutta Stock Exchange Limited on March 10, 2017 and April 3, 2017 respectively. Copies of the observation letters dated March 10, 2017 and April 3, 2017, received from BSE Limited and The Calcutta Stock Exchange Limited, respectively, are enclosed as Annexure 4.
30. As required by the SEBI Circular, the Transferor Company had filed the complaints report with BSE and The Calcutta Stock Exchange Limited, both on October 14, 2016. This report indicates that the Transferor Company received nil complaints. A copy of the complaints report submitted by the Transferor Company to BSE Limited and The Calcutta Stock Exchange Limited, both dated October 14, 2016 is enclosed as Annexure 5.
31. The Transferee Company is registered as a non-banking financial company (non-deposit accepting) with the Reserve Bank of India. The Reserve Bank of India has provided its no-objection to the Scheme of Amalgamation vide letter dated 17th February, 2017.
32. The Applicant Companies or any of them would obtain such necessary approvals/sanctions/no objection(s) from the regulatory or other governmental authorities, if so required.
33. The Scheme was filed by the Applicant Companies with the NCLT, on April 10, 2017.

Salient extracts of the Scheme

34. The salient extracts of the Scheme are as under:

A. DEFINITIONS

“1956 Act” means the Companies Act, 1956 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto;

“2013 Act” means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

“Appointed Date” means January 1, 2015, or such other date as may be determined by the Board of Directors of the concerned Companies or directed by the High Court and is the date with effect from which the Scheme shall upon sanction of the same by the High Court, be deemed to be operative;

“Effective Date” means such date as the Companies mutually agree being the last of the dates or post the last of the dates on which all the conditions and matters referred to in clause 4 of Chapter 3 of the Scheme occur or have been fulfilled or waived in accordance with the Scheme;

“High Court” means the High Court of Judicature at Calcutta having jurisdiction in relation to the Companies and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court under the 1956 Act or the 2013 Act, as applicable;

“Record Date” means the date after the Effective Date to be fixed by the Board of Directors of the Transferee Company and the Transferor Company for the purpose of determining the equity shareholders of the Transferor Company, as applicable, to whom equity shares of the Transferee Company will be allotted pursuant to the Scheme;

“Undertaking” means and includes the entire business of the Transferor Company as a going concern, including, without limitation:

- (a) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession

or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) whether or not recorded in the books of accounts of the Transferor Company, including, without limitation, investments of all kinds (i.e. shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates) including furniture, fixtures, office equipment, computers, fixed assets, current assets, cash and bank accounts (including bank balances), insurance policies, contingent rights or benefits, benefits of any deposits, policies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, vehicles, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, memberships with various bodies, certificates awarded by organisations / bodies, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and where-so-ever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;

- (b) all permissions, permits, sanctions, approvals, authorizations, consents, subsidies, quotas, rights, allotments, registrations, draw backs, privileges, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, VAT, sales tax and entry tax laws, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions/deductions, deferment, subsidy receivables from Government, grants from any Governmental Authority, all other rights, liberties, advantages, no-objection certificates, certifications, easements, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;
 - (c) all contracts, agreements, engagements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, privileges and benefits of all contracts, agreements and all other rights, including license rights, lease rights, powers and facilities of every kind and description whatsoever or other understandings, deeds and instruments of whatsoever nature to which the Transferor Company are parties, including lease agreements, leave and license agreements, tenancy rights, equipment purchase agreements, hire purchase agreements, lending agreements and other agreements with the customers, sales orders, purchase orders and other agreements/contracts with the supplier of goods and/or service providers and all rights, title, interests, claims and benefits there under of whatsoever nature to which the Transferor Company is party;
 - (d) all intellectual property rights (including intangible assets and business or commercial rights), registrations, trademarks, trade names, service marks, copyrights, patents, designs, logo, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names, used by or held for use by the Transferor Company, whether or not recorded in the books of accounts of the Transferor Company, and other intellectual rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Company, whether used or held for use by it;
 - (e) all liabilities, lien or security thereon, whether in Indian rupees or foreign currency and whether or not provided for in the books of account or disclosed in the balance sheet of the Transferor Company;
 - (f) all incentives, benefits, exemptions, payments deferrals, subsidies, concessions, grants, taxes, duties, cess, levies etc., that are allocable, referable or related to Transferor Company, including all or any refunds, interest due thereon, credits and claims relating thereto, including service tax, input credits, CENVAT credits, value added tax, sales tax, entry tax credits or set-offs and any other tax benefits, exemptions and refunds etc.; and
 - (g) any and all permanent employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Transferor Company, at its respective offices, mills, plants, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Transferor Company.
- B. Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Transferor Company shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in Transferee Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act, 1961 without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, part of the Transferee Company by virtue of and in the manner provided in the Scheme.

- C. Without prejudice to the generality of Clause B above, upon the coming into effect of the Scheme and with effect from the Appointed Date,
- a) all the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided and/or recorded in the books of accounts of the Transferor Company, comprised in the Undertaking of whatsoever nature and where-so-ever situated shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances of the Transferee Company.
 - b) such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Transferee Company and/or be deemed to stand transferred to the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become from the Appointed Date, the assets and properties of the Transferee Company. The vesting, pursuant to this sub-clause, shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to the Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
 - c) all other movable properties of the Transferor Company, including investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, deposits with any Government, quasi government, local or other authority or body or with any company or other person, shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Transferee Company and/or deemed to have been transferred to and vested in the Transferee Company, by way of delivery of possession of the respective documents, as applicable, as a part of the transfer of the Undertaking as a going concern, so as to become from the Appointed Date, the assets and properties of the Transferee Company.
 - d) The Transferee Company may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor that pursuant to the sanction of the Scheme by the High Court, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realize all such debts (including the debts payable by such debtor or obligor to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by the Transferor Company and all the rights, title and interest of the Transferor Company in any licensed properties or leasehold properties shall, pursuant to Section 394(2) of the 1956 Act or any provision of the 2013 Act and the provisions of the Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company.
 - e) all immovable properties of the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or licensed or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title or interest in the immovable properties shall, upon the Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the Court in accordance with the terms hereof.
 - f) all lease/license or rent agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the assets of the Transferor Company, together with security deposits and advance/prepaid lease/license fee, etc., shall stand transferred and vested in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee

Company shall continue to pay rent or lease or license fee as provided for in such agreements and the Transferee Company and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants thereunder. Without limiting the generality of the foregoing, the Transferee Company shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.

- g) All permissions, permits, sanctions, approvals, authorizations, consents, subsidies, quotas, rights, allotments, registrations, privileges, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, VAT, sales tax and entry tax laws, income tax benefits and exemptions/deductions, deferment, subsidy receivables from Government, grants from any Governmental Authority, indirect tax benefits and exemptions, all other rights, liberties, advantages, no-objection certificates, certifications, easements, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, if any, shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vest in and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.
- h) All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Transferor Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which, the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it is the duly constituted attorney of that Transferor Company.
- i) Without prejudice to the generality of the foregoing, all leave and license agreements/deeds, lease agreements/deeds, bank guarantees, corporate guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Transferor Company or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon the Scheme becoming effective, by operation of law pursuant to the vesting orders of the Court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Transferee Company. Such property and rights shall stand vested in the Transferee Company and shall be deemed to have become the property of the Transferee Company by operation of law, whether the same is implemented by endorsement or delivery and possession or recordal in any other manner.
- j) All the intellectual property rights of any nature whatsoever, including but not limited to intangible assets appertaining to the Transferor Company, whether or not provided in books of accounts of the Transferor Company, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Transferee Company.
- k) All intangible assets including various business or commercial rights, etc belonging to but not recorded in books of the Transferor Company shall be transferred to and vested with the Transferee Company and shall be recorded at their respective fair values. The consideration agreed under the Scheme shall be deemed to include payment towards these intangible assets at their respective fair values. Such intangible assets shall, for all purposes, be regarded as intangible assets in terms of Explanation 3(b) to Section 32(1) of Income Tax Act and shall be eligible for depreciation there under at

the prescribed rates.

- l) All taxes (including but not limited to advance tax, tax deducted at source, tax collected at source, minimum alternate tax credits, securities transaction tax, input credit, CENVAT credit, taxes with held/paid in a foreign country, value added tax, sales tax, service tax, excise duty, etc.) payable by or refundable to or being the entitlement of the Transferor Company, including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, tax holidays, remissions, reductions, rebates etc as would have been available to the Transferor Company, shall pursuant to the Scheme becoming effective, be available to the Transferee Company. Benefit of tax losses including brought forward business loss, unabsorbed depreciation, etc., up to Appointed Date, shall be available to Transferee Company w.e.f. the Appointed Date in terms of section 72A of Income Tax Act, 1961.
 - m) The Transferee Company shall be entitled to claim refunds or credits, including Input Tax Credits, CENVAT credit with respect to taxes paid by, for, or on behalf of, the Transferor Company under applicable laws, including but not limited to sales tax, value added tax, service tax, excise duty, cess or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. Any inter-se transactions in relation to Transferor Company and Transferee Company between the Appointed Date and Effective Date shall be considered as transactions from Transferee Company to itself, and Transferee Company shall be entitled to claim refund of tax paid, if any on these inter-se transactions, as per applicable law. For the avoidance of doubt, Input Tax Credits already availed of or utilized by the Transferor Company and the Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to the Scheme.
 - n) All statutory rights and obligations of Transferor Company would vest on/accrete to Transferee Company. Hence, obligation of the Transferor Company, prior to the Effective Date, to issue or receive any statutory declaration or any other Forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Transferee Company and if any Form relating to the period prior to the said Effective Date is received in the name of the Transferor Company, it would be deemed to have been received by the Transferee Company in fulfillment of its obligations.
 - o) Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a part of the transfer of the Transferee Company as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by the Transferee Company.
 - p) The resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the 1956 Act or the 2013 Act as applicable, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.
 - q) Such of the assets which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the assets of the Transferee Company.
- D. Without prejudice to the generality of Clause B above, upon the coming into effect of this Scheme and with effect from the Appointed Date,
- (a) All the Liabilities, whether or not provided in the books of the Transferor Company, shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as

were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.

- (b) All Liabilities which are incurred or which arise or accrue to the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.
 - (c) Any Liabilities of the Transferor Company as on the Appointed Date that are discharged by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Transferee Company.
 - (d) All loans raised and utilized, liabilities, duties and taxes and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date, the Transferee Company shall meet, discharge and satisfy the same.
 - (e) Loans, advances and other obligations (including any arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.
- E. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secure or relate to the Liabilities shall, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to the Transferee Company. It is being clarified that the aforesaid Encumbrances shall not be extended to any assets of the Transferor Company which were earlier not Encumbered or the existing assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- F. (a) Upon the coming into effect of this Scheme, all permanent employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Transferor Company who are on its payrolls shall become employees of the Transferee Company with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous.
- (b) The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits created by the Transferor Company for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company or as may be created by the Transferee Company for such purpose. It is the intent that all rights, duties, powers and obligations of Transferor Company in relation to such fund or funds shall stand transferred to the Transferee Company without need of any fresh approval from any statutory authority. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Transferee Company to the existing funds maintained by the Transferor Company.
 - (c) The Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other

terminal benefits to the employees of the Transferor Company, the past services of such employees with the Transferor Company shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Transferor Company will transfer/handover to the Transferee Company, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.

- G. (a) All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Transferor Company shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.
- (b) Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company, whether pending and/or arising on or before the Effective Date shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Transferee Company.
- H. Upon the Scheme coming into effect, all equity shares which the Transferee Company holds in the Transferor Company shall stand cancelled without any issue or allotment of equity shares of Transferee Company or payment whatsoever by the Transferee Company in lieu of such equity shares of the Transferor Company.
- I. The Transferee Company shall without any further application, act, instrument or deed, issue and allot to each shareholder of the Transferor Company whose name is recorded in the register of members of the Transferor Company on the Record Date (except the Transferee Company itself in terms of the Scheme) in the following ratio ("**Share Exchange Ratio**"):
- "2 (two) fully paid up equity shares of Rs. 10 (Rupees Ten) each of Transferee Company for every 5 (five) fully paid up equity share of Rs. 10 (Rupees Ten) each held by such shareholder in Transferor Company."*
- J. The equity shares to be issued and allotted by the Transferee Company in terms of Clauses I above shall be subject to the provisions of the Memorandum and Articles of Association of Transferee Company and shall rank pari passu in all respects with the existing equity shares of Transferee Company.
- K. The new equity shares to be issued pursuant to Clause I above shall be issued in the dematerialized form by the Transferee Company unless otherwise notified in writing by the shareholders of the Transferor Company to Transferee Company on or before such date as may be determined by the board of directors of Transferee Company or a committee thereof. In the event, such notice has not been received by Transferee Company in respect of any of the members of Transferor Company, the new equity shares shall be issued to such shareholders in dematerialized form and directly credited to the dematerialized securities account provided that the members of Transferor Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. In the event that Transferee Company has received the notice from any of the shareholders of Transferor Company that the new equity shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depository participant or other confirmations as may be required, then the Transferee Company shall issue the new equity shares in certificate form.
- L. In case any shareholder's holding in the Transferor Company is such that the shareholder becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue any fractional shares to such shareholder but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Transferee Company in that behalf, who shall hold these equity shares in trust for and on behalf of the shareholders entitled to such fractional entitlements with the express understanding that such trustee shall sell such shares at such time or times and at such price or prices to such person or persons as he/she may deem fit and shall distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders entitled to the same in proportion as their respective fractional entitlements bears to the consolidated fractional entitlements.
- M. The equity shares to be issued pursuant to this Scheme by Transferee Company in respect of the equity shares of Transferor Company which are held in abeyance under the provisions of Section 126 of the 2013 Act and/or applicable provisions of 1956 Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by Transferee Company.
- N. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Transferor Company, the Board of Directors or any committee thereof, of Transferor Company, at the sole discretion, shall be empowered in

appropriate cases, prior to or even subsequent to the Effective Date as the case may be to effectuate such a transfer in Transferor Company as if such changes in registered holder were operative as on the Effective Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the Board of Directors of Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in Transferee Company on account of difficulties faced in the transition period.

- O. The equity shares issued to the shareholders under Clause I will be listed with BSE and CSE and admitted for trading and the Transferee Company shall comply with the requirements of the SEBI Circular and take all steps to get the equity shares to be issued pursuant to the Scheme listed on CSE and BSE on which the equity shares of the Transferor Company are listed, in accordance with relevant regulations.
- P. The equity shares in the Transferee Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- Q. Post the issue of shares pursuant to Clause I, there shall be no change in the shareholding pattern or control in the Transferee Company between the record date and the listing which may affect the status of the approval by the Stock Exchanges.
- R. In the event the shares of the Transferee Company including shares issued to the Promoters' of Transferor Company pursuant to the Clause I above are subject to lock-in under the SEBI Circular then subject to applicable laws, the shares kept under lock-in may be pledged with Scheduled Commercial Bank or Public Financial Institution as collateral security and shares may also be transferred within the promoters' group during such lock-in period.
- S. The issue and allotment of equity shares by Transferee Company to the equity shareholders of Transferor Company as provided in this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by Transferee Company as if the procedure laid down under Section 62(1)(c) of the 2013 Act and/or any other applicable provisions of the 1956 Act or 2013 Act, if applicable, were duly complied with.
- T. (a) The Transferee Company shall record the assets (including intangible assets, if any, whether or not recorded in the books of Transferor Company) 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 notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs under section 133 of 2013 Act.
- (b) The Transferee Company shall record issuance of shares at fair value and accordingly credit to its Share Capital Account the aggregate face value of the equity shares issued on Amalgamation. The excess, if any, of the fair value of the equity shares over the face value of the shares issued shall be credited to Securities Premium Reserve. The Securities Premium Reserve so credited shall be available for issuance of bonus shares in accordance with applicable laws.
- (c) The equity shares held by the Transferee Company in the Transferor Company appearing in the books of accounts of the Transferee Company shall stand cancelled in terms of clause H above and there shall be no further obligation in that behalf.
- (d) To the extent that there are inter-company loans, advances, deposits, balances unpaid dividend or other obligations as amongst the Transferor Company and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company as well as Transferor Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
- (e) Excess, if any, of the consideration, viz., fair value of new shares issued in terms of Clause I above and the value of investment in the Transferor Company as appearing in the books of the Transferee Company, over the fair value of Net Assets (including identifiable intangible assets, if any, whether or not recorded in the books of accounts) taken over and recorded by the Transferee Company will be recognized as goodwill in accordance with Accounting Standard - 14. In the event the result is negative, it shall be credited as Capital Reserve in the books of account of the Transferee Company.
- U. Upon the coming into effect of the Scheme, the Transferor Company shall, without any further act, instrument or deed, stand dissolved without winding-up.
- V. As an integral part of the Scheme, upon this Scheme becoming effective and with effect from Appointed Date, the authorised share capital of the Transferor Company as on the Effective Date shall, without any further act, instrument or deed or payment of additional fees payable to the Registrar of Companies or stamp duty, stand transferred to and be merged with the authorised share capital of the Transferee Company.
- W. Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 13 of the 2013 Act and other applicable provisions of the 2013 Act, as the case may be and be replaced by the following clause:

“The Authorised Share Capital of the Company is Rs 27,50,00,000 (Rupees Twenty Seven Crores Fifty Lacs only) divided into 2,75,00,000 (Two Crore Seventy Five Lac) Equity Shares of Rs 10/- (Rupees Ten only) each, with rights, privileges and conditions attaching thereto as may be provided by the Articles of Association of

the Company. The Company shall have the power to increase or reduce its capital for the time being and to consolidate, divide or sub-divide and re-classify the shares in such capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as to dividend, voting or otherwise and to vary, modify or abrogate any such rights, privileges or conditions in accordance with the provisions of the Act and Articles of the Company and issue Shares of higher or lower denominations.”.

- X. It is further clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval for the increase of the authorized capital, amendment of the capital clause of the Memorandum of Association, under the provisions of Section 13 of the 2013 Act and other applicable provisions of the 2013 Act.
- Y. Upon this Scheme becoming effective, the name of Transferee Company shall be deemed to have been changed from “Kettlewell Bullen & Company Limited” to “Gloster Limited” in accordance with Section 13 of the 2013 Act and other relevant provisions of the 2013 Act, as applicable. It is hereby clarified that for the purposes of this clause, the consent of the shareholders of the Transferee Company and Transferor Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the name change and that no further resolution under Section 13 of 2013 Act or any other applicable provisions of the 2013 Act, as applicable, would be required to be separately passed. Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for change of its name.
- Z. (a) With effect from the Appointed Date and upon the Scheme becoming effective, the Object Clause of the Memorandum of Association of the Transferee Company shall stand amended.
- (b) The following sub clause shall be inserted after sub-clause 32 of Clause 3 of the Object of the Memorandum of Association of the Transferee Company:

“33. To carry on business as producers and growers of jute, hemp, flex, cotton, silk, wool, or any other natural fibres and to manufacture and produce all types of synthetic and man madefibres including synthetic fibres, viscose, nylon, acrylic, polyester and all types of man madefibres and to carry on business of Spinners and Weavers of all such fibres and yarns, and goods produced therefrom and other similar materials and carry on business of manufacturers, processors, converters, makers, stockists, agents and importers, exporters, traders, retailers, suppliers, buyers, sellers, merchants, distributors and concessionaries of all such fibres, yarns and all types of processed and converted form of such fibres, yarns and goods.

34. To carry on the trades or business of manufacturers of chemicals and manure's, distillers, dye makers, gas makers and makers of chemical and identical preparations of all kinds.”

- (c) It shall be deemed that the members of the Transferee Company and Transferor Company have also resolved and accorded all relevant consents under Section 13 of the 2013 Act or other relevant provision of 2013 Act, as applicable. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the 2013 Act or other relevant provision of 2013 Act, as applicable, for the amendments of the Memorandum of Association of the Transferee Company as above. Pursuant to the Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for alteration of its main objects and the consequent amendment of the Memorandum of Association.
- AA. The Scheme is conditional upon and subject to:
- (a) this Scheme being approved by the respective requisite majorities of the various classes of shareholders, as applicable, of the Companies as required under the 1956 Act or the 2013 Act, as applicable, and the requisite order of the High Court being obtained, or dispensation having been received from the High Court in relation to obtaining such consent from the shareholders, as applicable;
- (b) approval of the Scheme by the public shareholders of the Transferor Company in accordance with the provisions of the SEBI Circulars. Such approval will be obtained through resolution passed through postal ballot and e-voting and the Scheme shall be acted upon only if the votes cast by public shareholders in favour of the proposal are more than the number of votes cast by public shareholders against it.
- (c) such other approvals and sanctions including sanction of any Governmental Authority, as may be required by law in respect of the Scheme;
- (d) the High Court having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to the Companies; and
- (e) such certified/authenticated copy of the Order of the High Court being filed with the Registrar of Companies, Kolkata.
- BB. The Companies shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the salient extracts thereof.

Summary of the Valuation Report

35. M/s Sharp & Tannan (“Valuer”) had carried out independent analysis and had applied standard and acceptable valuation methodologies in arriving at the valuation of the Transferor Company and Transferee Company for the Share Exchange Ratio (i.e. 4 (four) equity shares of Transferee Company for every 5 (five) equity shares held in Transferor Company) recommended in its report dated March 28, 2016. The approach adopted by the Valuer in determining the share exchange ratio is summarised as under:

- (a) The Valuer adopted a combination of valuation methodologies to arrive at the relative valuation of the Transferor Company as under:
 - Comparable Companies Multiple Method under Market Approach
 - Discounted Cash Flow Method under Income Approach
- (b) The Valuer adopted the Break-up value method for determining the relative valuation of the Transferee Company, being an investment holding company.

Further, Ashika Capital Ltd. performed an independent analysis using generally accepted methodologies to opine on the fairness of the share exchange ratio recommended by the Valuer vide its report dated March 28, 2016.

However, in view of bonus issue made by the Transferor Company to its equity shareholders in the ratio 1:1 and in terms of the requirements of BSE Ltd., the Valuer recommended an adjusted share exchange ratio (i.e. 2 (two) equity shares of Transferee Company for every 5 (five) equity shares held in Transferor Company) vide its Supplementary Valuation Report dated August 9, 2016 which was opined to be fair by the Merchant Banker vide its Supplementary Fairness Opinion dated August 9, 2016.

Other matters

36. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificates issued by the respective Statutory Auditors of the Companies are open for inspection.

37. Under the Scheme, an arrangement is sought to be entered into between the Transferor Company and its equity shareholders (promoter and non-promoter shareholders). Upon the sanctioning of the Scheme, and in terms of Chapter 2 of the Scheme, the equity shareholders (whether promoter shareholders or non-promoter shareholders) (other than the Transferee Company) of the Transferor Company shall become the equity shareholders of the Transferee Company based on the Share Exchange Ratio as stipulated in Clause 11 of Chapter 2 of the Scheme and that the said equity shareholders would no longer remain the equity shareholders of the Transferor Company as upon the effectiveness of the Scheme, the Transferor Company shall stand dissolved without winding up. Upon the effectiveness of the Scheme, the equity shares held by the Transferee Company in the paid-up equity share capital of the Transferor Company shall stand cancelled.

Under the Scheme, there is no arrangement with the creditors, either secured or unsecured of the Transferor Company except to the extent that upon the effectiveness of the Scheme, the creditors belonging to the Transferor Company shall become the creditors of the Transferee Company in the manner as provided in the Scheme. No compromise is offered under the Scheme to any of the creditors of the Applicant Companies. The liability of the creditors of the Transferor Company, under the Scheme, is neither being reduced nor being extinguished. The creditors of the Applicant Companies would in no way be affected by the present Scheme.

As on date, the Transferor Company has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise. As on date, the Transferor Company has not issued any debentures and therefore, the effect of the Scheme on the debenture holders and debenture trustees does not arise.

Under Clause 5 of Chapter 2 of the Scheme, on and from the Effective Date, the Transferee Company undertakes to engage all the employees of the Transferor Company on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service and in the manner provided under the Scheme. In the circumstances, the rights of the employees of the Transferor Company would in no way be affected by the Scheme. The key managerial personnel of the Transferor Company are also the employees of the Transferor Company.

Upon the effectiveness of the Scheme, the directors of the Transferor Company shall cease to be its directors as Transferor Company shall stand dissolved without winding up.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferor Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Applicant Companies and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that

hold shares in the respective Companies. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme.

38. Under the Scheme, an arrangement is sought to be entered into between the Transferee Company and its equity shareholders. Upon the effectiveness of the Scheme, the Transferee Company shall allot equity shares to the shareholders of Transferor Company based on the Share Exchange Ratio and in the manner stipulated in Clause 11 of Chapter 2 of the Scheme.

Under the Scheme, there is no arrangement with the creditors, either secured or unsecured, of the Transferee Company. No compromise is offered under the Scheme to any of the creditors of the Transferee Company. The liability of the creditors of the Transferee Company under the Scheme is neither being reduced nor being extinguished.

As on date, the Transferee Company has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise.

As on date, the Transferee Company has not issued any debentures and therefore, the effect of the Scheme on the debenture holders and debenture trustees does not arise.

Under the Scheme, no rights of the employees of the Transferee Company are being affected.

There is no effect of the Scheme on the Key Managerial Personnel and/or the directors of the Transferee Company.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferee Company and their respective relatives (as defined under the Act and rules framed thereunder) has any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Applicant Companies and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the respective Companies. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme.

39. In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of the Applicant Companies, have adopted a report explaining effect, as aforesaid, of Compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio and specifying any special valuation difficulties. Such report adopted by the Board of Directors of the Transferor Company and Transferee Company is enclosed as Annexure 6 and Annexure 7 respectively.
40. A copy of the proposed draft Scheme has been filed by the Applicant Companies with the Registrar of Companies on 26th July 2017..
41. No investigation proceedings have been instituted or are pending in relation to the Applicant Companies under Sections 210 to 229 of Chapter XIV of Companies Act, 2013 or under the corresponding provisions of Companies Act, 1956. Further, no proceedings are pending under Companies Act, 2013 or under the corresponding provisions of Companies Act, 1956 against any of the Applicant Companies.
42. To the knowledge of the Applicant Companies, no winding up proceedings have been filed or are pending against them under the Companies Act, 2013 or the corresponding provisions of Companies Act, 1956.
43. The audited Financial Results of the Transferor Company and Transferee Company for the year ended 31st March, 2017 are enclosed as Annexure 8 and Annexure 9 respectively.
44. As on March 31, 2017, the Transferor Company had 5 Secured Creditors having total claim of Rs.35,95,72,616; 608 Unsecured Creditors having claims of Rs. 15,58,22,693. As on March 31, 2017, the Transferee Company had 8 Unsecured Creditors having claims of Rs.4,76,37,950.
45. The name and addresses of the promoters of the Transferor Company including their shareholding in the Applicant Companies as on March 31, 2017 are as under:

Particulars	Shareholding in Transferor Company		Shareholding in Transferee Company	
	% holding	No of shares	% holding	No of shares
Pranov Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	0.01%	800	-	-
Purushottam Dass Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	0.11%	11,424	2.50%	50,000
Gopal Das Bangur HUF Address: 21, Strand Road. Kolkata 700001	0.94%	98,372	9.25%	1,85,000
Vinita Bangur Address:8, St. Georges' Gate Road, Hastings, Kolkata - 700022	2.74%	2,86,882	16.58%	3,31,600
Hemant Bangur Address:8, St. Georges' Gate Road, Hastings, Kolkata - 700022	2.61%	2,73,332	13.24%	2,64,700
Hemant Kumar Bangur HUF Address:21, Strand Road. Kolkata 700001	4.01%	4,19,824	4.66%	93,250
Pushpa Devi Bangur Address:8, St. Georges' Gate Road, Hastings, Kolkata - 700022	7.96%	8,32,840	11.63%	2,32,500
The Cambay Investment Corporation Ltd Address: 21, Strand Road. Kolkata 700001	0.40%	42,384	12.50%	2,50,000
Credwyn Holdings (India) Pvt Ltd Address: 21, Strand Road. Kolkata 700001	4.88%	5,10,380	-	-
Madhav Trading Corporation Ltd Address: 21, Strand Road. Kolkata 700001	11.54%	12,08,115	5.50%	1,10,000
The Oriental Company Ltd Address: 21, Strand Road. Kolkata 700001	14.43%	15,10,016	-	-
Kettlewell Bullen & Company Ltd Address:21, Strand Road. Kolkata 700001	17.08%	17,87,806	-	-
Total	66.71%	69,82,175	75.85%	15,17,050

46. The name and addresses of the promoters of the Transferee Company including their shareholding in the Applicant Companies as on March 31, 2017 are as under:

Particulars	Shareholding in Transferor Company		Shareholding in Transferee Company	
	% holding	No. of shares	% holding	No of shares
Vinita Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	2.74%	2,86,882	16.58%	3,31,600
Hemant Bangur Address:8, St. Georges' Gate Road, Hastings, Kolkata - 700022	2.61%	2,73,332	13.24%	2,64,700
Cambay Investment Corporation Ltd. Address: 21, Strand Road. Kolkata 700001	0.40%	42,384	12.50%	2,50,000
Pushpa Devi Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	7.96%	8,32,840	11.63%	2,32,500
Gopal Das Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	-	-	11.25%	2,25,000

Particulars	Shareholding in Transferor Company		Shareholding in Transferee Company	
	% holding	No. of shares	% holding	No of shares
Gopal Das Bangur HUF Address:21, Strand Road. Kolkata 700001	0.94%	98,372	9.25%	1,85,000
Madhav Trading Corporation Ltd Address: 21, Strand Road. Kolkata 700001	11.54%	12,08,115	5.50%	1,10,000
Purushottam Dass Bangur Family Trust* Address:21, Strand Road. Kolkata 700001	-	-	4.89%	97,700
Hemant Kumar Bangur HUF Address: 21, Strand Road. Kolkata 700001	4.01%	4,19,824	4.66%	93,250
Purushottam Dass Bangur Address:8, St. Georges' Gate Road, Hastings, Kolkata - 700022	0.11%	11,424	2.50%	50,000
Purushottam Dass Bangur HUF Address: 21, Strand Road. Kolkata 700001	-	-	1.25%	25,000
Purushottam Dass Bangur & Gopal Das Bangur HUF Address : 21, Strand Road. Kolkata 700001	-	-	1.25%	25,000
Total	26.30%	27,53,349	94.49%	18,89,750

* Shares registered in the name of its trustees i.e. Mr. Hemant Bangur and Mrs. Pushpa Devi Bangur.

47. The name, address and shareholding of the Directors and the Key Managerial Personnel (KMP) of the Transferor Company as on March 31, 2017 in the Applicant Companies are as follows:

Name of Director / KMPs	Shares held in the Transferor Company	Shares held in the Transferee Company
Directors of Transferor Company		
Hemant Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	2,73,332	2,64,700
Dharam Chand Baheti Address:P.O. Fort Gloster, Bauria, Howrah 711310.	6,320	Nil
Nandita Sen Address: 52 Shalimar Apartment, 42B Shakespeare Sarani, Kolkata - 700017	Nil	Nil
Satyendra Nath Bhattacharya Address: Flat No. 13, Oval View, Maharshi Karve Road, Churchgate, Opposite Oval Maidan, Mumbai - 400020	Nil	Nil
Krutibas Mahapatra Address: Plot No. 456, Renu Niwas Nuasahi, Nayapalli Bhu- baneshwar - 751012	Nil	Nil
Prabir Ray Address:2E, Limelight Apartment, 6, Port Blair Lane, Barrackpore, 23 Titagarh Maida, Kolkata 743101	Nil	Nil
KMPs of Transferor Company		
Ajay Kumar Agarwal Address: 293/294 Bangur Avenue, Block B, Kolkata - 700055	Nil	Nil
Shankar Lal Kedia Address: 5C, Mumtaram Babu Street, 1st Floor, Kolkata - 700007	1,200	Nil

48. The name, address and shareholding of the Directors and the Key Managerial Personnel (KMP) of the Transferee Company as on March 31, 2017 in the Applicant Companies are as follows:

Name of Director / KMPs	Shares held in the Transferor Company	Shares held in the Transferee Company
Directors of Transferee Company		
Lakshmi Narayan Bihani Address: 55/1, Kavi Bharati Sarani, Lake Road, Kolkata – 700029.	Nil	Nil
Om Prakash Modani Address:24, Gopi Krishna Paul Lane, 20 Jorabagan, Kolkata – 700006	Nil	Nil
Pushpa Devi Bangur Address: 8, St. Georges’ Gate Road, Hastings, Kolkata - 700022	8,32,840	2,32,500
Vinita Bangur Address: 8, St. Georges’ Gate Road, Hastings, Kolkata - 700022	2,86,882	3,31,600
KMPs of Transferee Company		
Abhay Gandhi Address:E-24/7, Karunamoyee, Salt Lake, Kolkata - 700091	Nil	Nil
Ramakant Kankani Address: 9, Atindra Mukherjee Lane, Howrah 711102	Nil	Nil

49. The pre-Scheme shareholding pattern of the Transferor Company and the Transferee Company as on March 31, 2017 and the post-Scheme (expected) shareholding pattern of Transferee Company (assuming the continuing shareholding pattern as on March 31, 2017) is as under:

Category	Transferor Company		Transferee Company			
	Pre-Amalgamation		Pre-Amalgamation		Post-Amalgamation	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoter & Promoter Group						
– Individual/ HUF / Trusts	19,23,474	18.38	15,29,750	76.49	22,99,140	42.02
– Bodies Corporate	50,58,701	48.33	3,60,000	18.00	16,68,358	30.49
Public						
– Insurance Companies	23,03,194	22.00	1,10,000	5.50	10,31,278	18.85
– Bodies Corporate	2,19,910	2.10	-	-	87,964	1.61
– Clearing Member	4,247	0.04	-	-	1,698	0.03
– Others	9,57,354	9.15	250	0.01	3,83,192	7.00
Total	1,04,66,880	100%	20,00,000	100%	54,71,630	100%

50. The post-Scheme (expected) capital structure of Transferee Company will be as follows (assuming the continuing capital structure as on March 31, 2017):

A. Authorised Share Capital	Amount in INR
2,75,00,000 Equity shares of Rs. 10 each	27,50,00,000
Total	27,50,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital	Amount in Rupees
54,71,630 Equity shares of Rs. 10 each	5,47,16,300
Total	5,47,16,300

51. In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.

52. The following documents will be open for inspection by the secured creditors of the Transferor Company at its registered office at 21, Strand Road, Kolkata – 700001. between 10.00 a.m. and 12 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting:

- (i) Copy of the order passed by NCLT in Company Application No. 207, dated 11th day of July 2017 read with order dated 25th day of July 2017 directing the Applicant Companies to, inter alia, convene the meetings of its equity shareholders, secured creditors and unsecured creditors;
- (ii) Copy of the Company Application No. 207 of 2017 along with annexures filed by the Applicant Companies before NCLT;
- (iii) Copy of the Memorandum and Articles of Association of the Applicant Companies;
- (iv) Copy of the annual reports of the Applicant Companies for the financial years ended 31st March 2016 and 31st March 2015, respectively;
- (v) Audited Financial Results of the Applicant Companies for the year ended 31st March, 2017;
- (vi) Copy of the Register of Directors' shareholding of each of the Applicant Companies;
- (vii) Copy of Valuation & Share Exchange Ratio Report dated March 28, 2016 along with Supplementary Valuation & Share Exchange Ratio Report dated August 9, 2016 issued by M/s. Sharp & Tannan, Chartered Accountants;
- (viii) Copy of the Fairness Opinion, dated March 28, 2016 and Supplementary Fairness Opinion dated August 9, 2016, issued by M/s. Ashika Capital Limited, to the Board of Directors of the Transferor Company;
- (ix) Copy of the Audit Committee Report dated March 29, 2016 and August 12, 2016, of the Transferor Company;
- (x) Copy of the board resolutions, dated March 29, 2016 and August 12, 2016 passed by the respective Board of Directors of the Transferor Company and the Transferee Company, approving the Scheme;
- (xi) Copy of the Statutory Auditors' certificate dated March 29, 2016 issued by Messrs. Lovelock and Lewes, Chartered Accountants to the Transferor Company and Statutory Auditors' certificate dated March 22, 2017 issued by Messrs. S. S. Kothari & Co., Chartered Accountants to the Transferee Company certifying that the accounting treatment specified in the Scheme is in compliance with the applicable accounting standards prescribed under Section 133 of Companies Act, 2013 and other generally accepted accounting principles;
- (xii) Copy of the complaints report, dated October 14, 2016, submitted by the Transferor Company to BSE and The Calcutta Stock Exchange Limited;
- (xiii) Copy of the no adverse observations/no objection letter issued by BSE and The Calcutta Stock Exchange Limited, dated March 10, 2017 and April 3, 2017, respectively, to the Transferor Company;
- (xiv) Copy of Form No. GNL-2 filed by the respective Applicant Companies with the concerned Registrar of Companies evidencing filing of the Scheme;
- (xv) Copy of the Scheme.
- (xvi) Copy of the Reports dated 12th May, 2017 adopted by the Board of Directors of the Transferor Company and Transferee Company respectively pursuant to Section 232(2)(c) of Companies Act, 2013

The secured creditors shall be entitled to obtain the extracts from or for making or obtaining the copies of the documents listed in item numbers (i), (ii), (iii) and (xv) above.

53. This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Rules. A copy of the Scheme, Explanatory Statement and Form of Proxy shall be furnished by the Transferor Company to its secured creditors, free of charge, within one (1) day (except Saturdays, Sundays and public holidays) on a requisition being so made for the same by the secured creditors of the Transferor Company.

54. After the Scheme is approved by the equity shareholders, secured creditors and unsecured creditors of the Transferor Company, it will be subject to the approval/sanction by NCLT.

sd/-

Dated : 26th Day of July 2017

Vinod Kothari

Chairman appointed for the Meeting

Registered office:

21, Strand Road, Kolkata – 700001.

SCHEME OF AMALGAMATION
(UNDER SECTIONS 391 TO 394 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 1956 AND COMPANIES ACT, 2013)

BETWEEN

GLOSTER LIMITED

AND

KETTLEWELL BULLEN & COMPANY LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS



CHAPTER 1

Chapter 1 of this Scheme of Amalgamation (“Scheme”) sets forth the overview and the objects of the Scheme.

1.0 DESCRIPTION OF COMPANIES

- 1.1 Gloster Limited (CIN No. L17119WB1992PLC054454) is a public company limited by shares incorporated in 1992 under the provisions of the Companies Act, 1956, having its registered office at 21, Strand Road, Kolkata – 700001, West Bengal and is engaged in manufacturing and exporting of all types of Jute & Jute allied products, Woven & Non-Woven Jute Geotextiles, Treated Fabric-Rot Proof, Fire Retardant, jute products for Interior Decoration and Packaging of Industrial and Agricultural produce. Gloster Limited was formed by the demerger of the Jute division of Fort Gloster Industries Limited which was established in the year 1872. The Jute division has been running the factory at Bauria uninterrupted since 1872. 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 in 2010. The equity shares of Gloster Limited are listed on BSE Ltd. (“BSE”) & The Calcutta Stock Exchange Ltd. (“CSE”) (collectively, the “Stock Exchanges”).
- 1.2 Kettlewell Bullen & Company was converted into a company and was incorporated as a limited company namely Kettlewell Bullen & Company Limited in 1923 (CIN No. U65192WB1923PLC004628) under the provisions of the Companies Act 1913 having its registered office at 8, Munshi Premchand Sarani, Kolkata, West Bengal. In 1879, it was appointed as the managing agent of Fort Gloster Jute Manufacturing Company Limited whose name was changed to Fort Gloster Industries Limited subsequently. In compliance with the change in statute, Kettlewell Bullen & Company Limited 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. As required by statute, being the holding Company, in the year 1998, Kettlewell Bullen & Company Limited was registered as a non-banking financial company (non-deposit accepting) with the Reserve Bank of India. As on date, it continues to remain the main Promoter of Gloster Limited. The equity shares of Kettlewell Bullen & Company Limited were listed on CSE till 9th August 2015.
- 1.3 Gloster Limited and Kettlewell Bullen & Company Limited are collectively referred to as the “Companies”.

2.0 RATIONALE FOR THE SCHEME OF AMALGAMATION

2.1 The rationale for the proposed Scheme is set out below:

- (i) Consolidation of business will lead to reflection of true net worth of the combined business for the stakeholders in the financial statements and enhancement of net worth of the combined business leading to enhancement in earnings and cash flow of the business.
- (ii) The amalgamated company will be able to better leverage its large net worth base and have enhanced business potential.



- (iii) Enhancement in value of stakeholders through seamless access to strong corporate relationships and other intangible benefits of Gloster Ltd and Kettlewell Bullen & Company Ltd. built up over decades of experience.
- (iv) Simplification of shareholding structure and reduction in shareholding tiers.
- (v) Simplification of management structure leading to better administration and reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes and elimination of duplication and rationalization of administrative expenses.

2.2 Consequently, the Board of Directors (as hereinafter defined) of the Companies have considered and approved this Scheme of Amalgamation and have accordingly proposed the Amalgamation (as hereinafter defined) as integral part of the Scheme.

3.0 CHAPTERS IN THE SCHEME

The Scheme is divided into three (3) chapters, the details of which are as follows:

- 3.1 **Chapter 1:** Chapter 1 of this Scheme sets forth the overview and objects of the Scheme. Further this Chapter 1 also contains the provisions with respect to definitions, interpretation and share capital of the companies to the Scheme which are common to and shall be applicable on all Chapters of the Scheme;
- 3.2 **Chapter 2:** Chapter 2 provides for the amalgamation of Gloster Limited into and with Kettlewell Bullen & Company Limited;
- 3.3 **Chapter 3:** Chapter 3 provides for the reorganization of share capital, changes to the main object clause of Kettlewell Bullen & Company Limited, change in name of Kettlewell Bullen & Company Limited, and certain general terms and conditions applicable to the Scheme.

4.0 GENERAL DEFINITIONS AND INTERPRETATION

4.1 In the Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

"1956 Act" means the Companies Act, 1956 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto;

"2013 Act" means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

"Amalgamation" means amalgamation of Transferor Company with Transferee Company in accordance with Section 2(1B) of the Income Tax Act, 1961, in terms of Chapter 2 of the Scheme;

"Appointed Date" means January 1, 2015, or such other date as may be determined by the Board of Directors of the concerned Companies or directed by the High Court and is the date



with effect from which the Scheme shall upon sanction of the same by the High Court, be deemed to be operative;

"Audit Committee" means the audit committee of Gloster Limited, as constituted from time to time;

"Board of Directors" or **"Board"** in relation to each of the Companies, as the case may be, means the board of directors of such company;

"BSE" means BSE Limited;

"CSE" means The Calcutta Stock Exchange Ltd.;

"Effective Date" means such date as the Companies mutually agree being the last of the dates or post the last of the dates on which all the conditions and matters referred to in clause 4 of Chapter 3 of the Scheme occur or have been fulfilled or waived in accordance with this Scheme;

"Encumbrance" means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term **"Encumbered"** shall be construed accordingly;

"Governmental Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body, statutory body or stock exchange, including but not limited to the Reserve Bank of India (**"RBI"**) and the Securities and Exchange Board of India (**"SEBI"**), or any other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law;

"High Court" means the High Court of Judicature at Calcutta having jurisdiction in relation to the Companies and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court under the 1956 Act or the 2013 Act, as applicable;

"Income Tax Act" means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force;

"Liabilities" means all debts and liabilities, both present and future whether or not provided in the books of accounts or disclosed in the balance sheet of the Transferor Company, including all secured and unsecured debts, liabilities (including deferred tax liabilities, contingent liabilities), duties and obligations (including under any licenses or permits or schemes of every kind) and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations along with any charge, Encumbrance;

"Record Date" means the date after the Effective Date to be fixed by the Board of Directors of the Transferee Company and the Transferor Company for the purpose of determining the equity shareholders of the Transferor Company, as applicable, to whom equity shares of the Transferee Company will be allotted pursuant to this Scheme;



“Registrar of Companies” means the Registrar of Companies, Kolkata;

“Scheme”, “the Scheme”, “this Scheme” means this Scheme of Amalgamation, pursuant to Sections 391 to 394 of the 1956 Act, or any other applicable provisions of the 1956 Act or the 2013 Act, if any, in its present form (along with any annexures, schedules, etc, attached hereto), with such modifications and amendments as may be made from time to time, and with appropriate approvals including approvals of the shareholders, as applicable, and sanction from the High Court under the 1956 Act or 2013 Act, as applicable, and under all applicable laws;

“SEBI Circular” means the circular number CIR/CFD/CMD/16/2015 dated November 30, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, both issued by the Securities and Exchange Board of India and any related and amended circulars that SEBI may issue in respect of schemes of arrangement;

“Share Exchange Ratio” has the meaning ascribed to it in sub-clause 11.2 of Chapter 2 of the Scheme hereof;

“Stock Exchanges” shall mean BSE and CSE;

“Transferee Company” means Kettlewell Bullen & Company Limited;

“Transferor Company” means Gloster Limited;

“Undertaking” means and includes the entire business of the Transferor Company as a going concern, including, without limitation:

- (a) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) whether or not recorded in the books of accounts of the Transferor Company, including, without limitation, investments of all kinds (i.e. shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates) including furniture, fixtures, office equipment, computers, fixed assets, current assets, cash and bank accounts (including bank balances), insurance policies, contingent rights or benefits, benefits of any deposits, policies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, vehicles, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, memberships with various bodies, certificates awarded by organisations / bodies, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and where-so-ever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;



- (b) all permissions, permits, sanctions, approvals, authorizations, consents, subsidies, quotas, rights, allotments, registrations, draw backs, privileges, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, VAT, sales tax and entry tax laws, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions/deductions, deferment, subsidy receivables from Government, grants from any Governmental Authority, all other rights, liberties, advantages, no-objection certificates, certifications, easements, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;
- (c) all contracts, agreements, engagements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, privileges and benefits of all contracts, agreements and all other rights, including license rights, lease rights, powers and facilities of every kind and description whatsoever or other understandings, deeds and instruments of whatsoever nature to which the Transferor Company are parties, including lease agreements, leave and license agreements, tenancy rights, equipment purchase agreements, hire purchase agreements, lending agreements and other agreements with the customers, sales orders, purchase orders and other agreements/contracts with the supplier of goods and/or service providers and all rights, title, interests, claims and benefits there under of whatsoever nature to which the Transferor Company is party;
- (d) all intellectual property rights (including intangible assets and business or commercial rights), registrations, trademarks, trade names, service marks, copyrights, patents, designs, logo, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names, used by or held for use by the Transferor Company, whether or not recorded in the books of accounts of the Transferor Company, and other intellectual rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Company, whether used or held for use by it;
- (e) all liabilities, lien or security thereon, whether in Indian rupees or foreign currency and whether or not provided for in the books of account or disclosed in the balance sheet of the Transferor Company;
- (f) all incentives, benefits, exemptions, payments deferrals, subsidies, concessions, grants, taxes, duties, cess, levies etc., that are allocable, referable or related to Transferor Company, including all or any refunds, interest due thereon, credits and claims relating thereto, including service tax, input credits, CENVAT credits, value added tax, sales tax, entry tax credits or set-offs and any other tax benefits, exemptions and refunds etc.; and



- (g) any and all permanent employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Transferor Company, at its respective offices, mills, plants, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Transferor Company.
- 4.2 All terms and words used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the 1956 Act or the 2013 Act, as applicable, the Income Tax Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made there under), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- 4.3 References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.
- 4.4 The headings herein shall not affect the construction of this Scheme.
- 4.5 The singular shall include the plural and vice versa; and references to one gender include all genders.
- 4.6 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 4.7 References to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works councillor employee representatives body (whether or not having separate legal personality).
- 4.8 References to any of the terms taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally.
- 4.9 Any reference to any statute or statutory provision shall include:
- (a) All subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and
- (b) Such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.



5.0 SHARE CAPITAL

5.1 Gloster Limited

The share capital structure of Gloster Limited as on 31st July, 2016 is as under:

A. Authorised Share Capital	Amount in Rupees
2,50,00,000 Equity shares of Rs. 10each	25,00,00,000
Total	25,00,00,000

B. Issued, Subscribed and Fully Paid Up Share Capital	Amount in Rupees
1,04,66,880 Equity shares of Rs. 10 each	10,46,68,800
Total	10,46,68,800

After 31st July, 2016 and till approval of Scheme by Board of Directors, there has been no change in the issued, subscribed and paid up share capital of Gloster Limited.

5.2 Kettlewell Bullen & Company Limited

The share capital structure of Kettlewell Bullen & Company Limited as on 31st July, 2016 is as under:

A. Authorised Share Capital	Amount in INR
25,00,000 Equity shares of Rs.10 each	2,50,00,000
Total	2,50,00,000

B. Issued, Subscribed and Fully Paid Up Share Capital	Amount in INR
20,00,000 Equity shares of Rs. 10each	2,00,00,000
Total	2,00,00,000

After 31st July, 2016 and till approval of Scheme by Board of Directors, there has been no change in the issued, subscribed and paid up share capital of Kettlewell Bullen & Company Limited.



CHAPTER 2– AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY

- 1.0 Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Transferor Company shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in Transferee 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, as and from the Appointed Date, part of the Transferee Company by virtue of and in the manner provided in this Chapter.
- 2.0 Without prejudice to the generality of Clause 1.0 above, upon the coming into effect of the Scheme and with effect from the Appointed Date,
- a) all the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided and/or recorded in the books of accounts of the Transferor Company, comprised in the Undertaking of whatsoever nature and where-so-ever situated shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances of the Transferee Company.
 - b) such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Transferee Company and/or be deemed to stand transferred to the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become from the Appointed Date, the assets and properties of the Transferee Company. The vesting, pursuant to this sub-clause, shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
 - c) all other movable properties of the Transferor Company, including investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, deposits with any Government, quasi government, local or other authority or body or with any company or other person, shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all



other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Transferee Company and/or deemed to have been transferred to and vested in the Transferee Company, by way of delivery of possession of the respective documents, as applicable, as a part of the transfer of the Undertaking as a going concern, so as to become from the Appointed Date, the assets and properties of the Transferee Company.

- d) The Transferee Company may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor that pursuant to the sanction of this Scheme by the High Court, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realize all such debts (including the debts payable by such debtor or obligor to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by the Transferor Company and all the rights, title and interest of the Transferor Company in any licensed properties or leasehold properties shall, pursuant to Section 394(2) of the 1956 Act or any provision of the 2013 Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company.
- e) all immovable properties of the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or licensed or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title or interest in the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Court in accordance with the terms hereof.
- f) all lease/license or rent agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the assets of the Transferor Company, together with security deposits and advance/prepaid lease/license fee, etc., shall stand transferred and vested in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent or lease or license fee as provided for in such agreements and the Transferee Company and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants there-under. Without limiting the generality of the foregoing, the Transferee Company shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.



- g) All permissions, permits, sanctions, approvals, authorizations, consents, subsidies, quotas, rights, allotments, registrations, privileges, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, VAT, sales tax and entry tax laws, income tax benefits and exemptions/deductions, deferment, subsidy receivables from Government, grants from any Governmental Authority, indirect tax benefits and exemptions, all other rights, liberties, advantages, no-objection certificates, certifications, easements, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, if any, shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vest in and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.
- h) All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Transferor Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which, the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it is the duly constituted attorney of that Transferor Company.
- i) Without prejudice to the generality of the foregoing, all leave and license agreements/deeds, lease agreements/deeds, bank guarantees, corporate guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Transferor Company or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect



immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the Court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Transferee Company. Such property and rights shall stand vested in the Transferee Company and shall be deemed to have become the property of the Transferee Company by operation of law, whether the same is implemented by endorsement or delivery and possession or recordal in any other manner.

- j) All the intellectual property rights of any nature whatsoever, including but not limited to intangible assets appertaining to the Transferor Company, whether or not provided in books of accounts of the Transferor Company, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Transferee Company.
- k) All intangible assets including various business or commercial rights, etc belonging to but not recorded in books of the Transferor Company shall be transferred to and vested with the Transferee Company and shall be recorded at their respective fair values. The consideration agreed under the Scheme shall be deemed to include payment towards these intangible assets at their respective fair values. Such intangible assets shall, for all purposes, be regarded as intangible assets in terms of Explanation 3(b) to Section 32(1) of Income Tax Act and shall be eligible for depreciation there under at the prescribed rates.
- l) All taxes (including but not limited to advance tax, tax deducted at source, tax collected at source, minimum alternate tax credits, securities transaction tax, input credit, CENVAT credit, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, excise duty, etc.) payable by or refundable to or being the entitlement of the Transferor Company, including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, tax holidays, remissions, reductions, rebates etc as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company. Benefit of tax losses including brought forward business loss, unabsorbed depreciation, etc., up to Appointed Date, shall be available to Transferee Company w.e.f. the Appointed Date in terms of section 72A of Income Tax Act.
- m) The Transferee Company shall be entitled to claim refunds or credits, including Input Tax Credits, CENVAT credit with respect to taxes paid by, for, or on behalf of, the Transferor Company under applicable laws, including but not limited to sales tax, value added tax, service tax, excise duty, cess or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. Any inter-se transactions in relation to Transferor Company and Transferee Company between the Appointed Date and Effective Date shall be considered as



transactions from Transferee Company to itself, and Transferee Company shall be entitled to claim refund of tax paid, if any on these inter-se transactions, as per applicable law. For the avoidance of doubt, Input Tax Credits already availed of or utilized by the Transferor Company and the Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.

- n) All statutory rights and obligations of Transferor Company would vest on/accrue to Transferee Company. Hence, obligation of the Transferor Company, prior to the Effective Date, to issue or receive any statutory declaration or any other Forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Transferee Company and if any Form relating to the period prior to the said Effective Date is received in the name of the Transferor Company, it would be deemed to have been received by the Transferee Company in fulfillment of its obligations.
- o) Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a part of the transfer of the Transferee Company as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by the Transferee Company.
- p) The resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the 1956 Act or the 2013 Act as applicable, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.
- q) Such of the assets which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the assets of the Transferee Company.



3.0 Without prejudice to the generality of Clause 1.0 above, upon the coming into effect of this Scheme and with effect from the Appointed Date,

- (a) All the Liabilities, whether or not provided in the books of the Transferor Company, shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.
- (b) All Liabilities which are incurred or which arise or accrue to the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.
- (c) Any Liabilities of the Transferor Company as on the Appointed Date that are discharged by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Transferee Company.
- (d) All loans raised and utilized, liabilities, duties and taxes and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date, the Transferee Company shall meet, discharge and satisfy the same.
- (e) Loans, advances and other obligations (including any arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law,



if any, without any further act, instrument, deed, cost or charge, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

4.0

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secure or relate to the Liabilities shall, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to the Transferee Company. It is being clarified that the aforesaid Encumbrances shall not be extended to any assets of the Transferor Company which were earlier not Encumbered or the existing assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- (b) Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company pursuant to this Scheme.
- (c) Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- (d) The provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

5.0

- (a) Upon the coming into effect of this Scheme, all permanent employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Transferor Company who are on its payrolls shall become employees of the Transferee Company with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the



aforsaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous.

- (b) The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits created by the Transferor Company for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company or as may be created by the Transferee Company for such purpose. It is the intent that all rights, duties, powers and obligations of Transferor Company in relation to such fund or funds shall stand transferred to the Transferee Company without need of any fresh approval from any statutory authority. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Transferee Company to the existing funds maintained by the Transferor Company.
- (c) The Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of the Transferor Company, the past services of such employees with the Transferor Company shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Transferor Company will transfer/handover to the Transferee Company, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- (d) The Transferee Company shall continue to abide by any agreement(s)/ settlement(s) entered into by the Transferor Company with any of its employees prior to Appointed Date and from Appointed Date till the Effective Date.

6.0

- (a) All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Transferor Company shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.
- (b) Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company, whether pending and/or arising on or before the Effective Date shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent



as if the same had been instituted and/or pending and/or arising by or against the Transferee Company.

- (c) The Transferee Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against the Transferor Company transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.
- 7.0 All books, records, files, papers, information, databases, and all other books and records, whether in physical or electronic form, of the Transferor Company, to the extent possible and permitted under applicable laws, be handed over to the Transferee Company.
- 8.0 Without prejudice to the provisions of Clause 1.0 to 7.0 above, with effect from the Appointed Date, all inter-party transactions amongst the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.
- 9.0 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company are party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Court, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

10.0 Conduct of Business

- 10.1 With effect from the Appointed Date and up to and including the Effective Date:
- (a) the Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the entire business for and on account of, and in trust for, the Transferee Company;
 - (b) all profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by the Transferor Company for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Transferee Company;
 - (c) any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the



obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent of the Transferee Company;

- (d) all taxes, where applicable, (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, wealth tax, fringe benefit tax, tax collected at source, taxes withheld/paid in a foreign country, sales tax, excise duty, customs duty, service tax or goods and service tax, as applicable, value Added Tax, cess, tax refunds) payable by or refundable to the Transferor Company, including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of the Transferor Company) as the case may be, of the Transferee Company, and any unabsorbed tax losses and depreciation, etc., as would have been available to the Transferor Company on or before the Effective Date, shall be available to the Transferee Company upon the Scheme coming into effect;

10.2 Subject to the terms of the Scheme, the transfer and vesting of the Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or after the Appointed Date till the Effective Date. The Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company.

11.0 Consideration

11.1 Upon the Scheme coming into effect, all equity shares which the Transferee Company holds in the Transferor Company shall stand cancelled without any issue or allotment of equity shares of Transferee Company or payment whatsoever by the Transferee Company in lieu of such equity shares of the Transferor Company.

11.2 The Transferee Company shall without any further application, act, instrument or deed, issue and allot to each shareholder of the Transferor Company whose name is recorded in the register of members of the Transferor Company on the Record Date (except the Transferee Company itself in terms of clause 11.1 above) in the following ratio ("**Share Exchange Ratio**"):

"2 (two) fully paid up equity shares of Rs. 10 (Rupees Ten) each of Transferee Company for every 5 (five) fully paid up equity share of Rs. 10 (Rupees Ten) each held by such shareholder in Transferor Company."

11.3 The Share Exchange Ratio has been arrived at on basis of the valuation report read with supplementary valuation report, to determine the adjusted Share Exchange Ratio post completion of bonus issue by Transferor Company on 24th May, 2016, of M/s. Sharp & Tannan, an independent chartered accountant. Ashika Capital Limited, an independent merchant banker has provided a fairness report along with a supplementary fairness report (on account of the bonus issue discussed earlier in this Clause) on the fairness of the Share Exchange Ratio determined for the vesting of the Transferor Company into Transferee Company.

11.4 The equity shares to be issued and allotted by the Transferee Company in terms of Clauses 11.2 above shall be subject to the provisions of the Memorandum and Articles of Association of Transferee Company and shall rank *pari passu* in all respects with the existing equity shares of Transferee Company.



- 11.5 The new equity shares to be issued pursuant to Clause 11.2 above shall be issued in the dematerialized form by the Transferee Company unless otherwise notified in writing by the shareholders of the Transferor Company to Transferee Company on or before such date as may be determined by the board of directors of Transferee Company or a committee thereof. In the event, such notice has not been received by Transferee Company in respect of any of the members of Transferor Company, the new equity shares shall be issued to such shareholders in dematerialized form and directly credited to the dematerialized securities account provided that the members of Transferor Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. In the event that Transferee Company has received the notice from any of the shareholders of Transferor Company that the new equity shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depository participant or other confirmations as may be required, then the Transferee Company shall issue the new equity shares in certificate form.
- 11.6 In case any shareholder's holding in the Transferor Company is such that the shareholder becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue any fractional shares to such shareholder but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Transferee Company in that behalf, who shall hold these equity shares in trust for and on behalf of the shareholders entitled to such fractional entitlements with the express understanding that such trustee shall sell such shares at such time or times and at such price or prices to such person or persons as he/she may deem fit and shall distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders entitled to the same in proportion as their respective fractional entitlements bears to the consolidated fractional entitlements.
- 11.7 The equity shares to be issued pursuant to this Scheme by Transferee Company in respect of the equity shares of Transferor Company which are held in abeyance under the provisions of Section 126 of the 2013 Act and/or applicable provisions of 1956 Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by Transferee Company.
- 11.8 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Transferor Company, the Board of Directors or any committee thereof, of Transferor Company, at the sole discretion, shall be empowered in appropriate cases, prior to or even subsequent to the Effective Date as the case may be to effectuate such a transfer in Transferor Company as if such changes in registered holder were operative as on the Effective Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the Board of Directors of Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in Transferee Company on account of difficulties faced in the transition period.
- 11.9 The equity shares issued to the shareholders under Clause 11.2 will be listed with BSE and CSE and admitted for trading and the Transferee Company shall comply with the requirements of the SEBI Circular and take all steps to get the equity shares to be issued pursuant to the Scheme listed on CSE and BSE on which the equity shares of the Transferor Company are listed, in accordance with relevant regulations.



- 11.10 The equity shares of the Transferee Company issued in terms of this Scheme shall pursuant to the SEBI Circular and subject to compliance with requisite formalities be listed and/or admitted to trading on the relevant stock exchange(s) where the existing equity shares of the Transferor Company are listed and/or admitted to trading, i.e., BSE and CSE. The Transferee Company shall enter into such arrangement and issue such confirmations and/or undertakings as may be necessary in accordance with the applicable law or regulation for the above purpose.
- 11.11 The equity shares in the Transferee Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- 11.12 Post the issue of shares pursuant to Clause 11.2, there shall be no change in the shareholding pattern or control in the Transferee Company between the record date and the listing which may affect the status of the approval by the Stock Exchanges.
- 11.13 In the event the shares of the Transferee Company including shares issued to the Promoters' of Transferor Company pursuant to the Clause 11.2 above are subject to lock-in under the SEBI Circular then subject to applicable laws, the shares kept under lock-in may be pledged with Scheduled Commercial Bank or Public Financial Institution as collateral security and shares may also be transferred within the promoters' group during such lock-in period.
- 11.14 In the event that the Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 11.15 The issue and allotment of equity shares by Transferee Company to the equity shareholders of Transferor Company as provided in this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by Transferee Company as if the procedure laid down under Section 62(1)(c) of the 2013 Act and/or any other applicable provisions of the 1956 Act or 2013 Act, if applicable, were duly complied with.

12.0 Accounting Treatment

- 12.1 The Transferee Company shall record the assets (including intangible assets, if any, whether or not recorded in the books of Transferor Company) 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 notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs under section 133 of 2013 Act.
- 12.2 The Transferee Company shall record issuance of shares at fair value and accordingly credit to its Share Capital Account the aggregate face value of the equity shares issued on Amalgamation. The excess, if any, of the fair value of the equity shares over the face value of the shares issued shall be credited to Securities Premium Reserve. The Securities Premium Reserve so credited shall be available for issuance of bonus shares in accordance with applicable laws.
- 12.3 The equity shares held by the Transferee Company in the Transferor Company appearing in the books of accounts of the Transferee Company shall stand cancelled in terms of clause 11.1



above and there shall be no further obligation in that behalf.

- 12.4 To the extent that there are inter-company loans, advances, deposits, balances unpaid dividend or other obligations as amongst the Transferor Company and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company as well as Transferor Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
- 12.5 Excess, if any, of the consideration, viz., fair value of new shares issued in terms of Clause 11.2 above and the value of investment in the Transferor Company as appearing in the books of the Transferee Company, over the fair value of Net Assets (including identifiable intangible assets, if any, whether or not recorded in the books of accounts) taken over and recorded by the Transferee Company will be recognized as goodwill in accordance with Accounting Standard - 14. In the event the result is negative, it shall be credited as Capital Reserve in the books of account of the Transferee Company.
- 12.6 The Transferee Company shall record in its books of account, all transactions of the Transferor Company in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.
- 12.7 All costs and expenses incurred as per Clause 10 of Chapter 3 below as well as other costs incidental with the finalization of this Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the Scheme, shall be charged to Profit and Loss Account with exception of the following cost and expenses, which will be accounted in the books of the Transferee Company as under:
- Stamp duty payable, if any, on the basis of value of immovable properties of the Transferor Company transferred to the Transferee Company shall be capitalized in the books of the Transferee Company with the said fixed assets in accordance with Accounting Standard - 10 "Accounting of Fixed Assets".
- 12.8 The goodwill and/or intangible assets (if any) transferred/arising on Amalgamation, as aforesaid, shall be amortized in the books of the Transferee Company over a period of 5 years and 10 years respectively or such other period based on the useful life as may be determined by the Board.
- 12.9 The Board of Directors may adopt any other accounting treatment for the Amalgamation which is in accordance with Accounting Standards notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of 2013 Act.
- 13.0 **Dissolution of the Transferor Company**

Upon the coming into effect of the Scheme, the Transferor Company shall, without any further act, instrument or deed, stand dissolved without winding-up.



CHAPTER 3 – OTHER TERMS AND CONDITIONS

1.0 Reorganisation of Authorised Share Capital

- 1.1 As an integral part of the Scheme, upon this Scheme becoming effective and with effect from Appointed Date, the authorised share capital of the Transferor Company as on the Effective Date shall, without any further act, instrument or deed or payment of additional fees payable to the Registrar of Companies or stamp duty, stand transferred to and be merged with the authorised share capital of the Transferee Company.
- 1.2 Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 13 of the 2013 Act and other applicable provisions of the 2013 Act, as the case may be and be replaced by the following clause:

“The Authorised Share Capital of the Company is Rs 27,50,00,000 (Rupees Twenty Seven Crores Fifty Lacs only) divided into 2,75,00,000 (Two Crore Seventy Five Lac) Equity Shares of Rs 10/- (Rupees Ten only) each, with rights, privileges and conditions attaching thereto as may be provided by the Articles of Association of the Company. The Company shall have the power to increase or reduce its capital for the time being and to consolidate, divide or sub-divide and re-classify the shares in such capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as to dividend, voting or otherwise and to vary, modify or abrogate any such rights, privileges or conditions in accordance with the provisions of the Act and Articles of the Company and issue Shares of higher or lower denominations.”

- 1.3 It is further clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval for the increase of the authorized capital, amendment of the capital clause of the Memorandum of Association, under the provisions of Section 13 of the 2013 Act and other applicable provisions of the 2013 Act.

2.0 Change of Name of Transferee Company

Upon this Scheme becoming effective, the name of Transferee Company shall be deemed to have been changed from “Kettlewell Bullen & Company Limited” to “Gloster Limited” in accordance with Section 13 of the 2013 Act and other relevant provisions of the 2013 Act, as applicable. It is hereby clarified that for the purposes of this clause, the consent of the shareholders of the Transferee Company and Transferor Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the name change and that no further resolution under Section 13 of 2013 Act or any other applicable provisions of the 2013 Act, as applicable, would be required to be separately passed. Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for change of its name.



3.0 Change in Object Clause of Transferee Company

- 3.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Object Clause of the Memorandum of Association of the Transferee Company shall stand amended.
- 3.2 The following sub clause shall be inserted after sub-clause 32 of Clause 3 of the Object of the Memorandum of Association of the Transferee Company:

"33. To carry on business as producers and growers of jute, hemp, flex, cotton, silk, wool, or any other natural fibres and to manufacture and produce all types of synthetic and man made fibres including synthetic fibres, viscose, nylon, acrylic, polyester and all types of man made fibres and to carry on business of Spinners and Weavers of all such fibres and yarns, and goods produced therefrom and other similar materials and carry on business of manufacturers, processors, converters, makers, stockists, agents and importers, exporters, traders, retailers, suppliers, buyers, sellers, merchants, distributors and concessionaries of all such fibres, yarns and all types of processed and converted form of such fibres, yarns and goods.

34. To carry on the trades or business of manufacturers of chemicals and manure's, distillers, dye makers, gas makers and makers of chemical and identical preparations of all kinds."

- 3.3 It shall be deemed that the members of the Transferee Company and Transferor Company have also resolved and accorded all relevant consents under Section 13 of the 2013 Act or other relevant provision of 2013 Act, as applicable. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the 2013 Act or other relevant provision of 2013 Act, as applicable, for the amendments of the Memorandum of Association of the Transferee Company as above. Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for alteration of its main objects and the consequent amendment of the Memorandum of Association.

4.0 Conditions to effectiveness of the Scheme

- 4.1 The Scheme is conditional upon and subject to:
- (a) this Scheme being approved by the respective requisite majorities of the various classes of shareholders, as applicable, of the Companies as required under the 1956 Act or the 2013 Act, as applicable, and the requisite order of the High Court being obtained, or dispensation having been received from the High Court in relation to obtaining such consent from the shareholders, as applicable;
 - (b) approval of the Scheme by the public shareholders of the Transferor Company in accordance with the provisions of the SEBI Circulars. Such approval will be obtained through resolution passed through postal ballot and e-voting and the Scheme shall be acted upon only if the votes cast by public shareholders in favour of the proposal are more than the number of votes cast by public shareholders against it.
 - (c) such other approvals and sanctions including sanction of any Governmental Authority, as may be required by law in respect of the Scheme;
 - (d) the High Court having accorded sanction to the Scheme and if any modifications have



been prescribed the same being acceptable to the Companies; and

- (e) such certified/authenticated copy of the Order of the High Court being filed with the Registrar of Companies, Kolkata.

4.2 In case any of the conditions in the Scheme are not satisfied or waived, then the Companies shall be at liberty to withdraw the Scheme.

5.0 Dividend

5.1 The Companies shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date.

5.2 The holders of the shares of the Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

5.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Companies to demand or claim any dividends which, subject to the provisions of the 1956 Act or the 2013 Act, as applicable, shall be entirely at the discretion of the respective Boards of Directors of the Companies, and subject to the approval, if required, of the respective members of the Companies.

6.0 Applications

6.1 The Companies shall make necessary applications before the High Court for the sanction of this Scheme under Sections 391 to 394 and other applicable provisions of the 1956 Act or relevant provision of 2013 Act, as applicable, seeking orders for dispensing with or convening, holding and/or conducting of the meetings of the classes of their respective shareholders and for sanctioning this Scheme with such modifications, as may be approved by the Court.

6.2 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to carry on the business of the Transferor Company.

7.0 Modifications to the Scheme

The Companies (by their Board of Directors) may, in their full and absolute discretion, jointly and as mutually agreed in writing:

- (a) assent to any alteration(s) or modification(s) to this Scheme which a High Court and/or any other Governmental Authority may deem fit to approve or impose, and/or effect any other modification or amendment jointly and mutually agreed in writing, including, without limitation, any modifications to the accounting treatment set out in the Scheme due to the Indian Accounting Standards being made applicable to the Companies or to the matters set forth in this Scheme, and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme;

- (b) such directions (acting jointly) as they may consider necessary to settle any



question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation hereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to any of those (to the extent permissible under law);

- (c) modify or vary this Scheme prior to the Effective Date in any manner at any time; or
- (d) if any part of this Scheme is found to be unworkable for any reasons whatsoever withdraw this Scheme prior to the Effective Date in any manner at any time; or
- (e) determine jointly whether any asset, liability, employee, legal or other proceedings pertains to the Transferor Company or not, on the basis of any evidence that they may deem relevant for this purpose.

8.0 When the Scheme comes into operation

8.1 The Scheme shall come into operation from the Appointed Date but the same shall become effective on and from the Effective Date.

8.2 With effect from the Effective Date, the Transferee Company shall carry on and shall be authorized to carry on the businesses of the Transferor Company. For the purposes of giving effect to the order of the High Court under Section(s) 391 to 394 and other applicable provisions of the 1956 Act or relevant provision of 2013 Act as applicable, approving the Scheme, the Transferee Company shall at any time pursuant to such orders be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Transferor Company in accordance with the provisions of the Section(s) 391 to 394 of the 1956 Act or the relevant provision of the 2013 act as applicable. The Transferee Company is and shall always be deemed to have been authorized to execute any pleadings, applications, forms etc. as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of the Scheme.

8.3 The Transferor Company and the Transferee Company shall be entitled to, amongst other, file/ or revise its income tax returns, TDS/TCS returns, wealth tax returns, service tax, excise, Value Added Tax, sales tax, cess, entry tax, professional tax or any other statutory returns, if required. The Transferee Company shall be entitled to claim credit for advance tax paid, tax deducted at source or tax collected at source, claim for deduction of sum prescribed under Section 43B of the Income Tax Act on payment basis, claim for deduction of provisions written back by Transferee Company previously disallowed in the hands of Transferor Company under the Income Tax Act, credit of tax under Section 115JB read with Section 115JAA of the Income Tax Act, credit of foreign taxes paid/ withheld etc., if any, pertaining to the Transferor Company as may be required consequent to implementation of this Scheme and where necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum. The Transferee Company shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to its income or transactions entered into by it with effect from Appointed Date. The taxes or duties paid by, for, or on behalf of, the Transferor Company relating to the period on or after Appointed Date shall be deemed to be the taxes or duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit or refund for such taxes or duties.



8.4 Any advance tax, self-assessment tax, minimum alternate tax and/or TDS/TCS credit available or vested with the Transferor Company, including any taxes paid and taxes deducted/collected at source and deposited by the Transferor Company on inter se transactions during the period between Appointed Date and the Effective Date shall be treated as tax paid by the Transferee Company and shall be available to the Transferee Company for set-off against its liability under the Income Tax Act and any excess tax so paid shall be eligible for refund together with interest. Further, TDS/TCS deposited, TDS/TCS certificates issued or TDS/TCS returns filed by the Transferor Company on transactions other than inter se transactions during the period between Appointed Date and the Effective Date shall continue to hold good as if such TDS/TCS amounts were deposited, TDS/TCS certificates were issued and TDS/TCS returns were filed by the Transferee Company. Any TDS/TCS deducted/collected by, or on behalf of, the Transferor Company on inter se transactions will be treated as tax deposited or tax collected by the Transferee Company.

8.5 Transfer and vesting of assets and liabilities of the Transferor Company (including intangible assets, whether or not recorded in the books) as the case may be in terms of Chapter 2 is not a sale in the course of business or otherwise.

9.0 Severability

9.1 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Companies, affect the validity or implementation of the other parts and/or provisions of this Scheme.

9.2 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Companies and their respective shareholders, and the terms and conditions of this Scheme, the latter shall prevail.

10.0 Costs

All costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) in relation to or in connection with the Scheme and incidental to the completion of the Amalgamation in pursuance of the Scheme shall be borne by Transferor Company and/or Transferee Company as the case may be.





SHARP & TANNAN
Chartered Accountants

28th March 2016

The Board of Directors
Gloster Limited
21, Strand Road
Kolkata - 700001,
India.

The Board of Directors
Kettlewell Bullen and Co. Ltd.
8, Munshi Prem Chand,
Sarani, Kolkata 700 022,
India.

Re: Recommendation of fair exchange ratio for the proposed merger of Gloster Limited into Kettlewell Bullen & Company Ltd.

Dear Sir/Madam,

We, Sharp & Tannan Chartered Accountants ("S&T."), have been appointed vide letter dated March 16, 2016 to determine the share exchange ratio for the proposed merger of Gloster Limited ("Gloster") into Kettlewell Bullen & Company Limited ("KBCL") pursuant to the proposed scheme of amalgamation between Gloster and KBCL and their respective shareholders and creditors under section 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013 ("the Scheme"). The cut-off date for the valuation exercise has been considered as 31st December 2015 ("Valuation Date"). We are pleased to present herewith our report on the same.

1. Brief Background & Purpose

- 1.1. Gloster Ltd, listed on BSE Ltd. and The Calcutta Stock Exchange Ltd., is a manufacturer and exporter of jute and jute allied products. It was incorporated on 18th February, 1992.
- 1.2. Gloster's manufacturing facility is located at Bauria in West Bengal.
- 1.3. Kettlewell Bullen & Company Limited was incorporated as a limited company in the year 1923 and is a non-banking financial company (non-deposit accepting) registered with the Reserve Bank of India.
- 1.4. We understand that management of Gloster and KBCL (together referred to as "the Companies") have proposed to merge Gloster into KBCL ("Proposed Merger").
- 1.5. In this regard, we, S&T have been appointed to undertake the valuation of the Companies to determine the share swap ratio for the Proposed Merger.



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Ravindra Annexe, 194, Churchgate Reclamation, Dinshaw Vachha Road, Mumbai - 400 020, India.
Tel. (22) 2204 7722/23, 6633 8343 - 47 Fax (22) 6633 8352 E-mail : admin.mumbai@sharpandtannan.com
Farook M. Kobla Shreedhar T. Kunte Milind P. Phadke Ramnath D. Kare Ashwin B. Chopra
Edwin Augustine Raghunath P. Acharya Firdosh D. Buchia Thirtharaj A. Khot Pavan K. Aggarwal
Also at Pune. Associate Offices : Bangalore, Chennai, Goa & New Delhi

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2. Sources of Information

- 2.1. For the purpose of undertaking this valuation exercise, we have relied on the following sources of information:
- 2.2. KBCL
 - Provisional financial statements of KBCL for the nine months period ended 31 December 2015;
- 2.3. Gloster
 - Provisional financial statements of Gloster for the nine months period ended 31 December 2015;
 - Audited Financials of Gloster for Financial Years 2012-13, 2013-14 and 2014-15;
 - Financial projections of Gloster from 1 January 2016 to 31 March 2020;
 - Income Tax Computation and Income Tax Return for Gloster for AY 2015-16;
 - Details of Fixed Asset Schedule of Gloster for FY15 as per Income Tax Act, 1961;
- 2.4. Relevant data and information provided to us by the representatives of KBCL and Gloster in written or oral form or in form of soft copy;
- 2.5. Discussions with the representatives of KBCL and Gloster regarding their past, current & future business projections.
- 2.6. Information provided by leading database sources, market research reports and other published data.
- 2.7. Management Representation Letter dated 27 March 2016.

3. Exclusions and Limitations

- 3.1. This report, its contents and the results herein are (i) Specific to the purpose mentioned in this report (ii) Specific to the date of this report and (iii) are based on the financial statement of the Companies. The Management has represented that the business activities of the Companies have been carried out in the normal and ordinary course between 31 December 2015 and date of this report and that no material adverse change has occurred in their respective operations and financial position between 31 December 2015 and date hereof.
- 3.2. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of information (both written & verbal) made available to us by the Companies and (ii) the accuracy of the information that was publicly available, and formed substantial basis for this report. We have not carried out a due diligence or audit of the Companies, nor have we independently investigated or otherwise verified the data provided by the Companies. In rendering this report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof. We do not express any opinion or offer any form of assurance that the explanations, financial information or other information as prepared and provided by the Companies is accurate and complete. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that, in case of any doubt, they have checked the relevance or materiality of any specific information with respect to the present exercise with us.

Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

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- 3.3. Our conclusions are based on these assumptions and information given by/on behalf of the Companies. The respective management of the Companies have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our analysis/result. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/incorrect. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.
- 3.4. During the course of work, we have relied upon the financial projections of the Companies provided to us by the Management. The assumptions underlying the projections have not been reviewed or independently verified by us and accordingly there can be no assurance that these assumptions are accurate. We must emphasize that realizations of the free cash flow forecast used in the analysis will be dependent on the continuing validity of the assumptions on which they are based. The assumptions used in their preparation, as we have been explained, are based on the management's present expectation of both the most likely set of future business events and circumstances and the management's course of action related to them. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since, the projections relate to the future, actual results may be different from the projected results because events and circumstances do not occur as expected, and differences may be material.
- 3.5. Valuation work, by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions, expert opinion may differ due to number of separate judgement decisions, which have to be made. There can therefore be no standard formulae to establish an undisputable value, although certain formulae are helpful in assessing reasonableness.
- 3.6. This report and its contents is prepared for the Companies and to be used only for the specific engagement and regulatory reporting purpose and must not be copied, disclosed or circulated or referred to or quoted in any correspondence, registration statement, prospectus, offering memorandum, loan agreement or other agreement or discussion with any person. The report is confidential to the Companies and it is given on the express undertaking that will not be communicated, in whole or in part, to any third party without any prior written consent of S&T. Neither this report nor its contents may be used for any other purpose other than in connection with this Proposed Merger without prior written consent of S&T.
- 3.7. Whilst all reasonable care has been taken to ensure that the facts stated in the report are accurate and the opinions given are fair and reasonable. Neither ourselves, nor any of our Partners, or Officers or employees shall in any way be responsible contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of completeness, authenticity or accuracy of such statements. We expressly disclaim any and all liabilities which may arise based on the information used in this report. We owe responsibility to the Board of Directors of the Companies and nobody else. We are not liable to any third party in relation to the issue of this report. In no event we shall be liable for any loss, damage, cost or expense arising in any way for fraudulent acts, misrepresentations or willful default on the part of the Companies, their management, directors, employees or agents.
- 3.8. A valuation of this nature is necessarily based on prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available

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to us of, the date hereof. Events occurring after the date hereof, may affect this Report and the assumptions used in preparing it, and we do not assume any obligations to update, revise or reaffirm this Report. However, we reserve the right to amend or replace the report at any time in the event of any material change in the facts presented to us.

- 3.9. The report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited balance sheet of the Companies. Our conclusion of value assumes that the assets & liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the date hereof.
- 3.10. This report does not look into the business / commercial reasons behind the proposed Amalgamation nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed Amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.
- 3.11. This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. In addition, this Report does not in any manner address the price at which equity shares will trade following approval of the Amalgamation and we express no opinion or recommendation as to how the shareholders or creditors of Companies should vote at their respective meeting(s) to be held in connection with the proposed Amalgamation.
- 3.12. The fee for this engagement is not contingent upon the results of this report.

4. Brief Background – Gloster Ltd

- 4.1. Gloster, listed on BSE Ltd. and The Calcutta Stock Exchange Ltd., is a manufacturer and exporter of jute and jute allied products. It offers geo textiles, floor coverings and home furnishings. It also offers hessian cloth and bags, sacking cloth and bags, spirally sewn bags, fine yarn, blended yarn, carpet weft yarn, dyed yarn and twines/ropes, among others. Its manufacturing facility is located at Bauria in West Bengal.
- 4.2. The issued & paid up equity share capital of Gloster as at 31st December 2015 was INR 52.33 mn divided into 5,233,440 equity shares of INR 10/- each (face value) and its shareholding pattern was as follows on 31 December 2015:

Sr.No	Category of Shareholder	No. of shares held	% of Holding
A	Promoter & Promoter Group	3,478,870	66.5%
B	Public	1,754,570	33.5%
	Total	5,233,440	100.0%

- 4.3. We have been informed by the management of Gloster that there has been no change in the share capital of the Company till the date of this report.

5. Brief Background – Kettlewell Bullen and Company Ltd

- 5.1. KBCL was incorporated as a limited company in the year 1923 and is a non-banking financial company (non-deposit accepting) registered with the Reserve Bank of India.

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- 5.2. The issued, subscribed and paid up share capital of KBCL as on 31st December, 2015 was INR 4,000,000 comprising of 40,000 equity shares of INR 100 each. We have been informed by the management of KBCL that post the valuation date it has split the equity shares in the ratio of 1:10 such that one equity share with the face value of INR100 each will be split into ten equity shares of INR10 each. Further, we have been informed that KBCL has declared bonus shares in the ratio of 4:1 to its equity shareholders post the valuation date. Thus, the revised share capital is arrived at INR 20,000,000 comprising of 2,000,000 equity shares of INR10 each.

6. Valuation Approach

- 6.1. The Proposed Merger scheme contemplates the merger of the Companies pursuant to the scheme of Amalgamation under sections 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013. Arriving at the fair equity share exchange ratio for the Proposed Merger would require determining the relative values of each company. These values are to be determined independently but on a relative basis, and without considering the effect of the Proposed Merger.
- 6.2. It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.
- 6.3. The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.
- 6.4. There are three generally accepted approaches to valuation:
- (a) "Cost" approach
 - (b) "Income" approach
 - (c) "Market" approach

Cost Approach

- 6.5. The cost approach focuses on the net worth or net assets of a company. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" or where the assets base dominates earnings capability or if it is investment holding company and significant value is derived from its investment holdings.
- 6.6. The Net Asset Value ("NAV") Method under the Cost Approach considers the Assets and Liabilities, including Intangible Assets and Contingent Liabilities. The Net Assets, after reducing the dues to the Preference Shareholders, if any, represent the equity value of a company.

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- 6.7. In Break-up Value ("BUV") Method, the assets and liabilities are considered at their realizable or restated value including intangible assets and contingent liabilities or liabilities on account of corporate guarantees given by the company, if any, which are not stated in the Balance Sheet. From the realizable value of the assets, the potential liabilities (including the preference share capital, if any, with the amount of surplus due to them), which would have to be paid, would be deducted and the resultant value is the BUV of the business.

Income Approach

- 6.8. The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow (DCF) Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

Discounted Cash Flow ("DCF") Method

- 6.9. Under the DCF Method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both, the owners and creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by the Weighted Average Cost of Capital (WACC). The WACC based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of the future cash flows as it considers equity-debt risk by incorporating debt-equity ratio of the firm.
- 6.10. The perpetuity (terminal) value is calculated based on the business' potential for further growth beyond the explicit forecast period. The "constant growth model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period. The perpetuity (terminal) value is calculated based on the business' potential for further growth beyond the explicit forecast period. The "constant growth model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period.
- 6.11. The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business' future operations.
- 6.12. The Enterprise Value (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further adjusted for the borrowings, cash, non-operating assets/liabilities (e.g fair value of investments in subsidiaries/associates/mutual funds, value of surplus assets, any contingent liability, etc.) and preference shareholders liability, if any, to arrive at value to the owners of the business.

Market Approach

- 6.13. Under the Market approach, the valuation is based on the market capitalisation of the company in case of listed companies or/and comparable companies trading or transaction multiples of comparable

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companies. The Market approach generally reflects the investors' perception about the true worth of the company.

Market Price ("MP") Method

- 6.14. Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.

Comparable Companies Multiples ("CCM") Method

- 6.15. The value is determined on the basis of multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies.
- 6.16. This valuation is based on principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.
- 6.17. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Comparable Transactions Multiples ("CTM") Method

- 6.18. Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples have to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are EV/ EBITDA multiple and EV/ Revenue multiple
- 6.19. Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples have to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are EV/ EBITDA multiple and EV/ Revenue multiple.

7. Conclusion on Valuation Approach of Gloster and Kettlewell

- 7.1. We have considered the DCF method under Income Approach and CCM method under Market approach for valuation of Gloster. We have ignored the market price method under the market approach as the total volume of shares traded under the recognized stock exchanges during the trailing twelve months was very close to 10% which is the threshold limit of an infrequently traded stock.
- 7.2. KBCL is an investment holding company. It has investments in several quoted and unquoted companies. Hence we have considered the BUW method under the cost approach for valuation of KBCL.

8. Basis of Valuation

- 8.1. The exchange ratio for the Proposed Merger would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending a fair exchange ratio of

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equity shares it is necessary to arrive at a single value for the shares of Gloster and KBCL. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of Gloster and KBCL but at their relative values to facilitate the determination of a fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

- 8.2. The cut-off date for the valuation exercise has been considered as at 31st December 2015 for considering the financial statements for Income Approach.
- 8.3. Arriving at the exchange ratio for the Proposed Merger would require determining the value of the equity shares of Gloster in terms of the value of the equity shares of KBCL. These values are to be determined independently but on a relative basis, and without considering the Proposed Merger.
- 8.4. As discussed in para 7, we have considered the DCF Method and CCM Method for valuation of Gloster and BUV method for valuation of KBCL.
- 8.5. The fair exchange ratio of equity shares of Gloster and KBCL have been arrived on the basis of a relative equity valuation for Gloster and KBCL based on the methodology explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations.
- 8.6. In the light of the above, and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion a fair ratio of exchange

In the event of merger of Gloster with KBCL would be:

4 (Four) equity shares of KBCL of INR 10/- each fully paid up for every **5 (Five)** equity shares of Gloster of INR 10/- each fully paid up.

Yours faithfully,

For Sharp & Tannan,
Chartered Accountants
Firm Regn No.: 109982W



Edwin Augustine
(Partner)
Membership No. – 043385

Date: 28 March, 2016
Place: Mumbai



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SHARP & TANNAN
Chartered Accountants

9th August, 2016

The Board of Directors Gloster Limited 21, Strand Road Kolkata - 700001, India.	The Board of Directors Kettlewell Bullen and Co. Ltd. 8, Munshi Prem Chand, Sarani, Kolkata 700 022, India.
---	---

**Re: Recommendation of fair share exchange ratio for the proposed merger of
Gloster Limited into Kettlewell Bullen & Company Ltd.**

Dear Sir/Madam,

- 1.0 We, Sharp & Tannan Chartered Accountants ("S&T."), had been appointed vide letter dated March 16, 2016 to determine the share exchange ratio for the proposed merger of Gloster Limited ("Gloster") into Kettlewell Bullen & Company Limited ("KBCL") pursuant to the proposed scheme of amalgamation between Gloster and KBCL and their respective shareholders under section 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013 ("the Scheme") pursuant to which we had issued our report dated March 28, 2016 which was noted and approved by the Board of Directors of Gloster and KBCL in their respective meetings held on March 29, 2016.
- 2.0 The Board of Directors of Gloster had also recommended issue of bonus shares of face value of Rs. 10/- each, to the equity shareholders of Gloster in the ratio 1:1 which was subsequently approved by the shareholders of Gloster vide their extra-ordinary meeting conducted through postal ballot on 11th May, 2016 ("Bonus Issue").
- 3.0 Gloster has since, on 24th May, 2016, issued & allotted 52,33,440 equity shares of face value of Rs. 10/- each, to the equity shareholders of Gloster pursuant to the Bonus Issue.
- 4.0 As conveyed by BSE Limited to Gloster, a supplementary valuation report indicating the revised share exchange ratio for the Scheme is required, considering the impact of the Bonus Issue.
- 5.0 In this regard, we, S&T have been asked to issue this Supplementary Valuation Report to determine the revised share exchange ratio, after considering the Bonus Issue, for the Scheme.
- 6.0 In the light of the above, in our opinion, a fair ratio of exchange

In the event of merger of Gloster with KBCL would be:

"2 (Two) equity shares of KBCL of INR 10/- each fully paid up for every 5 (Five) equity shares of Gloster of INR 10/- each fully paid up."

Yours faithfully,
For SHARP & TANNAN,
Chartered Accountants
Firm Registration No.: 109982W


Edwin P. Augustine
(Partner)
Membership No. - 043385
Date: 9th August, 2016
Place: Mumbai



Ravindra Annexe, 194, Churchgate Reclamation, Dinshaw Vachha Road, Mumbai - 400 020, India.
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Ashwin B. Chopra
Pavan K. Aggarwal



ASHIKA CAPITAL LTD

CIN: U30009WB2000PLC091674
SEBI Authorised Merchant Banker
SEBI Registration No.: INM 000010536

March 28, 2016
ACL: MUM: 2015-16:0077

To
The Board of Directors,
Gloster Limited,
21, Strand Road,
KOLKATA - 700001.

Sub: Issue of Fairness Opinion Certificate on the valuation carried out by M/s. Sharp & Tannan, Chartered Accountants

Ref: Proposed Scheme of Amalgamation between Gloster Limited and Kettlewell Bullen & Company Limited

Dear Sir,

This is with reference to the request made by the management of **Gloster Limited** (hereinafter referred to as "**Gloster**"), for issue of the fairness opinion certificate on the valuation exercise and share exchange ratio recommendation carried out by M/s. Sharp & Tannan, Chartered Accountants (hereinafter referred to as "**Valuer**") for the proposed Scheme of Amalgamation between **Gloster Limited** and **Kettlewell Bullen & Company Limited** (hereinafter referred to as "**KBCL**") in connection with the proposed amalgamation of **Gloster Limited** into **Kettlewell Bullen & Company Limited**.

1) PURPOSE OF VALUATION UNDERTAKEN BY THE VALUER:

- 1.1 We have been informed that the Board of Directors of **Gloster Limited** and **Kettlewell Bullen & Company Limited** (collectively referred as "**Companies**") are considering a proposal for the amalgamation of **Gloster Limited** into **Kettlewell Bullen & Company Limited** under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, subject to necessary approvals.
- 1.2 The Board of Directors of **KBCL** proposes to issue Equity Shares of face value INR 10/- each to the Shareholders of **Gloster** in consideration for the proposed Scheme of Amalgamation.
- 1.3 In this regard, M/s. Sharp & Tannan, Chartered Accountants were appointed to carry out the valuation to determine their respective share prices of the Companies and to recommend the share exchange ratio in the event of amalgamation of **Gloster** with **KBCL**.

Registered Office:
Trinity, 226/1, A. J. C. Bose Road
7th Floor, Kolkata 700 020
Tel.: +91 33 4010 2500
Fax: +91 33 2289 1555
E-mail: ashika@ashikagroup.com

Corporate Office:
1008, 10th Floor, Raheja Centre
214, Nariman Point, Mumbai-400 021
Tel.: +91 22 6611 1700
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E-mail: mbd@ashikagroup.com



www.ashikagroup.com

1.4 The information contained herein and our certificate is confidential. It is intended only for the sole use of captioned purpose including for the purpose of obtaining requisite approvals as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2) SOURCES OF INFORMATION:

- For the purpose of fairness opinion, we have relied upon the following sources of information provided by the management of the Companies:

- Valuation Report dated March 28, 2015 prepared by M/s. Sharp & Tannan, Chartered Accountants
- Audited financial statements of Gloster for years ending 31.03.2013, 31.03.2014, and 31.03.2015
- Provisional financial statements of KBCL and Gloster for the nine months ending 31.12.2015
- Financial projections of Gloster from January 01, 2016 to March 31, 2020
- Income Tax computation and Income Tax Return for Gloster for AY 2015-16
- Details of the fixed asset schedule of Gloster for FY 15 as per Income Tax Act, 1961
- Such other information/explanations that has been provided to us by the management of Gloster and KBCL
- Management Representation letter dated March 27, 2016 from Gloster
- Relevant data and information provided to us by the representative of KBCL and Gloster in written or oral form or in form of soft copy

3) EXCLUSIONS AND LIMITATIONS:

3.1 We have relied upon and assumed, without independent verification, the truthfulness, accuracy, and completeness of information provided to us by the Companies in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. We have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our certificate.

3.2 This certificate is prepared with a limited purpose/scope as identified/stated earlier and will be confidential being for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.

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- 3.3 This certificate does not give any valuation or suggest any share exchange ratio. However, it is limited to provide its fairness opinion on the valuation and share exchange report as given by the Valuer.
- 3.4 Whilst all reasonable care has been taken to ensure that the facts stated in this certificate are accurate and the opinions expressed are fair and reasonable, neither ourselves, nor any of our partners, or officers, or employees shall in any ways be responsible for the contents stated herein. We expressly disclaim any and all liabilities whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out herein in this certificate.
- 3.5 The fees for this engagement is not contingent upon the results of this certificate.
- 3.6 This fairness opinion certificate is not a substitute for third party's own diligence/appraisal/enquiries/independent advice that the third party should undertake for its purpose.

4) **BACKGROUND OF COMPANIES**

- 4.1. **Kettlewell Bullen & Company Limited** (CIN - U65192WB1923PLC004628) was incorporated as a limited company in 1923 under the provisions of the Companies Act, 1913 having its registered office at 8, Munshi Premchand Sarani, Kolkata, West Bengal. In 1879, it was appointed as the managing agent of Fort Gloster Jute Manufacturing Company Limited. Kettlewell Bullen & Company Limited ceased to be the managing agent in 1969. Having regard to Kettlewell Bullen & Company Limited's experience in administration of companies, it was appointed as the Secretary and Registrar of Fort Gloster Jute Manufacturing Company Limited for a period of 5 years commencing from 1st January, 1970. In the year 1998, Kettlewell Bullen & Company Limited was registered as a Non-Banking Financial Company (non-deposit accepting) with the Reserve Bank of India. As on date, it continues to remain as one of the main promoters of Gloster Limited. The equity shares of Kettlewell Bullen & Company Limited were listed on The Calcutta Stock Exchange Limited ("CSE") till 9th August 2015.
- 4.2. **Gloster Limited** (CIN - L17119WB1992PLC054454) is a public company limited by shares incorporated in 1992 under the provisions of the Companies Act, 1956, having its registered office at 21, Strand Road, Kolkata - 700001, West Bengal and is engaged in manufacturing and exporting of all types of Jute & Jute allied products, Woven & Non-Woven Jute Geotextiles, Treated Fabric-Rot Proof, Fire Retardant, jute products for Interior Decoration and Packaging of Industrial and Agricultural produce.. Gloster Limited was part of Fort Gloster Jute Manufacturing Company Limited which was established in 1872. The name of the company was changed to Fort Gloster Industries Limited in 1957. 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 in 2010. The equity shares of Gloster Limited are listed on BSE Limited ("BSE") and The Calcutta Stock Exchange Limited ("CSE").

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5) VALUATION METHODOLOGIES CONSIDERED BY THE VALUER:

For the purpose of arriving at the value per equity share the Valuer has selected the following valuation methodologies:

- (a) Comparable Companies Multiple Method
- (b) Breakup Value method
- (c) Discounted Cash Flows Method

The detailed description for above-mentioned methods is given as under:

(a) Comparable Companies Multiple (CCM) Method:

Under this method, the value is determined on the basis of the multiples derived from valuation of comparable companies, as manifest in the stock market price of the listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to the valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

(b) Breakup Value Method:

In this method, the assets and liabilities are considered at their realizable or restated value including the intangible assets and contingent liabilities or liabilities on account of corporate guarantees given by the company, if any which are not stated in the Balance Sheet of the company. From the realizable value of the assets, the potential liabilities (including the preference share capital if any, with the amount of surplus due to them), which would have to be paid, would be deducted and the resultant value of the business is Breakup Value (BUV).

(c) Discounted Cash Flows Method:

This method is based on projected cash flow of the Company. The projected cash flows of the Company are discounted at an appropriate rate relating to the risk envisaged by the investor, to arrive at the present value. As already mentioned in the valuation report, this method is very popular as, ultimately 'cash is king' in any business and this method places greater emphasis on cash flows. More importantly, cash flows are not affected by the accounting treatment of a particular item.

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ASHIKA CAPITAL LTD

CIN: U30009WB2000PLC091674
SEBI Authorised Merchant Banker
SEBI Registration No.: INM 000010536

This method involves:

- Projections of future earnings;
- Determination of Free Cash Flow;
- Determination of NPV for the Free Cash Flow during the explicit forecast period;
- Determination of Continuing Value beyond the explicit forecast period.

For Gloster, the valuer has used a combination of Comparable Companies Multiple Method (CCM) and Discounted Cash Flow Method (DCF) and for KBCL, the Breakup Value Method (BUV) has been used.

6) FAIRNESS OPINION ON THE VALUATION REPORT:

- 6.1 We have reviewed the methodologies as mentioned above adopted by the Valuer for arriving at the fair valuation of the equity shares of the Companies and also reviewed the working and underlining assumptions adopted to arrive at the values under each of the above approaches, for determining their respective share prices and to recommend the share exchange ratio.
- 6.2 On the basis of the foregoing points, we are of the opinion, as of the date hereof, the following share exchange ratio is "Fair" to the equity shareholders.

"4 (Four) equity shares of KBCL of INR 10/- per equity share, will be allotted for every 5 (Five) equity shares of Gloster of INR 10/- per equity share."

Thanking you,

For Ashika Capital Limited


Mihir Mehta
Senior Manager



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ASHIKA CAPITAL LTD

CIN: U30009WB2000PLC091674
SEBI Authorised Merchant Banker
SEBI Registration No.: INM 000010536

August 9, 2016
ACL: MUM: 2016-17:0033

To
The Board of Directors,
Gloster Limited,
21, Strand Road,
KOLKATA - 700001.

Sub: Supplementary Fairness Opinion Certificate on the valuation carried out by M/s. Sharp & Tannan, Chartered Accountants

Ref: Proposed Scheme of Amalgamation between Gloster Limited and Kettlewell Bullen & Company Limited

We refer to our Fairness Opinion Certificate vide our Letter No. ACL:MUM: 2015-16:0077 dated March 28, 2016, on the valuation carried out by M/s. Sharp & Tannan, Chartered Accountants, issued for the proposed Scheme of Amalgamation between Gloster Limited ('Gloster') and Kettlewell Bullen & Company Limited ('Kettlewell') under Sections 391-394, of the Companies Act, 1956 or under Section 230-234 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 1956 and/or Companies Act, 2013 ('Scheme').

The Board of Directors of Gloster in their meeting held on March 29, 2016, has considered and approved the Scheme placed before the Board, subject to necessary approvals. The Board of Directors of Kettlewell had also in their Board meeting held on March 29, 2016, approved the said Scheme.

The Board of Directors of Gloster had also, in their meeting held on March 29, 2016, recommended issue of bonus shares of face value of Rs. 10/- each, to the equity shareholders of Gloster in the ratio 1:1 which was subsequently approved by the shareholders of Gloster by way of ordinary resolution vide their extra-ordinary meeting conducted through Postal Ballot on May 11, 2016 ("Bonus Issue").

As per clause 11.13 of the Scheme, in the event that the Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.

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SEBI Registration No.: INM 000010536

M/s. Sharp & Tannan, Chartered Accountants (hereinafter referred to as 'Valuer') have issued a supplementary Valuation Report recommending therein adjusted share exchange ratio considering the impact of the Bonus Issue with respect to the Scheme.

In the circumstances as mentioned above, having regard to all relevant factors and on the basis of information, material and explanation made available to us, including the supplementary Report of the Valuer, We are of the opinion on the date hereof, that the following adjusted share exchange ratio with respect to the Scheme recommended by the Valuer is Fair and proper:

'2 (Two) equity shares of Kettlewell of INR 10/- per equity share, will be allotted for every 5 (Five) equity shares of Gloster of INR 10/- per equity share.'

Thanking you,

For Ashika Capital Limited


Mihir Mehta
Asst. Vice President-MBD

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DCS/AMAL/AC/R37/732/2016-17

March 10, 2017

The Company Secretary
Gloster Ltd
21, Strand Road, Kolkata,
West Bengal, 700001.

Sir,

Sub: Observation letter regarding the Draft Scheme of Amalgamation between Gloster Limited and Kettlewell Bullen & Company Limited.

We are in receipt of Draft Scheme of Amalgamation between Gloster Limited and Kettlewell Bullen & Company Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated March 10, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that post merger the resultant company shall be listed in atleast one national level stock exchange."
- "Company shall ensure that additional information, if any, submitted by the company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- Copy of the High Court approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitin Pujari
Manager

The Calcutta Stock Exchange Ltd.

7, Lyons Range, Kolkata - 700 001
Phone : +91 33 4025 3000, Fax : +91 33 4025 3030 / 3017
Website : www.cse-india.com, E-mail : cseadm@cse-india.com
CIN: U67120WB1923PLC004707

Ref.No. CSE/LD/13392/2017

3rd March, 2017

The Managing Director
Gloster Ltd.,
21, Strand Road,
Kolkata-700 001.

Dear Sir,

Sub: Observation letter for draft Scheme of Amalgamation between Gloster Ltd. and Kettlewell Bullen & Company Ltd.

We are in receipt of the draft Scheme of Amalgamation between Gloster Ltd. and Kettlewell Bullen & Company Ltd.

As required under SEBI Circular. No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI has vide its letter dated March 30, 2017, has inter alia given its comments on draft scheme filed by the company. A copy of SEBI comment letter is attached for your perusal and necessary compliance at your end.


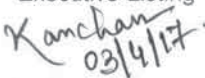
In view hereof, we hereby convey to you the Exchange's 'No-objection' of aforesaid securities with limited reference to those matters having bearing on listing/de-listing/continuous listing requirements (if any) within the provisions of the Listing Agreement and subject to the approval of the shareholders to the Scheme of Arrangement at the ensuing General meeting of the company.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

For THE CALCUTTA STOCK EXCHANGE LTD.


(CS Chandrani Datta)
Executive-Listing

03/4/17

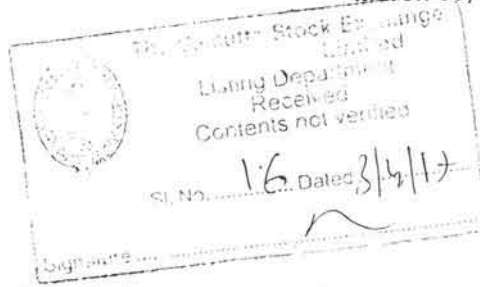


भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

Navpreet Singh
Assistant General Manager
Corporation Finance Department
Division of Issues and Listing-1
Phone: +91-22 26449000 (Extn.: 9303)
Fax: +91-22 26449022. Email: navpreets@sebi.gov.in

CFD/DIL-1/NS/07230/1/2017
March-30, 2017

Shri C S Chandrani Datta,
The Calcutta Stock Exchange Ltd,
7, Lyons Range,
Kolkata – 700001



Dear Sir,

Sub: Draft Scheme of Amalgamation between Gloster Limited and Kettlewell Bullen & Company Limited

1. This has reference to BSE letter No. LIST/LO/SEBI/AC/174/2016-17 dated September 20, 2016 forwarding the application of Draft Scheme of Amalgamation between Gloster Limited and Kettlewell Bullen & Company Limited filed in accordance with SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 (hereinafter referred to as 'the Circular') for our comments on the draft Scheme of Arrangement (hereinafter referred to as 'draft Scheme').
2. The matter has been examined by SEBI in the light of the provisions under Part A, Annexure I of the aforesaid Circular. Accordingly, SEBI's comments on the draft Scheme are as under:
 - a. The Stock Exchange shall ensure post merger the resultant company shall be listed in atleast one national level stock exchange.
 - b. The Stock Exchange shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.
 - c. The stock exchange may ensure compliance with the said Circulars.
 - d. The company shall duly comply with various provisions of the Circulars.

NS

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051.
दूरभाष : 2644 9950 / 4045 9950 (आई.सी.आर. एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

Please note that the submission of documents/information in accordance with the Circulars, to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Yours faithfully,

Navpreet Singh
Navpreet Singh



GLOSTER LIMITED

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Annexure A

Complaints Report under Para (I)(A)(6) of Annexure I to the Securities and Exchange Board of India Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 on Scheme of Amalgamation

Part A

Sr No	Particulars	Number
1.	Number of complaints received directly	- Nil -
2.	Number of complaints forwarded by Stock exchanges	- Nil -
3.	Total Number of complaints/comments received (1+2)	- Nil -
4.	Number of complaints resolved	- Nil -
5.	Number of complaints pending	- Nil -

Part B

Sr No	Name of the Complainant	Date of Complaint	Status (Resolved/ Pending)
1.	- N.A, as no complaints received -		

For Gloster Limited

Company Secretary

Date: 14.10.2016



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REPORT ADOPTED BY THE BOARD OF DIRECTORS OF GLOSTER LIMITED AT ITS MEETING HELD ON FRIDAY THE 12 TH DAY OF MAY , 2017 AT 11.45 A.M. EXPLAINING THE EFFECT OF SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1.0 Background

1.1 The Proposed Scheme of Amalgamation between Gloster Limited (“Gloster” or “Transferor Company”) and Kettlewell Bullen & Company Limited (“Kettlewell” or “Transferee Company”)(collectively referred to as “Companies”) and their respective shareholders and creditors was approved by the Board of Directors of Gloster (“Board”) vide resolution dated March 29, 2016 and further on August 12, 2016. Subsequent to the said date, provisions of Section 230 to 232 of the Companies Act, 2013, interalia, governing amalgamation of companies have become operative with effect from 15th December, 2016. Provisions of Section 232(2)(c) of Companies Act, 2013 require the Board to adopt a report explaining the effect of arrangement and amalgamation on equity shareholders, Key Managerial Personnel, Promoters and Non-Promoter Shareholders of the Company laying out in particular the share exchange ratio and which is required to be circulated to the equity shareholders.

1.2 This report of the Board is accordingly being made in pursuance to the requirements of section 232(2)(c) of the Companies Act, 2013.

1.3 The following documents were placed before the Board:

1.3.1 Draft Scheme of Amalgamation duly initialed by the Chairman.

1.3.2 Valuation & Share Exchange Ratio Report dated March 28, 2016 along with Supplementary Valuation & Share Exchange Ratio Report dated August 9, 2016, prepared by M/s. Sharp & Tannan, Chartered Accountants, recommending the share exchange ratio (“Valuation Report”).

1.3.3 Fairness Opinion dated March 28, 2016 along with Supplementary Fairness Opinion certificate dated August 9, 2016 prepared by M/s. Ashika Capital Limited, Merchant Banker providing the Fairness opinion on the Share Exchange Ratio recommended M/s. by Sharp & Tannan (“Fairness opinion”).

1.3.4 Report of the Audit Committee of the Board of Directors dated March 29, 2016 and August 12, 2016.

2.0 Effect of the Scheme of Amalgamation on equity shareholders (promoter and non-promoter shareholders) of Gloster:

2.1 Under the Scheme, an arrangement is sought to be entered into between the Transferor Company, the Transferee Company and their equity shareholders (promoter and non-promoter shareholders). Upon the sanctioning of the Scheme, and in terms of Chapter 2 of the Scheme, the equity shareholders (whether promoter shareholders or non-promoter shareholders) (other than the Transferee Company) of the Transferor Company shall become the equity shareholders of the Transferee Company based on the Share Exchange Ratio as under and as stipulated in Clause 11 of Chapter 2 of the Scheme:

“2 (two) fully paid up equity shares of Rs. 10 (Rupees Ten) each of Transferee Company for every 5 (five) fully paid up equity share of Rs. 10 (Rupees Ten) each held by such shareholder in Transferor Company”

2.2 Upon the effectiveness of the Scheme, the equity shares held by the Transferee Company in the paid-up equity share capital of the Transferor Company shall stand cancelled.



GLOSTER LIMITED

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CIN: L17119WB1992PLC054454

3.0 **Effect of the Scheme of Amalgamation on the employees (including key managerial personnel) of Gloster:**

3.1 Under Clause 5 of Chapter 2 of the Scheme, on and from the Effective Date, the Transferee Company undertakes to engage all the employees of the Transferor Company on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service and in the manner provided under the Scheme. In the circumstances, the rights of the employees of the Transferor Company would in no way be affected by the Scheme. The key managerial personnel of the Transferor Company are also the employees of the Transferor Company.

3.2 Under the Scheme, no rights of the employees (including key managerial personnel) of the Transferee Company are being affected.

4.0 **Effect of the Scheme of Amalgamation on the Directors of Gloster:**

4.1 Upon the effectiveness of the Scheme, the directors of the Transferor Company shall cease to be its directors as Transferor Company shall stand dissolved without winding up.

5.0 No special valuation difficulties were reported.

By order of the Board

Sd/-

D.C. Baheti,
Managing Director
DIN:00040953

Date:12th May, 2017

Place: Kolkata

ISO 9001 CERTIFIED COMPANY • TWO STAR EXPORT HOUSE

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF KETTLEWELL BULLEN & COMPANY LIMITED AT ITS MEETING HELD ON FRIDAY THE 12 TH DAY OF MAY , 2017 AT 02.30 P.M. EXPLAINING THE EFFECT OF SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1.0 Background

1.1 The Proposed Scheme of Amalgamation between Gloster Limited ("**Gloster**" or "**Transferor Company**") and **Kettlewell Bullen & Company Limited** ("**Kettlewell**" or "**Transferee Company**") (collectively referred to as "**Companies**") and their respective shareholders and creditors was approved by the Board of Directors of Kettlewell ("**Board**") vide resolution dated March 29, 2016 and further on August 12, 2016. Subsequent to the said date, provisions of Section 230 to 232 of the Companies Act, 2013, inter alia, governing amalgamation of companies have become operative with effect from 15th December, 2016. Provisions of Section 232(2)(c) of Companies Act, 2013 require the Board to adopt a report explaining the effect of arrangement and amalgamation on equity shareholders, Key Managerial Personnel, Promoters and Non-Promoter Shareholders of the Company laying out in particular the share exchange ratio and which is required to be circulated to the equity shareholders.

1.2 This report of the Board is accordingly being made in pursuance to the requirements of section 232(2)(c) of the Companies Act, 2013.

1.3 The following documents were placed before the Board:

1.3.1 Draft Scheme of Amalgamation duly initialed by the Chairman.

1.3.2 Valuation & Share Exchange Ratio Report dated March 28, 2016 along with Supplementary Valuation & Share Exchange Ratio Report dated August 9, 2016, prepared by M/s. Sharp & Tannan, Chartered Accountants, recommending the share exchange ratio ("**Valuation Report**").

1.3.3 Fairness Opinion dated March 28, 2016 along with Supplementary Fairness Opinion certificate dated August 9, 2016 prepared by M/s. Ashika Capital Limited, Merchant Banker providing the Fairness opinion on the Share Exchange Ratio recommended M/s. by Sharp & Tannan ("**Fairness opinion**").

2.0 Effect of the Scheme of Amalgamation on equity shareholders (promoter and non-promoter shareholders) of Kettlewell:

2.1 Under the Scheme, an arrangement is sought to be entered into between the Transferee Company, Transferor Company and their equity shareholders. Upon the effectiveness of the Scheme, the Transferee Company shall allot equity shares to the shareholders of Transferor Company based on the Share Exchange Ratio as under and in the manner stipulated in Clause 11 of Chapter 2 of the Scheme:

"2 (two) fully paid up equity shares of Rs. 10 (Rupees Ten) each of Transferee Company for every 5 (five) fully paid up equity share of Rs. 10 (Rupees Ten) each held by such shareholder in Transferor Company"

2.2 Upon the effectiveness of the Scheme, the equity shares held by the Transferee Company in the paid-up equity share capital of the Transferor Company shall stand cancelled.

3.0 Effect of the Scheme of Amalgamation on the employees (including key managerial personnel)of Kettlewell:

3.1 Under Clause 5 of Chapter 2 of the Scheme, on and from the Effective Date, the Transferee Company undertakes to engage all the employees of the Transferor Company on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service and in the manner provided under the Scheme. In the circumstances, the rights of the employees of the Transferor Company would in no way be affected by the Scheme. The key managerial personnel of the Transferor Company are also the employees of the Transferor Company.

3.2 Under the Scheme, no rights of the employees (including key managerial personnel)of the Transferee Company are being affected.

4.0 Effect of the Scheme of Amalgamation on the Directors of Kettlewell:

4.1 There is no effect of the Scheme on the directors of the Transferee Company.

5.0 No special valuation difficulties were reported.

By order of the Board

Sd/-
O.P. Modani
Director
DIN:00615363

Date:12th May, 2017

Place: Kolkata

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOSTER LIMITED

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
 - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone financial statements – Refer Note 31.
 - ii. The Company has derivative contracts as at March 31, 2017 for which there were no material foreseeable losses Refer Note 35. There are no long term contracts outstanding as at March 31, 2017.
 - 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, 2017.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 42.

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

Sunit Kumar Basu
Partner
Membership Number 55000

Place: Kolkata
Date: May 12, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Gloster Limited on the standalone financial statements for the year ended March 31, 2017

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

1. We have audited the internal financial controls over financial reporting of Gloster Limited ("the Company") as of March 31, 2017 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Lovelock & Lewes**

Firm Registration Number: 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership Number 55000

Place: Kolkata

Date: May 12, 2017

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Gloster Limited on the standalone financial statements as of and for the year ended March 31, 2017

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of four years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) The title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the financial statements, are held in the name of the Company.
- ii. 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 not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii) (a), (iii) (b) and (iii) (c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. 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 and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax, service-tax, duty of customs, duty of excise which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, and value added tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount of Demand* (Rs.)	Period to which the amount relates	Forum where the dispute is pending
West Bengal VAT Act, 2003	West Bengal VAT	1,304,424	2007-08	West Bengal Taxation Tribunal
Central Sales Tax Act, 1956	Central Sales Tax	671,033	2007-08	Calcutta High Court
West Bengal VAT Act, 2003	West Bengal VAT	4,570,981	2008-09	West Bengal Taxation Tribunal
West Bengal VAT Act, 2003	West Bengal VAT	1,734,219	2009-10	Appellate & Revisional Board

Name of the statute	Nature of dues	Amount of Demand* (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	1,554,342	2009-10	Appellate & Revisional Board
West Bengal VAT Act, 2003	West Bengal VAT	2,226,350	2010-11	Appellate & Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	3,883,904	2010-11	Appellate & Revisional Board
West Bengal VAT Act, 2003	West Bengal VAT	2,985,287	2011-12	Appellate & Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	7,540,895	2011-12	Appellate & Revisional Board
West Bengal VAT Act, 2003	West Bengal VAT	5,164,136	2012-13	Appellate & Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	8,153,448	2012-13	Appellate & Revisional Board

*Against the above, a sum of Rs. 42.01 lakhs has been deposited by the company under protest.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any banks as at balance sheet date. The Company does not have any loans or borrowings from any financial institution or Government nor has issued any debentures as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer, 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 financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Sunit Kumar Basu
Partner
Membership Number 55000

Place: Kolkata
Date: May 12, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

	Note	As at	
		31st March, 2017	31st March, 2016
		Rs. lakhs	Rs. lakhs
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	1,046.69	523.34
Reserves and Surplus	4	36,494.47	32,435.63
		37,541.16	32,958.97
Non-current Liabilities			
Long-term borrowings	5	-	286.83
Deferred tax liabilities (net)	6	102.24	56.84
Long-term provisions	7	400.18	303.23
		502.42	646.90
Current Liabilities			
Short-term borrowings	8	3,333.67	7,765.21
Trade Payables (includes dues of Micro and Small enterprises Rs 0.33 Lakh (2015-16 :Rs 1.21 Lakhs)	9	431.39	616.87
Other current liabilities	10	2,982.92	2,426.01
Short-term provisions	11	943.41	1,617.59
		7,691.39	12,425.68
Total		45,734.97	46,031.55
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	12	26,215.63	25,583.96
Intangible assets	13	17.41	19.41
Capital work-in-progress		174.68	400.16
Intangible Assets under development		32.85	32.85
Non-current investments	14	3,849.90	3,008.62
Long-term loans and advances	15	574.85	596.72
		30,865.32	29,641.72
Current assets			
Current investments	16	2,385.90	1,530.08
Inventories	17	8,034.28	9,948.09
Trade receivables	18	1,959.31	2,552.52
Cash and Bank balances	19	223.50	411.33
Short-term loans and advances	20	2,247.21	1,947.81
Other current assets	21	19.45	-
		14,869.65	16,389.83
Total		45,734.97	46,031.55
Corporate Information		1	
Summary of significant accounting policies		2	

The accompanying notes are an integral part of these financial statements.

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

For Lovelock & Lewes

Firm Registration No. 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership No. 55000

Shankar Lal Kedia

Chief Financial Officer

Ajay Kumar Agarwal

Company Secretary

Hemant Bangur

D.C. Baheti Executive Chairman

Managing Director

Nandita Sen

Director

S.N. Bhattacharya

Director

K. Mahapatra

Director

Prabir ray

Director

Place : Kolkata

Date: 12th May, 2017

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH, 2017

	Note	As at	
		31st March, 2017	31st March, 2016
		Rs. lakhs	Rs. lakhs
Income			
Revenue from operations (gross)	22	50,742.79	43,026.30
Less: Excise Duty and R & D Cess		369.85	315.60
Revenue from operations (net)		50,372.94	42,710.70
Other Income	23	1,400.34	1,167.13
Total Revenue		51,773.28	43,877.83
EXPENSES			
Cost of materials consumed	24	25,259.75	25,030.46
Purchase of traded goods		-	10.17
Changes in inventories of finished goods, stock-in-process and semi -finished goods	25	1,161.93	(1,795.22)
Employee benefits expense	26	8,421.82	8,194.39
Finance costs	27	341.75	411.50
Depreciation and amortization expense	28	769.23	780.03
Other expenses	29	8,744.22	7,554.31
Total Expenses		44,698.70	40,185.64
Profit before exceptional items and tax		7,074.58	3,692.19
Exceptional items		-	-
Profit before tax		7,074.58	3,692.19
Tax expense			
Current tax		2,447.00	1,243.00
Deferred tax		45.40	(14.83)
Total Tax expenses		2,492.40	1,228.17
Profit for the year		4,582.18	2,464.02
Earnings per equity share[Nominal Value per Share Rs.10 (31.03.2016 - Rs.10)]			
Basic & Diluted	30	43.78	23.54
Corporate Information		1	
Summary of significant accounting policies		2	

The accompanying notes are an integral part of these financial statements.

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

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu

Partner
Membership No. 55000

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

Hemant Bangur
D.C. Baheti
Nandita Sen
S.N. Bhattacharya
K. Mahapatra
Prabir ray
Executive Chairman
Managing Director
Director
Director
Director
Director

Place : Kolkata
Date: 12th May, 2017

CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2017

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Rs. Lakhs		Rs. Lakhs	
A. Cash Flow from Operating Activities				
Net profit before tax		7,074.58		3,692.19
Adjustments for :				
Depreciation and Amortisation Expenses	769.23		780.03	
Finance Costs	341.75		411.50	
Bad Debts Written Off	-		4.38	
Net (Profit) / Loss on sale of fixed assets	(30.66)		(2.45)	
Net gain on sale of current investments	(4.09)		(36.30)	
Net gain on sale of Long Term Investments	(14.26)		(99.92)	
Unrealised (Gain) / Loss on exchange (net)	(1.85)		(2.86)	
(Gain)/ Loss on Mark to Market adjustment for Derivative Instrument	-		22.57	
Export License utilized	(7.51)		(3.79)	
Interest Income	(261.45)		(191.64)	
Dividend income on long term investments	(8.26)		(1.13)	
Liabilities no longer required written back	(0.09)		(5.79)	
Provision for Impairment of Power Plant written back	(245.07)			
Diminution in value of Investment	54.49		21.43	
Provision for Diminution in Investment Written Back	(21.43)		(11.73)	
Fixed Asset Written Off	67.41	638.21	-	884.30
Operating profit before working capital changes		7,712.79		4,576.49
Adjustments for :				
Decrease/(Increase) in Inventories	1,913.81		(3,141.14)	
Decrease/(Increase) in Trade and Other Receivables	839.52		(952.70)	
(Decrease)/Increase in Trade and Other Payables	227.36	2,968.69	1,408.04	(2,685.80)
Cash generated from operations		10,681.48		1,890.69
Income Taxes paid		(2,287.81)		(1,505.52)
Net Cash from Operating Activities	A	8,393.67		385.17
B. Cash Flow from investing activities				
Purchase of Fixed Assets	(1,337.72)		(1,504.11)	
Grant/ Capital Subsidy Received against Specific Fixed Assets	148.98		16.92	
Sale of Fixed Assets	231.70		12.57	
Purchase of Current investments	(9,842.16)		(3,427.38)	
Application Money paid for Investment	(20.00)		(200.00)	
Sale/ Redemption of Investments	8,130.46		2,062.25	
Interest received	241.99		191.64	
Dividend received	8.26		1.13	
Intercompany Deposit given	(1,200.00)		(1,200.00)	

CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2017 (Contd.)

Particulars		Year ended 31st March, 2017		Year ended 31st March, 2016	
		700.00		-	
		40.98		(40.98)	
		(64.08)			
	Net Cash used in Investing activities		(2,961.59)		(4,087.96)
C.	Cash Flow from Financing Activities				
	Net proceeds / (repayment) of Short term Borrowings	(4,433.53)		4,763.76	
	Proceeds from Long-term Borrowings	112.00		598.00	
	Repayment of Long-term Bank Borrowings	(525.83)		(995.73)	
	Finance costs paid	(356.08)		(405.57)	
	Dividend paid	(312.79)		(314.01)	
	Dividend Taxes paid	(63.92)		(63.92)	
	Net Cash from / (used) in Financing Activities		(5,580.15)		3,582.53
	Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		(148.07)		(120.26)
D.	Cash and Cash Equivalents				
	Net Increase/ (Decrease) in Cash and Cash Equivalents		(148.07)		(120.26)
	Cash and Cash Equivalents as on 1 April		351.88		472.14
	Cash and Cash Equivalents 31 March		203.81		351.88

Notes

- The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard -3, on Cash Flow Statement as per Companies Accounting Standard Rules, 2006.
- Previous year's figures have been regrouped/ rearranged wherever necessary.
This is the Cash Flow statement referred to in our report of even date.

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

Place : Kolkata
Date: 12th May, 2017

Sunit Kumar Basu
Partner
Membership No. 55000

Shankar Lal Kedia Ajay Kumar Agarwal
Chief Financial Officer Company Secretary

Hemant Bangur Executive Chairman
D.C. Baheti Managing Director
Nandita Sen Director
S.N. Bhattacharya Director
K. Mahapatra Director
Prabir ray Director

Notes to the Financial Statements

1. Corporate Information

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

2. Summary of significant accounting policies

2.1 Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7(1) of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

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

2.2 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 Tangible assets and Depreciation

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

Notes to the Financial Statements

- e) An impairment loss is recognized where applicable when the carrying amount of tangible asset exceeds its recoverable amount.

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.
- b) Intangible assets comprising of computer software is depreciated on straight line method over a period of five years.
- c) Profit and Loss on disposal of Intangible assets is recognized in the Statement of Profit and Loss.
- d) An impairment loss is recognized where applicable when the carrying amount of intangible asset exceeds its recoverable amount.

2.5 Impairment of Assets

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

2.6 Investments

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

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

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

2.7 Subsidy / Government Grant

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

2.8 Inventories

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

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

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

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

Notes to the Financial Statements

2.9 Employee Benefit

a) Defined Contribution Plans

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

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

b) Defined Benefit Plans

(i) Gratuity

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

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

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

(ii) Compensated Absences

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

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

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

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

2.10 Research & Development Cess and Excise duty

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

Notes to the Financial Statements

2.11 Sale of Goods

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

2.12 Other Income

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

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

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

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

2.13 Foreign Currency Transaction

(i) Initial Recognition

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

(ii) Subsequent Recognition

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

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

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

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

2.14 Taxation

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

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

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

Notes to the Financial Statements

2.15 Borrowing Cost

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

2.16 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.

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

2.17 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.

2.18 Cash and Cash Equivalents

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

2.19 Change in Accounting Policy

The Company used to provide for proposed final dividend recommended by the Board of Directors as an appropriation to the Profit for the period. Pursuant to Companies (Accounting Standards) Amendment Rules, 2016 final dividend is being provided for only on approval by the shareholders in Annual General Meeting. Had the Company provided for proposed final dividend as in the past, provisions would have been higher by Rs.944.83 lakhs and net current assets would have been lower by a similar amount. The aforesaid change in Accounting policy, however does not have any impact on the profit for the current year.

Notes to the Financial Statements

3. Share Capital

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Authorised 2,50,00,000 (31.03.2016 - 2,50,00,000) Equity Shares of Rs. 10/- each	2,500.00	2,500.00
Issued, Subscribed and Fully Paid-up 1,04,66,880 (31.03.2016 - 52,33,440) Equity Shares of Rs. 10/- each	1,046.69	523.34
Total	1,046.69	523.34

(a) Reconciliation of number of equity shares

	As at			
	31st March, 2017		31st March, 2016	
	No. of Shares	Rs. lakhs	No. of Shares	Rs. lakhs
Balance as at the beginning of the year	5,233,440	523.344	5,233,440	523.344
Add: Shares Issued as fully paid up bonus shares during the Year	5,233,440	523.344	-	-
Balance as at the end of the year	10,466,880	1,046.688	5,233,440	523.344

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

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

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

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

	As at	
	31st March, 2017	31st March, 2016
	No. of Shares	No. of Shares
Equity shares allotted as fully paid-up pursuant contract(s) without payment being received in cash 1993-94	217,360	217,360
Equity shares allotted as fully paid up bonus share by way of capitalisation of General Reserve in 2002-03	654,180	654,180
Equity shares allotted as fully paid up bonus share by way of capitalisation of General Reserve in 2008-09	1,308,360	1,308,360
Equity shares allotted as fully paid-up bonus share by way of capitalisation of Securities Premium Account and General Reserve in 2013-14	2,616,720	2,616,720
Equity shares allotted as fully paid-up bonus share by way of capitalisation of General Reserve in 2016-17	5,233,440	-

Notes to the Financial Statements

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

	As at			
	31st March, 2017		31st March, 2016	
	No. of Shares	% holding	No. of Shares	% holding
Life Insurance Corporation of India	2,303,194	22.00	1,151,597	22.05
Kettlewell Bullen & Company Limited	1,787,806	17.08	893,903	17.08
The Oriental Company Limited	1,510,016	14.43	755,008	14.43
Madhav Trading Corporation Limited	1,208,115	11.54	591,840	11.31
Credwyn Holdings (India) Pvt.Ltd.	510,380	4.88	305,190	5.83
Pushpa Devi Bangur	832,840	7.96	395,228	7.55

4. Reserves and Surplus

	As at			
	31st March, 2017		31st March, 2016	
	Rs. lakhs		Rs. lakhs	
Capital Reserve		150.00		150.00
Revaluation Reserve				
Balance as at the beginning of the year		18,980.68		24,379.95
Deduct:				
Adjustment [Refer Note 12(a)]		-		5,399.27
Balance as at the end of the year		18,980.68		18,980.68
General Reserve				
Balance as at the beginning of the year		12,795.66		10,795.66
Deduct: Capitalised by Issue of Bonus Share		523.34		-
Add: Transferred from Surplus in the Statement of Profit and Loss during the year		2,000.00		2,000.00
Balance as at the end of the year		14,272.32		12,795.66
Surplus in the Statement of Profit and Loss				
Balance as at the beginning of the year		509.29		423.20
Add: Profit for the year		4,582.18		2,464.02
Deduct: Appropriations				
i) Proposed dividend on equity shares for the year [Refer Note (a) below and Note 2.19] (2015-16 Rs. 3/- per share)		-		314.01
ii) Dividend distribution tax on proposed dividend on equity shares		-		63.92
iii) Transfer to General Reserve		2,000.00		2,000.00
Balance as at the end of the year		3,091.47		509.29
Total		36,494.47		32,435.63

(a) The Board has recommended a dividend of 50% i.e Rs. 5/- per equity share for the year ended 31st March, 2017 and a special dividend - "25 years of Gloster's operations" of 25% i.e Rs. 2.5/- per equity share, making a total dividend of 75% i.e Rs. 7.5/- per equity share. The Payment is subject to approval of the shareholders at the ensuing Annual general meeting of the Company.

Notes to the Financial Statements

5. Long-term borrowings

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Secured		
Term Loan from Banks [Refer Note (a) below]	-	192.50
Unsecured		
Term Loan from Banks [Refer Note (b) below]	166.67	388.00
	166.67	580.50
Less: Amount disclosed under the head "Other current liabilities" [Refer Note 10]	166.67	293.67
Total	-	286.83
Nature of security and terms of repayment for secured borrowings (including current maturities of Long term borrowings in Note 10)		
Nature of Security	Terms of repayment	
a) Term loan from banks amounting to Rs.nil lakhs (31.03.2016: Rs 192.50 lakhs) are secured by equitable mortgage of factory, land and building, hypothecation of all plant & machinery and all other movable fixed assets of the Company.	Repayable in 24 equal quarterly instalments beginning from August 2015 along with interest rate linked to Bank base rate + 1.40% spread.	
b) Unsecured Term Loan from Bank amounting to Rs 166.67 Lakhs (31.03.2016: Rs 388 Lakhs)	Repayable in 3 equal quarterly instalments beginning from December 2016 along with interest rate linked to Bank base rate + 0.25% spread.	

6. Deferred tax liabilities (net)

		As at	
		31st March, 2017	31st March, 2016
		Rs. lakhs	Rs. lakhs
Deferred tax liabilities			
Depreciation (A)	483.50	458.70	
Deferred tax assets			
Provision for leave encashment	128.26	95.29	
Provision for doubtful advances	51.28	51.28	
Provision for Impairment	11.82	96.64	
Others	189.90	158.65	
	(B)	381.26	401.86
Total [Refer note (a) below]	(A-B)	102.24	56.84

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

7. Long-term provisions

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Provision for Compensated absences of employees	400.18	303.23
Total	400.18	303.23

Notes to the Financial Statements

8. Short-term borrowings

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Secured		
Loans from banks [refer note (a) below]	3,333.67	5,265.21
Unsecured :		
Loans From Banks [refer note (b) below]	-	2,500.00
Total	3,333.67	7,765.21

(a) Loan repayable on demand amounting to Rs. 3,333.67 lakhs (31.03.2016: Rs. 5,265.21 lakhs) are secured by hypothecation of stock of raw material, stock -in-process, finished goods, stores & consumables, book debts and other current assets of the Company.

Further, loans repayable on demand to bank amounting to Rs. 2,159.52 lakhs (31.03.2016: Rs. 3,414.16 lakhs) is also secured by Corporate Guarantee of Kettlewell Bullen & Company Limited.

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

9. Trade payables

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Total outstanding dues of Micro Small & Medium Enterprises (Refer note 36)	0.33	1.21
Total outstanding dues of creditors other than Micro Small & Medium Enterprises	431.06	615.66
Total	431.39	616.87

10. Other current liabilities

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Current maturities of long-term debt (also refer note 5)	166.67	293.67
Advances received from customers	308.92	160.89
Interest accrued and due on borrowings	2.11	9.94
Interest accrued but not due on borrowings	-	6.51
Unpaid Dividends [refer note (a) below]	19.48	18.26
Statutory dues	231.83	184.86
Capital Creditors	11.89	55.42
Other payables [Refer note (b) below]	2,242.15	1,696.46
Total	2,982.92	2,426.01

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the end of the year.

(b) Other payables include Buyers Credit of Rs. 93.28 lakhs (31.03.2016: Rs.Nil) and Employee Cost liability of Rs. 854.33 lakhs (31.03.2016: Rs. 657.88 lakhs).

Notes to the Financial Statements

11. Short-term provisions

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Provision for Employee Benefits (also refer note 26)		
Provision for Gratuity	442.61	916.35
Provision for compensated absences of employees	91.18	72.87
Other Provisions		
i) Proposed dividend on equity shares for the year [Refer Note 4 and Note 2.19] (2015-16 Rs. 3/- per share)	-	314.01
Provision for Dividend Distribution Tax	-	63.92
Provision for Taxation [Net of Advance Tax Rs.10,303.30 lakhs (2015-16 Rs. 8,015.49 Lakhs)]	409.62	250.44
Total	943.91	1,617.59

Notes to the Financial Statements

12. Tangible assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				Impairment				NET BLOCK After Impairment		
	Cost/Valuation as at 1st April, 2016 [Note (a)]	Additions during the year	Sale/ Adjustment during the year [Note (b)]	Cost/ Valuation as at 31st March, 2017	As at 1st April, 2016	For the Year	Sale/ Adjustment during the year	As at 31st March, 2017	As at 1st April, 2016	Impairment Loss For the Year	Sale/ Adjustment during the year	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs
Freehold Land	19,093.18	-	-	19,093.18	-	-	-	-	-	-	-	-	-	19,093.18	19,093.18
Buildings	4,118.62	397.92	65.32	4,451.22	923.80	117.73	25.46	1,016.07	57.94	-	21.29	3,413.86	3,136.88	3,413.86	3,136.88
Roads	198.64	-	-	198.64	156.82	12.53	-	169.35	-	-	-	29.29	41.82	29.29	41.82
Plant & Equipment	9,061.42	1,089.13	1,006.26	9,444.29	6,261.13	491.60	639.77	6,112.96	211.62	-	11.97	3,019.36	2,588.67	3,019.36	2,588.67
Furniture & Fixtures	396.33	6.04	-	402.37	153.47	39.46	-	192.93	-	-	-	209.44	242.86	209.44	242.86
Motor Vehicles	259.59	68.48	5.95	322.12	97.18	34.61	4.57	127.22	-	-	-	194.90	162.41	194.90	162.41
Launches	0.04	-	-	0.04	0.03	0.00	-	0.03	-	-	-	0.01	0.01	0.01	0.01
Office Equipment	157.53	5.62	1.22	161.93	108.93	28.66	1.02	136.57	0.71	-	0.13	24.78	47.89	24.78	47.89
Electrical Installations	581.01	-	17.75	563.26	301.82	38.55	8.23	332.14	8.95	-	8.64	230.81	270.24	230.81	270.24
Total	33,866.36	1,567.19	1,096.50	34,337.05	8,003.18	763.14	679.05	8,087.27	279.22	-	245.07	34.15	26,215.63	25,583.96	25,583.96
Previous Year	44,334.25	1,206.99	11,674.88	33,866.36	13,474.93	776.82	6,248.57	8,003.18	279.22	-	-	279.22	25,583.96	-	-

Note:

- a) The Company had revalued all of its Land, Buildings and Plant & Machinery at its factory at Bauria, Howrah at current replacement value as at 31st March, 2010 and 31st March, 2013 as per valuation report of an approved valuer. Revaluation Reserve balance of Rs.5,399.27 lakhs attributable to the depreciable tangible assets (Buildings and Plant & Machinery) has been reversed during previous financial year with corresponding reduction in the book value of such assets with effect from 1st April, 2015.

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

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

- b) Adjustment to Plant & Machinery includes Subsidy received Rs. 148.98 lacs (2015-16: Rs.16.93 lacs)

13. Intangible assets

Particulars	GROSS BLOCK				AMORTISATION				Net Block	
	Cost/Valuation as at 1st April, 2016	Additions during the year	Sale/Adjustment during the year	Cost/Valuation as at 31st March, 2017	For the Year	Sale/Adjustment during the year	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs
Computer - Software	52.72	4.09	-	56.81	33.31	6.09	39.40	17.41	19.41	19.41
Total	52.72	4.09	-	56.81	33.31	6.09	39.40	17.41	19.41	19.41
Previous Year	40.79	11.93	-	52.72	30.10	3.21	33.31	19.41	19.41	-

Notes to the Financial Statements

14. Non-current investments

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Long Term Investments					
Trade Investments (valued at cost unless stated otherwise)					
Unquoted Equity Instruments -Fully paid-up					
Investment in Subsidiaries					
Gloster Lifestyle Limited	10	40,00,000	400.00	40,00,000	400.00
Gloster Specialities Limited	10	40,00,000	400.00	40,00,000	400.00
Unquoted Equity Instruments -Fully paid-up					
Fine Worthy Software Solutions Private Limited [Net of provision for other than temporary diminution agregating to Rs 41.86 lakhs)(31.03.2016 : nil)]	10	91,411	171.83	91,411	213.68
Mutual Fund (Quoted)- Fully paid-up					
Reliance Fixed Horizon Fund XXVIII Series 14 - Growth	10	25,00,000	250.00	25,00,000	250.00
Kotak Mahindra FMP Series -172 Mutual Fund	10	5,00,000	50.00	5,00,000	50.00
ICICI Prudential FMP Series 78	10	10,00,000	100.00	10,00,000	100.00
Reliance Fixed Horizon Fund XXX Series 14 - Growth	10	10,00,000	100.00	10,00,000	100.00
Reliance Fixed Horizon Fund XXXI Series 15 - Growth	10	10,00,000	100.00	-	-
UTI Fixed Term Income Fund Series XXII - VI - Growth	10	12,50,000	125.00	12,50,000	125.00
HDFC FMP Growth Series 37	10	10,00,000	100.00	-	-
Others (Unquoted)-Fully paid -up					
IIFL Income Opportunities Fund	0.7693	29,44,328.38	24.85	29,44,328.38	28.45
IIFL Asset Revival Fund Series 2	10	2,00,000	200.00	-	-
Peninsula Brookfield India Real Estate Fund	100,000	124.64	126.64	166.70	168.70
IIFL National Development Agenda Fund	8.471	1,968,813.88	170.00	19,68,813.88	200.00
IIFL Real Estate Fund (Domestic) - Series 2 Class B units	10	18,66,885.30	200.00	18,66,885.30	200.00
Indiareit Apartment Fund	100,000	66.62	67.48	49.15	50.00
Orios Venture Partners Fund	100	1,65,000	165.00	1,25,000	125.00
IIFL Best of Class Fund - I : -					
Class B1	10	5,00,000	50.00	5,00,000	50.00
Class B2	10	5,00,000	50.00	5,00,000	50.00
IIFL Real Estate Fund (Domestic) - Series 3 Class B	10	2,00,000	200.00	20,00,000	200.00
IIFL Special Opportunities Fund Class A1	10	500,000	50.00	-	-
IIFL Re Organize India Equity Fund Class A1	10	500,000	50.00	-	-
IIFL Focussed Equity Strategies Fund : -					
Class A1	10	2,49,862.58	25.00	-	-
Class B1	10	2,50,365.53	25.00	-	-
Malabar Value Fund	100	40,354.75	40.00	-	-
Sundaram Alternative Opportunities Fund- Nano Cap Series I	100,000	14.97	15.00	-	-
DSP Blackrock AIF Pharma Fund Class B	100	1,02,753.75	100.00	-	-
Tata Motors Finance Limited Compulsorily Convertible Preference Shares	100	1,00,000	100.00	1,00,000	100.00
Carried Forward ...			3,455.80		2,810.83

Notes to the Financial Statements

14. Non-current investments (Contd)

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Long Term Investments Contd ...					
Brought Forward			3,455.80		2,810.83
Quoted Equity Instruments- Fully paid-up (Investment through PMS)					
Aegis Logistic Ltd	2	9,091	15.40	-	-
Alkem Laboratories Ltd	2	619	10.57	186	2.56
Asian Paints Ltd.	1	438	5.15	744	6.38
Ajanta Pharma Ltd	2	232	4.60	-	-
Amara Raja Batteries Ltd	1	531	5.47	-	-
Astral Poly Technik Ltd	1	850	3.36	-	-
Bajaj Finance Ltd.	10	1,943	17.25	204	10.67
Bajaj Finserv Ltd	2	178	5.78	-	-
Bharat Forge Ltd.	2	787	7.19	903	8.31
Bharat Petroleum Corpn. Ltd	10	-	-	759	6.46
Birla Corporation Ltd.	10	1,700	11.70	-	-
Britannia Industries Ltd	2	165	5.64	-	-
Bosch Ltd.	10	67	14.24	78	16.57
Canfin Homes Ltd.	10	296	4.87	-	-
City Union Bank Ltd.	1	6,484	7.42	3,609	3.15
Cholamandalam Investment And Finance Company Ltd	10	421	4.18	-	-
Colgate-Palmolive (India) Limited	1	555	5.37	232	2.26
Container Corporation of India Ltd.	10	285	3.67	159	2.10
Cummins India Ltd.	2	881	8.73	493	5.29
Development Credit Bank Ltd	10	9,268	11.60	-	-
Dhanuka Agritech Ltd	2	510	3.60	-	-
Dishman Pharmaceuticals & Chemicals Ltd	2	1,225	3.63	-	-
Dr Lal Pathlabs Ltd	10	454	5.13	-	-
Eicher Motors Ltd.	10	86	16.74	115	20.49
Emami Limited	1	823	8.74	339	3.61
Engineers India Ltd	5	1,734	2.18	467	0.94
Gabriel India Limited	1	5,521	6.63	-	-
Glaxo Smithkline Consumer Healthcare Ltd.	10	96	5.58	53	3.20
Godrej Industries Ltd	1	1,013	4.97	-	-
Havells India Ltd	1	1,077	4.44	-	-
HDFC Bank Ltd.	2	-	-	708	7.73
Hero Motocorp Limited	2	-	-	165	4.25
Hindustan Petroleum Corporation Ltd.	10	7,334	27.21	1,381	10.52
Housing Development Finance Corporation Ltd.	2	-	-	398	5.07
Interglobe Aviation Ltd	10	-	-	574	5.04
Ipca Laboratories Ltd.	2	913	6.21	508	3.97
Carried Forward ...			3,703.05		2,939.40

Notes to the Financial Statements

14. Non-current investments (Contd)

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Brought Forward			3,703.05		2,939.40
Quoted Equity Instruments- Fully paid-up					
Indusind Bank Ltd	10	422	5.13	-	-
ltd Cementation India Ltd	1	2,468	3.46	-	-
Jammu Kashmir Bank Ltd	1	4,461	3.40	2,295	2.01
Kotak Mahindra Bank Limited	5	2,621	18.88	1,664	11.27
Kajaria Ceramics Ltd	1	990	6.60	-	-
Larsen & Toubro Ltd.	2	-	-	337	5.27
L&T Technology Services Ltd	2	792	6.85	-	-
Lakshmi Vilas Bank Limited	10	3,280	5.05	-	-
Lupin Ltd	2	350	5.27	-	-
Mahanagar Gas Ltd	10	671	4.09	-	-
Max Financial Services Ltd	2	2,457	10.39	1,107	5.89
M R F Ltd	10	9	4.74	-	-
Motherson Sumi Systems Ltd	1	1,558	5.06	-	-
Page Industries Ltd.	10	146	21.32	63	8.99
Phoenix Lamps Limited	10	2,133	3.52	-	-
P I Industries Ltd	1	679	5.59	-	-
Pidilite Industries Ltd	1	554	3.87	-	-
Quess Corp Ltd	10	1,038	5.64	-	-
Speciality Restaurants Ltd	10	Nil	-	373	0.54
Shree Cements Ltd	10	25	4.30	-	-
State Bank of India	1	Nil	-	2,505	6.14
Sun Pharmaceuticals Ltd.	1	Nil	-	1,250	11.23
Tata Consultancy Services Ltd.	1	Nil	-	251	6.54
TTK Prestige Ltd	10	120	5.89	-	-
United Spirit Ltd	10	Nil	-	158	4.94
Voltas Ltd.	1	4,395	14.99	2,155	6.40
Welspun India Ltd	10	3,141	2.81	-	-
Total			3,849.90		3,008.62
Aggregate amount of Quoted Investments			1,219.10		822.79
Aggregate Market Value of Quoted Investments			1,393.60		855.40
Aggregate amount of Unquoted Investments			2,630.80		2,185.83
Aggregate Provision for diminution in value of Investments			41.86		-

Notes to the Financial Statements

15. Long-term loans and advances

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good (unless otherwise stated)		
Capital Advance	126.08	170.17
Security Deposits	448.77	426.55
Total	574.85	596.72

16. Current Investments

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Trade Investments (valued at cost unless stated otherwise)					
Quoted Equity Instruments- Fully paid-up (Direct Investment)					
J K Paper Limited	10	150,000	102.16	-	-
J K Tyre & Industries Limited	2	100,000	128.52	-	-
Larsen & Toubro Ltd.	2	1,000	15.00	-	-
Magma Fincorp Limited	2	98,100	103.84	-	-
[Net of provision for other than temporary diminution agregating to Rs 11.81 lakhs)(31.03.2016 : nil)]					
National Aluminium Company Ltd	5	70,000	40.92	-	-
NBCC (India) Ltd	2	15,000	22.76	-	-
Shree Cements Ltd	10	600	102.12	-	-
[Net of provision for other than temporary diminution agregating to Rs 0.82 lakhs)(31.03.2016 : nil)]					
State Bank of India	1	20,000	50.87	-	-
Tata Global Beverages Ltd.	1	50,000	69.71	-	-
At cost or fair value, whichever is less					
Quoted					
Debentures - Fully paid-up					
Edelweiss Finance & Investments Limited (Debt Market Linked Non Convertible Debentures) (31.03.2016-Net of provision for other than temporary diminution agregating to Rs 5.63 lakhs)	100,000	-	-	99	93.37
India Infoline Finance Limited (Principal Protected Secured Redeemable Non Convertible Market Linked Debentures) (31.03.2016-Net of provision for other than temporary diminution agregating to Rs 15.80 lakhs)	1,000,000	-	-	10	84.20
Aspire Home Finance Corporation Ltd (Secured Redeemable Listed Principal Protected Non Convertible Market Linked Debentures)	100,000	20	200.00	-	-
ECL Finance Limited (Secured Redeemable Non Convertible Debentures)	100,000	100	100.00	-	-

Notes to the Financial Statements

16. Current Investments (contd.)

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Investment in Mutual fund -Fully paid-up					
Unquoted					
ICICI Prudential Gilt Fund Investment Plan- PF Option-Regular Plan	10	11,53,119.58	250.00	11,53,119.58	250.00
ICICI Prudential Liquid Plan - Growth	100	1,45,781.82	350.00	4,48,284.14	1,002.51
Birla Sunlife Cash Plus Growth Regular Plan	10	1,34,387.80	350.00	-	-
HDFC Cash Management Fund Savings Plan Regular Plan Growth	1,000	11,840.33	400.00	-	-
Forefront Alternative Equity Scheme	10	7,04,112.94	100.00	7,04,112.94	100.00
Total			2,385.90		1,530.08
Aggregate amount of quoted investments			935.90		177.57
Aggregate Market Value of quoted investments			1,007.92		177.57
Aggregate amount of unquoted investments			1,450.00		1,352.51
Aggregate Provision for diminution in value of Investments			12.63		21.43

17. Inventories

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Raw materials	3,919.01	4,609.47
Stock-in-process	698.79	1,610.70
Semi Finished Goods	269.30	292.72
Finished Goods (includes in transit Rs.474.45 lakhs, {31.03. 2016:Rs. 171.17 lakhs})	2,295.03	2,521.63
Stores and Spares	852.15	913.57
Total	8,034.28	9,948.09

18. Trade receivables

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	106.20	72.08
Others	1,853.11	2,480.44
Total	1,959.31	2,552.52

19. Cash and Bank balances

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Cash and cash equivalents		
Cash on hand	4.01	14.78
Balances with Banks :		
In current accounts	199.81	337.11
	203.81	351.88
Other Bank Balances		
Unpaid dividend account	19.48	18.26
Margin money deposits	0.21	41.19
Total	223.50	411.33

Notes to the Financial Statements

20. Short-term loans and advances

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good (unless otherwise stated)		
Security Deposits	96.39	96.39
Prepaid Expenses	62.02	108.57
Balances with Government Authorities	6.95	5.62
Advances for goods and services - Considered Good	119.24	76.77
Employee Advances	241.61	245.00
Loans to Bodies Corporate	1,700.00	1,200.00
Other Advances		
Considered Good	21.00	215.48
Doubtful	148.17	148.17
Less : Provision for Doubtful Advance	(148.17)	(148.17)
Total	2,247.21	1,947.83

21. Other current assets

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good :		
Interest accrued on Loans to Bodies Corporate	19.45	-
Total	19.45	-

22. Revenue from operations

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Sale of products		
Finished goods	49,519.86	42,517.75
Traded goods	-	10.73
	49,519.86	42,528.48
Other operating revenues		
Export incentive	1,222.93	497.82
Revenue from operations (gross)	50,742.79	43,026.30
Less : Excise duty and R&D Cess	369.85	315.60
Total	50,372.94	42,710.70

Notes to the Financial Statements

23. Other Income

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Interest Income on		
Bank deposits	0.66	5.78
Other deposits	163.92	92.24
Long - term investments	61.33	62.24
Others	35.54	31.38
Dividend on long term investment	8.26	1.13
Rent	2.79	2.93
Profit on sale of fixed asset	30.66	2.45
Profit on sale of current investments (Net)	4.09	36.30
Profit on Sale of Long Term Investment	14.26	99.92
Liabilities no longer required written back	0.09	5.79
Net Gain on foreign currency transaction and translation	318.66	18.06
Miscellaneous Income [Refer note (a) below]	436.46	27.96
Provision for Diminution in Investment Written Back	21.43	11.73
Provision for Impairment Written Back	245.07	-
Keyman Insurance claim realised	57.12	769.22
Total	1,400.34	1,167.13

(a) Miscellaneous Income includes Insurance claim realized amounting to Rs 399.06 Lakhs. (31.03.2016.Rs.nil)

24. Cost of materials consumed

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Inventory at the beginning of the year	4,609.47	3,289.49
Add : Purchases (net) [Refer note (a) below]	24,569.29	26,350.44
	29,178.76	29,639.93
Less : Inventory at the end of the year	3,919.01	4,609.47
Total	25,259.75	25,030.46

(a) Purchases is net of discount received on prompt payment of supplier's bills amounting to Rs.352.62 lakhs (2015-16 : Rs. 425.98 lakhs)

25. Changes in inventories of finished goods, stock-in-process and semi -finished goods

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Inventories at the end 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 (A)	3,263.12	4,425.05
Inventories at the beginning of the year		
Stock-in-Process	1,610.70	747.88
Semi- Finished Goods	292.72	378.00
Finished Goods	2,521.63	1,503.95
Total (B)	4,425.05	2,629.83
(Increase)/decrease in inventories (B-A)	1,161.93	(1,795.22)

Notes to the Financial Statements

26. Employees benefits expense

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Salaries, Wages & Bonus	6,995.33	6,358.31
Contribution to Provident and Other Funds [Refer notes (a) and (b) below]	1,353.93	1,767.09
Workmen and Staff Welfare expenses	72.56	68.99
Total	8,421.82	8,194.39

Notes :

(a) Defined Contribution Plans

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

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Employer's Contribution to Provident Fund	140.97	125.90
Employer's Contribution to Pension Fund	395.96	377.71
Employer's Contribution to Superannuation Fund	84.86	72.54

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

(b) Defined Benefit Plans

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

Sl. No.	Description	Gratuity (Funded)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
		Rs lakhs	Rs lakhs
(a)	Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation		
	Present Value of Obligation at the beginning of the year	5,176.17	4,358.59
	Current Service Cost	329.54	266.18
	Interest Cost	403.71	333.00
	Acquisition Cost	43.19	-
	Actuarial (Gains)/Losses	448.35	397.01
	Benefits Paid	(131.91)	(178.61)
	Present Value of Obligation at the end of the year	6,269.05	5,176.17
(b)	Reconciliation of the Opening and Closing balances of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	4,259.82	4,261.71
	Expected Return on Plan Assets	372.16	337.67
	Acquisition Adjustment	43.19	-
	Actuarial Gains/(Losses)	366.83	(257.83)
	Contributions	916.35	96.88
	Benefits paid	(131.91)	(178.61)
	Fair Value of Plan Assets at the end of the year	5,826.44	4,259.82

Notes to the Financial Statements

Sl. No.	Description	Gratuity (Funded)	
		Year ended 31st March, 2017 Rs lakhs	Year ended 31st March, 2016 Rs lakhs
(c)	Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets		
	Present Value of Obligation at the end of the year	6,269.05	5,176.17
	Fair Value of Plan Assets at the end of the year	5,826.44	4,259.82
	Assets/(Liabilities) recognized in the Balance Sheet	(442.61)	(916.35)
(d)	Expense recognised in the Profit and Loss Account		
	Current Service Cost	329.54	266.18
	Interest Cost	403.71	333.00
	Acquisition Cost	43.19	-
	Expected Return on Plan Assets	(372.16)	(337.67)
	Acquisition Adjustment	(43.19)	-
	Actuarial (Gains)/Losses	81.52	654.84
	Total Expense recognized	442.61	916.35
(e)	Category of Plan Assets : [Refer note (b) below]		
	Fund with Birla Sun Life Insurance Company Limited	5,217.11	4,135.36
	Fund with HDFC Life	609.33	124.46
	Total	5,826.44	4,259.82
(f)	Actuarial Assumptions		
	Discount Rate (Per annum)	6.75%	7.90%
	Expected Rate of Return on Assets (Per annum)	8.00%	8.00%
	Salary Escalation	9.00%	9.00%
	Mortality Rate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate

- a) The estimates of future salary increases, considered in actuarial valuations, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investment of funds during the estimated term of the obligation.
- b) The Company made annual contributions to the insurer of an amount as determined by actuarial valuation. Company was not informed of the investments made by the insurer.
- c) The table below illustrates experience adjustment disclosure as per para 120 (n) (ii) of Accounting Standard 15 – Employee Benefits.

	2016-17 Rs.lakhs	2015-16 Rs.lakhs	2014-15 Rs.lakhs	2013-14 Rs.lakhs	2012-13 Rs.lakhs
Defined benefit obligation	(6,269.05)	(5,176.17)	(4,358.59)	(3,684.68)	(3,254.32)
Plan assets	5,826.44	4,259.82	4,261.71	3,340.49	2,760.15
Surplus / (deficit)	(442.61)	(916.35)	(96.88)	(344.19)	(494.17)
Experience adjustments on plan liabilities	275.05	61.56	203.74	(90.60)	(168.25)
Experience adjustments on plan assets	366.83	(257.83)	459.11	2.89	64.22

Notes to the Financial Statements

27. Finance costs

	Year Ended	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Interest expenses	316.16	373.30
Other borrowing costs	25.59	38.20
Total	341.75	411.50

28. Depreciation and amortization expense

	Year Ended	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Depreciation on Tangible assets	763.14	776.82
Amortization of Intangible assets	6.09	3.21
Total	769.23	780.03

29. Other expenses

	Year Ended	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Consumption of stores and spare parts (net)	2,969.50	2,308.35
Power and fuel	2,031.51	1,919.64
Rent	85.04	79.18
Repairs to building	62.27	50.14
Repairs to machinery	0.87	0.83
Repairs - others	29.03	38.90
Insurance	665.03	600.39
Rates and Taxes	33.74	28.14
Processing Charges	577.05	585.70
Freight and Delivery Charges	328.36	257.93
Research & Development Cess and Excise Duty [Refer note (a) below]	118.34	114.79
Export Dock and Toll Charges	137.93	104.88
Brokerage and Commission	260.59	163.33
Bad Debts Written Off	-	4.38
CSR Expenses [Refer note (c) below]	246.18	18.70
Miscellaneous expenses [Refer note (b) below]	1,076.88	829.21
Diminution in value of Investment	54.49	21.43
Fixed Asset Written Off	67.41	-
Raw Jute Damaged In Fire	-	428.39
Total	8,744.22	7,554.31

(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 Rs.3.73 lakhs (31.03.2016: Rs. 11.54 lakhs)

(b) Miscellaneous expenses includes remuneration to auditors for :

	Year Ended	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Audit Fees	13.25	13.25
Other Services	12.75	10.25
Reimbursement of expenses (including service tax)	5.47	4.69
Total	31.47	28.19

Notes to the Financial Statements

(c) Corporate Social Responsibility (CSR)

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

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

Gross Amount required to be spent by the Company during the year : Rs.60.32 lakhs (2015-16 Rs.55.27 Lakhs)

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

Amount spent during the year under various heads	In Cash	Yet to be paid in cash	Total
	Rs. lakhs	Rs. lakhs	Rs. lakhs
(i) Construction / acquisition of any asset	Nil	Nil	Nil
(ii) On purposes other than (i) above	246.18	Nil	246.18

30. Earnings per equity share (EPS)

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

Particulars	Year Ended	
	31st March, 2017	31st March, 2016
(I) Basic		
a. Net Profit after tax (Rs. in lakhs)	4,582.18	2,464.02
b. (i) Number of Equity Shares at the beginning of the year	5,233,440	5,233,440
(ii) Number of Equity Shares at the end of the year	10,466,880	5,233,440
(iii) Weighted average number of Equity Shares outstanding during the year	10,466,880	5,233,440
(iv) Face Value of Equity Share (Rs.)	10	10
c. Basic Earning / (Loss) per share [a/b (iii)] (Rs.)	43.78	23.54
(II) Diluted		
a. Dilutive Potential Equity Shares	-	-
b. Weighted average number of Equity Shares for computing diluted earnings per shares [(I)b(iii)+(II)a] *	10,466,880	10,466,880
c. Diluted Earning / (Loss) per Share [(I)(a) / (II)(b)] (Rs.) *	43.78	23.54

Consequent to approval of the shareholders through Postal Ballot on 11th May,2016, the Company has allotted Bonus Shares in the ratio of 1:1 i.e. one new equity share for every one existing equity share to the eligible shareholders of the Company.

*The weighted average number of Equity Shares for computing diluted earnings and earnings per share for all periods presented are based on current capital after issue of Bonus Shares.

31. Contingent liabilities

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
a) Claims against the Company not acknowledged as debts :		
Sales tax matter	325.73	379.97
ESI matter	45.57	45.57
b) Export bills discounted with bank	107.98	263.86

32. Commitments

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Estimated amounts of contracts remaining to be executed on capital account and not provided for tangible assets	220.81	507.06
Other Commitment - towards investments	835.00	137.00

Notes to the Financial Statements

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

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

Particulars	Within India		Outside India		Total	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
Segment revenue by location of customers	37,066.28	31,580.00	12,083.73	10,632.88	49,150.01	42,212.88
Carrying amount of segment assets	1,282.82	2,044.08	676.49	508.44	1,959.31	2,552.52
Additions to tangible and intangible assets	1,345.80	1,507.37	-	-	1,345.80	1,507.37

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

Names of Related Parties and nature of relationship

a) Subsidiary Companies

Gloster Lifestyle Limited

Gloster Specialities Limited

b) Key Management Personnel

Shri G D Bangur (upto 7th June,2015)

Shri Hemant Bangur

Shri D C Baheti

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

Joonktollee Tea & Industries Limited

Kettlewell Bullen & Company Limited

Notes to the Financial Statements

Transactions with related parties are as follows:				
	Particulars	Year	Key Management Personnel	Enterprise over which Key Management Personnel & relatives of Key Management Personnel have significant Influence
			Rs lakhs	Rs lakhs
A	Transactions during the year			
1	Remuneration Paid	2016-17	614.15	-
		2015-16	347.73	-
2	Dividend Paid	2016-17	8.39	53.63
		2015-16	8.39	53.63
3	Rent Paid	2016-17	-	41.36
		2015-16	-	40.94
4	Sales	2016-17	-	109.44
		2015-16	-	94.68
5	Dividend Received	2016-17	-	-
		2015-16	-	0.23
B	Outstanding balance at year end			
1	Commission Payable	2016-17	375.00	-
		2015-16	200.00	-
2	Deposits	2016-17	-	400.00
		2015-16	-	400.00

35. Derivative instruments and unhedged foreign currency exposure

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

Nature of Exposure	As at	
	31st March, 2017	31st March, 2016
	In lakhs	In lakhs
Forward Contracts to sell (in USD)	6.98	4.42
Forward Contracts to sell (in GBP)	1.03	0.26
Forward Contracts to sell (in EUR)	2.03	0.51
Forward Contracts to sell (in JPY)	-	36.28
Forward Contracts to buy (in USD)	1.73	4.83

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

Nature of Exposure	As at	
	31st March, 2017	31st March, 2016
	In lakhs	In lakhs
Import Trade payables (USD)	0.24	-

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

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

Nature of Exposure	As at	
	31st March, 2017	31st March, 2016
	In lakhs	In lakhs
Provision for Resultant Mark to Market Loss	-	22.57

Notes to the Financial statements

36. 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	31st March, 2017	31st March, 2016
		Rs lakhs	Rs lakhs
1	The principal amount remaining unpaid to any supplier as at the year end	0.33	1.21
	The interest remaining unpaid to any supplier as at the year end	1.62	1.44
2	Principal amounts paid to suppliers beyond the appointed day during the year.	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	0.17	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.	1.61	1.44

*Included in Sl No. 1 above is Rs 0.33 lakh (31.03.2016 : Rs. 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.

37. The Company's Board of Directors at its meeting held on March 29, 2016 had approved the Scheme of Arrangement between "the Company" and Kettlewell Bullen & Company Limited in terms of the provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 & Companies Act, 2013, to the extent applicable. Upon the coming into effect of the Scheme and with effect from the Appointed Date i.e. 1st January, 2015, the Undertaking of Gloster Limited will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in Kettlewell Bullen & Company Limited, as a going concern, in accordance with Section 2(1B) of the Income Tax Act. The Company has since received No Objection Certificate from BSE Ltd. & Calcutta Stock Exchange Ltd. with regard to the Scheme and application has been filed before the National Company Law Tribunal for approval.

38. Value of imports calculated on CIF basis

	Year ended	
	31st March, 2017	31st March, 2016
	Rs lakhs	Rs lakhs
Stores, Spare parts and Components	115.95	301.26
Capital Goods	303.89	306.61
Raw Materials	2,164.85	2,444.68

39. Expenditure in Foreign currency

	Year ended	
	31st March, 2017	31st March, 2016
	Rs lakhs	Rs lakhs
Interest	-	6.15
Other expenses	110.22	28.11
Total	110.22	34.26

Notes to the Financial statements

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

	Year ended		Year ended	
	31st March, 2017	31st March, 2017	31st March, 2016	31st March, 2016
	%	Rs lakhs	%	Rs lakhs
Raw materials				
Indigenous	88.91	22,458.29	95.43	23,886.59
Imported	11.09	2,801.46	4.57	1,143.87
	100.00	25,259.75	100.00	25,030.46
Stores, spare parts and components				
Indigenous	84.47	2,508.30	73.69	1,701.05
Imported	15.53	461.20	26.31	607.30
	100.00	2,969.50	100.00	2,308.35
Stores and spare parts consumed includes value of stores written off during the year.		20.93		25.03

41. Earnings in Foreign currency

	Year ended	
	31st March, 2017	31st March, 2016
	Rs lakhs	Rs lakhs
Export on F.O.B basis	11,881.24	10,471.55

42. Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	55.30	14.52	69.82
(+) Permitted receipts	-	24.16	24.16
(-) Permitted payments	-	34.53	34.53
(-) Amount deposited in Banks	55.30	-	55.30
Closing cash in hand as on 30 December 2016	-	4.15	4.15

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.

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

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu

Partner
Membership No. 55000

Place : Kolkata
Date: 12th May, 2017

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

Hemant Bangur
D.C. Baheti
Nandita Sen
S.N. Bhattacharya
K. Mahapatra
Prabir ray

Executive Chairman
Managing Director
Director
Director
Director
Director

INDEPENDENT AUDITORS' REPORT

To the Members of Gloster Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Gloster Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), (refer Note 1 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs 1,261.65 lakhs and net assets of Rs 1,221.46 lakhs as at March 31, 2017, total revenue of Rs. 126.53 lakhs, net profit of Rs 75.66 lakhs and net cash flows amounting to Rs (1,431.19) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and (11) 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 financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 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, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

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

- i) The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Group – Refer Note 31 to the consolidated financial statements.
- ii) The Group has derivative contracts as at March 31, 2017 for which there were no material foreseeable losses – Refer Note 35 to the consolidated financial statements. There are no long term contracts outstanding as at March 31, 2017.
- 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, 2017.
- iv) The Group has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company, and its subsidiary companies, incorporated in India and as produced to us by the Management – Refer Note 37 to the consolidated financial statements.

For **Lovelock & Lewes**

Firm Registration Number: 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership Number 55000

Place: Kolkata

Date: May 12, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 9 (f) of the Independent Auditors' Report of even date to the members of Gloster Limited on the consolidated financial statements for the year ended March 31, 2017.

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Gloster Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph 9 below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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 **Lovelock & Lewes**

Firm Registration Number: 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership Number 55000

Place: Kolkata

Date: May 12, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

	Note	As at	As at
		31st March, 2017	31st March, 2016
		Rs. lakhs	Rs. lakhs
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	1,046.69	523.34
Reserves and Surplus	4	36,911.42	32,776.89
		37,958.11	33,300.23
Non-current Liabilities			
Long-term borrowings	5	-	286.83
Deferred tax liabilities (net)	6	102.24	56.84
Long-term provisions	7	400.18	303.23
		502.42	646.90
Current Liabilities			
Short-term borrowings	8	3,333.67	8,734.08
Trade Payables (includes dues of Micro and Small enterprises Rs 0.33 Lakh (2015-16 :Rs 1.21 Lakhs)	9	431.39	616.87
Other current liabilities	10	2,983.05	2,426.15
Short-term provisions	11	934.91	1,620.16
		7,683.02	13,397.26
Total		46,143.55	47,344.39
Assets			
Non-current Assets			
Fixed assets			
Tangible assets	12	26,215.63	25,583.96
Intangible assets	13	17.41	19.41
Capital work-in-progress		174.68	400.16
Intangible Assets under development		32.85	32.85
Non-current Investments	14	3,670.62	2,696.41
Long-term loans and advances	15	574.85	596.72
		30,686.04	29,329.51
Current assets			
Current Investments	16	2,461.45	1,643.68
Inventories	17	8,034.28	9,948.09
Trade receivables	18	1,959.31	2,552.52
Cash and Bank balances	19	275.06	1,894.09
Short-term loans and advances	20	2,687.41	1,947.83
Other current assets	21	40.00	28.67
		15,457.51	18,014.88
Total		46,143.55	47,344.39
Corporate Information	1		
Summary of significant accounting policies	2		

The notes are an integral part of these financial statements.

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

For Lovelock & Lewes

Firm Registration No. 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership No. 55000

Shankar Lal Kedia

Chief Financial Officer

Ajay Kumar Agarwal

Company Secretary

Hemant Bangur

D.C. Baheti Executive Chairman

Managing Director

Nandita Sen

Director

S.N. Bhattacharya

Director

K. Mahapatra

Director

Prabir ray

Director

Place : Kolkata

Date: 12th May, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH, 2017

	Note	As at	As at
		31st March, 2017	31st March, 2016
		Rs. lakhs	Rs. lakhs
Income			
Revenue from operations (gross)	22	50,742.79	43,026.30
Less: Excise Duty and R & D Cess		369.85	315.60
Revenue from operations (net)		50,372.94	42,710.70
Other Income	23	1,526.87	1,342.46
Total Revenue		51,899.81	44,053.16
Expenses			
Cost of materials consumed	24	25,259.75	25,030.46
Purchase of traded goods		-	10.17
Changes in inventories of finished goods, stock-in-process and semi-finished goods	25	1,161.93	(1,795.22)
Employee benefits expense	26	8,421.82	8,194.39
Finance costs	27	357.94	478.97
Depreciation and amortization expense	28	769.23	780.03
Other expenses	29	8,757.27	7556.01
Total Expenses		44,727.94	40,254.81
Profit before exceptional items and tax		7,171.87	3,798.35
Exceptional items		-	-
Profit before tax		7,171.87	3,798.35
Tax expense			
Current tax		2,468.60	1261.45
Deferred tax		45.40	(14.83)
Tax for earlier year		-	0.31
Total Tax expenses		2,514.00	1,246.93
Profit for the year		4,657.87	2,551.42
Earnings per equity share [nominal value per share Rs.10 (31.03.2016 - Rs.10)]			
Basic & Diluted	30	44.50	24.38
Corporate Information	1		
Summary of significant accounting policies	2		

The notes are an integral part of these financial statements.

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

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu

Partner
Membership No. 55000

Place : Kolkata
Date: 12th May, 2017

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

Hemant Bangur
D.C. Baheti
Nandita Sen
S.N. Bhattacharya
K. Mahapatra
Prabir ray
Executive Chairman
Managing Director
Director
Director
Director
Director

CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2017

Particulars		Year ended 31st March, 2017		Year ended 31st March, 2016	
A. Cash Flow from Operating Activities					
Net profit before tax			7,171.87		3,798.35
Adjustments for :					
Depreciation and Amortisation Expenses		769.23		780.03	
Finance Costs		357.94		478.97	
Bad Debts Written Off		-		4.38	
Net (Profit) / Loss on sale of fixed assets		(30.66)		(2.45)	
Net gain on sale of current investments		0.62		(34.78)	
Net gain on sale of Long Term Investments		(14.26)		(99.92)	
Unrealised (Gain) / Loss on exchange (net)		(1.85)		(2.88)	
(Gain)/ Loss on Mark to Market adjustment for Derivative Instrument		-		22.57	
Export Incentive received under SHIS Scheme		(7.51)		(3.79)	
Interest Income		(385.86)		(355.26)	
Dividend income on long term investments		(10.38)		(14.36)	
Liabilities no longer required written back		(0.09)		(5.79)	
Provision for Impairment of Power Plant written back		(245.07)		-	
Diminution in value of Investment		59.01		21.43	
Provision for Diminution in Investment Written Back		(21.43)		(11.73)	
Fixed Asset Written Off		67.41		-	
Operating profit before working capital changes			537.10		776.42
Adjustments for :			7,708.97		4,574.77
Decrease/(Increase) in Inventories		1,913.81		(3,141.14)	
Decrease/(Increase) in Trade and Other Receivables		839.52		(952.69)	
(Decrease)/Increase in Trade and Other Payables		215.37	2,968.70	1,408.05	(2,685.77)
Cash generated from operations			10,677.67		1,889.00
Income Taxes paid			(2,320.49)		(1,521.68)
Net Cash from Operating Activities		A	8,357.18		367.32
B. Cash Flow from investing activities					
Purchase of Fixed Assets		(1,337.72)		(1,504.11)	
Grant Received against Specific Assets		148.98		16.92	
Sale of Fixed Assets		231.70		12.57	
Purchase of Current investments		(9,842.16)		(3,660.94)	
Application Money paid for Current Investment		(20.00)		(200.00)	
Purchase of Long Term investments		(200.00)		(67.07)	
Sale/ Redemption of Investments		8,226.36		2,260.74	
Interest received		366.41		345.00	
Dividend received		10.39		14.37	
Intercorporate Deposit given		(1,400.00)		(1,200.00)	

CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2017 (Contd.)

Particulars		Year ended 31st March, 2017		Year ended 31st March, 2016	
	Repayment of Intercompany Deposit	700.00		-	
	(Increase)/Decrease in Margin Money	40.98		(40.98)	
	Net (Finance)/Repayment against Bill Discounting	(296.16)			
	Net Cash used in Investing activities		(3,371.22)		(4,023.50)
C.	Cash Flow from Financing Activities				
	Net proceeds / (repayment) of Short term Borrowings	(5,402.40)		4,734.86	
	Proceeds from Long-term Borrowings	111.98		598.00	
	Repayment of Long-term Bank Borrowings	(525.83)		(995.73)	
	Finance costs paid	(372.27)		(473.04)	
	Dividend paid	(312.79)		(314.01)	
	Dividend Taxes paid	(63.92)		(63.92)	
	Net Cash from / (used) in Financing Activities		(6,565.23)		3,486.16
	Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		(1,579.27)		(170.02)
D.	Cash and Cash Equivalents				
	Net Increase/ (Decrease) in Cash and Cash Equivalents		(1,579.27)		(170.02)
	Cash and Cash Equivalents as on 1 April		1,834.64		2,004.66
	Cash and Cash Equivalents 31 March		255.37		1,834.64

Notes

The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard -3, on Cash Flow Statement as per Companies Accounting Standard Rules, 2006.

Previous year's figures have been regrouped/ rearranged wherever necessary.

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

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu

Partner
Membership No. 55000

Shankar Lal Kedia Ajay Kumar Agarwal
Chief Financial Officer Company Secretary

Hemant Bangur Executive Chairman
D.C. Baheti Managing Director
Nandita Sen Director
S.N. Bhattacharya Director
K. Mahapatra Director
Prabir ray Director

Place : Kolkata
Date: 12th May, 2017

Notes to the Consolidated Financial Statements

1. Corporate Information

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

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

Name of the company	Country of Incorporation	% of Holding as at 31st March, 2017
Gloster Lifestyle Limited	India	100%
Gloster Specialities Limited	India	100%

2. Summary of significant accounting policies

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7(1) of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

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

2.2 Basis of Consolidation

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

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

2.3 Use of estimates

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

Notes to the Consolidated Financial Statements

2.4 Tangible assets and Depreciation

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

2.5 Intangible assets and Amortization

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

2.6 Impairment of Assets

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

2.7 Investments

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

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

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

2.8 Subsidy / Government Grant

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

Notes to the Consolidated Financial Statements

2.9 Inventories

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

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

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

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

2.10 Employee Benefit

a) Defined Contribution Plans

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

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

b) Defined Benefit Plans

(i) Gratuity

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

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

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

(ii) Compensated absences

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

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

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

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

d) Other Short Term Employee Benefits

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

Notes to the Consolidated Financial Statements

2.11 Research & Development Cess and Excise duty

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

2.12 Sale of goods

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

2.13 Other Income

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

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

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

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

2.14 Foreign Currency Transaction

(i) Initial Recognition

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

(ii) Subsequent Recognition

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

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

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

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

2.15 Taxation

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

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

Notes to the Consolidated Financial Statements

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

2.16 Borrowing Cost

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

2.17 Provisions and Contingent Liabilities

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

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

2.18 Earnings per Share

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

2.19 Cash and Cash Equivalents

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

2.20 Change in Accounting Policy

The Company used to provide for proposed final dividend recommended by the Board of Directors as an appropriation to the Profit for the period. Pursuant to Companies (Accounting Standards) Amendment Rules, 2016 final dividend is being provided for only on approval by the shareholders in Annual General Meeting. Had the Company provided for proposed final dividend as in the past, provisions would have been higher by Rs.944.83 lakhs and net current assets would have been lower by a similar amount. The aforesaid change in Accounting policy, however does not have any impact on the profit for the current year.

Notes to the Consolidated Financial Statements

3. Share Capital

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Authorised 2,50,00,000 (31.03.2016 - 2,50,00,000) Equity Shares of Rs. 10/- each	2,500.00	2,500.00
Issued, Subscribed and Fully Paid-up 1,04,66,880 (31.03.2016 - 52,33,440) Equity Shares of Rs. 10/- each	1,046.69	523.34
Total	1,046.69	523.34

(a) Reconciliation of number of equity shares

	As at			
	31st March, 2017		31st March, 2016	
	No. of Shares	Rs. lakhs	No. of Shares	Rs. lakhs
Balance as at the beginning of the year	5,233,440	523.344	5,233,440	523.344
Add: Shares Issued as fully paid up bonus shares during the Year	5,233,440	523.344	-	-
Balance as at the end of the year	10,466,880	1,046.688	5,233,440	523.344

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

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

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

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

	As at	
	31st March, 2017	31st March, 2016
	No. of Shares	No. of Shares
Equity shares allotted as fully paid-up pursuant contract(s) without payment being received in cash 1993-94	217,360	217,360
Equity shares allotted as fully paid up bonus share by way of capitalisation of General Reserve in 2002-03	654,180	654,180
Equity shares allotted as fully paid up bonus share by way of capitalisation of General Reserve in 2008-09	1,308,360	1,308,360
Equity shares allotted as fully paid-up bonus share by way of capitalisation of Securities Premium Account and General Reserve in 2013-14	2,616,720	2,616,720
Equity shares allotted as fully paid-up bonus share by way of capitalisation of General Reserve in 2016-17	5,233,440	-

Notes to the Consolidated Financial Statements

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

	As at			
	31st March, 2017		31st March, 2016	
	No. of Shares	% holding	No. of Shares	% holding
Life Insurance Corporation of India	2,303,194	22.00	1,151,597	22.05
Kettlewell Bullen & Company Limited	1,787,806	17.08	893,903	17.08
The Oriental Company Limited	1,510,016	14.43	755,008	14.43
Madhav Trading Corporation Limited	1,208,115	11.54	591,840	11.31
Credwyn Holdings (India) Pvt.Ltd.	510,380	4.88	305,190	5.83
Pushpa Devi Bangur	832,840	7.96	395,228	7.55

4. Reserves and Surplus

	As at			
	31st March, 2017		31st March, 2016	
	Rs. lakhs		Rs. lakhs	
Capital Reserve		150.00		150.00
Revaluation Reserve				
Balance as at the beginning of the year		18,980.69		24,379.96
Deduct:				
Adjustment [Refer Note 12(a)]		-		5,399.27
Balance as at the end of the year		18,980.69		18,980.69
General Reserve				
Balance as at the beginning of the year		12,795.66		10,795.66
Deduct: Capitalised by Issue of Bonus Share		523.34		-
Add: Transferred from Surplus in the Statement of Profit and Loss during the year		2,000.00		2,000.00
Balance as at the end of the year		14,272.32		12,795.66
Surplus in the Statement of Profit and Loss				
Balance as at the beginning of the year		850.54		677.05
Add: Profit for the year		4,657.87		2,551.42
Deduct: Appropriations				
i) Proposed dividend on equity shares for the year [Refer Note (a) below and Note 2.20] (2015-16 Rs. 3/- per share)		-		314.01
ii) Dividend distribution tax on proposed dividend on equity shares		-		63.92
iii) Transfer to General Reserve		2,000.00		2,000.00
Balance as at the end of the year		3,508.41		850.54
Total		36,911.42		32,776.89

(a) The Board has recommended a dividend of 50% i.e Rs. 5/- per equity share for the year ended 31st March, 2017 and a special dividend - "25 years of Gloster's operations" of 25% i.e Rs. 2.5/- per equity share, making a total dividend of 75% i.e Rs. 7.5/- per equity share. The Payment is subject to approval of the shareholders at the ensuing Annual general meeting of the Company.

Notes to the Consolidated Financial Statements

5. Long-term borrowings

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Secured		
Term Loan from Banks [Refer Note (a) below]	-	192.50
Unsecure		
Term Loan from Banks [Refer Note (b) below]	166.67	388.00
	166.67	580.50
Less: Amount disclosed under the head "Other current liabilities" [Refer Note 10]	166.67	293.67
Total	-	286.83
Nature of security and terms of repayment for secured borrowings (including current maturities of Long term borrowings in Note 10)		
Nature of Security	Terms of repayment	
a) Term loan from banks amounting to Rs.nil lakhs (31.03.2016: Rs 192.50 lakhs) are secured by equitable mortgage of factory, land and building, hypothecation of all plant & machinery and all other movable fixed assets of the Company.	Repayable in 24 equal quarterly instalments beginning from August 2015 along with interest rate linked to Bank base rate + 1.40% spread.	
b) Unsecured Term Loan from Bank amounting to Rs 166.67 Lakhs (31.03.2016: Rs 388 Lakhs)	Repayable in 3 equal quarterly instalments beginning from December 2016 along with interest rate linked to Bank base rate + 0.25% spread.	

6. Deferred tax liabilities (net)

		As at	
		31st March, 2017	31st March, 2016
		Rs. lakhs	Rs. lakhs
Deferred tax liabilities			
Depreciation	(A)	483.50	458.70
Deferred tax assets			
Provision for leave encashment		128.26	95.29
Provision for doubtful advances		51.26	51.28
Provision for Impairment		11.82	96.64
Others		189.90	158.65
	(B)	381.26	401.86
Total [Refer note (a) below]	(A-B)	102.24	56.84

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

7. Long-term provisions

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Provision for Compensated absences of employees	400.18	303.23
Total	400.18	303.23

Notes to the Consolidated Financial Statements

8. Short-term borrowings

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Secured		
Loans from banks [refer note a]	3,333.67	6,234.08
Unsecured :		
Loans From Banks	-	2,500.00
Total	3,333.67	8,734.08

(a) For Parent Company:

Loan repayable on demand amounting to Rs. 3,333.67 lakhs (31.03.2016: Rs. 5,265.21 lakhs) are secured by hypothecation of stock of raw material, stock -in-process, finished goods, stores & consumables, book debts and other current assets of the Company.

Further, loans repayable on demand to bank amounting to Rs. 2,159.52 lakhs (31.03.2016: Rs. 3,414.16 lakhs) is also secured by Corporate Guarantee of Kettlewell Bullen & Company Limited.

(b) For Subsidiaries:

Loan Repayable on Demand amounting to Rs. nil Lakhs (31.03.2016: Rs. 968.87 Lakhs) are secured against Fixed Deposit

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

9. Trade payables

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Total outstanding dues of Micro Small & Medium Enterprises	0.33	1.21
Total outstanding dues of creditors other than Micro Small & Medium Enterprises	431.06	615.66
Total	431.39	616.87

10. Other current liabilities

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Current maturities of long-term debt (also refer note 5)	166.67	293.67
Advances received from customers	308.92	160.89
Interest accrued and due on borrowings	2.11	9.94
Interest accrued but not due on borrowings	-	6.51
Unpaid Dividends [refer note (a) below]	19.48	18.26
Statutory dues	231.83	184.86
Capital Creditors	11.89	55.42
Other payables [Refer note (b) below]	2,242.15	1,696.60
Total	2,983.05	2,426.15

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the end of the year.

(b) Other payables include Buyers Credit of Rs. 93.28 lakhs (31.03.2016: Rs.Nil) and Employee Cost liability of Rs. 854.33 lakhs (31.03.2016: Rs. 657.88 lakhs).

Notes to the Consolidated Financial Statements

11. Short-term provisions

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Provision for Employee Benefits (also refer note 26)		
Provision for Gratuity	442.61	916.35
Provision for compensated absences of employees	91.18	72.87
Other Provisions		
i) Proposed dividend on equity shares for the year [Refer Note 4 and Note 2.20] (2015-16 Rs. 3/- per share)	-	314.01
Provision for Dividend Distribution Tax	-	63.92
Provision for Taxation [Net of Advance Tax Rs.10,351.87 lakhs (2015-16 Rs. 8,061.52 Lakhs)]	401.12	253.01
Total	934.91	1,620.16

Notes to the Consolidated Financial Statements

12. Tangible assets	GROSS BLOCK				DEPRECIATION				Impairment				NET BLOCK After Impairment		
	Cost/Valuation as at 1st April, 2016 [Note (a)]	Additions during the year	Sale/Adjustment during the year [Note (b)]	Cost/Valuation as at 31st March, 2017	As at 1st April, 2016	For the Year	Sale/Adjustment during the year	As at 31st March, 2017	As at 1st April, 2016	Impairment Loss For the Year	Sale/Adjustment during the year	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
PARTICULARS	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs
Freehold Land	19,093.18	-	-	19,093.18	-	-	-	-	-	-	-	19,093.18	19,093.18	19,093.18	19,093.18
Buildings	4,118.62	397.92	65.32	4,451.22	923.80	117.73	25.46	1,016.07	57.94	-	21.29	3,413.86	3,136.88	3,413.86	3,136.88
Roads	198.64	-	-	198.64	156.82	12.53	-	169.35	-	-	-	29.29	-	29.29	41.82
Plant & Equipment	9,061.42	1,089.13	1,006.26	9,144.29	6,261.13	491.60	639.77	6,112.96	211.62	-	199.65	3,019.36	2,588.67	3,019.36	2,588.67
Furniture & Fixtures	396.33	6.04	-	402.37	153.47	39.46	-	192.93	-	-	-	209.44	242.86	209.44	242.86
Motor Vehicles	259.59	68.48	5.95	322.12	97.18	34.61	4.57	127.22	-	-	-	194.90	162.41	194.90	162.41
Launches	0.04	-	-	0.04	0.03	0.00	-	0.03	-	-	-	0.01	0.01	0.01	0.01
Office Equipment	157.53	5.62	1.22	161.93	108.93	28.66	1.02	136.57	0.71	-	0.13	24.78	47.89	24.78	47.89
Electrical Installations	581.01	-	17.75	563.26	301.82	38.55	8.23	332.14	8.95	-	8.64	230.81	270.24	230.81	270.24
Total	33,866.36	1,567.19	1,096.50	34,337.05	8,003.18	763.14	679.05	8,087.27	279.22	-	245.07	34.15	26,215.63	25,583.96	25,583.96
Previous Year	44,334.25	1,206.99	11,674.88	33,866.36	13,474.93	776.82	6,248.57	8,003.18	279.22	-	-	279.22	25,583.96	-	-

Note:

- a) The Company had revalued all of its Land, Buildings and Plant & Machinery at its factory at Bauria, Howrah at current replacement value as at 31st March, 2010 and 31st March, 2013 as per valuation report of an approved valuer. Revaluation Reserve balance of Rs.5,399.27 lakhs attributable to the depreciable tangible assets (Buildings and Plant & Machinery) has been reversed during previous financial year with corresponding reduction in the book value of such assets with effect from 1st April, 2015.

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

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

- b) Adjustment to Plant & Machinery includes Subsidy received Rs. 148.98 lacs (2015-16: Rs.16.93 lacs)

13. Intangible assets

Particulars	GROSS BLOCK				AMORTISATION				Net Block	
	Cost/Valuation as at 1st April, 2016	Additions during the year	Sale/Adjustment during the year	Cost/Valuation as at 31st March, 2017	As at 1st April, 2016	For the Year	Sale/Adjustment during the year	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs
Computer - Software	52.72	4.09	-	56.81	33.31	6.09	-	39.40	17.41	19.41
Total	52.72	4.09	-	56.81	33.31	6.09	-	39.40	17.41	19.41
Previous Year	40.79	11.93	-	52.72	30.10	3.21	-	33.31	19.41	-

Notes to the Consolidated Financial Statements

14. Non-current investments

	As at 31st March, 2017			As at 31st March, 2016	
	Face Value	No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Long Term Investments					
Trade Investments (valued at cost unless stated otherwise)					
Unquoted Equity Instruments -Fully paid-up					
Fine Worthy Software Solutions Private Limited [Net of provision for other than temporary diminution agregating to Rs 41.86 lakhs)(31.03.2016 : nil)]	10	91,411	171.83	91,411	213.68
Quoted Bonds-Fully paid-up					
National Highways Authority of India (Secured Redeemable Non Convertible Tax free Bonds)	1,000	42,072	420.72	42,072	420.72
Debentures (Unquoted)-Fully paid-up					
Sheth Buildwell Pvt. Ltd. (Non Convertible Debentures)	100,000	-	-	96	67.07
Mutual Fund (Quoted)- Fully paid-up					
Reliance Fixed Horizon Fund XXVIII Series 14 - Growth	10	25,00,000	250.00	25,00,000	250.00
Kotak Mahindra FMP Series -172 Mutual Fund	10	5,00,000	50.00	5,00,000	50.00
ICICI Prudential FMP Series 78	10	10,00,000	100.00	10,00,000	100.00
Reliance Fixed Horizon Fund XXX Series 14 - Growth	10	10,00,000	100.00	10,00,000	100.00
Reliance Fixed Horizon Fund XXXI Series 15 - Growth	10	10,00,000	100.00	-	-
UTI Fixed Term Income Fund Series XXII - VI - Growth	10	12,50,000	125.00	12,50,000	125.00
HDFC FMP Growth Series 37	10	10,00,000	100.00	-	-
Others (Unquoted)-Fully paid -up					
IIFL Income Opportunities Fund	0.7693	29,44,328.38	24.85	29,44,328.38	28.45
IIFL Asset Revival Fund Series 2	10	2,000,000	200.00	-	-
Peninsula Brookfield India Real Estate Fund	100,000	124.64	126.64	166.70	168.70
IIFL National Development Agenda Fund	8.471	19,68,813.88	170.00	19,68,813.88	200.00
IIFL Real Estate Fund (Domestic) - Series 2 Class B units	10	18,66,885.30	200.00	18,66,885.30	200.00
Indiareit Apartment Fund	100,000	66.62	67.48	49.15	50.00
Orios Venture Partners Fund	100	1,65,000	165.00	1,25,000	125.00
IIFL Best of Class Fund - I :-					
Class B1	10	5,00,000	50.00	5,00,000	50.00
Class B2	10	5,00,000	50.00	5,00,000	50.00
IIFL Real Estate Fund (Domestic) - Series 3 Class B	10	20,00,000	200.00	20,00,000	200.00
IIFL Special Opportunities Fund Class A1	10	500,000	50.00	-	-
IIFL Re Organize India Equity Fund Class A1	10	500,000	50.00	-	-
IIFL Focussed Equity Strategies Fund :-					
Class A1	10	2,49,862.58	25.00	-	-
Class B1	10	2,50,365.53	25.00	-	-
IIFL Real Estate Fund (Domestic Series 4)	10	1,993,858.92	200.00	-	-
Malabar Value Fund	100	40,354.75	40.00	-	-
Carried Forward ...			3,061.52		2,398.62

Notes to the Consolidated Financial Statements

14. Non-current investments (Contd)

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Long Term Investments Contd ...					
Brought Forward			3,061.52		2,398.62
Others (Unquoted)-- Fully paid-up					
Sundaram Alternative Opportunities Fund- Nano Cap Series I	100,000	14.97	15.00	-	-
DSP Blackrock AIF Pharma Fund Class B	100	1,02,753.75	100.00	-	-
Tata Motors Finance Limited Compulsorily Convertible Preference Shares	100	1,00,000	100.00	1,00,000	100.00
Quoted Equity Instruments- Fully paid-up (Investment through PMS)					
Aegis Logistic Ltd	2	9,091	15.40	-	-
Alkem Laboratories Ltd	2	619	10.57	186	2.56
Asian Paints Ltd.	1	438	5.15	744	6.38
Ajanta Pharma Ltd	2	232	4.60	-	-
Amara Raja Batteries Ltd	1	531	5.47	-	-
Astral Poly Technik Ltd	1	850	3.36	-	-
Bajaj Finance Ltd.	10	1943	17.25	204	10.67
Bajaj Finserv Ltd	2	178	5.78	-	-
Bharat Forge Ltd.	2	787	7.19	903	8.31
Bharat Petroleum Corpn. Ltd	10	-	-	759	6.46
Birla Corporation Ltd.	10	1,700	11.70	-	-
Britannia Industries Ltd	2	165	5.64	-	-
Bosch Ltd.	10	67	14.24	78	16.57
Canfin Homes Ltd.	10	296	4.87	-	-
City Union Bank Ltd.	1	6,484	7.42	3,609	3.15
Cholamandalam Investment And Finance Company Ltd	10	421	4.18	-	-
Colgate-Palmolive (India) Limited	1	555	5.37	232	2.26
Container Corporation of India Ltd.	10	285	3.67	159	2.10
Cummins India Ltd.	2	881	8.73	493	5.29
Development Credit Bank Ltd	10	9,268	11.60	-	-
Dhanuka Agritech Ltd	2	510	3.60	-	-
Dishman Pharmaceuticals & Chemicals Ltd	2	1,225	3.64	-	-
Dr Lal Pathlabs Ltd	10	454	5.13	-	-
Eicher Motors Ltd.	10	86	16.74	115	20.49
Emami Limited	1	823	8.74	339	3.61
Engineers India Ltd	5	1,734	2.18	467	0.94
Gabriel India Limited	1	5,521	6.63	-	-
GlaxoSmithkline Consumer Healthcare Ltd.	10	96	5.58	53	3.20
Godrej Industries Ltd	1	1,013	4.97	-	-
Havells India Ltd	1	1,077	4.44	-	-
HDFC Bank Ltd.	2	-	-	708	7.73
Hero Motocorp Limited	2	-	-	165	4.25
Hindustan Petroleum Corporation Ltd.	10	7,334	27.21	1,381	10.52
Carried Forward ...			3,517.57		2,613.11

Notes to the Consolidated Financial Statements

14. Non-current investments (Contd)

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Long Term Investments Contd ...					
Brought Forward			3,517.57		2,613.11
Quoted Equity Instruments- Fully paid-up					
Housing Development Finance Corporation Ltd.	2	-	-	398	5.07
Interglobe Aviation Ltd	10	-	-	574	5.04
Ipca Laboratories Ltd.	2	913	6.21	508	3.97
Indusind Bank Ltd	10	422	5.13	-	-
Itl Cementation India Ltd	1	2,468	3.46	-	-
Jammu Kashmir Bank Ltd	1	4,461	3.39	2,295	2.01
Kotak Mahindra Bank Limited	5	2,621	18.88	1,664	11.27
Kajaria Ceramics Ltd	1	990	6.60	-	-
Larsen & Toubro Ltd.	2			337	5.27
L & T Technology Services Ltd	2	792	6.85	-	-
Lakshmi Vilas Bank Limited	10	3,280	5.05	-	-
Lupin Ltd	2	350	5.27	-	-
Mahanagar Gas Ltd	10	671	4.09	-	-
Max Financial Services Ltd	2	2,457	10.39	1,107	5.89
M R F Ltd	10	9	4.74	-	-
Motherson Sumi Systems Ltd	1	1,558	5.06	-	-
Page Industries Ltd.	10	146	21.32	63	8.99
Phoenix Lamps Limited	10	2,133	3.52	-	-
P I Industries Ltd	1	679	5.59	-	-
Pidilite Industries Ltd	1	554	3.87	-	-
Quess Corp Ltd	10	1,038	5.64	-	-
Speciality Restaurants Ltd	10	-	-	373	0.54
Shree Cements Ltd	10	25	4.30	-	-
State Bank of India	1	-	-	2,505	6.14
Sun Pharmaceuticals Ltd.	1	-	-	1,250	11.23
Tata Consultancy Services Ltd.	1	-	-	251	6.54
TTK Prestige Ltd	10	120	5.89	-	-
United Spirit Ltd	10	-	-	158	4.94
Voltas Ltd.	1	4,395	14.99	2,155	6.40
Welspun India Ltd	10	3,141	2.81	-	-
Total			3,670.62		2,696.41
Aggregate amount of Quoted Investments			1,639.82		1,243.51
Aggregate Market Value of Quoted Investments			1,856.49		1,322.39
Aggregate amount of Unquoted Investments			2,030.80		1,452.90
Aggregate Provision for diminution in value of Investments			41.86		-

Notes to the Consolidated Financial Statements

15. Long-term loans and advances

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good (unless otherwise stated)		
Capital Advance	126.08	170.17
Security Deposits	448.77	426.55
Total	574.85	596.72

16. Current Investments

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Trade Investments (valued at cost unless stated otherwise)					
Quoted Equity Instruments- Fully paid-up (Direct Investment)					
Infosys Limited	5	7,400	75.54	7,400	80.06
[Net of provision for other than temporary diminution agregating to Rs 4.52 lakhs)(31.03.2016 : nil)]					
J K Paper Limited	10	1,50,000	102.16	-	-
J K Tyre & Industries Limited	2	1,00,000	128.52	-	-
Larsen & Toubro Ltd.	2	1,000	15.00	-	-
Magma Fincorp Limited	2	98,100	103.85	-	-
[Net of provision for other than temporary diminution agregating to Rs 11.81 lakhs)(31.03.2016 : nil)]					
National Aluminium Company Ltd	5	70,000	40.92	-	-
NBCC (India) Ltd	2	15,000	22.76	-	-
Shree Cements Ltd	10	600	102.12	-	-
[Net of provision for other than temporary diminution agregating to Rs 0.82 lakhs)(31.03.2016 : nil)]					
State Bank of India	1	20,000	50.87	-	-
Tata Global Beverages Ltd.	1	50,000	69.71	-	-
At cost or fair value, whichever is less					
Quoted					
Debentures - Fully paid-up					
Edelweiss Finance & Investments Limited	100,000	-	-	99	93.37
(Debt Market Linked Non Convertible Debentures)					
(31.03.2016-Net of provision for other than temporary diminution agregating to Rs 5.63 lakhs)					
India Infoline Finance Limited	1,000,000	-	-	10	84.20
(Principal Protected Secured Redeemable Non Convertible Market Linked Debentures)					
(31.03.2016-Net of provision for other than temporary diminution agregating to Rs 15.80 lakhs)					
Aspire Home Finance Corporation Ltd	100,000	20	200.00	-	-
(Secured Redeemable Listed Principal Protected Non Convertible Market Linked Debentures)					
ECL Finance Limited	100,000	100	100.00	-	-
(Secured Redeemable Non Convertible Debentures)					
Debentures (Unquoted)-Fully paid-up					
Sheth Buildwell Pvt. Ltd.	100,000	-	-	96	33.54
(Non Convertible Debentures)					

Notes to the Consolidated Financial Statements

16. Current Investments (contd.)

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Investment in Mutual fund -Fully paid-up					
Unquoted					
ICICI Prudential Gilt Fund Investment Plan- PF Option-Regular Plan	10	11,53,119.58	250.00	11,53,119.58	250.00
ICICI Prudential Liquid Plan - Growth	100	1,45,781.82	350.00	4,48,284.14	1,002.51
Birla Sunlife Cash Plus Growth Regular Plan	10	1,34,387.80	350.00	-	-
HDFC Cash Management Fund Savings Plan Regular Plan Growth	1000	11,840.33	400.00	-	-
Forefront Alternative Equity Scheme	10	7,04,112.94	100.00	7,04,112.94	100.00
Total			2,461.45		1,643.68
Aggregate amount of quoted investments			1,011.45		257.63
Aggregate Market Value of quoted investments			1,083.46		267.70
Aggregate amount of unquoted investments			1,450.00		1,386.05
Aggregate Provision for diminution in value of Investments			17.15		21.43

17. Inventories

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Raw materials	3,919.01	4,609.47
Stock-in-process	698.79	1,610.70
Semi Finished Goods	269.30	292.72
Finished Goods (includes in transit Rs.474.45 lakhs, {31.03. 2016:Rs. 171.17 lakhs})	2,295.03	2,521.63
Stores and Spares	852.15	913.57
Total	8,034.28	9,948.09

18. Trade receivables

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	106.20	72.08
Others	1,853.11	2,480.44
Total	1,959.31	2,552.52

19. Cash and Bank balances

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Cash and cash equivalents		
Cash on hand	4.01	14.78
Balances with Banks :		
In current accounts	206.11	337.11
In Fixed Deposit	45.25	1,482.75
	255.37	1,834.64
Other Bank Balances		
Unpaid dividend account	19.48	18.26
Margin money deposits	0.21	41.19
Total	275.06	1,894.09

Notes to the Consolidated Financial Statements

20. Short-term loans and advances

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good (unless otherwise stated)		
Security Deposits	96.39	96.39
Prepaid Expenses	62.02	108.57
Balances with Government Authorities	6.95	5.62
Advances for goods and services - Considered Good	119.24	76.77
Employee Advances	241.61	245.00
Loans to Bodies Corporate	1,900.00	1,200.00
Other Advances		
Considered Good	261.20	215.48
Doubtful	148.17	148.17
Less : Provision for Doubtful Advance	(148.17)	(148.17)
Total	2,687.41	1,947.83

21. Other current assets

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good :		
Interest accrued on Bonds	17.20	17.20
Interest accrued on Fixed Deposits	0.96	6.95
Interest accrued on Loans to Bodies Corporate	19.45	-
Interest accrued on Debentures	2.39	4.52
Total	40.00	28.67

22. Revenue from operations

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Sale of products		
Finished goods	49,519.86	42,517.75
Traded goods	-	10.73
	49,519.86	42,528.48
Other operating revenues		
Export incentive	1,222.93	497.82
Revenue from operations (gross)	50,742.79	43,026.30
Less : Excise duty and R&D Cess	369.85	315.60
Total	50,372.94	42,710.70

Notes to the Consolidated Financial Statements

23. Other Income

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Interest Income on		
Bank deposits	37.80	101.65
Other deposits	163.92	109.97
Long - term investments	61.33	62.24
Debentures	23.02	15.52
Others	99.79	65.88
Dividend Income on current investments	2.12	13.23
Dividend on long term investment	8.26	1.13
Rent	2.79	2.93
Net Profit on sale of fixed asset	30.66	2.45
Profit on sale of current investments	4.09	34.78
Profit on sale of Long term investment	14.26	99.92
Liabilities no longer required written back	0.09	5.79
Net Gain on foreign currency transaction and translation	318.66	18.06
Miscellaneous Income [Refer note (a) below]	436.46	27.96
Provision for Diminution in Investment Written Back	21.43	11.73
Provision for Impairment Written Back	245.07	
Keyman Insurance Realised	57.12	769.22
Total	1,526.87	1,342.46

(a) Miscellaneous Income includes Insurance claim realized amounting to Rs 399.06 Lakhs. (31.03.2016.Rs.nil)

24. Cost of materials consumed

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Inventory at the beginning of the year	4,609.47	3,289.49
Add : Purchases (net) [Refer note (a) below]	24,569.29	26,350.44
	29,178.76	29,639.93
Less : Inventory at the end of the year	3,919.01	4,609.47
Total	25,259.75	25,030.46

(a) Purchases is net of discount received on prompt payment of supplier's bills amounting to Rs.352.62 lakhs (2015-16 : Rs. 425.98 lakhs)

25. Changes in inventories of finished goods, stock-in-process and semi -finished goods

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Inventories at the end 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 (A)	3,263.12	4,425.05
Inventories at the beginning of the year		
Stock-in-Process	1,610.70	747.88
Semi- Finished Goods	292.72	378.00
Finished Goods	2,521.63	1,503.95
Total (B)	4,425.05	2,629.83
(Increase)/decrease in inventories (B-A)	1,161.93	(1,795.22)

Notes to the Consolidated Financial Statements

26. Employees benefits expense

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Salaries, Wages & Bonus	6,995.33	6,358.31
Contribution to Provident and Other Funds [Refer notes (a) and (b) below]	1,353.93	1,767.09
Workmen and Staff Welfare expenses	72.56	68.99
Total	8,421.82	8,194.39

(a) Defined Contribution Plans

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

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Employer's Contribution to Provident Fund	140.97	125.90
Employer's Contribution to Pension Fund	395.96	377.71
Employer's Contribution to Superannuation Fund	84.86	72.54

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

(b) Defined Benefit Plans

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

Sl. No.	Description	Gratuity (Funded)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
		Rs lakhs	Rs lakhs
(a)	Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation		
	Present Value of Obligation at the beginning of the year	5,176.17	4,358.59
	Current Service Cost	329.54	266.18
	Interest Cost	403.71	333.00
	Acquisition Cost	43.19	-
	Actuarial (Gains)/Losses	448.35	397.01
	Benefits Paid	(131.91)	(178.61)
	Present Value of Obligation at the end of the year	6,269.05	5,176.17
(b)	Reconciliation of the Opening and Closing balances of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	4,259.82	4,261.71
	Expected Return on Plan Assets	372.16	337.67
	Acquisition Adjustment	43.19	-
	Actuarial Gains/(Losses)	366.83	(257.83)
	Contributions	916.35	96.88
	Benefits paid	(131.91)	(178.61)
	Fair Value of Plan Assets at the end of the year	5,826.44	4,259.82

Notes to the Consolidated Financial Statements

Sl. No.	Description	Gratuity (Funded)	
		Year ended 31st March, 2017 Rs lakhs	Year ended 31st March, 2016 Rs lakhs
(c)	Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets		
	Present Value of Obligation at the end of the year	6,269.05	5,176.17
	Fair Value of Plan Assets at the end of the year	5,826.44	4,259.82
	Assets/(Liabilities) recognized in the Balance Sheet	(442.61)	(916.35)
(d)	Expense recognised in the Profit and Loss Account		
	Current Service Cost	329.54	266.18
	Interest Cost	403.71	333.00
	Acquisition Cost	43.19	-
	Expected Return on Plan Assets	(372.16)	(337.67)
	Acquisition Adjustment	(43.19)	-
	Actuarial (Gains)/Losses	81.52	654.84
	Total Expense recognized	442.61	916.35
(e)	Category of Plan Assets : [Refer note (b) below]		
	Fund with Birla Sun Life Insurance Company Limited	5,217.11	4,135.36
	Fund with HDFC Life	609.33	124.46
	Total	5,826.44	4,259.82
(f)	Actuarial Assumptions		
	Discount Rate (Per annum)	6.75%	7.90%
	Expected Rate of Return on Assets (Per annum)	8.00%	8.00%
	Salary Escalation	9.00%	9.00%
	Mortality Rate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate

- a) The estimates of future salary increases, considered in actuarial valuations, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investment of funds during the estimated term of the obligation.
- b) The Company made annual contributions to the insurer of an amount as determined by actuarial valuation. Company was not informed of the investments made by the insurer.
- c) The table below illustrates experience adjustment disclosure as per para 120 (n) (ii) of Accounting Standard 15 – Employee Benefits.

	2016-17	2015-16	2014-15	2013-14	2012-13
	Rs.lakhs	Rs.lakhs	Rs.lakhs	Rs.lakhs	Rs.lakhs
Defined benefit obligation	(6,269.05)	(5,176.17)	(4,358.59)	(3,684.68)	(3,254.32)
Plan assets	5,826.44	4,259.82	4,261.71	3,340.49	2,760.15
Surplus / (deficit)	(442.61)	(916.35)	(96.88)	(344.19)	(494.17)
Experience adjustments on plan liabilities	275.05	61.56	203.74	(90.60)	(168.25)
Experience adjustments on plan assets	366.83	(257.83)	459.11	2.89	64.22

Notes to the Consolidated Financial Statements

27. Finance costs

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Interest expenses	332.35	440.77
Other borrowing costs	25.59	38.20
Total	357.94	478.97

28. Depreciation and amortization expense

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Depreciation on Tangible assets	763.14	776.82
Amortization of Intangible assets	6.09	3.21
Total	769.23	780.03

29. Other expenses

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Consumption of stores and spare parts (net)	2,969.50	2308.35
Power and fuel	2,031.51	1919.64
Rent	85.04	79.18
Repairs to building	62.27	50.14
Repairs to machinery	0.87	0.83
Repairs - others	29.03	38.90
Insurance	665.03	600.39
Rates and Taxes	33.82	28.23
Processing Charges	577.05	585.70
Freight and Delivery Charges	328.36	257.93
Research & Development Cess and Excise Duty [Refer note (a) below]	118.34	114.79
Export Dock and Toll Charges	137.93	104.88
Brokerage and Commission	260.59	163.33
Bad Debts Written Off	-	4.38
CSR Expenses [Refer note (b) below]	246.18	18.70
Miscellaneous Expenses	1,080.62	830.82
Diminution in value of Investment	59.01	21.43
Fixed Asset Written Off	67.41	-
Raw Jute Damaged In Fire	-	428.39
Loss on sale of Long term investment	4.71	-
Total	8,757.27	7556.01

(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 Rs.3.73 lakhs (31.03.2016: Rs. 11.54 lakhs)

(b) Corporate Social Responsibility (CSR)

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

Notes to the Consolidated Financial Statements

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

Gross Amount required to be spent by the Company during the year : Rs.60.32 lakhs (2015-16 Rs.55.27 Lakhs)

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

Amount spent during the year under various heads	In Cash	Yet to be paid in cash	Total
	Rs. lakhs	Rs. lakhs	Rs. lakhs
(i) Construction / acquisition of any asset	Nil	Nil	Nil
(ii) On purposes other than (i) above	246.18	Nil	246.18

30. Earnings per equity share (EPS)

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

Particulars	Year Ended	
	31st March, 2017	31st March, 2016
a. Net Profit after tax (Rs. in lakhs)	4,657.87	2,551.42
b. (i) Number of Equity Shares at the beginning of the year	5,233,440	5,233,440
(ii) Number of Equity Shares at the end of the year	10,466,880	52,33,440
(iii) Weighted average number of Equity Shares outstanding during the year	10,466,880	5,233,440
(iv) Face Value of Equity Share (Rs.)	10	10
c. Basic Earning / (Loss) per share [a/b (iii)] (Rs.)	44.50	24.38
(II) Diluted		
a. Dilutive Potential Equity Shares	0.00	0.00
b. Weighted average number of Equity Shares for computing diluted earnings per shares [(I)b(iii)+(II)a] *	10,466,880	10,466,880
c. Diluted Earning / (Loss) per Share [(I)(a) / (II)(b)] (Rs.) *	44.50	24.38

Consequent to approval of the shareholders through Postal Ballot on 11th May,2016, the Company has allotted Bonus Shares in the ratio of 1:1 i.e. one new equity share for every one existing equity share to the eligible shareholders of the Company.

*The weighted average number of Equity Shares for computing diluted earnings and earnings per share for all periods presented are based on current capital after issue of Bonus Shares.

31. Contingent liabilities

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
a) Claims against the Company not acknowledged as debts :		
Sales tax matter	325.73	379.97
ESI matter	45.57	45.57
b) Export bills discounted with bank	107.98	263.86

32. Commitments

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Estimated amounts of contracts remaining to be executed on capital account and not provided for tangible assets	220.81	507.06
Other Commitment - towards investments	835.00	137.00

Notes to the Consolidated Financial Statements

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

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

Particulars	Within India		Outside India		Total	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
Segment revenue by location of customers	37,066.28	31,580.00	12,083.73	10,632.88	49,150.01	42,212.88
Carrying amount of segment assets	1,282.82	2,044.08	676.49	508.44	1,959.31	2,552.52
Additions to tangible and intangible assets	1,345.80	1,507.37	-	-	1,345.80	1,507.37

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

Names of Related Parties and nature of relationship

- a) Key Management Personnel
Shri G D Bangur (upto 7th June,2015)
Shri Hemant Bangur
Shri D C Baheti
- b) Enterprise over which Key Management Personnel have significant influence-
Joonktollee Tea & Industries Limited
Kettlewell Bullen & Company Limited

Transactions with related parties are as follows:				
	Particulars	Year	Key Management Personnel	Enterprise over which Key Management Personnel & relatives of Key Management Personnel have significant Influence
			Rs lakhs	Rs lakhs
A	Transactions during the year			
1	Remuneration Paid	2016-17 2015-16	614.15 347.73	- -
2	Dividend Paid	2016-17 2015-16	8.39 8.39	53.63 53.63
3	Rent Paid	2016-17 2015-16	- -	41.36 40.94
4	Sales	2016-17 2015-16	- -	109.44 94.68
5	Dividend Received	2016-17 2015-16	- -	- 0.23
B	Outstanding balance at year end			
1	Commission Payable	2016-17 2015-16	375.00 200.00	- -
2	Deposits	2016-17 2015-16	- -	400.00 400.00

Notes to the Consolidated Financial Statements

35. Derivative instruments and unhedged foreign currency exposure.

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

Nature of Exposure	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Forward Contracts to sell (in USD)	6.98	4.42
Forward Contracts to sell (in GBP)	1.03	0.26
Forward Contracts to sell (in EUR)	2.03	0.51
Forward Contracts to sell (in JPY)	-	36.28
Forward Contracts to buy (in USD)	1.73	4.83

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

Nature of Exposure	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Import Trade payables (USD)	0.24	-

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

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

Nature of Exposure	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Provision for Resultant Mark to Market Loss	-	22.57

36. The Company's Board of Directors at its meeting held on March 29, 2016 had approved the Scheme of Arrangement between "the Company" and Kettlewell Bullen & Company Limited in terms of the provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 & Companies Act, 2013, to the extent applicable. Upon the coming into effect of the Scheme and with effect from the Appointed Date i.e. 1st January, 2015, the Undertaking of Gloster Limited will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in Kettlewell Bullen & Company Limited, as a going concern, in accordance with Section 2(1B) of the Income Tax Act. The Company has since received No Objection Certificate from BSE Ltd. & Calcutta Stock Exchange Ltd. with regard to the Scheme and application has been filed before the National Company Law Tribunal for approval.

37. Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	55.30	14.53	69.83
(+) Permitted receipts	-	24.16	24.16
(-) Permitted payments	-	34.53	34.53
(-) Amount deposited in Banks	55.30	-	55.30
Closing cash in hand as on 30 December 2016	-	4.16	4.16

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.

Notes to the Consolidated Financial Statements

38. Previous year's figure have been arranged and/ or regrouped wherever necessary to make them comparable with that of current year.
39. 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			
	31st March, 2017		31st March, 2016		31st March, 2017		31st March, 2016	
Name of the Entity [Refer Note (a) below]	Net Assets Rs. lakhs	As a % of Consoli- dated Net Assets	Net Assets Rs. lakhs	As a % of Consoli- dated Net Assets	Net Profit Rs. lakhs	As a % of Consolidat- ed Profit / (Loss)	Net Profit Rs. lakhs	As a % of Consoli- dated Profit /(Loss)
Parent Gloster Limited	36,741.16	96.79%	32,158.96	96.57%	4,582.18	98.38%	2,464.02	96.58%
Subsidiaries Gloster Lifestyle Limited	604.44	1.59%	562.19	1.69%	42.24	0.90%	42.95	1.68%
Gloster Specialities Limited	612.51	1.62%	579.08	1.74%	33.43	0.72%	44.45	1.74%
	37,958.11	100.00%	33,300.23	100%	4,657.85	100.00%	2,551.42	100.00%

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

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Hemant Bangur Executive Chairman
D.C. Baheti Managing Director
Nandita Sen Director
S.N. Bhattacharya Director
K. Mahapatra Director
Prabir ray Director

Sunit Kumar Basu

Partner
Membership No. 55000

Place : Kolkata
Date: 12th May, 2017

Shankar Lal Kedia Chief Financial Officer
Ajay Kumar Agarwal Company Secretary

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

Rs. in lakhs

Sl. No.		1	2
1.	Name of the subsidiary	Gloster Lifestyle Limited	Gloster Specialities Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Uniform reporting period	Uniform reporting period
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable
4.	Share Capital	400.00	400.00
5.	Reserves and Surplus	204.43	212.50
6.	Total Assets	626.73	630.40
7.	Total Liabilities	626.73	630.40
8.	Investments	241.63	454.63
9.	Turnover	-	-
10.	Profit before Taxation	55.28	41.99
11.	Provision for Taxation	13.04	8.56
12.	Profit after Taxation	42.24	33.43
13.	Proposed Dividend	Nil	Nil
14.	% of shareholding	100%	100%

- Names of subsidiaries which are yet to commence operations : Nil
- Names of subsidiaries which have been liquidated or sold during the year : Nil

Part "B" : Associates and Joint Ventures : Not Applicable

Place : Kolkata
Date : 12th May, 2017

Shankar Lal Kedia **Ajay Kumar Agarwal**
Chief Financial Officer Company Secretary

Hemant Bangur Executive Chairman
D.C. Baheti Managing Director
Nandita Sen Director
S.N.Bhattacharya Director
K.Mahapatra Director
Prabir Ray Director

Independent Auditor's Report

To the Members of Kettlewell Bullen & Company Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting

and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements subject to Note No.23 Regarding non-provision for diminution in value of investments amounting to Rs. 126.22 Lacs with its consequent effect on Statement of profit and the Balance Sheet and read together with other notes and Significant Accounting Policies and Practices 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 31 March 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit And Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls refer to our separate report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's 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 Company has no pending litigations. Thus rule 11(a) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- ii. The Company has not made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts- subject to note no. 23 to the Financial Statements.
- iii. There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 31.

For **S. S. Kothari & Co.**
Chartered Accountants
Firm's Regn. No.: 302034E

Tapan Kanti Sengupta
Partner
Membership no. 50938

Kolkata

Dated : The 12th day of May, 2017

“Annexure A” to the Independent Auditors’ Report

The Annexure referred to in paragraph 1 under the heading “Report on Other Legal & Regulatory Requirements” of our Independent Auditors’ Report to the members of the Company on the Financial Statements for the year ended 31 March 2017.

As required by the companies (Auditor’s Report) order 2016 (“the order”) issued by the central government of India in terms of sub-section (11) of section 143 of the act, and on the basis of such checks as we considered appropriate and the information and explanations given to us we further report that:-

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) As per the information and explanation given to us the title deeds of immovable properties are held in the name of the company.
- (ii) The Company is an Investment company, primarily engaged in investing in shares and securities of other companies. Accordingly it does not hold physical inventories. Thus, paragraph 3(ii) of the order is not applicable.
- (iii)(a) The Company has granted unsecured loan to Body Corporates covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’).
- (b) In the case of the loans granted to the body corporates listed in the register maintained under section 189 of the Act according to the information and explanations given to us the rate of interest and the other terms and condition of such loans are not prima-facie prejudicial to the interest of the company, and the such loan is repayable on demand and as such there is no overdue balance of principal amount and interest are being fully received.
- (c) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The Company has not accepted any deposits from the public within the meaning of the section 73 to 76 or any other relevant provisions of the co. Act 2013 and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees’ state insurance and duty of excise.

According to the information and explanations given to us, the company has no disputed amounts payable in respect of provident fund, income tax, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, service tax and have not been deposited by the Company on account of disputes. considering the non-provision of diminution in value of investments as indicated in our audit report.
- (viii) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year thus rule 3(viii) of the order is not applicable.
- (ix) As per our opinion and according to the explanation and information given to us the company has not raised any money by way of public offer either in the form of equity or debt instruments so the clause (ix) of para 3 of the order does not applies to the company.
- (x) As per our opinion and according to explanations and information given to us no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) As per our opinion and according to explanations and information given to us the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of the section 197 read with Schedule V to the Companies Act.
- (xii) The company is not a Nidhi Company so the clause (xii) of para 3 of the order is not applicable.
- (xiii) As per our opinion and according to explanations and information given to us the transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) As per our opinion and according to explanations and information given to us the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review so clause (xiv) of para 3 of the order is not applicable to the company.
- (xv) As per our opinion and according to explanations and information given to us the company has not entered into any non-cash transactions with directors or persons connected with him so the clause (xv) of para 3 of the order is not applicable.
- (xvi) The company is an investment company registered as an Non- Banking Financial company under section 45-IA of the Reserve Bank of India Act, 1934 carrying RBI Certification No.: 05.01847 Dt. 30.04.1998

For **S. S. Kothari & Co.**
Chartered Accountants
Firm's Regn. No.: 302034E

Tapan Kanti Sengupta
Partner
Membership no. 50938

Kolkata

Dated : The 12th day of May, 2017

“Annexure B” to the Independent Auditors’ Report

The Annexure referred to in paragraph 2(f) under the heading “Report on Other Legal & Regulatory Requirements” of our Independent Auditors’ Report to the members of the Company on the standalone Financial Statements for the year ended 31 March 2017.

Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of The Companies Act 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of “Kettlewell Bullen & Company Limited” (the Company”) as of March 31st 2017 in conjunction with our audit of the financial statements of the company for the year ended as on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit in accordance with the Guidance Note on Audit of internal financial controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are 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 Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and as per the information and explanation given to us, the company has, in all material respects, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.S. Kothari & Co**

Chartered Accountants

Firm's registration number: 302034E

Tapan Kanti Sengupta

Partner

Membership number: 50938

Place: Kolkata

Date: The 12th day of May, 2017

KETTLEWELL BULLEN AND COMPANY LTD

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note	As at	As at
		31st March, 2017	31st March, 2016
		₹	₹
I EQUITY AND LIABILITIES			
1 Shareholder's Fund			
Share Capital	2	20,000,000	20,000,000
Reserves and Surplus	3	133,747,014	121,677,922
2 Non-Current Liabilities			
Long Term Provisions	4	1,286,853	1,087,619
3 Current Liabilities			
Other Current Liabilities	5	47,906,520	47,872,542
Short Term Provisions	6	2,450,000	4,032,000
TOTAL		205,390,387	194,670,083
II ASSETS			
1 Non Current Assets			
Fixed Assets	7	2,326,089	1,659,153
Non Current Investments	8	111,507,054	129,772,654
Deferred Tax Assets		444,719	404,390
Long Term Loans & Advances	9	74,334,913	42,219,463
2 Current Assets			
Cash and Cash Equivalents	10	491,850	3,068,296
Short-term Loan and Advances	11	16,285,761	17,546,127
TOTAL		205,390,387	194,670,083

The notes form an integral part of these financial statements

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

For **S.S.Kothari & Co**
Chartered Accountants
Firm Registration No. 302034E

(Tapan Kanti Sengupta)
Partner
Membership No. 50938

Kolkata
Dated : 12/05/2017

For and on behalf of the Board of Directors

Abhay Gandhi
Chief Executive Officer

Ramakant Kankani
Chief Financial Officer

Pushpa Devi Bangur
(DIN No. 00695640)
Vinita Bangur
(DIN No.01140985)
Lakshmi Narayan Bihani
(DIN No. 00194509)
Om Prakash Modani
(DIN No. 00615363)
Directors

KETTLEWELL BULLEN AND COMPANY LTD
Statement of Profit & Loss for the year ended 31st March, 2017

Particulars		Note	2016-17	2015-16
			₹	₹
I	Revenue from Operation	12	15,183,534	16,249,105
II	Other Income	13	5,532,000	10,987,236
III	Total Revenue		20,715,534	27,236,341
IV	Expenses :			
	Employees Benefit Expenses	14	4,405,709	3,948,439
	Depreciation	15	438,649	476,572
	Other Expenses	16	1,602,199	1,521,676
	Finance Cost	17	-	9,667
	Contingent Provision against Standard Assets		80,214	(4,468)
V	Total Expenses		6,526,771	5,951,886
VI	Profit before Tax		14,188,763	21,284,455
VII	Tax Expenses :			
	Current Tax		2,160,000	3,742,000
	Deferred Tax		(40,329)	(84,912)
VIII	Profit for the year		12,069,092	17,627,367
XI	Earning per Equity Shares			
	Basic & Diluted		6.03	36.57

The notes form an integral part of these financial statements

This is the Statement of Profit & Loss referred to in our report of even date

For **S.S.Kothari & Co**
Chartered Accountants
Firm Registration No. 302034E

(Tapan Kanti Sengupta)
Partner
Membership No. 50938

Kolkata
Dated : 12/05/2017

Abhay Gandhi
Chief Executive Officer

Ramakant Kankani
Chief Financial Officer

For and on behalf of the Board of Directors

Pushpa Devi Bangur
(DIN No. 00695640)
Vinita Bangur
(DIN No.01140985)
Lakshmi Narayan Bihani
(DIN No. 00194509)
Om Prakash Modani
(DIN No. 00615363)
Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note	2016-17	2015-16
		₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax and Extraordinary items		14,188,763	21,284,455
Adjustment for depreciation		438,649	476,592
Assets Written off		-	-
Income tax Adjustment Account		175,183	146,110
Interest Received on Loan		(5,660,960)	(6,346,671)
Interest Paid		-	9,667
Profit/Loss on Sale of Investments		(3,575,543)	(2,892,273)
Interest Received on others		-	(65,442)
Contingent provision agst. Standard Assets		80,214	(4,468)
Dividend Received		(5,947,031)	(7,010,161)
Operating Profit before working capital changes		(300,725)	5,597,809
Adjustment for :			
Loans & Advances		(32,251,340)	1,859,849
Trade Payables		233,212	84,830
Cash generated from Operations		(32,318,853)	7,542,488
Direct Taxes received/paid		(2,601,141)	(3,663,951)
Net Cash from Operating Activities	(A)	(34,919,994)	3,878,538
B. CASH FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(1,105,585)	-
Sale of Fixed Assets		-	-
Purchase of Investments		(21,000,000)	(51,515,176)
Sale of Investments		42,841,142	36,332,410
Dividend Received		5,947,031	7,010,161
Interest Received on Loan		5,660,960	6,346,671
Interest Paid		-	(9,667)
Net Cash used in Investing Activities	(B)	32,343,548	(1,825,934)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of Share Capital		-	-
Proceeds from Borrowings		-	-
Dividends Paid including tax		-	-
Net Cash used in Financing Activities	(C)	-	-
Net increase in Cash and Cash Equivalent	(A+B+C)	(2,576,446)	2,052,604
Cash and Cash Equivalents			
(Opening Balance)		3,068,296	1,015,693
Cash and Cash Equivalents			
(Closing Balance)		491,850	3,068,297

As per our report of even date attached herewith

For **S.S.Kothari & Co**
Chartered Accountants
Firm Registration No. 302034E

(Tapan Kanti Sengupta)
Partner
Membership No. 50938

Kolkata
Dated : 12/05/2017

Abhay Gandhi
Chief Executive Officer

Ramakant Kankani
Chief Financial Officer

For and on behalf of the Board of Directors

Pushpa Devi Bangur
(DIN No. 00695640)

Vinita Bangur
(DIN No.01140985)

Lakshmi Narayan Bihani
(DIN No. 00194509)

Om Prakash Modani
(DIN No. 00615363)

Directors

Notes to the Financial Statement for the year ended 31st March 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES :

(annexed to and forming part of the Financial Statements for the year ended on that date)

a) General

These accounts have been prepared under historical cost convention in accordance with Generally Accepted Accounting principles and the Accounting Standards prescribed under section 133 of the Companies Act' 2013 ('Act') read with the Rule 7 of Companies (Accounts) Rules' 2014 and other provisions of the Act, to the extent applicable.

The Financial Statements have been prepared in accordance with the accepted Accounting standards in India. A Summary of significant accounting policies , which have been applied consistently, is set out below

All the assets and liabilities have been classified as current and non- as per the Company's normal operating cycle and other criteria set out in schedule III of the Companies Act' 2013.

b) Fixed Assets

Fixed Assets are stated at their original cost less depreciation using cost model. An impairment loss is recognised where applicable when the carrying value of fixed assets exceeds its market value or value in use whichever is higher.

Depreciation

Depreciation on Fixed Assets has been provided for on written down value basis at the rates specified in Schedule II the Companies Act, 2013, and in respect of assets acquired or sold during the year prorata depreciation for the period calculated on day's basis during which each such assets was in use has been provided.

c) Investments

Securities which are intended to be held for one year or more are classified as Non current-Long Term Investments. Investments are stated at cost less permanent diminutions in value, if any. Current Investments are stated at Cost or fair value whichever is lower.

d) Revenue Recognition

Income and expenditure are accounted for on accrual basis.

e) Retirement Benefit

- i) The company contributes to government administered fund towards which the company has no further liability beyond its monthly contribution.
- ii) Accrued Liability in respect of retirement gratuities is ascertained by the management up to 31st March, 2016 and is funded to approve gratuity fund.
- iii) Leave Encashment on retirement as on 31st March, 2017 as calculated by the management, has been provided for in the Accounts

f) Taxation

Current tax is determined on the basis of the amount payable for the year under Income Tax Act. Deferred tax is calculated at Current Statutory Income Tax rate and is recognised on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets, subject to consideration of prudence, are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Notes to the Financial Statement for the year ended 31st March 2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
2 SHARE CAPITAL		
Authorised :		
25,00,000 Ordinary Shares of Rs.10/- each	25,000,000	25,000,000
(previous year Rs. 25,00,000 Ordinary shares of Rs. 10/- each)	<u>25,000,000</u>	<u>25,000,000</u>
Issued, Subscribed & Paid Up :		
20,00,000 Equity Shares of Rs.10/- each fully Paid up (20,00,000 Equity Shares of Rs.10/- each fully Paid up)	20,000,000	20,000,000
Total	<u>20,000,000</u>	<u>20,000,000</u>

Reconciliation of Number of Shares :

Equity Shares	Face Value		As at 31st March 2017		As at 31st March 2016	
	₹	Number	Number	Number	Number	Number
Shares Outstanding at the Beginning of the year	100	2,000,000	20,000,000	40,000	4,000,000	4,000,000
Face Value converted from Rs. 100/- to Rs. 10/-	10	-	-	400,000	4,000,000	4,000,000
Bonus Issued on 7.3.16	10	-	-	1,600,000	16,000,000	16,000,000
Shares Outstanding at the end of the year	10	2,000,000	20,000,000	2,000,000	20,000,000	20,000,000

Details of Shareholders holding more than 5%

Name of the Shareholders	As at 31st March' 2017		As at 31st March' 2016	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Gopal Das Bangur	225,000	11.25	225,000	11.25
Pushpa Devi Bangur	232,500	11.63	232,500	11.63
Hemant Bangur	264,700	13.24	264,700	13.24
Vinita Bangur	331,600	16.58	331,600	16.58
Gopal Das Bangur and Hemant Bangur	185,000	9.25	185,000	9.25
The Cambay Investment Corporation Ltd	250,000	12.50	250,000	12.50
Madhav Trading Corporation Ltd.	110,000	5.50	110,000	5.50

3 RESERVES & SURPLUS

Capital Reserve

Balance at the beginning of the year	2,295,700	2,295,700
Balance at the end of the year	<u>2,295,700</u>	<u>2,295,700</u>

Special Reserve Fund - As per RBI guidelines for NBFCs

Balance at the beginning of the year	21,418,407	17,892,934
Add : Transferred from Profit & Loss Account	2,413,818	3,525,473
	-	-
Balance at the end of the year	<u>23,832,225</u>	<u>21,418,407</u>

General Reserve

Balance at the beginning of the year	87,105,897	95,105,897
Add : Transferred from Profit & Loss Account	10,000,000	5,000,000
Less : Bonus issued during the year	-	13,000,000
	<u>97,105,897</u>	<u>87,105,897</u>

Notes to the Financial Statement for the year ended 31st March 2017

	As at 31st March' 2017	As at 31st March' 2016
Name of the Shareholders	₹	₹
Profit & Loss Account		
Balance at the beginning of the year	10,857,918	1,756,024
Add: Profit for the year	12,069,092	17,627,367
Less : Appropriations		
Transferred to Special Reserve Fund	2,413,818	3,525,473
Transferred to General Reserve	10,000,000	5,000,000
Balance at the end of the year	<u>10,513,192</u>	<u>10,857,918</u>
Total	<u><u>133,747,014</u></u>	<u><u>121,677,922</u></u>
4. LONG TERM PROVISIONS		
Contingent Provision agst. Standard Asset	217,313	137,099
Provision for Leave Encashment	1,069,540	950,520
Total	<u><u>1,286,853</u></u>	<u><u>1,087,619</u></u>
5. OTHER CURRENT LIABILITIES		
Creditor for Expenses	292,670	253,242
Bonus Payable	23,850	22,050
Security Deposit	47,590,000	47,590,000
TDS on Payment	-	7,250
Total	<u><u>47,906,520</u></u>	<u><u>47,872,542</u></u>
6. SHORT TERM PROVISIONS		
Provisions for Taxation	2,450,000	4,032,000
Total	<u><u>2,450,000</u></u>	<u><u>4,032,000</u></u>

Notes to the Financial Statement for the year ended 31st March 2017

7. FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NETBLOCK		
	As at 31st March 2016 ₹	Addition During the Year ₹	Sales/Adj. During the Year ₹	As at 31st March 2017 ₹	Upto 31st March 2016 ₹	Deduction / Adjustment on 01.04.14 ₹	For the Year ₹	Adjust.on Sale during the Year ₹	Upto 31st March 2017 ₹	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Land Freehold	12,620	-	-	12,620	-	-	-	-	-	12,620	12,620
Building	2,177,703	-	-	2,177,703	1,145,216	-	82,164	-	1,227,380	950,323	1,032,487
Machinery	492,731	-	-	492,731	400,688	-	30,716	-	431,404	61,327	92,043
Furniture & Fittings	848,942	543,310	-	1,392,252	770,410	-	156,828	-	927,238	465,014	78,532
Computer	140,193	37,275	-	177,468	129,138	-	8,650	-	137,788	39,680	11,055
Vehicles	603,049	-	-	603,049	450,584	-	67,708	-	518,292	84,757	152,465
Office Equipments	1,611,962	525,000	-	2,136,962	1,332,011	-	92,583	-	1,424,594	712,368	279,951
Total	5,887,200	1,105,585	-	6,992,785	4,228,047	-	438,649	-	4,666,696	2,326,089	1,659,153
Previous Year	6,464,080	27,300	604,180	5,887,200	3,504,200	1,377	776,272	527,620	3,751,475	2,135,725	

Notes to the Financial Statement for the year ended 31st March 2017

8. NON CURRENT INVESTMENTS

Particulars	Face Value	Number	As at	Number	As at
			31st March 2017		31st March 2016
Other than trade - Long Term (At Cost)			₹		₹
EQUITY SHARES - FULLY PAID UP					
Quoted					
Adani port & SEZ Ltd (Formerly Mundra Port & SEZ Ltd.)	2	75	6,600	75	6,600
ABB India Ltd.	2	200	206,391	200	206,391
Amar Remedy Ltd.	10	200	5,600	200	5,600
Barak Valley Cements Ltd.	10	303	12,726	303	12,726
Dena Bank	10	5,000	135,000	5,000	135,000
Emami Infra structure Ltd.	10	300	-	300	-
Gloster Ltd.	10	1,787,806	18,533,479	893,903	18,533,479
Himachal Futuristic Communications Ltd.	1	16,900	239,135	16,900	239,135
Himatsingka Seide Ltd.	2	6,533	1,066,887	6,533	1,066,887
HINDALCO Industries Ltd.	1	4,000	261,694	4,000	261,694
Indian Overseas Bank	10	1,000	24,000	1,000	24,000
Indraprashta Gas Ltd.	10	700	33,600	700	33,600
Interglobe Aviation Ltd.	10	1,000	861,914	1,000	861,914
Jaiprakash Power Ventures Limited	10	16,900	540,800	16,900	540,800
Joonktollee Tea & Industries Ltd.	10	538,838	28,824,722	538,838	28,824,722
Kolte Patil Developers Ltd.	10	40	5,800	40	5,800
Larsen Tubro Ltd.	2	100	117,919	100	117,919
Penta Media Graphics Ltd.	1	11,070	73,673	11,070	73,673
Port Shipping Co. Ltd.	10	164,330	1,617,261	164,330	1,617,261
Punjab National Bank	2	470	36,660	470	36,660
Siemens Ltd.	2	200	200,371	200	200,371
The Cochin Malabar Estates & Industries Ltd.	10	98,939	6,680,526	98,939	6,680,526
The Phosphate Co. Ltd.	10	170,000	3,983,400	170,000	3,983,400
Uco Bank	10	3,000	36,000	3,000	36,000
			63,504,158		63,504,158
Unquoted					
Abhyudaya Developers Pvt. Ltd	10	-	-	400,000	8,000,000
Blackberry Properties Pvt. Ltd.	10	1,000,000	20,000,000	1,000,000	20,000,000
Cambay Investment Corporation Ltd.	10	38,000	387,021	38,000	387,021
Credwyn Holdings India Pvt. Ltd.	100	30,000	4,500,000	30,000	4,500,000
Devendra Finvest & Holding Pvt. Ltd.	10	-	-	8,000	80,800
Kamla Company Ltd.	10	-	-	58,050	1,184,300
Laxmi Asbestos Products Ltd.	100	5,000	500,000	5,000	500,000
Mangal Builders & Enterprises Ltd.	10	-	-	200,000	5,000,000
P.D.G.D. Investments & Trading Pvt. Ltd.	10	-	-	20,000	4,000,500
Sudipta Traders Pvt. Ltd.	10	90,000	22,500,000	90,000	22,500,000
The Oriental Company Ltd.	100	845	94,475	845	94,475
Woodland Multispeciality Hospital Ltd	10	4,290	21,400	4,290	21,400
			48,002,896		66,268,496
			111,507,054		129,772,654
Quoted Investment - Cost			63,504,158		63,504,158
- Market Value			1,050,695,614		636,863,793
Unquoted Investment - Cost			48,002,896		66,268,496

Notes to the Financial Statement for the year ended 31st March 2017

Particulars	As at	As at
	31st March 2017	31st March 2016
	₹	₹
9. LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Loan to Body Corporates	74,334,913	42,219,463
Total	74,334,913	42,219,463
10. CASH AND CASH EQUIVALENT		
Balances with Bank in Current Account	428,871	3,055,733
Cash on hand	62,979	12,563
Total	491,850	3,068,296
11. SHORT TERM LOAN AND ADVANCES		
(Unsecured, considered good)		
Security Deposits	12,590,400	12,590,400
Advances for Taxation	3,552,221	4,948,477
Prepaid Expenses	32,140	-
Other Advance	111,000	7,250
Total	16,285,761	17,546,127
	2016-17	2015-16
	₹	₹
12. REVENUE FROM OPERATIONS		
Interest Income	5,660,960	6,346,671
Dividend Income	5,947,031	7,010,161
Profit on sale of Long Term Investments	3,075,600	2,783,807
Profit on Redemption of units of Mutual Fund	499,943	108,467
Total	15,183,534	16,249,105
13. OTHER INCOME		
Interest from others	-	65,422
Other Income	5,532,000	5,528,000
Insurance Claim Rceived	-	5,393,813
Total	5,532,000	10,987,236
14. EMPLOYEES BENEFIT EXPENSES		
Salary , Bonus and Allowances	4,055,320	3,638,590
Contribution to Provident & other fund	333,141	296,174
Staff Welfare	17,248	13,675
Total	4,405,709	3,948,439
15. DEPRECIATION		
Depreciation on Fixed Assets	438,649	476,572
Total	438,649	476,572

Notes to the Financial Statement for the year ended 31st March 2017

	2016-17	2015-16
	₹	₹
16. OTHER EXPENSES		
Advertisement & Publicity Expenses	-	1,000
Auditors Remuneration		
Audit Fees	18,000	18,000
Other matters	11,450	6,840
Books & Periodicals	3,464	2,023
Car Expenses	204,043	194,989
Conveyance Expenses	10,072	9,561
Directors Sitting Fees	40,000	52,000
Donation	-	20,000
Electric Charges	357,270	388,250
Filing fees	150,663	21,752
General Expenses	29,304	24,050
Insurance	14,571	12,231
Listing Fees & Subscription	35,781	46,960
Office Maintenance	174,850	109,403
Printing & Stationery	20,420	22,310
Professional Charges	34,700	111,382
Rates & Taxes	108,894	90,292
Rent	47,400	47,400
Repairs to others	16,661	104,437
Telephone, Mobile & Internet Expenses	112,180	87,132
Travelling Expenses	37,293	-
Security Transaction Tax	-	5,555
Income Tax Adjustment Account	175,183	146,110
Total	1,602,199	1,521,676
17. FINANCE COST		
Interest paid to others	-	-
Interest Paid on Loan	-	9,667
	-	9,667

18. Contingency Liabilities in respect of guarantees issued by the Company to Banks on behalf of a Company for Various facilities enjoyed by the company to the extent of Rs. 2,215.86 Lacs (Previous Year Rs.3,893.78 Lac)

19. (i) Accrued gratuity liability as on 31st March, 2017 amounting to Rs. 27.42 Lacs has been funded to approved gratuity fund. However, as the Number of Employees is below the minimum number specified as per The Payment of Gratuity Act,1972 hence the said Act is not applicable to the Company and no disclosure is required under AS-15 is made.

(ii) Liability for accumulated Leave as at 31st March, 2017 amounting to Rs. 10.70 Lacs as ascertained by the Management has been provided for.

20. Particulars required in terms of Paragraph 9BB of non Banking Financial Companies Prudential Norms (Reserve Bank) Direction, 1988 are appended to the Balance Sheet.

Notes to the Financial Statement for the year ended 31st March 2017

21. i) The Company has received the registration certificate u/s 45(1A) of the Reserve Bank of India Act, 1934.
 ii) Since the Company did not accept any deposit from the public during the year the question of compliance with Section 45(1B) of Reserve Bank of India Act, 1934 regarding maintenance of minimum investment in approved securities does not arise.
22. There are no amounts due/overdue to micro, small and medium enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006.
23. No provision has been made for fall in value of investments of Rs. 126.22 Lacs as the management considers it as a temporary Phenomenon.
24. Salary, Bonus & other allowances, Contribution to Provident Fund and other fund, staff welfare, Telephone and mobile expenses have been stated net of receipt being Rs.180,256/-, 20,425/-, 7,671/- and Rs. 931/- respectively.
25. There are no separate reportable segment as per Accounting Standard - 17.
26. Related partly disclosure as per Accounting Standard 18 :

Key Management Personnel :

a. Smt. Pushpa Bangur	Key Management Personnel	Promotor and Non-Executive Director
b. Smt. Vinita Bangur	Key Management Personnel	Promotor and Non-Executive Director
c. Shri Abhay Gandhi	Key Management Personnel	Chief Executive officer

Transaction with related Party.

₹ in Lacs

Nature of Transaction	Key Management Personnel	
	2016-17	2015-16
	₹	₹
Director's Sitting Fees	0.40	0.10
Remuneration Paid	16.93	13.93

27. Earning per share as per Accounting Standard 20 :

	face Value	31.03.2017	31.03.2016
	(₹)	(₹)	(₹)
Profit after tax		12,069,092	17,627,367
Shares at the Beginning	100	2,000,000	40,000
No. of Shares after Change in Face Value of Rs. 100/- to Rs, 10/- each	10	-	400,000
Bonus Issued on 07-03-16	10	-	1,600,000
Weighted Average		2,000,000	481,967
Basic & Diluted Earning Per Share	10	6.03	36.57

28. Deferred Tax (Liability)/Assets consist as follows :

	31.03.2017	31.03.2016
	(₹)	(₹)
Timing difference for Deprecation	114,231	110,679
Provision for Leave Encashment	330,488	293,711
	444,719	404,390

Notes to the Financial Statement for the year ended 31st March 2017

29. Reserve fund has been created in accordance with the requirement of Section 45-1C of Reserve Bank of India Act, 1934.
30. The Company has made a provision of 0.25% for Standard Assets in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction 2007 as amended.

31. **Disclosure for Specified Bank Notes :-**

	Specified Bank Notes	Other Denomination	Total
Closing Cash in Hand as on 08-11-2016	38000	914	38,914
Transaction between 09-11-16 to 30-12-16			
+ withdrawl from Bank	145,000	145,000	
- Paid for permitted transaction	-	-	-
- paid for petty Expense		5,511	5,511
- Deposited in Bank	38000	-	38,000
Closing Cash in Hand as on 30-12-16			<u>140,403</u>

32. Previous year's figures have been re-arranged and re-grouped wherever necessary.

For S. S. KOTHARI & CO.

Chartered Accountants

Firm Registration No. 302034E

(TAPAN KANTI SENGUPTA)

Partner

Membership No. : 50938

Kolkata

Dated : 12/05/2017

Abhay Gandhi
Chief Executive Officer

Ramakant Kankani
Chief Financial Officer

For and on behalf of the Board of Directors

Pushpa Devi Bangur
(DIN No. 00695640)

Vinita Bangur
(DIN No.01140985)

Lakshmi Narayan Bihani
(DIN No. 00194509)

Om Prakash Modani
(DIN No. 00615363)

Directors

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH

Company Application No.207 of 2017

In the matter of:

The Companies Act, 2013;

And

In the matter of Sections 230 and 232 of the Companies Act, 2013;

And

In the Matter of:

Gloster Limited (CIN L17119WB1992PLC054454), a company incorporated in 1992 under the provisions of the Companies Act, 1956, having its registered office at 21, Strand Road, Kolkata – 700001

And

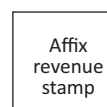
Kettlewell Bullen & Company Limited, (CIN U65192WB1923PLC004628), a company incorporated under the provisions of the Companies Act, 1913, having its registered office at 8, MunshiPremchandSarani, Kolkata 700 022.

..... Applicants.

SECURED CREDITORS

FORM OF PROXY

I/We, _____, the undersigned secured creditor of Gloster Limited, being the Applicant Company no.1 abovenamed, do hereby appoint Mr./Ms. _____ of _____ and failing him/her _____ of _____ as my/our proxy, to act for me/us at the meeting of the secured creditors of the Applicant Company no.1 to be held at Rotary Sadan, 94/2, Chowringhee Road. Kolkata – 700020 on Tuesday, the 5th day of September, 2017 at 12.30 p.m. for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Amalgamation of Gloster Limited with Kettlewell Bullen & Company Limited (the "Scheme") and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here, if 'for', insert 'FOR', if 'against', insert 'AGAINST', and in the latter case, strike out the words below after 'the Scheme') the said arrangement embodied in the Scheme, either with or without modification(s)*, as my/our proxy may approve. (*Strike out whatever is not applicable).



Dated this ____ day of _____ 2017.

Signature-----

Name : _____

Address : _____

Amount Due : _____

Signature of secured creditor : _____

Signature of Proxy: _____

Notes:

1. The proxy must be deposited at the registered office of Gloster Limited at 21, Strand Road, Kolkata – 700001, India, at least 48 (forty-eight) hours before the scheduled time of the commencement of the said meeting.
2. All alterations made in the form of proxy should be initialled.
3. Please affix appropriate revenue stamp before putting signature.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be a creditor of Gloster Limited.
6. No person shall be appointed as a proxy who is a minor.
7. The proxy of a creditor blind or incapable of writing would be accepted if such creditor has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address: provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the creditor before he attached his signature or mark.
8. The proxy of a creditor who does not know English would be accepted if it is executed in the manner prescribed in point no. 7 above and the witness certifies that it was explained to the creditor in the language known to him, and gives the creditors name in English below the signature.

GLOSTER LIMITED

Registered office:21, Strand Road, Kolkata – 700001

Phone No. (033) 2230-9601

CIN: L17119WB1992PLC054454

Website: www.glosterjute.com

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

FOR NCLT CONVENED MEETING OF THE SECURED CREDITORS OF GLOSTER LIMITED

ON TUESDAY THE 5TH DAY OF SEPTEMBER 2017 AT 12.30 P.M.

I/We hereby record my/our presence at the meeting of the Secured Creditors of Gloster Limited, the Applicant Company no.1, convened pursuant to the order dated of the NCLT at Rotary Sadan, 94/2, Chowringhee Road. Kolkata – 700020, India on Tuesday the 5th Day of September, 2017 at 12.30 p.m. (12.30 hours).

Name and address of Secured Creditors : _____
(IN BLOCK LETTERS)

Signature : _____

Amount Due : _____

Name of the Proxy* : _____
(IN BLOCK LETTERS)

Signature : _____

*(To be filled in by the Proxy in case he/she attends instead of the creditor)

Notes:

1. Secured Creditor attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.
2. Secured Creditor who come to attend the meeting are requested to bring their copy of the Scheme with them.

Route Map for the venue of the meeting.





GLOSTER LIMITED

Registered Office : 21, Strand Road, Kolkata – 700001
Tel No : (033) 2230-9601
CIN : L17119WB1992PLC054454
Website : www.glosterjute.com
E-mail : ajay@glosterjute.com

MEETING OF THE UNSECURED CREDITORS OF GLOSTER LIMITED

(convened pursuant to order dated 11th day of July 2017 read with order dated 25th day of July 2017 passed by the National Company Law Tribunal, Bench at Kolkata)

Day	Tuesday
Date	5th September 2017
Time	2.00 P.M.
Venue	Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700020

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH

Company Application No.207 of 2017

In the matter of:

The Companies Act, 2013

And

In the matter of Sections 230 and 232 of the Companies Act, 2013

And

In the Matter of:

Gloster Limited (CIN L17119WB1992PLC054454), a company incorporated in 1992 under the provisions of the Companies Act, 1956, having its registered office at 21, Strand Road, Kolkata – 700001

And

Kettlewell Bullen & Company Limited, (CIN U65192WB1923PLC004628), a company incorporated under the provisions of the Companies Act, 1913, having its registered office at 8, Munshi Premchand Sarani, Kolkata 700 022

..... Applicants.

FORM NO. CAA 2

[Pursuant to Section 230 (3) and rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016]

Company Application No. 207 of 2017

Gloster Limited ... Applicant

NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF GLOSTER LIMITED

To

The Unsecured Creditors of Gloster Limited

NOTICE is hereby given that by an order made on the 11th day of July 2017 read with order dated 25th day of July 2017 in the above mentioned Company Application, the Hon'ble National Company Law Tribunal, Bench at Kolkata ("NCLT") has directed separate meetings to be held of the equity shareholders, secured creditors and unsecured creditors of Gloster Limited, being the Applicant Company no.1 above named (hereinafter referred to as the "**Transferor Company**") and equity shareholders and unsecured creditors of Kettlewell Bullen & Company Limited, being the Applicant Company no.2 above named (hereinafter referred to as the "**Transferee Company**") for the purpose of considering, and if thought fit, approving, with or without modification, the arrangement proposed to be made between the Transferor Company and the Transferee Company.

In pursuance of the said Order and as directed therein, further notice is hereby given that meeting of the unsecured creditors of the Transferor Company will be held at Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700020, India on Tuesday, the 5th day of September 2017 at 2.00 P.M. Unsecured Creditors of the Transferor Company are requested to attend the same.

At the said meeting, the following resolution will be considered and if thought fit, be passed:

***"RESOLVED THAT** pursuant to the provisions of Sections 230 and 232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India Circular*

No. CIR/CFD/CMD/16/2015 dated 30th November 2015, the observation letters issued by each of BSE Limited and The Calcutta Stock Exchange Limited, dated March 10, 2017 and April 3, 2017 respectively and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Amalgamation of Gloster Limited with Kettlewell Bullen & Company Limited and their respective shareholders and creditors ("Scheme") placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."

Persons entitled to attend and vote at the said meeting may vote in person or by proxy, provided that all proxies in the prescribed form, duly signed by you or your authorised representative, are deposited at the registered office of the Transferor Company at 21, Strand Road, Kolkata – 700001, India not later than 48 (forty eight) hours before the time fixed for the said meeting.

Forms of Proxy can be obtained free of charge from the registered office of the Transferor Company.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the aforesaid Index, can be obtained free of charge at the registered office of the Transferor Company at 21, Strand Road, Kolkata – 700001, India or at the office of its advocates, M/s. Khaitan & Co, Emerald House, 1B, Old Post Office Street, Kolkata 700 001, India.

NCLT has appointed Mr. Vinod Kothari, a practising Company Secretary to be the Chairman / Chairperson of the said meeting, including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the aforesaid Index are enclosed.

Sd/-

Dated : 26th Day of July 2017

Vinod Kothari

Chairman appointed for the Meeting

Notes:

1. Only unsecured creditors of the Transferor Company may attend and vote, either in person or by proxy (a proxy need not be an unsecured creditor of the Transferor Company) or in the case of a body corporate by a representative authorized under Section 113 of the Companies Act, 2013, at the meeting of the unsecured creditors of the Transferor Company. The authorised representative of a body corporate which is a creditor of the Transferor Company may attend and vote at the meeting of the unsecured creditors of the Transferor Company provided a copy of the resolution of the board of directors or governing body of the body corporate authorising such representative to attend and vote at the meeting of the unsecured creditor of the Transferor Company, duly certified to be a true copy by a director, the manager, the secretary or other authorised officer of such body corporate, is deposited at the registered office of the Transferor Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the unsecured creditors of the Transferor Company.
2. The form of proxy can be obtained free of charge from the registered office of the Transferor Company.
3. All alterations made in the form of proxy should be initialed.
4. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending

with the conclusion of the meeting, an unsecured creditor would be entitled to inspect the proxies lodged at any time during the business hours of the Transferor Company, provided that not less than 3 (three) days of notice in writing is given to the Transferor Company.

5. The quorum of the said meeting shall be 2(Two) unsecured creditors present in person or by proxy.
6. An unsecured creditor of the Transferor Company or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
7. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the unsecured creditors of the Transferor Company at the registered office of the Transferor Company between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting.
8. NCLT, by its said Order, has, interalia, directed that meeting of the unsecured creditors of the Transferor Company shall be convened and held at Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700020, India on Tuesday, the 5th day of September 2017 for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Unsecured creditors of the Transferor Company would be entitled to vote in the said meeting either in person or through proxy.
9. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority in number representing three fourth in value of the unsecured creditors of the Transferor Company, voting in person or by proxy, agree to the Scheme.
10. The Notice together with the documents accompanying the same, is being sent to all the unsecured creditors either by registered post or speed post/ airmail or by courier service or electronically by e-mail .
11. The notice convening the meeting, the date of dispatch of the notice and the Explanatory Statement amongst others, will be published through advertisement in the following newspapers, namely, (i) The Economic Times (English Daily); and (ii) translation thereof in Ei Samay (Vernucular Daily).
12. Mr. Arun Kumar Gupta, Practicing Chartered Accountant, (Membership No. 60892) has been appointed as the scrutinizer to conduct the voting process in a fair and transparent manner. The scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes received at the venue of the meeting by the unsecured creditors. The scrutinizer's decision on the validity of the vote shall be final. The results of the votes received at the meeting will be announced on or before 7th day, September 2017, at the registered office of the Transferor Company. The results, together with the scrutinizer's Reports, will be displayed at the registered office of the Transferor Company, on the website of the Transferor Company at www.glosterjute.com, besides being communicated to BSE Limited and The Calcutta Stock Exchange Limited.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH

Company Application No. 207 of 2017

In the matter of:

The Companies Act, 2013;

And

In the matter of Sections 230 and 232 of the Companies Act, 2013;

And

In the Matter of:

Gloster Limited (CIN L17119WB1992PLC054454), a company incorporated in 1992 under the provisions of the Companies Act, 1956, having its registered office at 21, Strand Road, Kolkata – 700001

and

Kettlewell Bullen & Company Limited (CIN U65192WB1923PLC004628), a company incorporated under the provisions of the Companies Act, 1913, having its registered office at 8, Munshi Premchand Sarani, Kolkata 700 022

..... Applicants.

EXPLANATORY STATEMENT UNDER SECTION 230(3), 232(1) AND (2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to an order dated 11th day of July, 2017, read with order dated 25th day of July 2017, passed by the Hon'ble National Company Law Tribunal, Bench, at Kolkata (the "**NCLT**"), in Company Application No. 207 of 2017 ("**Order**"), meeting of the unsecured creditors of Gloster Limited ("the Transferor Company") is being convened at Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700020, India on Tuesday 5th day, the September, 2017 at 2.00 P.M. for the purpose of considering, and if thought fit, approving, with or without modification, the Scheme of Amalgamation of the Transferor Company with Kettlewell Bullen & Company Limited ("**the Transferee Company**") under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (the "**Scheme**").

A copy of the Scheme which has been, inter alia, approved by the Audit Committee of the Transferor Company and the Board of Directors of the Applicant Companies at their respective meetings held on March 29, 2016 and further on August 12, 2016 is enclosed as Annexure 1. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme unless otherwise stated.

2. In terms of the said Order, the quorum for the said meeting of the unsecured creditors of the Transferor Company shall be 2 unsecured creditors present in person or by proxy.

Further, in terms of the said Order, NCLT, has appointed Mr. Vinod Kothari, a practising Company Secretary as the Chairman of the meeting of the unsecured creditors of the Transferor Company, including for any adjournment or adjournments thereof.

3. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the "Act") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "Rules").
4. As stated earlier, NCLT, by its said Order, has, inter alia, directed that meetings of the equity shareholders, secured creditors and unsecured creditors of the Transferor Company and equity shareholders and unsecured creditors of the Transferee Company shall be convened and held at Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700020, India on Tuesday, the 5th day of September 2017 for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. The eligible shareholders and creditors of the Applicant Companies would be entitled to vote in the said meeting(s) as the case may be either in person or through proxy.

5. In accordance with the provisions of Sections 230 – 232 of the Act, the Scheme shall be acted upon only if a majority in number

representing three fourths in value of the unsecured creditors of the Transferor Company, voting in person or by proxy, agree to the Scheme.

6. In terms of the Order dated 11th day of July 2017 read with order dated 25th day of July 2017, passed by the NCLT, in Company Application No. 207 of 2017, if the entries in the books/registers of the Transferor Company in relation to the number/value of the amount are disputed, the Chairman shall determine the number/value for the purposes of the said meeting and his decision in that behalf shall be final.

Particulars of the Transferor Company

7. The Transferor Company (having CIN L17119WB1992PLC054454) was incorporated on 18th February, 1992 under the name and style of “Gloster Jute Mills Limited” as a public company limited by shares under the provisions of the Companies Act, 1956. The name of the Transferor Company was changed to its existing name with effect from 20th October, 2010. There has been no change in the name of the Transferor Company in the last five (5) years. The Permanent Account Number of the Transferor Company is AAACG9800B. The shares of the Transferor Company are listed on BSE Ltd. (“BSE”) & The Calcutta Stock Exchange Ltd. (“CSE”).
8. The Registered Office of Transferor Company is situated at 21, Strand Road, Kolkata – 700001, in the state of West Bengal. There has been no change in the registered office address of the Transferor Company in last five (5) years. The e-mail address of the Transferor Company is ajay@glosterjute.com.
9. The objects for which Transferor Company has been established are set out in its Memorandum of Association. Some of the relevant objects of Transferor Company are, inter alia, as follows:

“3. (A) 1. To acquire and take over as a going concern the Jute Mills Division of Fort Gloster Industries Limited together with all immovable and movable property and all other assets including goodwill of the said Division and to discharge all or any of the liabilities thereof.

2. To carry on business as producers and growers of jute, hemp, flex, cotton, silk, wool or any other natural fibres and to manufacture and produce all types of synthetic and man made fibres including synthetic fibres, viscose, nylon, acrylic, polyester and all types of man made fibres and to carry on business of Spinners and Weavers of all such fibres and yarns, and goods produced therefrom and other similar materials and carry on business of manufacturers, processors, converters, makers, stockists, agents and importers, exporters, traders, retailers, suppliers, buyers, sellers, merchants, distributors and concessionaries of all such fibres, yarns and all types of processed and converted form of such fibres, yarns and goods.”

Clause (6) of Object Clause 3 (B) of the Memorandum of Association of the Transferor Company, which contains provision for amalgamation is reproduced herein below:

“(B) 6. To amalgamate with any other company or body corporate or to acquire whole or any part of undertaking of any company body corporate under any Scheme of amalgamation or arrangement or otherwise.”

There has been no change in the object clause of the Transferor Company in the last 5 years.

10. The Transferor Company is engaged in the business of manufacture and sale of all types of Jute & Jute allied products.
11. The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferor Company as on 31st March 2017 was as follows:

A. Authorised Share Capital	Amount in Rupees
2,50,00,000 Equity shares of Rs. 10 each	25,00,00,000
Total	25,00,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital	Amount in Rupees
1,04,66,880 Equity shares of Rs. 10 each	10,46,68,800
Total	10,46,68,800

12. Subsequent to 31st March 2017, there has not been any change in the Authorised, Issued or Paid up Share Capital of the Transferor Company.

Particulars of the Transferee Company

13. The Transferee Company (having CIN U65192WB1923PLC004628) was incorporated on the 2nd day of January, 1923 as a public company limited by shares under the provisions of the Indian Companies Act, 1913. There has been no change in the name of the Transferee Company in the last five (5) years. The Permanent Account Number of the Transferee Company is AABCK4197J. The shares of the Transferee Company are not listed on any Stock Exchange.
14. The Registered Office of the Transferee Company is situated at 8, Munshi Premchand Sarani, Kolkata 700 022, West Bengal. There has been no change in the registered office address of the Transferee Company in last five (5) years. The e-mail address of the Transferee Company is kb@bangurgroup.com.
15. The objects for which the Transferee Company has been established are set out in its Memorandum of Association. Some of the relevant objects of the Transferee Company are as follows:

“3. (4) To acquire and hold shares, stocks, debentures, debentures-stocks, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in India or elsewhere, and debentures, debenture-stocks, bonds, obligations and securities issued or guaranteed by any Government, public body or authority, supreme, municipal, local or otherwise and whether in India or elsewhere.

(8) To carry on the business of banking in all its branches and departments, including the borrowing, raising or taking up money, the lending or advancing money on securities and property, the discounting, buying, selling and dealing in bills of exchange, promissory notes, coupons, drafts, bills of lading, warrants, debentures, certificates, scrip and other instruments and securities, whether transferable or negotiable or not, the granting and issuing of letters of credit and circular notes, the buying, selling and dealing in bullion and specie the acquiring, holding, issuing on commission, underwriting and dealing with stocks, funds, shares debentures, debenture-stocks, bonds, obligations and other securities.

(10) To lend money, either with or without security, and generally to such persons and upon such terms and conditions as the Company may think fit.”

Clause (21) of Object Clause 3 of the Memorandum of Association of the Transferee Company, which contains provision for amalgamation is reproduced herein below:

“(21) To enter into partnership or into any arrangement for sharing profits or losses, or into any union of interests, joint venture, reciprocal concession or co-operation with any person or persons, or company or companies carrying on, or engaged in, or about to carry on or engage in, or being authorised to carry on, or engage in, any business or transaction which this company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company.”

There has been no change in the object clause of the Transferee Company in the last 5 years.

16. The Transferee Company is engaged in the business of investing and dealing in shares and securities and providing finance.

The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferee Company as on 31st March 2017 was as follows:

A. Authorised Share Capital	Amount in INR
25,00,000 Equity shares of Rs.10 each	2,50,00,000
Total	2,50,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital	Amount in INR
20,00,000 Equity shares of Rs. 10 each	2,00,00,000
Total	2,00,00,000

17. Subsequent to 31st March 2017, there has not been any change in the Authorised, Issued or Paid up Share Capital of the Transferee Company.

18. The Transferee Company presently holds 17.08% of the equity share capital of the Transferor Company.

Description and Rationale for the Scheme

19. The Scheme provides for merger of the Transferor Company into the Transferee Company. The proposal is to be implemented in terms of the Scheme under Sections 230 - 232 of the Act.

20. The rationale for the Scheme is as under:

- (a) Consolidation of business will lead to reflection of true net worth of the combined business for the stakeholders in the

financial statements and enhancement of net worth of the combined business leading to enhancement in earnings and cash flow of the business.

- (b) The amalgamated company will be able to better leverage its large net worth base and have enhanced business potential.
- (c) Enhancement in value of stakeholders through seamless access to strong corporate relationships and other intangible benefits of Gloster Ltd and Kettlewell Bullen & Company Ltd. built up over decades of experience.
- (d) Simplification of shareholding structure and reduction in shareholding tiers.
- (e) Simplification of management structure leading to better administration and reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes and elimination of duplication and rationalization of administrative expenses.

Corporate Approvals

21. A draft Scheme, was placed before the Audit Committee of the Transferor Company at its meeting held on March 29, 2016. The Audit Committee of the Transferor Company took into account the Valuation & Share Exchange Ratio Report, dated March 28, 2016, issued by M/s. Sharp & Tannan, an independent chartered accountant, the Fairness Opinion, dated March 28, 2016, provided by M/s. Ashika Capital Limited, a Category I Merchant Banker, appointed for this purpose by the Transferor Company. The Audit Committee based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of the Transferor Company.
22. The Scheme along with the Valuation Report was placed before the Board of Directors of the Transferor Company, at their meeting dated March 29, 2016. The Fairness Opinion and the report of the Audit Committee dated March 29, 2016 was also submitted to the Board of Directors of the Transferor Company. Based on the aforesaid, the Board of Directors of the Transferor Company approved the Scheme. The meeting of the Board of Directors of the Transferor Company, held on March 29, 2016, was attended by Directors namely, Mr. Hemant Bangur, Mrs. Nandita Sen, Mr. S.N. Bhattacharya, Mr. K. Mahapatra and Mr. Prabir Ray. Mr. Hemant Bangur, being part of the Promoter Group of the Transferor Company, abstained from voting on the resolution in respect of the Scheme. None of the directors of the Transferor Company who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of the Transferor Company who attended and voted at the meeting.
23. Separately, the proposed Scheme along with the Valuation Report was placed before the Board of Directors of the Transferee Company, at their meeting dated March 29, 2016. Based on the aforesaid, the Board of Directors of the Transferee Company approved the Scheme. The meeting of the Board of Directors of the Transferee Company, held on March 29, 2016, was attended by Directors namely Mrs. Pushpa Devi Bangur, Mrs. Vinita Bangur, Mr. Lakshmi Narayan Bihani and Mr. Om Prakash Modani. Mrs. Pushpa Devi Bangur and Mrs. Vinita Bangur, being part of the Promoter Group of the Transferee Company, abstained from voting on the resolution in respect of the Scheme. None of the directors of the Transferee Company who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of the Transferee Company who attended and voted at the meeting.
24. Post approval of the Scheme by the Board of Directors of the Applicant Companies, the Transferor Company allotted bonus shares to its equity shareholders in the ratio 1:1 on May 24, 2016. In view of the aforesaid bonus issue and in terms of the requirements of BSE Ltd., a supplementary valuation report and supplementary fairness opinion was issued by the Valuer and Merchant Banker reflecting the adjusted share exchange ratio. Consequently, the Scheme was also amended to reflect the adjusted share exchange ratio.
25. The amended Scheme, was placed before the Audit Committee of the Transferor Company at its meeting held on August 12, 2016. The Audit Committee of the Transferor Company took into account the Valuation & Share Exchange Ratio Report dated March 28, 2016 and Supplementary Valuation & Share Exchange Ratio Report dated August 9, 2016, issued by M/s. Sharp & Tannan, an independent chartered accountant (collectively referred to as "Valuation Report"), the Fairness Opinion dated March 28, 2016 and Supplementary Fairness Opinion dated August 9, 2016, provided by M/s. Ashika Capital Limited, a Category I Merchant Banker (collectively referred to as "Fairness Opinion"), appointed for this purpose by the Transferor Company. The Audit Committee based on the aforesaid, inter alia, recommended the amended Scheme to the Board of Directors of the Transferor Company.
26. The amended Scheme along with the Valuation Report was placed before the Board of Directors of the Transferor Company, at their meeting dated August 12, 2016. The Fairness Opinion and the report of the Audit Committee dated August 12, 2016 was also submitted to the Board of Directors of the Transferor Company. Based on the aforesaid, the Board of Directors of the Transferor Company approved the Scheme. The meeting of the Board of Directors of the Transferor Company, held on August 12, 2016, was attended by Directors namely, Mr. Hemant Bangur, Mr. D.C. Baheti, Mrs. Nandita Sen, Mr. S.N. Bhattacharya and Mr. K. Mahapatra. Mr. Hemant Bangur, being part of the Promoter Group of the Transferor Company, abstained from voting on the resolution in respect of the Scheme. None of the directors of the Transferor Company who attended the meeting voted

against the Scheme. Thus, the Scheme was approved unanimously by the directors of the Transferor Company who attended and voted at the meeting.

27. Separately, the amended Scheme along with the Valuation Report was placed before the Board of Directors of the Transferee Company, at their meeting dated August 12, 2016. Based on the aforesaid, the Board of Directors of the Transferee Company approved the Scheme. The meeting of the Board of Directors of the Transferee Company, held on August 12, 2016, was attended by Directors namely Mrs. Pushpa Devi Bangur, Mrs. Vinita Bangur, Mr. Lakshmi Narayan Bihani and Mr. Om Prakash Modani. Mrs. Pushpa Devi Bangur and Mrs. Vinita Bangur, being part of the Promoter Group of the Transferee Company, abstained from voting on the resolution in respect of the Scheme. None of the directors of the Transferee Company who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of the Transferee Company who attended and voted at the meeting.
28. A copy of the Valuation Report and Fairness Opinion are enclosed as Annexure 2 and Annexure 3 respectively. The Valuation Report and Fairness Opinion are also open for inspection at the registered office of the Applicant Company.

Approvals and actions taken in relation to the Scheme

29. BSE Limited was appointed as the designated stock exchange by the Transferor Company for the purpose of coordinating with the SEBI, pursuant to the SEBI Circular. The Transferor Company has received observation letters regarding the Scheme from BSE Limited and The Calcutta Stock Exchange Limited on March 10, 2017 and April 3, 2017 respectively. Copies of the observation letters dated March 10, 2017 and April 3, 2017, received from BSE Limited and The Calcutta Stock Exchange Limited, respectively, are enclosed as Annexure 4.
30. As required by the SEBI Circular, the Transferor Company had filed the complaints report with BSE and The Calcutta Stock Exchange Limited, both on October 14, 2016. This report indicates that the Transferor Company received nil complaints. A copy of the complaints report submitted by the Transferor Company to BSE Limited and The Calcutta Stock Exchange Limited, both dated October 14, 2016 is enclosed as Annexure 5.
31. The Transferee Company is registered as a non-banking financial company (non-deposit accepting) with the Reserve Bank of India. The Reserve Bank of India has provided its no-objection to the Scheme of Amalgamation vide letter dated 17th February, 2017.
32. The Applicant Companies or any of them would obtain such necessary approvals/sanctions/no objection(s) from the regulatory or other governmental authorities, if so required.
33. The Scheme was filed by the Applicant Companies with the NCLT, on April 10, 2017.

Salient extracts of the Scheme

34. The salient extracts of the Scheme are as under:

A. DEFINITIONS

“1956 Act” means the Companies Act, 1956 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto;

“2013 Act” means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

“Appointed Date” means January 1, 2015, or such other date as may be determined by the Board of Directors of the concerned Companies or directed by the High Court and is the date with effect from which the Scheme shall upon sanction of the same by the High Court, be deemed to be operative;

“Effective Date” means such date as the Companies mutually agree being the last of the dates or post the last of the dates on which all the conditions and matters referred to in clause 4 of Chapter 3 of the Scheme occur or have been fulfilled or waived in accordance with the Scheme;

“High Court” means the High Court of Judicature at Calcutta having jurisdiction in relation to the Companies and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court under the 1956 Act or the 2013 Act, as applicable;

“Record Date” means the date after the Effective Date to be fixed by the Board of Directors of the Transferee Company and the Transferor Company for the purpose of determining the equity shareholders of the Transferor Company, as applicable, to whom equity shares of the Transferee Company will be allotted pursuant to the Scheme;

“Undertaking” means and includes the entire business of the Transferor Company as a going concern, including, without limitation:

- (a) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession

or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) whether or not recorded in the books of accounts of the Transferor Company, including, without limitation, investments of all kinds (i.e. shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates) including furniture, fixtures, office equipment, computers, fixed assets, current assets, cash and bank accounts (including bank balances), insurance policies, contingent rights or benefits, benefits of any deposits, policies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, vehicles, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, memberships with various bodies, certificates awarded by organisations / bodies, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and where-so-ever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;

- (b) all permissions, permits, sanctions, approvals, authorizations, consents, subsidies, quotas, rights, allotments, registrations, draw backs, privileges, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, VAT, sales tax and entry tax laws, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions/deductions, deferment, subsidy receivables from Government, grants from any Governmental Authority, all other rights, liberties, advantages, no-objection certificates, certifications, easements, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;
 - (c) all contracts, agreements, engagements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, privileges and benefits of all contracts, agreements and all other rights, including license rights, lease rights, powers and facilities of every kind and description whatsoever or other understandings, deeds and instruments of whatsoever nature to which the Transferor Company are parties, including lease agreements, leave and license agreements, tenancy rights, equipment purchase agreements, hire purchase agreements, lending agreements and other agreements with the customers, sales orders, purchase orders and other agreements/contracts with the supplier of goods and/or service providers and all rights, title, interests, claims and benefits there under of whatsoever nature to which the Transferor Company is party;
 - (d) all intellectual property rights (including intangible assets and business or commercial rights), registrations, trademarks, trade names, service marks, copyrights, patents, designs, logo, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names, used by or held for use by the Transferor Company, whether or not recorded in the books of accounts of the Transferor Company, and other intellectual rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Company, whether used or held for use by it;
 - (e) all liabilities, lien or security thereon, whether in Indian rupees or foreign currency and whether or not provided for in the books of account or disclosed in the balance sheet of the Transferor Company;
 - (f) all incentives, benefits, exemptions, payments deferrals, subsidies, concessions, grants, taxes, duties, cess, levies etc., that are allocable, referable or related to Transferor Company, including all or any refunds, interest due thereon, credits and claims relating thereto, including service tax, input credits, CENVAT credits, value added tax, sales tax, entry tax credits or set-offs and any other tax benefits, exemptions and refunds etc.; and
 - (g) any and all permanent employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Transferor Company, at its respective offices, mills, plants, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Transferor Company.
- B. Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Transferor Company shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in Transferee Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act, 1961 without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, part of the Transferee Company by virtue of and in the manner provided in the Scheme.

- C. Without prejudice to the generality of Clause B above, upon the coming into effect of the Scheme and with effect from the Appointed Date,
- a) all the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided and/or recorded in the books of accounts of the Transferor Company, comprised in the Undertaking of whatsoever nature and where-so-ever situated shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances of the Transferee Company.
 - b) such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Transferee Company and/or be deemed to stand transferred to the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become from the Appointed Date, the assets and properties of the Transferee Company. The vesting, pursuant to this sub-clause, shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to the Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
 - c) all other movable properties of the Transferor Company, including investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, deposits with any Government, quasi government, local or other authority or body or with any company or other person, shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Transferee Company and/or deemed to have been transferred to and vested in the Transferee Company, by way of delivery of possession of the respective documents, as applicable, as a part of the transfer of the Undertaking as a going concern, so as to become from the Appointed Date, the assets and properties of the Transferee Company.
 - d) The Transferee Company may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor that pursuant to the sanction of the Scheme by the High Court, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realize all such debts (including the debts payable by such debtor or obligor to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by the Transferor Company and all the rights, title and interest of the Transferor Company in any licensed properties or leasehold properties shall, pursuant to Section 394(2) of the 1956 Act or any provision of the 2013 Act and the provisions of the Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company.
 - e) all immovable properties of the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or licensed or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title or interest in the immovable properties shall, upon the Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the Court in accordance with the terms hereof.
 - f) all lease/license or rent agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the assets of the Transferor Company, together with security deposits and advance/prepaid lease/license fee, etc., shall stand transferred and vested in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee

Company shall continue to pay rent or lease or license fee as provided for in such agreements and the Transferee Company and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants thereunder. Without limiting the generality of the foregoing, the Transferee Company shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.

- g) All permissions, permits, sanctions, approvals, authorizations, consents, subsidies, quotas, rights, allotments, registrations, privileges, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, VAT, sales tax and entry tax laws, income tax benefits and exemptions/deductions, deferment, subsidy receivables from Government, grants from any Governmental Authority, indirect tax benefits and exemptions, all other rights, liberties, advantages, no-objection certificates, certifications, easements, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, if any, shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vest in and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.
- h) All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Transferor Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which, the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it is the duly constituted attorney of that Transferor Company.
- i) Without prejudice to the generality of the foregoing, all leave and license agreements/deeds, lease agreements/deeds, bank guarantees, corporate guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Transferor Company or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon the Scheme becoming effective, by operation of law pursuant to the vesting orders of the Court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Transferee Company. Such property and rights shall stand vested in the Transferee Company and shall be deemed to have become the property of the Transferee Company by operation of law, whether the same is implemented by endorsement or delivery and possession or recordal in any other manner.
- j) All the intellectual property rights of any nature whatsoever, including but not limited to intangible assets appertaining to the Transferor Company, whether or not provided in books of accounts of the Transferor Company, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Transferee Company.
- k) All intangible assets including various business or commercial rights, etc belonging to but not recorded in books of the Transferor Company shall be transferred to and vested with the Transferee Company and shall be recorded at their respective fair values. The consideration agreed under the Scheme shall be deemed to include payment towards these intangible assets at their respective fair values. Such intangible assets shall, for all purposes, be regarded as intangible assets in terms of Explanation 3(b) to Section 32(1) of Income Tax Act and shall be eligible for depreciation there under at

the prescribed rates.

- l) All taxes (including but not limited to advance tax, tax deducted at source, tax collected at source, minimum alternate tax credits, securities transaction tax, input credit, CENVAT credit, taxes with held/paid in a foreign country, value added tax, sales tax, service tax, excise duty, etc.) payable by or refundable to or being the entitlement of the Transferor Company, including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, tax holidays, remissions, reductions, rebates etc as would have been available to the Transferor Company, shall pursuant to the Scheme becoming effective, be available to the Transferee Company. Benefit of tax losses including brought forward business loss, unabsorbed depreciation, etc., up to Appointed Date, shall be available to Transferee Company w.e.f. the Appointed Date in terms of section 72A of Income Tax Act, 1961.
 - m) The Transferee Company shall be entitled to claim refunds or credits, including Input Tax Credits, CENVAT credit with respect to taxes paid by, for, or on behalf of, the Transferor Company under applicable laws, including but not limited to sales tax, value added tax, service tax, excise duty, cess or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. Any inter-se transactions in relation to Transferor Company and Transferee Company between the Appointed Date and Effective Date shall be considered as transactions from Transferee Company to itself, and Transferee Company shall be entitled to claim refund of tax paid, if any on these inter-se transactions, as per applicable law. For the avoidance of doubt, Input Tax Credits already availed of or utilized by the Transferor Company and the Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to the Scheme.
 - n) All statutory rights and obligations of Transferor Company would vest on/accrete to Transferee Company. Hence, obligation of the Transferor Company, prior to the Effective Date, to issue or receive any statutory declaration or any other Forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Transferee Company and if any Form relating to the period prior to the said Effective Date is received in the name of the Transferor Company, it would be deemed to have been received by the Transferee Company in fulfillment of its obligations.
 - o) Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a part of the transfer of the Transferee Company as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by the Transferee Company.
 - p) The resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the 1956 Act or the 2013 Act as applicable, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.
 - q) Such of the assets which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the assets of the Transferee Company.
- D. Without prejudice to the generality of Clause B above, upon the coming into effect of this Scheme and with effect from the Appointed Date,
- (a) All the Liabilities, whether or not provided in the books of the Transferor Company, shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as

were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.

- (b) All Liabilities which are incurred or which arise or accrue to the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.
 - (c) Any Liabilities of the Transferor Company as on the Appointed Date that are discharged by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Transferee Company.
 - (d) All loans raised and utilized, liabilities, duties and taxes and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date, the Transferee Company shall meet, discharge and satisfy the same.
 - (e) Loans, advances and other obligations (including any arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.
- E. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secure or relate to the Liabilities shall, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to the Transferee Company. It is being clarified that the aforesaid Encumbrances shall not be extended to any assets of the Transferor Company which were earlier not Encumbered or the existing assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- F. (a) Upon the coming into effect of this Scheme, all permanent employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Transferor Company who are on its payrolls shall become employees of the Transferee Company with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous.
- (b) The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits created by the Transferor Company for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company or as may be created by the Transferee Company for such purpose. It is the intent that all rights, duties, powers and obligations of Transferor Company in relation to such fund or funds shall stand transferred to the Transferee Company without need of any fresh approval from any statutory authority. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Transferee Company to the existing funds maintained by the Transferor Company.
 - (c) The Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other

terminal benefits to the employees of the Transferor Company, the past services of such employees with the Transferor Company shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Transferor Company will transfer/handover to the Transferee Company, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.

- G. (a) All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Transferor Company shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.
- (b) Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company, whether pending and/or arising on or before the Effective Date shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Transferee Company.
- H. Upon the Scheme coming into effect, all equity shares which the Transferee Company holds in the Transferor Company shall stand cancelled without any issue or allotment of equity shares of Transferee Company or payment whatsoever by the Transferee Company in lieu of such equity shares of the Transferor Company.
- I. The Transferee Company shall without any further application, act, instrument or deed, issue and allot to each shareholder of the Transferor Company whose name is recorded in the register of members of the Transferor Company on the Record Date (except the Transferee Company itself in terms of the Scheme) in the following ratio ("**Share Exchange Ratio**"):
- "2 (two) fully paid up equity shares of Rs. 10 (Rupees Ten) each of Transferee Company for every 5 (five) fully paid up equity share of Rs. 10 (Rupees Ten) each held by such shareholder in Transferor Company."*
- J. The equity shares to be issued and allotted by the Transferee Company in terms of Clauses I above shall be subject to the provisions of the Memorandum and Articles of Association of Transferee Company and shall rank pari passu in all respects with the existing equity shares of Transferee Company.
- K. The new equity shares to be issued pursuant to Clause I above shall be issued in the dematerialized form by the Transferee Company unless otherwise notified in writing by the shareholders of the Transferor Company to Transferee Company on or before such date as may be determined by the board of directors of Transferee Company or a committee thereof. In the event, such notice has not been received by Transferee Company in respect of any of the members of Transferor Company, the new equity shares shall be issued to such shareholders in dematerialized form and directly credited to the dematerialized securities account provided that the members of Transferor Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. In the event that Transferee Company has received the notice from any of the shareholders of Transferor Company that the new equity shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depository participant or other confirmations as may be required, then the Transferee Company shall issue the new equity shares in certificate form.
- L. In case any shareholder's holding in the Transferor Company is such that the shareholder becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue any fractional shares to such shareholder but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Transferee Company in that behalf, who shall hold these equity shares in trust for and on behalf of the shareholders entitled to such fractional entitlements with the express understanding that such trustee shall sell such shares at such time or times and at such price or prices to such person or persons as he/she may deem fit and shall distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders entitled to the same in proportion as their respective fractional entitlements bears to the consolidated fractional entitlements.
- M. The equity shares to be issued pursuant to this Scheme by Transferee Company in respect of the equity shares of Transferor Company which are held in abeyance under the provisions of Section 126 of the 2013 Act and/or applicable provisions of 1956 Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by Transferee Company.
- N. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Transferor Company, the Board of Directors or any committee thereof, of Transferor Company, at the sole discretion, shall be empowered in

appropriate cases, prior to or even subsequent to the Effective Date as the case may be to effectuate such a transfer in Transferor Company as if such changes in registered holder were operative as on the Effective Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the Board of Directors of Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in Transferee Company on account of difficulties faced in the transition period.

- O. The equity shares issued to the shareholders under Clause I will be listed with BSE and CSE and admitted for trading and the Transferee Company shall comply with the requirements of the SEBI Circular and take all steps to get the equity shares to be issued pursuant to the Scheme listed on CSE and BSE on which the equity shares of the Transferor Company are listed, in accordance with relevant regulations.
- P. The equity shares in the Transferee Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- Q. Post the issue of shares pursuant to Clause I, there shall be no change in the shareholding pattern or control in the Transferee Company between the record date and the listing which may affect the status of the approval by the Stock Exchanges.
- R. In the event the shares of the Transferee Company including shares issued to the Promoters' of Transferor Company pursuant to the Clause I above are subject to lock-in under the SEBI Circular then subject to applicable laws, the shares kept under lock-in may be pledged with Scheduled Commercial Bank or Public Financial Institution as collateral security and shares may also be transferred within the promoters' group during such lock-in period.
- S. The issue and allotment of equity shares by Transferee Company to the equity shareholders of Transferor Company as provided in this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by Transferee Company as if the procedure laid down under Section 62(1)(c) of the 2013 Act and/or any other applicable provisions of the 1956 Act or 2013 Act, if applicable, were duly complied with.
- T. (a) The Transferee Company shall record the assets (including intangible assets, if any, whether or not recorded in the books of Transferor Company) 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 notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs under section 133 of 2013 Act.
(b) The Transferee Company shall record issuance of shares at fair value and accordingly credit to its Share Capital Account the aggregate face value of the equity shares issued on Amalgamation. The excess, if any, of the fair value of the equity shares over the face value of the shares issued shall be credited to Securities Premium Reserve. The Securities Premium Reserve so credited shall be available for issuance of bonus shares in accordance with applicable laws.
(c) The equity shares held by the Transferee Company in the Transferor Company appearing in the books of accounts of the Transferee Company shall stand cancelled in terms of clause H above and there shall be no further obligation in that behalf.
(d) To the extent that there are inter-company loans, advances, deposits, balances unpaid dividend or other obligations as amongst the Transferor Company and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company as well as Transferor Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
(e) Excess, if any, of the consideration, viz., fair value of new shares issued in terms of Clause I above and the value of investment in the Transferor Company as appearing in the books of the Transferee Company, over the fair value of Net Assets (including identifiable intangible assets, if any, whether or not recorded in the books of accounts) taken over and recorded by the Transferee Company will be recognized as goodwill in accordance with Accounting Standard - 14. In the event the result is negative, it shall be credited as Capital Reserve in the books of account of the Transferee Company.
- U. Upon the coming into effect of the Scheme, the Transferor Company shall, without any further act, instrument or deed, stand dissolved without winding-up.
- V. As an integral part of the Scheme, upon this Scheme becoming effective and with effect from Appointed Date, the authorised share capital of the Transferor Company as on the Effective Date shall, without any further act, instrument or deed or payment of additional fees payable to the Registrar of Companies or stamp duty, stand transferred to and be merged with the authorised share capital of the Transferee Company.
- W. Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 13 of the 2013 Act and other applicable provisions of the 2013 Act, as the case may be and be replaced by the following clause:

“The Authorised Share Capital of the Company is Rs 27,50,00,000 (Rupees Twenty Seven Crores Fifty Lacs only) divided into 2,75,00,000 (Two Crore Seventy Five Lac) Equity Shares of Rs 10/- (Rupees Ten only) each, with rights, privileges and conditions attaching thereto as may be provided by the Articles of Association of

the Company. The Company shall have the power to increase or reduce its capital for the time being and to consolidate, divide or sub-divide and re-classify the shares in such capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as to dividend, voting or otherwise and to vary, modify or abrogate any such rights, privileges or conditions in accordance with the provisions of the Act and Articles of the Company and issue Shares of higher or lower denominations.”.

- X. It is further clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval for the increase of the authorized capital, amendment of the capital clause of the Memorandum of Association, under the provisions of Section 13 of the 2013 Act and other applicable provisions of the 2013 Act.
- Y. Upon this Scheme becoming effective, the name of Transferee Company shall be deemed to have been changed from “Kettlewell Bullen & Company Limited” to “Gloster Limited” in accordance with Section 13 of the 2013 Act and other relevant provisions of the 2013 Act, as applicable. It is hereby clarified that for the purposes of this clause, the consent of the shareholders of the Transferee Company and Transferor Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the name change and that no further resolution under Section 13 of 2013 Act or any other applicable provisions of the 2013 Act, as applicable, would be required to be separately passed. Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for change of its name.
- Z. (a) With effect from the Appointed Date and upon the Scheme becoming effective, the Object Clause of the Memorandum of Association of the Transferee Company shall stand amended.
- (b) The following sub clause shall be inserted after sub-clause 32 of Clause 3 of the Object of the Memorandum of Association of the Transferee Company:

“33. To carry on business as producers and growers of jute, hemp, flex, cotton, silk, wool, or any other natural fibres and to manufacture and produce all types of synthetic and man made fibres including synthetic fibres, viscose, nylon, acrylic, polyester and all types of man made fibres and to carry on business of Spinners and Weavers of all such fibres and yarns, and goods produced therefrom and other similar materials and carry on business of manufacturers, processors, converters, makers, stockists, agents and importers, exporters, traders, retailers, suppliers, buyers, sellers, merchants, distributors and concessionaries of all such fibres, yarns and all types of processed and converted form of such fibres, yarns and goods.

34. To carry on the trades or business of manufacturers of chemicals and manure's, distillers, dye makers, gas makers and makers of chemical and identical preparations of all kinds.”

- (c) It shall be deemed that the members of the Transferee Company and Transferor Company have also resolved and accorded all relevant consents under Section 13 of the 2013 Act or other relevant provision of 2013 Act, as applicable. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the 2013 Act or other relevant provision of 2013 Act, as applicable, for the amendments of the Memorandum of Association of the Transferee Company as above. Pursuant to the Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for alteration of its main objects and the consequent amendment of the Memorandum of Association.
- AA. The Scheme is conditional upon and subject to:
- (a) this Scheme being approved by the respective requisite majorities of the various classes of shareholders, as applicable, of the Companies as required under the 1956 Act or the 2013 Act, as applicable, and the requisite order of the High Court being obtained, or dispensation having been received from the High Court in relation to obtaining such consent from the shareholders, as applicable;
- (b) approval of the Scheme by the public shareholders of the Transferor Company in accordance with the provisions of the SEBI Circulars. Such approval will be obtained through resolution passed through postal ballot and e-voting and the Scheme shall be acted upon only if the votes cast by public shareholders in favour of the proposal are more than the number of votes cast by public shareholders against it.
- (c) such other approvals and sanctions including sanction of any Governmental Authority, as may be required by law in respect of the Scheme;
- (d) the High Court having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to the Companies; and
- (e) such certified/authenticated copy of the Order of the High Court being filed with the Registrar of Companies, Kolkata.
- BB. The Companies shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the salient extracts thereof.

Summary of the Valuation Report

35. M/s Sharp & Tannan (“Valuer”) had carried out independent analysis and had applied standard and acceptable valuation methodologies in arriving at the valuation of the Transferor Company and Transferee Company for the Share Exchange Ratio (i.e. 4 (four) equity shares of Transferee Company for every 5 (five) equity shares held in Transferor Company) recommended in its report dated March 28, 2016. The approach adopted by the Valuer in determining the share exchange ratio is summarised as under:

- (a) The Valuer adopted a combination of valuation methodologies to arrive at the relative valuation of the Transferor Company as under:
 - Comparable Companies Multiple Method under Market Approach
 - Discounted Cash Flow Method under Income Approach
- (b) The Valuer adopted the Break-up value method for determining the relative valuation of the Transferee Company, being an investment holding company.

Further, Ashika Capital Ltd. performed an independent analysis using generally accepted methodologies to opine on the fairness of the share exchange ratio recommended by the Valuer vide its report dated March 28, 2016.

However, in view of bonus issue made by the Transferor Company to its equity shareholders in the ratio 1:1 and in terms of the requirements of BSE Ltd., the Valuer recommended an adjusted share exchange ratio (i.e. 2 (two) equity shares of Transferee Company for every 5 (five) equity shares held in Transferor Company) vide its Supplementary Valuation Report dated August 9, 2016 which was opined to be fair by the Merchant Banker vide its Supplementary Fairness Opinion dated August 9, 2016.

Other matters

36. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificates issued by the respective Statutory Auditors of the Companies are open for inspection.

37. Under the Scheme, an arrangement is sought to be entered into between the Transferor Company and its equity shareholders (promoter and non-promoter shareholders). Upon the sanctioning of the Scheme, and in terms of Chapter 2 of the Scheme, the equity shareholders (whether promoter shareholders or non-promoter shareholders) (other than the Transferee Company) of the Transferor Company shall become the equity shareholders of the Transferee Company based on the Share Exchange Ratio as stipulated in Clause 11 of Chapter 2 of the Scheme and that the said equity shareholders would no longer remain the equity shareholders of the Transferor Company as upon the effectiveness of the Scheme, the Transferor Company shall stand dissolved without winding up. Upon the effectiveness of the Scheme, the equity shares held by the Transferee Company in the paid-up equity share capital of the Transferor Company shall stand cancelled.

Under the Scheme, there is no arrangement with the creditors, either secured or unsecured of the Transferor Company except to the extent that upon the effectiveness of the Scheme, the creditors belonging to the Transferor Company shall become the creditors of the Transferee Company in the manner as provided in the Scheme. No compromise is offered under the Scheme to any of the creditors of the Applicant Companies. The liability of the creditors of the Transferor Company, under the Scheme, is neither being reduced nor being extinguished. The creditors of the Applicant Companies would in no way be affected by the present Scheme.

As on date, the Transferor Company has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise. As on date, the Transferor Company has not issued any debentures and therefore, the effect of the Scheme on the debenture holders and debenture trustees does not arise.

Under Clause 5 of Chapter 2 of the Scheme, on and from the Effective Date, the Transferee Company undertakes to engage all the employees of the Transferor Company on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service and in the manner provided under the Scheme. In the circumstances, the rights of the employees of the Transferor Company would in no way be affected by the Scheme. The key managerial personnel of the Transferor Company are also the employees of the Transferor Company.

Upon the effectiveness of the Scheme, the directors of the Transferor Company shall cease to be its directors as Transferor Company shall stand dissolved without winding up.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferor Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Applicant Companies and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that

hold shares in the respective Companies. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme.

38. Under the Scheme, an arrangement is sought to be entered into between the Transferee Company and its equity shareholders. Upon the effectiveness of the Scheme, the Transferee Company shall allot equity shares to the shareholders of Transferor Company based on the Share Exchange Ratio and in the manner stipulated in Clause 11 of Chapter 2 of the Scheme.

Under the Scheme, there is no arrangement with the creditors, either secured or unsecured, of the Transferee Company. No compromise is offered under the Scheme to any of the creditors of the Transferee Company. The liability of the creditors of the Transferee Company under the Scheme is neither being reduced nor being extinguished.

As on date, the Transferee Company has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise.

As on date, the Transferee Company has not issued any debentures and therefore, the effect of the Scheme on the debenture holders and debenture trustees does not arise.

Under the Scheme, no rights of the employees of the Transferee Company are being affected.

There is no effect of the Scheme on the Key Managerial Personnel and/or the directors of the Transferee Company.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferee Company and their respective relatives (as defined under the Act and rules framed thereunder) has any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Applicant Companies and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the respective Companies. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme.

39. In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of the Applicant Companies, have adopted a report explaining effect, as aforesaid, of Compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio and specifying any special valuation difficulties. Such report adopted by the Board of Directors of the Transferor Company and Transferee Company is enclosed as Annexure 6 and Annexure 7 respectively.
40. A copy of the proposed draft Scheme has been filed by the Applicant Companies with the Registrar of Companies on 26th July 2017.
41. No investigation proceedings have been instituted or are pending in relation to the Applicant Companies under Sections 210 to 229 of Chapter XIV of Companies Act, 2013 or under the corresponding provisions of Companies Act, 1956. Further, no proceedings are pending under Companies Act, 2013 or under the corresponding provisions of Companies Act, 1956 against any of the Applicant Companies.
42. To the knowledge of the Applicant Companies, no winding up proceedings have been filed or are pending against them under the Companies Act, 2013 or the corresponding provisions of Companies Act, 1956.
43. The audited Financial Results of the Transferor Company and Transferee Company for the year ended 31st March, 2017 are enclosed as Annexure 8 and Annexure 9 respectively.
44. As on March 31, 2017, the Transferor Company had 5 Secured Creditors having total claim of Rs.35,95,72,616; 608 Unsecured Creditors having claims of Rs. 15,58,22,693. As on March 31, 2017, the Transferee Company had 8 Unsecured Creditors having claims of Rs.4,76,37,950.
45. The name and addresses of the promoters of the Transferor Company including their shareholding in the Applicant Companies as on March 31, 2017 are as under:

Particulars	Shareholding in Transferor Company		Shareholding in Transferee Company	
	% holding	No of shares	% holding	No of shares
Pranov Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	0.01%	800	-	-
Purushottam Dass Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	0.11%	11,424	2.50%	50,000
Gopal Das Bangur HUF Address: 21, Strand Road. Kolkata 700001	0.94%	98,372	9.25%	1,85,000
Vinita Bangur Address:8, St. Georges' Gate Road, Hastings, Kolkata - 700022	2.74%	2,86,882	16.58%	3,31,600
Hemant Bangur Address:8, St. Georges' Gate Road, Hastings, Kolkata - 700022	2.61%	2,73,332	13.24%	2,64,700
Hemant Kumar Bangur HUF Address:21, Strand Road. Kolkata 700001	4.01%	4,19,824	4.66%	93,250
Pushpa Devi Bangur Address:8, St. Georges' Gate Road, Hastings, Kolkata - 700022	7.96%	8,32,840	11.63%	2,32,500
The Cambay Investment Corporation Ltd Address: 21, Strand Road. Kolkata 700001	0.40%	42,384	12.50%	2,50,000
Credwyn Holdings (India) Pvt Ltd Address: 21, Strand Road. Kolkata 700001	4.88%	5,10,380	-	-
Madhav Trading Corporation Ltd Address: 21, Strand Road. Kolkata 700001	11.54%	12,08,115	5.50%	1,10,000
The Oriental Company Ltd Address: 21, Strand Road. Kolkata 700001	14.43%	15,10,016	-	-
Kettlewell Bullen & Company Ltd Address:21, Strand Road. Kolkata 700001	17.08%	17,87,806	-	-
Total	66.71%	69,82,175	75.85%	15,17,050

46. The name and addresses of the promoters of the Transferee Company including their shareholding in the Applicant Companies as on March 31, 2017 are as under:

Particulars	Shareholding in Transferor Company		Shareholding in Transferee Company	
	% holding	No. of shares	% holding	No of shares
Vinita Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	2.74%	2,86,882	16.58%	3,31,600
Hemant Bangur Address:8, St. Georges' Gate Road, Hastings, Kolkata - 700022	2.61%	2,73,332	13.24%	2,64,700
Cambay Investment Corporation Ltd. Address: 21, Strand Road. Kolkata 700001	0.40%	42,384	12.50%	2,50,000
Pushpa Devi Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	7.96%	8,32,840	11.63%	2,32,500
Gopal Das Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	-	-	11.25%	2,25,000

Particulars	Shareholding in Transferor Company		Shareholding in Transferee Company	
	% holding	No. of shares	% holding	No of shares
Gopal Das Bangur HUF Address:21, Strand Road. Kolkata 700001	0.94%	98,372	9.25%	1,85,000
Madhav Trading Corporation Ltd Address: 21, Strand Road. Kolkata 700001	11.54%	12,08,115	5.50%	1,10,000
Purushottam Dass Bangur Family Trust* Address:21, Strand Road. Kolkata 700001	-	-	4.89%	97,700
Hemant Kumar Bangur HUF Address: 21, Strand Road. Kolkata 700001	4.01%	4,19,824	4.66%	93,250
Purushottam Dass Bangur Address:8, St. Georges' Gate Road, Hastings, Kolkata - 700022	0.11%	11,424	2.50%	50,000
Purushottam Dass Bangur HUF Address: 21, Strand Road. Kolkata 700001	-	-	1.25%	25,000
Purushottam Dass Bangur & Gopal Das Bangur HUF Address : 21, Strand Road. Kolkata 700001	-	-	1.25%	25,000
Total	26.30%	27,53,349	94.49%	18,89,750

* Shares registered in the name of its trustees i.e. Mr. Hemant Bangur and Mrs. Pushpa Devi Bangur.

47. The name, address and shareholding of the Directors and the Key Managerial Personnel (KMP) of the Transferor Company as on March 31, 2017 in the Applicant Companies are as follows:

Name of Director / KMPs	Shares held in the Transferor Company	Shares held in the Transferee Company
Directors of Transferor Company		
Hemant Bangur Address: 8, St. Georges' Gate Road, Hastings, Kolkata - 700022	2,73,332	2,64,700
Dharam Chand Baheti Address:P.O. Fort Gloster, Bauria, Howrah 711310.	6,320	Nil
Nandita Sen Address: 52 Shalimar Apartment, 42B Shakespeare Sarani, Kolkata - 700017	Nil	Nil
Satyendra Nath Bhattacharya Address: Flat No. 13, Oval View, Maharshi Karve Road, Churchgate, Opposite Oval Maidan, Mumbai - 400020	Nil	Nil
Krutibas Mahapatra Address: Plot No. 456, Renu Niwas Nuasahi, Nayapalli Bhu- baneshwar - 751012	Nil	Nil
Prabir Ray Address:2E, Limelight Apartment, 6, Port Blair Lane, Barrackpore, 23 Titagarh Maida, Kolkata 743101	Nil	Nil
KMPs of Transferor Company		
Ajay Kumar Agarwal Address: 293/294 Bangur Avenue, Block B, Kolkata - 700055	Nil	Nil
Shankar Lal Kedia Address: 5C, Mumtaram Babu Street, 1st Floor, Kolkata - 700007	1,200	Nil

48. The name, address and shareholding of the Directors and the Key Managerial Personnel (KMP) of the Transferee Company as on March 31, 2017 in the Applicant Companies are as follows:

Name of Director / KMPs	Shares held in the Transferor Company	Shares held in the Transferee Company
Directors of Transferee Company		
Lakshmi Narayan Bihani Address: 55/1, Kavi Bharati Sarani, Lake Road, Kolkata – 700029.	Nil	Nil
Om Prakash Modani Address:24, Gopi Krishna Paul Lane, 20 Jorabagan, Kolkata – 700006	Nil	Nil
Pushpa Devi Bangur Address: 8, St. Georges’ Gate Road, Hastings, Kolkata - 700022	8,32,840	2,32,500
Vinita Bangur Address: 8, St. Georges’ Gate Road, Hastings, Kolkata - 700022	2,86,882	3,31,600
KMPs of Transferee Company		
Abhay Gandhi Address:E-24/7, Karunamoyee, Salt Lake, Kolkata - 700091	Nil	Nil
Ramakant Kankani Address: 9, Atindra Mukherjee Lane, Howrah 711102	Nil	Nil

49. The pre-Scheme shareholding pattern of the Transferor Company and the Transferee Company as on March 31, 2017 and the post-Scheme (expected) shareholding pattern of Transferee Company (assuming the continuing shareholding pattern as on March 31, 2017) is as under:

Category	Transferor Company		Transferee Company			
	Pre-Amalgamation		Pre-Amalgamation		Post-Amalgamation	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoter & Promoter Group						
– Individual/ HUF / Trusts	19,23,474	18.38	15,29,750	76.49	22,99,140	42.02
– Bodies Corporate	50,58,701	48.33	3,60,000	18.00	16,68,358	30.49
Public						
– Insurance Companies	23,03,194	22.00	1,10,000	5.50	10,31,278	18.85
– Bodies Corporate	2,19,910	2.10	-	-	87,964	1.61
– Clearing Member	4,247	0.04	-	-	1,698	0.03
– Others	9,57,354	9.15	250	0.01	3,83,192	7.00
Total	1,04,66,880	100%	20,00,000	100%	54,71,630	100%

50. The post-Scheme (expected) capital structure of Transferee Company will be as follows (assuming the continuing capital structure as on March 31, 2017):

A. Authorised Share Capital	Amount in INR
2,75,00,000 Equity shares of Rs. 10 each	27,50,00,000
Total	27,50,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital	Amount in INR
54,71,630 Equity shares of Rs. 10 each	5,47,16,300
Total	5,47,16,300

51. In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.

52. The following documents will be open for inspection by the unsecured creditors of the Transferor Company at its registered office at 21, Strand Road, Kolkata – 700001. between 10.00 a.m. and 12 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting:

- (i) Copy of the order passed by NCLT in Company Application No. 207, dated 11th day of July 2017 read with order dated 25th day of July 2017 directing the Applicant Companies to, inter alia, convene the meetings of its equity shareholders, secured creditors and unsecured creditors;
- (ii) Copy of the Company Application No. 207 of 2017 along with annexures filed by the Applicant Companies before NCLT;
- (iii) Copy of the Memorandum and Articles of Association of the Applicant Companies;
- (iv) Copy of the annual reports of the Applicant Companies for the financial years ended 31st March 2016 and 31st March 2015, respectively;
- (v) Audited Financial Results of the Applicant Companies for the year ended 31st March, 2017;
- (vi) Copy of the Register of Directors' shareholding of each of the Applicant Companies;
- (vii) Copy of Valuation & Share Exchange Ratio Report dated March 28, 2016 along with Supplementary Valuation & Share Exchange Ratio Report dated August 9, 2016 issued by M/s. Sharp & Tannan, Chartered Accountants;
- (viii) Copy of the Fairness Opinion, dated March 28, 2016 and Supplementary Fairness Opinion dated August 9, 2016, issued by M/s. Ashika Capital Limited, to the Board of Directors of the Transferor Company;
- (ix) Copy of the Audit Committee Report dated March 29, 2016 and August 12, 2016, of the Transferor Company;
- (x) Copy of the board resolutions, dated March 29, 2016 and August 12, 2016 passed by the respective Board of Directors of the Transferor Company and the Transferee Company, approving the Scheme;
- (xi) Copy of the Statutory Auditors' certificate dated March 29, 2016 issued by Messrs. Lovelock and Lewes, Chartered Accountants to the Transferor Company and Statutory Auditors' certificate dated March 22, 2017 issued by Messrs. S. S. Kothari & Co., Chartered Accountants to the Transferee Company certifying that the accounting treatment specified in the Scheme is in compliance with the applicable accounting standards prescribed under Section 133 of Companies Act, 2013 and other generally accepted accounting principles;
- (xii) Copy of the complaints report, dated October 14, 2016, submitted by the Transferor Company to BSE and The Calcutta Stock Exchange Limited;
- (xiii) Copy of the no adverse observations/no objection letter issued by BSE and The Calcutta Stock Exchange Limited, dated March 10, 2017 and April 3, 2017, respectively, to the Transferor Company;
- (xiv) Copy of Form No. GNL-2 filed by the respective Applicant Companies with the concerned Registrar of Companies evidencing filing of the Scheme;
- (xv) Copy of the Scheme.
- (xvi) Copy of the Reports dated 12th May, 2017 adopted by the Board of Directors of the Transferor Company and Transferee Company respectively pursuant to Section 232(2)(c) of Companies Act, 2013

The unsecured creditors shall be entitled to obtain the extracts from or for making or obtaining the copies of the documents listed in item numbers (i), (ii), (iii), (x) and (xv) above.

53. This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Rules. A copy of the Scheme, Explanatory Statement and Form of Proxy shall be furnished by the Transferor Company to its unsecured creditors, free of charge, within one (1) day (except Saturdays, Sundays and public holidays) on a requisition being so made for the same by the unsecured creditors of the Transferor Company.

54. After the Scheme is approved by the equity shareholders, secured creditors and unsecured creditors of the Transferor Company, it will be subject to the approval/sanction by NCLT.

sd/-

Dated : 26th Day of July 2017

Vinod Kothari

Chairman appointed for the Meeting

Registered office:

21, Strand Road, Kolkata – 700001.

SCHEME OF AMALGAMATION
(UNDER SECTIONS 391 TO 394 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 1956 AND COMPANIES ACT, 2013)

BETWEEN

GLOSTER LIMITED

AND

KETTLEWELL BULLEN & COMPANY LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS



CHAPTER 1

Chapter 1 of this Scheme of Amalgamation (“Scheme”) sets forth the overview and the objects of the Scheme.

1.0 DESCRIPTION OF COMPANIES

- 1.1 Gloster Limited (CIN No. L17119WB1992PLC054454) is a public company limited by shares incorporated in 1992 under the provisions of the Companies Act, 1956, having its registered office at 21, Strand Road, Kolkata – 700001, West Bengal and is engaged in manufacturing and exporting of all types of Jute & Jute allied products, Woven & Non-Woven Jute Geotextiles, Treated Fabric-Rot Proof, Fire Retardant, jute products for Interior Decoration and Packaging of Industrial and Agricultural produce. Gloster Limited was formed by the demerger of the Jute division of Fort Gloster Industries Limited which was established in the year 1872. The Jute division has been running the factory at Bauria uninterrupted since 1872. 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 in 2010. The equity shares of Gloster Limited are listed on BSE Ltd. (“BSE”) & The Calcutta Stock Exchange Ltd. (“CSE”) (collectively, the “Stock Exchanges”).
- 1.2 Kettlewell Bullen & Company was converted into a company and was incorporated as a limited company namely Kettlewell Bullen & Company Limited in 1923 (CIN No. U65192WB1923PLC004628) under the provisions of the Companies Act 1913 having its registered office at 8, Munshi Premchand Sarani, Kolkata, West Bengal. In 1879, it was appointed as the managing agent of Fort Gloster Jute Manufacturing Company Limited whose name was changed to Fort Gloster Industries Limited subsequently. In compliance with the change in statute, Kettlewell Bullen & Company Limited 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. As required by statute, being the holding Company, in the year 1998, Kettlewell Bullen & Company Limited was registered as a non-banking financial company (non-deposit accepting) with the Reserve Bank of India. As on date, it continues to remain the main Promoter of Gloster Limited. The equity shares of Kettlewell Bullen & Company Limited were listed on CSE till 9th August 2015.
- 1.3 Gloster Limited and Kettlewell Bullen & Company Limited are collectively referred to as the “Companies”.

2.0 RATIONALE FOR THE SCHEME OF AMALGAMATION

2.1 The rationale for the proposed Scheme is set out below:

- (i) Consolidation of business will lead to reflection of true net worth of the combined business for the stakeholders in the financial statements and enhancement of net worth of the combined business leading to enhancement in earnings and cash flow of the business.
- (ii) The amalgamated company will be able to better leverage its large net worth base and have enhanced business potential.



- (iii) Enhancement in value of stakeholders through seamless access to strong corporate relationships and other intangible benefits of Gloster Ltd and Kettlewell Bullen & Company Ltd. built up over decades of experience.
- (iv) Simplification of shareholding structure and reduction in shareholding tiers.
- (v) Simplification of management structure leading to better administration and reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes and elimination of duplication and rationalization of administrative expenses.

2.2 Consequently, the Board of Directors (as hereinafter defined) of the Companies have considered and approved this Scheme of Amalgamation and have accordingly proposed the Amalgamation (as hereinafter defined) as integral part of the Scheme.

3.0 CHAPTERS IN THE SCHEME

The Scheme is divided into three (3) chapters, the details of which are as follows:

- 3.1 **Chapter 1:** Chapter 1 of this Scheme sets forth the overview and objects of the Scheme. Further this Chapter 1 also contains the provisions with respect to definitions, interpretation and share capital of the companies to the Scheme which are common to and shall be applicable on all Chapters of the Scheme;
- 3.2 **Chapter 2:** Chapter 2 provides for the amalgamation of Gloster Limited into and with Kettlewell Bullen & Company Limited;
- 3.3 **Chapter 3:** Chapter 3 provides for the reorganization of share capital, changes to the main object clause of Kettlewell Bullen & Company Limited, change in name of Kettlewell Bullen & Company Limited, and certain general terms and conditions applicable to the Scheme.

4.0 GENERAL DEFINITIONS AND INTERPRETATION

4.1 In the Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

"1956 Act" means the Companies Act, 1956 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto;

"2013 Act" means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

"Amalgamation" means amalgamation of Transferor Company with Transferee Company in accordance with Section 2(1B) of the Income Tax Act, 1961, in terms of Chapter 2 of the Scheme;

"Appointed Date" means January 1, 2015, or such other date as may be determined by the Board of Directors of the concerned Companies or directed by the High Court and is the date



with effect from which the Scheme shall upon sanction of the same by the High Court, be deemed to be operative;

"Audit Committee" means the audit committee of Gloster Limited, as constituted from time to time;

"Board of Directors" or **"Board"** in relation to each of the Companies, as the case may be, means the board of directors of such company;

"BSE" means BSE Limited;

"CSE" means The Calcutta Stock Exchange Ltd.;

"Effective Date" means such date as the Companies mutually agree being the last of the dates or post the last of the dates on which all the conditions and matters referred to in clause 4 of Chapter 3 of the Scheme occur or have been fulfilled or waived in accordance with this Scheme;

"Encumbrance" means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term **"Encumbered"** shall be construed accordingly;

"Governmental Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body, statutory body or stock exchange, including but not limited to the Reserve Bank of India (**"RBI"**) and the Securities and Exchange Board of India (**"SEBI"**), or any other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law;

"High Court" means the High Court of Judicature at Calcutta having jurisdiction in relation to the Companies and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court under the 1956 Act or the 2013 Act, as applicable;

"Income Tax Act" means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force;

"Liabilities" means all debts and liabilities, both present and future whether or not provided in the books of accounts or disclosed in the balance sheet of the Transferor Company, including all secured and unsecured debts, liabilities (including deferred tax liabilities, contingent liabilities), duties and obligations (including under any licenses or permits or schemes of every kind) and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations along with any charge, Encumbrance;

"Record Date" means the date after the Effective Date to be fixed by the Board of Directors of the Transferee Company and the Transferor Company for the purpose of determining the equity shareholders of the Transferor Company, as applicable, to whom equity shares of the Transferee Company will be allotted pursuant to this Scheme;



“Registrar of Companies” means the Registrar of Companies, Kolkata;

“Scheme”, “the Scheme”, “this Scheme” means this Scheme of Amalgamation, pursuant to Sections 391 to 394 of the 1956 Act, or any other applicable provisions of the 1956 Act or the 2013 Act, if any, in its present form (along with any annexures, schedules, etc, attached hereto), with such modifications and amendments as may be made from time to time, and with appropriate approvals including approvals of the shareholders, as applicable, and sanction from the High Court under the 1956 Act or 2013 Act, as applicable, and under all applicable laws;

“SEBI Circular” means the circular number CIR/CFD/CMD/16/2015 dated November 30, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, both issued by the Securities and Exchange Board of India and any related and amended circulars that SEBI may issue in respect of schemes of arrangement;

“Share Exchange Ratio” has the meaning ascribed to it in sub-clause 11.2 of Chapter 2 of the Scheme hereof;

“Stock Exchanges” shall mean BSE and CSE;

“Transferee Company” means Kettlewell Bullen & Company Limited;

“Transferor Company” means Gloster Limited;

“Undertaking” means and includes the entire business of the Transferor Company as a going concern, including, without limitation:

- (a) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) whether or not recorded in the books of accounts of the Transferor Company, including, without limitation, investments of all kinds (i.e. shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates) including furniture, fixtures, office equipment, computers, fixed assets, current assets, cash and bank accounts (including bank balances), insurance policies, contingent rights or benefits, benefits of any deposits, policies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, vehicles, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, memberships with various bodies, certificates awarded by organisations / bodies, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and where-so-ever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;



- (b) all permissions, permits, sanctions, approvals, authorizations, consents, subsidies, quotas, rights, allotments, registrations, draw backs, privileges, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, VAT, sales tax and entry tax laws, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions/deductions, deferment, subsidy receivables from Government, grants from any Governmental Authority, all other rights, liberties, advantages, no-objection certificates, certifications, easements, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;
- (c) all contracts, agreements, engagements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, privileges and benefits of all contracts, agreements and all other rights, including license rights, lease rights, powers and facilities of every kind and description whatsoever or other understandings, deeds and instruments of whatsoever nature to which the Transferor Company are parties, including lease agreements, leave and license agreements, tenancy rights, equipment purchase agreements, hire purchase agreements, lending agreements and other agreements with the customers, sales orders, purchase orders and other agreements/contracts with the supplier of goods and/or service providers and all rights, title, interests, claims and benefits there under of whatsoever nature to which the Transferor Company is party;
- (d) all intellectual property rights (including intangible assets and business or commercial rights), registrations, trademarks, trade names, service marks, copyrights, patents, designs, logo, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names, used by or held for use by the Transferor Company, whether or not recorded in the books of accounts of the Transferor Company, and other intellectual rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Company, whether used or held for use by it;
- (e) all liabilities, lien or security thereon, whether in Indian rupees or foreign currency and whether or not provided for in the books of account or disclosed in the balance sheet of the Transferor Company;
- (f) all incentives, benefits, exemptions, payments deferrals, subsidies, concessions, grants, taxes, duties, cess, levies etc., that are allocable, referable or related to Transferor Company, including all or any refunds, interest due thereon, credits and claims relating thereto, including service tax, input credits, CENVAT credits, value added tax, sales tax, entry tax credits or set-offs and any other tax benefits, exemptions and refunds etc.; and



- (g) any and all permanent employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Transferor Company, at its respective offices, mills, plants, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Transferor Company.
- 4.2 All terms and words used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the 1956 Act or the 2013 Act, as applicable, the Income Tax Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made there under), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- 4.3 References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.
- 4.4 The headings herein shall not affect the construction of this Scheme.
- 4.5 The singular shall include the plural and vice versa; and references to one gender include all genders.
- 4.6 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 4.7 References to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works councillor employee representatives body (whether or not having separate legal personality).
- 4.8 References to any of the terms taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally.
- 4.9 Any reference to any statute or statutory provision shall include:
- (a) All subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and
 - (b) Such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.



5.0 SHARE CAPITAL

5.1 Gloster Limited

The share capital structure of Gloster Limited as on 31st July, 2016 is as under:

A. Authorised Share Capital		Amount in Rupees
2,50,00,000 Equity shares of Rs. 10each		25,00,00,000
	Total	25,00,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital		Amount in Rupees
1,04,66,880 Equity shares of Rs. 10 each		10,46,68,800
	Total	10,46,68,800

After 31st July, 2016 and till approval of Scheme by Board of Directors, there has been no change in the issued, subscribed and paid up share capital of Gloster Limited.

5.2 Kettlewell Bullen & Company Limited

The share capital structure of Kettlewell Bullen & Company Limited as on 31st July, 2016 is as under:

A. Authorised Share Capital		Amount in INR
25,00,000 Equity shares of Rs.10 each		2,50,00,000
	Total	2,50,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital		Amount in INR
20,00,000 Equity shares of Rs. 10each		2,00,00,000
	Total	2,00,00,000

After 31st July, 2016 and till approval of Scheme by Board of Directors, there has been no change in the issued, subscribed and paid up share capital of Kettlewell Bullen & Company Limited.



CHAPTER 2– AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY

- 1.0 Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Transferor Company shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in Transferee 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, as and from the Appointed Date, part of the Transferee Company by virtue of and in the manner provided in this Chapter.
- 2.0 Without prejudice to the generality of Clause 1.0 above, upon the coming into effect of the Scheme and with effect from the Appointed Date,
- a) all the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided and/or recorded in the books of accounts of the Transferor Company, comprised in the Undertaking of whatsoever nature and where-so-ever situated shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances of the Transferee Company.
 - b) such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Transferee Company and/or be deemed to stand transferred to the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become from the Appointed Date, the assets and properties of the Transferee Company. The vesting, pursuant to this sub-clause, shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
 - c) all other movable properties of the Transferor Company, including investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, deposits with any Government, quasi government, local or other authority or body or with any company or other person, shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all



other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Transferee Company and/or deemed to have been transferred to and vested in the Transferee Company, by way of delivery of possession of the respective documents, as applicable, as a part of the transfer of the Undertaking as a going concern, so as to become from the Appointed Date, the assets and properties of the Transferee Company.

- d) The Transferee Company may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor that pursuant to the sanction of this Scheme by the High Court, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realize all such debts (including the debts payable by such debtor or obligor to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by the Transferor Company and all the rights, title and interest of the Transferor Company in any licensed properties or leasehold properties shall, pursuant to Section 394(2) of the 1956 Act or any provision of the 2013 Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company.
- e) all immovable properties of the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or licensed or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title or interest in the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Court in accordance with the terms hereof.
- f) all lease/license or rent agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the assets of the Transferor Company, together with security deposits and advance/prepaid lease/license fee, etc., shall stand transferred and vested in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent or lease or license fee as provided for in such agreements and the Transferee Company and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants there-under. Without limiting the generality of the foregoing, the Transferee Company shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.



- g) All permissions, permits, sanctions, approvals, authorizations, consents, subsidies, quotas, rights, allotments, registrations, privileges, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, VAT, sales tax and entry tax laws, income tax benefits and exemptions/deductions, deferment, subsidy receivables from Government, grants from any Governmental Authority, indirect tax benefits and exemptions, all other rights, liberties, advantages, no-objection certificates, certifications, easements, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, if any, shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vest in and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.
- h) All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Transferor Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which, the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it is the duly constituted attorney of that Transferor Company.
- i) Without prejudice to the generality of the foregoing, all leave and license agreements/deeds, lease agreements/deeds, bank guarantees, corporate guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Transferor Company or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect



immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the Court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Transferee Company. Such property and rights shall stand vested in the Transferee Company and shall be deemed to have become the property of the Transferee Company by operation of law, whether the same is implemented by endorsement or delivery and possession or recordal in any other manner.

- j) All the intellectual property rights of any nature whatsoever, including but not limited to intangible assets appertaining to the Transferor Company, whether or not provided in books of accounts of the Transferor Company, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Transferee Company.
- k) All intangible assets including various business or commercial rights, etc belonging to but not recorded in books of the Transferor Company shall be transferred to and vested with the Transferee Company and shall be recorded at their respective fair values. The consideration agreed under the Scheme shall be deemed to include payment towards these intangible assets at their respective fair values. Such intangible assets shall, for all purposes, be regarded as intangible assets in terms of Explanation 3(b) to Section 32(1) of Income Tax Act and shall be eligible for depreciation there under at the prescribed rates.
- l) All taxes (including but not limited to advance tax, tax deducted at source, tax collected at source, minimum alternate tax credits, securities transaction tax, input credit, CENVAT credit, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, excise duty, etc.) payable by or refundable to or being the entitlement of the Transferor Company, including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, tax holidays, remissions, reductions, rebates etc as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company. Benefit of tax losses including brought forward business loss, unabsorbed depreciation, etc., up to Appointed Date, shall be available to Transferee Company w.e.f. the Appointed Date in terms of section 72A of Income Tax Act.
- m) The Transferee Company shall be entitled to claim refunds or credits, including Input Tax Credits, CENVAT credit with respect to taxes paid by, for, or on behalf of, the Transferor Company under applicable laws, including but not limited to sales tax, value added tax, service tax, excise duty, cess or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. Any inter-se transactions in relation to Transferor Company and Transferee Company between the Appointed Date and Effective Date shall be considered as



transactions from Transferee Company to itself, and Transferee Company shall be entitled to claim refund of tax paid, if any on these inter-se transactions, as per applicable law. For the avoidance of doubt, Input Tax Credits already availed of or utilized by the Transferor Company and the Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.

- n) All statutory rights and obligations of Transferor Company would vest on/accrue to Transferee Company. Hence, obligation of the Transferor Company, prior to the Effective Date, to issue or receive any statutory declaration or any other Forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Transferee Company and if any Form relating to the period prior to the said Effective Date is received in the name of the Transferor Company, it would be deemed to have been received by the Transferee Company in fulfillment of its obligations.
- o) Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a part of the transfer of the Transferee Company as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by the Transferee Company.
- p) The resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the 1956 Act or the 2013 Act as applicable, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.
- q) Such of the assets which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the assets of the Transferee Company.



3.0 Without prejudice to the generality of Clause 1.0 above, upon the coming into effect of this Scheme and with effect from the Appointed Date,

- (a) All the Liabilities, whether or not provided in the books of the Transferor Company, shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.
- (b) All Liabilities which are incurred or which arise or accrue to the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.
- (c) Any Liabilities of the Transferor Company as on the Appointed Date that are discharged by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Transferee Company.
- (d) All loans raised and utilized, liabilities, duties and taxes and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date, the Transferee Company shall meet, discharge and satisfy the same.
- (e) Loans, advances and other obligations (including any arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law,



if any, without any further act, instrument, deed, cost or charge, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

4.0

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secure or relate to the Liabilities shall, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to the Transferee Company. It is being clarified that the aforesaid Encumbrances shall not be extended to any assets of the Transferor Company which were earlier not Encumbered or the existing assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- (b) Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company pursuant to this Scheme.
- (c) Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- (d) The provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

5.0

- (a) Upon the coming into effect of this Scheme, all permanent employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Transferor Company who are on its payrolls shall become employees of the Transferee Company with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the



aforsaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous.

- (b) The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits created by the Transferor Company for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company or as may be created by the Transferee Company for such purpose. It is the intent that all rights, duties, powers and obligations of Transferor Company in relation to such fund or funds shall stand transferred to the Transferee Company without need of any fresh approval from any statutory authority. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Transferee Company to the existing funds maintained by the Transferor Company.
- (c) The Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of the Transferor Company, the past services of such employees with the Transferor Company shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Transferor Company will transfer/handover to the Transferee Company, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- (d) The Transferee Company shall continue to abide by any agreement(s)/ settlement(s) entered into by the Transferor Company with any of its employees prior to Appointed Date and from Appointed Date till the Effective Date.

6.0

- (a) All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Transferor Company shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.
- (b) Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company, whether pending and/or arising on or before the Effective Date shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent



as if the same had been instituted and/or pending and/or arising by or against the Transferee Company.

- (c) The Transferee Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against the Transferor Company transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.
- 7.0 All books, records, files, papers, information, databases, and all other books and records, whether in physical or electronic form, of the Transferor Company, to the extent possible and permitted under applicable laws, be handed over to the Transferee Company.
- 8.0 Without prejudice to the provisions of Clause 1.0 to 7.0 above, with effect from the Appointed Date, all inter-party transactions amongst the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.
- 9.0 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company are party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Court, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

10.0 Conduct of Business

10.1 With effect from the Appointed Date and up to and including the Effective Date:

- (a) the Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the entire business for and on account of, and in trust for, the Transferee Company;
- (b) all profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by the Transferor Company for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Transferee Company;
- (c) any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the



obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent of the Transferee Company;

- (d) all taxes, where applicable, (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, wealth tax, fringe benefit tax, tax collected at source, taxes withheld/paid in a foreign country, sales tax, excise duty, customs duty, service tax or goods and service tax, as applicable, value Added Tax, cess, tax refunds) payable by or refundable to the Transferor Company, including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of the Transferor Company) as the case may be, of the Transferee Company, and any unabsorbed tax losses and depreciation, etc., as would have been available to the Transferor Company on or before the Effective Date, shall be available to the Transferee Company upon the Scheme coming into effect;

10.2 Subject to the terms of the Scheme, the transfer and vesting of the Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or after the Appointed Date till the Effective Date. The Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company.

11.0 Consideration

11.1 Upon the Scheme coming into effect, all equity shares which the Transferee Company holds in the Transferor Company shall stand cancelled without any issue or allotment of equity shares of Transferee Company or payment whatsoever by the Transferee Company in lieu of such equity shares of the Transferor Company.

11.2 The Transferee Company shall without any further application, act, instrument or deed, issue and allot to each shareholder of the Transferor Company whose name is recorded in the register of members of the Transferor Company on the Record Date (except the Transferee Company itself in terms of clause 11.1 above) in the following ratio ("**Share Exchange Ratio**"):

"2 (two) fully paid up equity shares of Rs. 10 (Rupees Ten) each of Transferee Company for every 5 (five) fully paid up equity share of Rs. 10 (Rupees Ten) each held by such shareholder in Transferor Company."

11.3 The Share Exchange Ratio has been arrived at on basis of the valuation report read with supplementary valuation report, to determine the adjusted Share Exchange Ratio post completion of bonus issue by Transferor Company on 24th May, 2016, of M/s. Sharp & Tannan, an independent chartered accountant. Ashika Capital Limited, an independent merchant banker has provided a fairness report along with a supplementary fairness report (on account of the bonus issue discussed earlier in this Clause) on the fairness of the Share Exchange Ratio determined for the vesting of the Transferor Company into Transferee Company.

11.4 The equity shares to be issued and allotted by the Transferee Company in terms of Clauses 11.2 above shall be subject to the provisions of the Memorandum and Articles of Association of Transferee Company and shall rank *pari passu* in all respects with the existing equity shares of Transferee Company.



- 11.5 The new equity shares to be issued pursuant to Clause 11.2 above shall be issued in the dematerialized form by the Transferee Company unless otherwise notified in writing by the shareholders of the Transferor Company to Transferee Company on or before such date as may be determined by the board of directors of Transferee Company or a committee thereof. In the event, such notice has not been received by Transferee Company in respect of any of the members of Transferor Company, the new equity shares shall be issued to such shareholders in dematerialized form and directly credited to the dematerialized securities account provided that the members of Transferor Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. In the event that Transferee Company has received the notice from any of the shareholders of Transferor Company that the new equity shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depository participant or other confirmations as may be required, then the Transferee Company shall issue the new equity shares in certificate form.
- 11.6 In case any shareholder's holding in the Transferor Company is such that the shareholder becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue any fractional shares to such shareholder but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Transferee Company in that behalf, who shall hold these equity shares in trust for and on behalf of the shareholders entitled to such fractional entitlements with the express understanding that such trustee shall sell such shares at such time or times and at such price or prices to such person or persons as he/she may deem fit and shall distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders entitled to the same in proportion as their respective fractional entitlements bears to the consolidated fractional entitlements.
- 11.7 The equity shares to be issued pursuant to this Scheme by Transferee Company in respect of the equity shares of Transferor Company which are held in abeyance under the provisions of Section 126 of the 2013 Act and/or applicable provisions of 1956 Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by Transferee Company.
- 11.8 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Transferor Company, the Board of Directors or any committee thereof, of Transferor Company, at the sole discretion, shall be empowered in appropriate cases, prior to or even subsequent to the Effective Date as the case may be to effectuate such a transfer in Transferor Company as if such changes in registered holder were operative as on the Effective Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the Board of Directors of Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in Transferee Company on account of difficulties faced in the transition period.
- 11.9 The equity shares issued to the shareholders under Clause 11.2 will be listed with BSE and CSE and admitted for trading and the Transferee Company shall comply with the requirements of the SEBI Circular and take all steps to get the equity shares to be issued pursuant to the Scheme listed on CSE and BSE on which the equity shares of the Transferor Company are listed, in accordance with relevant regulations.



- 11.10 The equity shares of the Transferee Company issued in terms of this Scheme shall pursuant to the SEBI Circular and subject to compliance with requisite formalities be listed and/or admitted to trading on the relevant stock exchange(s) where the existing equity shares of the Transferor Company are listed and/or admitted to trading, i.e., BSE and CSE. The Transferee Company shall enter into such arrangement and issue such confirmations and/or undertakings as may be necessary in accordance with the applicable law or regulation for the above purpose.
- 11.11 The equity shares in the Transferee Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- 11.12 Post the issue of shares pursuant to Clause 11.2, there shall be no change in the shareholding pattern or control in the Transferee Company between the record date and the listing which may affect the status of the approval by the Stock Exchanges.
- 11.13 In the event the shares of the Transferee Company including shares issued to the Promoters' of Transferor Company pursuant to the Clause 11.2 above are subject to lock-in under the SEBI Circular then subject to applicable laws, the shares kept under lock-in may be pledged with Scheduled Commercial Bank or Public Financial Institution as collateral security and shares may also be transferred within the promoters' group during such lock-in period.
- 11.14 In the event that the Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 11.15 The issue and allotment of equity shares by Transferee Company to the equity shareholders of Transferor Company as provided in this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by Transferee Company as if the procedure laid down under Section 62(1)(c) of the 2013 Act and/or any other applicable provisions of the 1956 Act or 2013 Act, if applicable, were duly complied with.

12.0 Accounting Treatment

- 12.1 The Transferee Company shall record the assets (including intangible assets, if any, whether or not recorded in the books of Transferor Company) 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 notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs under section 133 of 2013 Act.
- 12.2 The Transferee Company shall record issuance of shares at fair value and accordingly credit to its Share Capital Account the aggregate face value of the equity shares issued on Amalgamation. The excess, if any, of the fair value of the equity shares over the face value of the shares issued shall be credited to Securities Premium Reserve. The Securities Premium Reserve so credited shall be available for issuance of bonus shares in accordance with applicable laws.
- 12.3 The equity shares held by the Transferee Company in the Transferor Company appearing in the books of accounts of the Transferee Company shall stand cancelled in terms of clause 11.1



above and there shall be no further obligation in that behalf.

- 12.4 To the extent that there are inter-company loans, advances, deposits, balances unpaid dividend or other obligations as amongst the Transferor Company and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company as well as Transferor Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
- 12.5 Excess, if any, of the consideration, viz., fair value of new shares issued in terms of Clause 11.2 above and the value of investment in the Transferor Company as appearing in the books of the Transferee Company, over the fair value of Net Assets (including identifiable intangible assets, if any, whether or not recorded in the books of accounts) taken over and recorded by the Transferee Company will be recognized as goodwill in accordance with Accounting Standard - 14. In the event the result is negative, it shall be credited as Capital Reserve in the books of account of the Transferee Company.
- 12.6 The Transferee Company shall record in its books of account, all transactions of the Transferor Company in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.
- 12.7 All costs and expenses incurred as per Clause 10 of Chapter 3 below as well as other costs incidental with the finalization of this Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the Scheme, shall be charged to Profit and Loss Account with exception of the following cost and expenses, which will be accounted in the books of the Transferee Company as under:
- Stamp duty payable, if any, on the basis of value of immovable properties of the Transferor Company transferred to the Transferee Company shall be capitalized in the books of the Transferee Company with the said fixed assets in accordance with Accounting Standard - 10 "Accounting of Fixed Assets".
- 12.8 The goodwill and/or intangible assets (if any) transferred/arising on Amalgamation, as aforesaid, shall be amortized in the books of the Transferee Company over a period of 5 years and 10 years respectively or such other period based on the useful life as may be determined by the Board.
- 12.9 The Board of Directors may adopt any other accounting treatment for the Amalgamation which is in accordance with Accounting Standards notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of 2013 Act.
- 13.0 **Dissolution of the Transferor Company**

Upon the coming into effect of the Scheme, the Transferor Company shall, without any further act, instrument or deed, stand dissolved without winding-up.



CHAPTER 3 – OTHER TERMS AND CONDITIONS

1.0 Reorganisation of Authorised Share Capital

- 1.1 As an integral part of the Scheme, upon this Scheme becoming effective and with effect from Appointed Date, the authorised share capital of the Transferor Company as on the Effective Date shall, without any further act, instrument or deed or payment of additional fees payable to the Registrar of Companies or stamp duty, stand transferred to and be merged with the authorised share capital of the Transferee Company.
- 1.2 Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 13 of the 2013 Act and other applicable provisions of the 2013 Act, as the case may be and be replaced by the following clause:

“The Authorised Share Capital of the Company is Rs 27,50,00,000 (Rupees Twenty Seven Crores Fifty Lacs only) divided into 2,75,00,000 (Two Crore Seventy Five Lac) Equity Shares of Rs 10/- (Rupees Ten only) each, with rights, privileges and conditions attaching thereto as may be provided by the Articles of Association of the Company. The Company shall have the power to increase or reduce its capital for the time being and to consolidate, divide or sub-divide and re-classify the shares in such capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as to dividend, voting or otherwise and to vary, modify or abrogate any such rights, privileges or conditions in accordance with the provisions of the Act and Articles of the Company and issue Shares of higher or lower denominations.”

- 1.3 It is further clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval for the increase of the authorized capital, amendment of the capital clause of the Memorandum of Association, under the provisions of Section 13 of the 2013 Act and other applicable provisions of the 2013 Act.

2.0 Change of Name of Transferee Company

Upon this Scheme becoming effective, the name of Transferee Company shall be deemed to have been changed from “Kettlewell Bullen & Company Limited” to “Gloster Limited” in accordance with Section 13 of the 2013 Act and other relevant provisions of the 2013 Act, as applicable. It is hereby clarified that for the purposes of this clause, the consent of the shareholders of the Transferee Company and Transferor Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the name change and that no further resolution under Section 13 of 2013 Act or any other applicable provisions of the 2013 Act, as applicable, would be required to be separately passed. Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for change of its name.



3.0 Change in Object Clause of Transferee Company

- 3.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Object Clause of the Memorandum of Association of the Transferee Company shall stand amended.
- 3.2 The following sub clause shall be inserted after sub-clause 32 of Clause 3 of the Object of the Memorandum of Association of the Transferee Company:

"33. To carry on business as producers and growers of jute, hemp, flex, cotton, silk, wool, or any other natural fibres and to manufacture and produce all types of synthetic and man made fibres including synthetic fibres, viscose, nylon, acrylic, polyester and all types of man made fibres and to carry on business of Spinners and Weavers of all such fibres and yarns, and goods produced therefrom and other similar materials and carry on business of manufacturers, processors, converters, makers, stockists, agents and importers, exporters, traders, retailers, suppliers, buyers, sellers, merchants, distributors and concessionaries of all such fibres, yarns and all types of processed and converted form of such fibres, yarns and goods.

34. To carry on the trades or business of manufacturers of chemicals and manure's, distillers, dye makers, gas makers and makers of chemical and identical preparations of all kinds."

- 3.3 It shall be deemed that the members of the Transferee Company and Transferor Company have also resolved and accorded all relevant consents under Section 13 of the 2013 Act or other relevant provision of 2013 Act, as applicable. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the 2013 Act or other relevant provision of 2013 Act, as applicable, for the amendments of the Memorandum of Association of the Transferee Company as above. Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for alteration of its main objects and the consequent amendment of the Memorandum of Association.

4.0 Conditions to effectiveness of the Scheme

- 4.1 The Scheme is conditional upon and subject to:
- (a) this Scheme being approved by the respective requisite majorities of the various classes of shareholders, as applicable, of the Companies as required under the 1956 Act or the 2013 Act, as applicable, and the requisite order of the High Court being obtained, or dispensation having been received from the High Court in relation to obtaining such consent from the shareholders, as applicable;
 - (b) approval of the Scheme by the public shareholders of the Transferor Company in accordance with the provisions of the SEBI Circulars. Such approval will be obtained through resolution passed through postal ballot and e-voting and the Scheme shall be acted upon only if the votes cast by public shareholders in favour of the proposal are more than the number of votes cast by public shareholders against it.
 - (c) such other approvals and sanctions including sanction of any Governmental Authority, as may be required by law in respect of the Scheme;
 - (d) the High Court having accorded sanction to the Scheme and if any modifications have



been prescribed the same being acceptable to the Companies; and

- (e) such certified/authenticated copy of the Order of the High Court being filed with the Registrar of Companies, Kolkata.

4.2 In case any of the conditions in the Scheme are not satisfied or waived, then the Companies shall be at liberty to withdraw the Scheme.

5.0 Dividend

5.1 The Companies shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date.

5.2 The holders of the shares of the Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

5.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Companies to demand or claim any dividends which, subject to the provisions of the 1956 Act or the 2013 Act, as applicable, shall be entirely at the discretion of the respective Boards of Directors of the Companies, and subject to the approval, if required, of the respective members of the Companies.

6.0 Applications

6.1 The Companies shall make necessary applications before the High Court for the sanction of this Scheme under Sections 391 to 394 and other applicable provisions of the 1956 Act or relevant provision of 2013 Act, as applicable, seeking orders for dispensing with or convening, holding and/or conducting of the meetings of the classes of their respective shareholders and for sanctioning this Scheme with such modifications, as may be approved by the Court.

6.2 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to carry on the business of the Transferor Company.

7.0 Modifications to the Scheme

The Companies (by their Board of Directors) may, in their full and absolute discretion, jointly and as mutually agreed in writing:

- (a) assent to any alteration(s) or modification(s) to this Scheme which a High Court and/or any other Governmental Authority may deem fit to approve or impose, and/or effect any other modification or amendment jointly and mutually agreed in writing, including, without limitation, any modifications to the accounting treatment set out in the Scheme due to the Indian Accounting Standards being made applicable to the Companies or to the matters set forth in this Scheme, and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme;

- (b) such directions (acting jointly) as they may consider necessary to settle any



question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation hereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to any of those (to the extent permissible under law);

- (c) modify or vary this Scheme prior to the Effective Date in any manner at any time; or
- (d) if any part of this Scheme is found to be unworkable for any reasons whatsoever withdraw this Scheme prior to the Effective Date in any manner at any time; or
- (e) determine jointly whether any asset, liability, employee, legal or other proceedings pertains to the Transferor Company or not, on the basis of any evidence that they may deem relevant for this purpose.

8.0 When the Scheme comes into operation

8.1 The Scheme shall come into operation from the Appointed Date but the same shall become effective on and from the Effective Date.

8.2 With effect from the Effective Date, the Transferee Company shall carry on and shall be authorized to carry on the businesses of the Transferor Company. For the purposes of giving effect to the order of the High Court under Section(s) 391 to 394 and other applicable provisions of the 1956 Act or relevant provision of 2013 Act as applicable, approving the Scheme, the Transferee Company shall at any time pursuant to such orders be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Transferor Company in accordance with the provisions of the Section(s) 391 to 394 of the 1956 Act or the relevant provision of the 2013 act as applicable. The Transferee Company is and shall always be deemed to have been authorized to execute any pleadings, applications, forms etc. as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of the Scheme.

8.3 The Transferor Company and the Transferee Company shall be entitled to, amongst other, file/ or revise its income tax returns, TDS/TCS returns, wealth tax returns, service tax, excise, Value Added Tax, sales tax, cess, entry tax, professional tax or any other statutory returns, if required. The Transferee Company shall be entitled to claim credit for advance tax paid, tax deducted at source or tax collected at source, claim for deduction of sum prescribed under Section 43B of the Income Tax Act on payment basis, claim for deduction of provisions written back by Transferee Company previously disallowed in the hands of Transferor Company under the Income Tax Act, credit of tax under Section 115JB read with Section 115JAA of the Income Tax Act, credit of foreign taxes paid/ withheld etc., if any, pertaining to the Transferor Company as may be required consequent to implementation of this Scheme and where necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum. The Transferee Company shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to its income or transactions entered into by it with effect from Appointed Date. The taxes or duties paid by, for, or on behalf of, the Transferor Company relating to the period on or after Appointed Date shall be deemed to be the taxes or duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit or refund for such taxes or duties.



8.4 Any advance tax, self-assessment tax, minimum alternate tax and/or TDS/TCS credit available or vested with the Transferor Company, including any taxes paid and taxes deducted/collected at source and deposited by the Transferor Company on inter se transactions during the period between Appointed Date and the Effective Date shall be treated as tax paid by the Transferee Company and shall be available to the Transferee Company for set-off against its liability under the Income Tax Act and any excess tax so paid shall be eligible for refund together with interest. Further, TDS/TCS deposited, TDS/TCS certificates issued or TDS/TCS returns filed by the Transferor Company on transactions other than inter se transactions during the period between Appointed Date and the Effective Date shall continue to hold good as if such TDS/TCS amounts were deposited, TDS/TCS certificates were issued and TDS/TCS returns were filed by the Transferee Company. Any TDS/TCS deducted/collected by, or on behalf of, the Transferor Company on inter se transactions will be treated as tax deposited or tax collected by the Transferee Company.

8.5 Transfer and vesting of assets and liabilities of the Transferor Company (including intangible assets, whether or not recorded in the books) as the case may be in terms of Chapter 2 is not a sale in the course of business or otherwise.

9.0 Severability

9.1 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Companies, affect the validity or implementation of the other parts and/or provisions of this Scheme.

9.2 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Companies and their respective shareholders, and the terms and conditions of this Scheme, the latter shall prevail.

10.0 Costs

All costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) in relation to or in connection with the Scheme and incidental to the completion of the Amalgamation in pursuance of the Scheme shall be borne by Transferor Company and/or Transferee Company as the case may be.





SHARP & TANNAN
Chartered Accountants

28th March 2016

The Board of Directors
Gloster Limited
21, Strand Road
Kolkata - 700001,
India.

The Board of Directors
Kettlewell Bullen and Co. Ltd.
8, Munshi Prem Chand,
Sarani, Kolkata 700 022,
India.

Re: Recommendation of fair exchange ratio for the proposed merger of Gloster Limited into Kettlewell Bullen & Company Ltd.

Dear Sir/Madam,

We, Sharp & Tannan Chartered Accountants ("S&T."), have been appointed vide letter dated March 16, 2016 to determine the share exchange ratio for the proposed merger of Gloster Limited ("Gloster") into Kettlewell Bullen & Company Limited ("KBCL") pursuant to the proposed scheme of amalgamation between Gloster and KBCL and their respective shareholders and creditors under section 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013 ("the Scheme"). The cut-off date for the valuation exercise has been considered as 31st December 2015 ("Valuation Date"). We are pleased to present herewith our report on the same.

1. Brief Background & Purpose

- 1.1. Gloster Ltd, listed on BSE Ltd. and The Calcutta Stock Exchange Ltd., is a manufacturer and exporter of jute and jute allied products. It was incorporated on 18th February, 1992.
- 1.2. Gloster's manufacturing facility is located at Bauria in West Bengal.
- 1.3. Kettlewell Bullen & Company Limited was incorporated as a limited company in the year 1923 and is a non-banking financial company (non-deposit accepting) registered with the Reserve Bank of India.
- 1.4. We understand that management of Gloster and KBCL (together referred to as "the Companies") have proposed to merge Gloster into KBCL ("Proposed Merger").
- 1.5. In this regard, we, S&T have been appointed to undertake the valuation of the Companies to determine the share swap ratio for the Proposed Merger.



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Also at Pune. Associate Offices : Bangalore, Chennai, Goa & New Delhi

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2. Sources of Information

- 2.1. For the purpose of undertaking this valuation exercise, we have relied on the following sources of information:
- 2.2. KBCL
 - Provisional financial statements of KBCL for the nine months period ended 31 December 2015;
- 2.3. Gloster
 - Provisional financial statements of Gloster for the nine months period ended 31 December 2015;
 - Audited Financials of Gloster for Financial Years 2012-13, 2013-14 and 2014-15;
 - Financial projections of Gloster from 1 January 2016 to 31 March 2020;
 - Income Tax Computation and Income Tax Return for Gloster for AY 2015-16;
 - Details of Fixed Asset Schedule of Gloster for FY15 as per Income Tax Act, 1961;
- 2.4. Relevant data and information provided to us by the representatives of KBCL and Gloster in written or oral form or in form of soft copy;
- 2.5. Discussions with the representatives of KBCL and Gloster regarding their past, current & future business projections.
- 2.6. Information provided by leading database sources, market research reports and other published data.
- 2.7. Management Representation Letter dated 27 March 2016.

3. Exclusions and Limitations

- 3.1. This report, its contents and the results herein are (i) Specific to the purpose mentioned in this report (ii) Specific to the date of this report and (iii) are based on the financial statement of the Companies. The Management has represented that the business activities of the Companies have been carried out in the normal and ordinary course between 31 December 2015 and date of this report and that no material adverse change has occurred in their respective operations and financial position between 31 December 2015 and date hereof.
- 3.2. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of information (both written & verbal) made available to us by the Companies and (ii) the accuracy of the information that was publicly available, and formed substantial basis for this report. We have not carried out a due diligence or audit of the Companies, nor have we independently investigated or otherwise verified the data provided by the Companies. In rendering this report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof. We do not express any opinion or offer any form of assurance that the explanations, financial information or other information as prepared and provided by the Companies is accurate and complete. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that, in case of any doubt, they have checked the relevance or materiality of any specific information with respect to the present exercise with us.

Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

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- 3.3. Our conclusions are based on these assumptions and information given by/on behalf of the Companies. The respective management of the Companies have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our analysis/result. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/incorrect. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.
- 3.4. During the course of work, we have relied upon the financial projections of the Companies provided to us by the Management. The assumptions underlying the projections have not been reviewed or independently verified by us and accordingly there can be no assurance that these assumptions are accurate. We must emphasize that realizations of the free cash flow forecast used in the analysis will be dependent on the continuing validity of the assumptions on which they are based. The assumptions used in their preparation, as we have been explained, are based on the management's present expectation of both the most likely set of future business events and circumstances and the management's course of action related to them. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since, the projections relate to the future, actual results may be different from the projected results because events and circumstances do not occur as expected, and differences may be material.
- 3.5. Valuation work, by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions, expert opinion may differ due to number of separate judgement decisions, which have to be made. There can therefore be no standard formulae to establish an undisputable value, although certain formulae are helpful in assessing reasonableness.
- 3.6. This report and its contents is prepared for the Companies and to be used only for the specific engagement and regulatory reporting purpose and must not be copied, disclosed or circulated or referred to or quoted in any correspondence, registration statement, prospectus, offering memorandum, loan agreement or other agreement or discussion with any person. The report is confidential to the Companies and it is given on the express undertaking that will not be communicated, in whole or in part, to any third party without any prior written consent of S&T. Neither this report nor its contents may be used for any other purpose other than in connection with this Proposed Merger without prior written consent of S&T.
- 3.7. Whilst all reasonable care has been taken to ensure that the facts stated in the report are accurate and the opinions given are fair and reasonable. Neither ourselves, nor any of our Partners, or Officers or employees shall in any way be responsible contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of completeness, authenticity or accuracy of such statements. We expressly disclaim any and all liabilities which may arise based on the information used in this report. We owe responsibility to the Board of Directors of the Companies and nobody else. We are not liable to any third party in relation to the issue of this report. In no event we shall be liable for any loss, damage, cost or expense arising in any way for fraudulent acts, misrepresentations or willful default on the part of the Companies, their management, directors, employees or agents.
- 3.8. A valuation of this nature is necessarily based on prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available

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to us of, the date hereof. Events occurring after the date hereof, may affect this Report and the assumptions used in preparing it, and we do not assume any obligations to update, revise or reaffirm this Report. However, we reserve the right to amend or replace the report at any time in the event of any material change in the facts presented to us.

- 3.9. The report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited balance sheet of the Companies. Our conclusion of value assumes that the assets & liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the date hereof.
- 3.10. This report does not look into the business / commercial reasons behind the proposed Amalgamation nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed Amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.
- 3.11. This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. In addition, this Report does not in any manner address the price at which equity shares will trade following approval of the Amalgamation and we express no opinion or recommendation as to how the shareholders or creditors of Companies should vote at their respective meeting(s) to be held in connection with the proposed Amalgamation.
- 3.12. The fee for this engagement is not contingent upon the results of this report.

4. Brief Background – Gloster Ltd

- 4.1. Gloster, listed on BSE Ltd. and The Calcutta Stock Exchange Ltd., is a manufacturer and exporter of jute and jute allied products. It offers geo textiles, floor coverings and home furnishings. It also offers hessian cloth and bags, sacking cloth and bags, spirally sewn bags, fine yarn, blended yarn, carpet weft yarn, dyed yarn and twines/ropes, among others. Its manufacturing facility is located at Bauria in West Bengal.
- 4.2. The issued & paid up equity share capital of Gloster as at 31st December 2015 was INR 52.33 mn divided into 5,233,440 equity shares of INR 10/- each (face value) and its shareholding pattern was as follows on 31 December 2015:

Sr.No	Category of Shareholder	No. of shares held	% of Holding
A	Promoter & Promoter Group	3,478,870	66.5%
B	Public	1,754,570	33.5%
	Total	5,233,440	100.0%

- 4.3. We have been informed by the management of Gloster that there has been no change in the share capital of the Company till the date of this report.

5. Brief Background – Kettlewell Bullen and Company Ltd

- 5.1. KBCL was incorporated as a limited company in the year 1923 and is a non-banking financial company (non-deposit accepting) registered with the Reserve Bank of India.

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- 5.2. The issued, subscribed and paid up share capital of KBCL as on 31st December, 2015 was INR 4,000,000 comprising of 40,000 equity shares of INR 100 each. We have been informed by the management of KBCL that post the valuation date it has split the equity shares in the ratio of 1:10 such that one equity share with the face value of INR100 each will be split into ten equity shares of INR10 each. Further, we have been informed that KBCL has declared bonus shares in the ratio of 4:1 to its equity shareholders post the valuation date. Thus, the revised share capital is arrived at INR 20,000,000 comprising of 2,000,000 equity shares of INR10 each.

6. Valuation Approach

- 6.1. The Proposed Merger scheme contemplates the merger of the Companies pursuant to the scheme of Amalgamation under sections 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013. Arriving at the fair equity share exchange ratio for the Proposed Merger would require determining the relative values of each company. These values are to be determined independently but on a relative basis, and without considering the effect of the Proposed Merger.
- 6.2. It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.
- 6.3. The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.
- 6.4. There are three generally accepted approaches to valuation:
- (a) "Cost" approach
 - (b) "Income" approach
 - (c) "Market" approach

Cost Approach

- 6.5. The cost approach focuses on the net worth or net assets of a company. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" or where the assets base dominates earnings capability or if it is investment holding company and significant value is derived from its investment holdings.
- 6.6. The Net Asset Value ("NAV") Method under the Cost Approach considers the Assets and Liabilities, including Intangible Assets and Contingent Liabilities. The Net Assets, after reducing the dues to the Preference Shareholders, if any, represent the equity value of a company.

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- 6.7. In Break-up Value ("BUV") Method, the assets and liabilities are considered at their realizable or restated value including intangible assets and contingent liabilities or liabilities on account of corporate guarantees given by the company, if any, which are not stated in the Balance Sheet. From the realizable value of the assets, the potential liabilities (including the preference share capital, if any, with the amount of surplus due to them), which would have to be paid, would be deducted and the resultant value is the BUV of the business.

Income Approach

- 6.8. The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow (DCF) Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

Discounted Cash Flow ("DCF") Method

- 6.9. Under the DCF Method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both, the owners and creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by the Weighted Average Cost of Capital (WACC). The WACC based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of the future cash flows as it considers equity-debt risk by incorporating debt-equity ratio of the firm.
- 6.10. The perpetuity (terminal) value is calculated based on the business' potential for further growth beyond the explicit forecast period. The "constant growth model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period. The perpetuity (terminal) value is calculated based on the business' potential for further growth beyond the explicit forecast period. The "constant growth model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period.
- 6.11. The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business' future operations.
- 6.12. The Enterprise Value (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further adjusted for the borrowings, cash, non-operating assets/liabilities (e.g fair value of investments in subsidiaries/associates/mutual funds, value of surplus assets, any contingent liability, etc.) and preference shareholders liability, if any, to arrive at value to the owners of the business.

Market Approach

- 6.13. Under the Market approach, the valuation is based on the market capitalisation of the company in case of listed companies or/and comparable companies trading or transaction multiples of comparable

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SHARP & TANNAN

LETTER NO: _____

SHEET NO: _____

companies. The Market approach generally reflects the investors' perception about the true worth of the company.

Market Price ("MP") Method

- 6.14. Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.

Comparable Companies Multiples ("CCM") Method

- 6.15. The value is determined on the basis of multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies.
- 6.16. This valuation is based on principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.
- 6.17. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Comparable Transactions Multiples ("CTM") Method

- 6.18. Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples have to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are EV/ EBITDA multiple and EV/ Revenue multiple
- 6.19. Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples have to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are EV/ EBITDA multiple and EV/ Revenue multiple.

7. Conclusion on Valuation Approach of Gloster and Kettlewell

- 7.1. We have considered the DCF method under Income Approach and CCM method under Market approach for valuation of Gloster. We have ignored the market price method under the market approach as the total volume of shares traded under the recognized stock exchanges during the trailing twelve months was very close to 10% which is the threshold limit of an infrequently traded stock.
- 7.2. KBCL is an investment holding company. It has investments in several quoted and unquoted companies. Hence we have considered the BUW method under the cost approach for valuation of KBCL.

8. Basis of Valuation

- 8.1. The exchange ratio for the Proposed Merger would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending a fair exchange ratio of

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LETTER NO: _____

SHEET NO: _____

equity shares it is necessary to arrive at a single value for the shares of Gloster and KBCL. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of Gloster and KBCL but at their relative values to facilitate the determination of a fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

- 8.2. The cut-off date for the valuation exercise has been considered as at 31st December 2015 for considering the financial statements for Income Approach.
- 8.3. Arriving at the exchange ratio for the Proposed Merger would require determining the value of the equity shares of Gloster in terms of the value of the equity shares of KBCL. These values are to be determined independently but on a relative basis, and without considering the Proposed Merger.
- 8.4. As discussed in para 7, we have considered the DCF Method and CCM Method for valuation of Gloster and BUW method for valuation of KBCL.
- 8.5. The fair exchange ratio of equity shares of Gloster and KBCL have been arrived on the basis of a relative equity valuation for Gloster and KBCL based on the methodology explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations.
- 8.6. In the light of the above, and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion a fair ratio of exchange

In the event of merger of Gloster with KBCL would be:

4 (Four) equity shares of KBCL of INR 10/- each fully paid up for every **5 (Five)** equity shares of Gloster of INR 10/- each fully paid up.

Yours faithfully,

For Sharp & Tannan,
Chartered Accountants
Firm Regn No.: 109982W



Edwin Augustine
(Partner)
Membership No. – 043385

Date: 28 March, 2016
Place: Mumbai



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SHARP & TANNAN
Chartered Accountants

9th August, 2016

The Board of Directors Gloster Limited 21, Strand Road Kolkata - 700001, India.	The Board of Directors Kettlewell Bullen and Co. Ltd. 8, Munshi Prem Chand, Sarani, Kolkata 700 022, India.
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**Re: Recommendation of fair share exchange ratio for the proposed merger of
Gloster Limited into Kettlewell Bullen & Company Ltd.**

Dear Sir/Madam,

- 1.0 We, Sharp & Tannan Chartered Accountants ("S&T."), had been appointed vide letter dated March 16, 2016 to determine the share exchange ratio for the proposed merger of Gloster Limited ("Gloster") into Kettlewell Bullen & Company Limited ("KBCL") pursuant to the proposed scheme of amalgamation between Gloster and KBCL and their respective shareholders under section 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013 ("the Scheme") pursuant to which we had issued our report dated March 28, 2016 which was noted and approved by the Board of Directors of Gloster and KBCL in their respective meetings held on March 29, 2016.
- 2.0 The Board of Directors of Gloster had also recommended issue of bonus shares of face value of Rs. 10/- each, to the equity shareholders of Gloster in the ratio 1:1 which was subsequently approved by the shareholders of Gloster vide their extra-ordinary meeting conducted through postal ballot on 11th May, 2016 ("Bonus Issue").
- 3.0 Gloster has since, on 24th May, 2016, issued & allotted 52,33,440 equity shares of face value of Rs. 10/- each, to the equity shareholders of Gloster pursuant to the Bonus Issue.
- 4.0 As conveyed by BSE Limited to Gloster, a supplementary valuation report indicating the revised share exchange ratio for the Scheme is required, considering the impact of the Bonus Issue.
- 5.0 In this regard, we, S&T have been asked to issue this Supplementary Valuation Report to determine the revised share exchange ratio, after considering the Bonus Issue, for the Scheme.
- 6.0 In the light of the above, in our opinion, a fair ratio of exchange

In the event of merger of Gloster with KBCL would be:

"2 (Two) equity shares of KBCL of INR 10/- each fully paid up for every 5 (Five) equity shares of Gloster of INR 10/- each fully paid up."

Yours faithfully,
For SHARP & TANNAN,
Chartered Accountants
Firm Registration No.: 109982W


Edwin P. Augustine
(Partner)
Membership No. - 043385
Date: 9th August, 2016
Place: Mumbai



Ravindra Annexe, 194, Churchgate Reclamation, Dinshaw Vachha Road, Mumbai - 400 020, India.
Tel. (22) 2204 7722/23, 6633 8343 - 47 Fax (22) 6633 8352 E-mail : admin.mumbai@sharandtannan.com
Farook M. Kobla Shreedhar T. Kunte
Edwin Augustine Raghunath P. Acharya
Ravnath D. Kare
Thirtharaj A. Khot
Ashwin B. Chopra
Pavan K. Aggarwal
Also at Pune. Associate Offices : Bangalore, Chennai, Goa & New Delhi



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SEBI Registration No.: INM 000010536

March 28, 2016
ACL: MUM: 2015-16:0077

To
The Board of Directors,
Gloster Limited,
21, Strand Road,
KOLKATA - 700001.

Sub: Issue of Fairness Opinion Certificate on the valuation carried out by M/s. Sharp & Tannan, Chartered Accountants

Ref: Proposed Scheme of Amalgamation between Gloster Limited and Kettlewell Bullen & Company Limited

Dear Sir,

This is with reference to the request made by the management of **Gloster Limited** (hereinafter referred to as "**Gloster**"), for issue of the fairness opinion certificate on the valuation exercise and share exchange ratio recommendation carried out by M/s. Sharp & Tannan, Chartered Accountants (hereinafter referred to as "**Valuer**") for the proposed Scheme of Amalgamation between **Gloster Limited** and **Kettlewell Bullen & Company Limited** (hereinafter referred to as "**KBCL**") in connection with the proposed amalgamation of **Gloster Limited** into **Kettlewell Bullen & Company Limited**.

1) PURPOSE OF VALUATION UNDERTAKEN BY THE VALUER:

- 1.1 We have been informed that the Board of Directors of **Gloster Limited** and **Kettlewell Bullen & Company Limited** (collectively referred as "**Companies**") are considering a proposal for the amalgamation of **Gloster Limited** into **Kettlewell Bullen & Company Limited** under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, subject to necessary approvals.
- 1.2 The Board of Directors of **KBCL** proposes to issue Equity Shares of face value INR 10/- each to the Shareholders of **Gloster** in consideration for the proposed Scheme of Amalgamation.
- 1.3 In this regard, M/s. Sharp & Tannan, Chartered Accountants were appointed to carry out the valuation to determine their respective share prices of the Companies and to recommend the share exchange ratio in the event of amalgamation of **Gloster** with **KBCL**.

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1.4 The information contained herein and our certificate is confidential. It is intended only for the sole use of captioned purpose including for the purpose of obtaining requisite approvals as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2) SOURCES OF INFORMATION:

- For the purpose of fairness opinion, we have relied upon the following sources of information provided by the management of the Companies:

- Valuation Report dated March 28, 2015 prepared by M/s. Sharp & Tannan, Chartered Accountants
- Audited financial statements of Gloster for years ending 31.03.2013, 31.03.2014, and 31.03.2015
- Provisional financial statements of KBCL and Gloster for the nine months ending 31.12.2015
- Financial projections of Gloster from January 01, 2016 to March 31, 2020
- Income Tax computation and Income Tax Return for Gloster for AY 2015-16
- Details of the fixed asset schedule of Gloster for FY 15 as per Income Tax Act, 1961
- Such other information/explanations that has been provided to us by the management of Gloster and KBCL
- Management Representation letter dated March 27, 2016 from Gloster
- Relevant data and information provided to us by the representative of KBCL and Gloster in written or oral form or in form of soft copy

3) EXCLUSIONS AND LIMITATIONS:

3.1 We have relied upon and assumed, without independent verification, the truthfulness, accuracy, and completeness of information provided to us by the Companies in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. We have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our certificate.

3.2 This certificate is prepared with a limited purpose/scope as identified/stated earlier and will be confidential being for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.

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- 3.3 This certificate does not give any valuation or suggest any share exchange ratio. However, it is limited to provide its fairness opinion on the valuation and share exchange report as given by the Valuer.
- 3.4 Whilst all reasonable care has been taken to ensure that the facts stated in this certificate are accurate and the opinions expressed are fair and reasonable, neither ourselves, nor any of our partners, or officers, or employees shall in any ways be responsible for the contents stated herein. We expressly disclaim any and all liabilities whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out herein in this certificate.
- 3.5 The fees for this engagement is not contingent upon the results of this certificate.
- 3.6 This fairness opinion certificate is not a substitute for third party's own diligence/appraisal/enquiries/independent advice that the third party should undertake for its purpose.

4) **BACKGROUND OF COMPANIES**

- 4.1. **Kettlewell Bullen & Company Limited** (CIN - U65192WB1923PLC004628) was incorporated as a limited company in 1923 under the provisions of the Companies Act, 1913 having its registered office at 8, Munshi Premchand Sarani, Kolkata, West Bengal. In 1879, it was appointed as the managing agent of Fort Gloster Jute Manufacturing Company Limited. Kettlewell Bullen & Company Limited ceased to be the managing agent in 1969. Having regard to Kettlewell Bullen & Company Limited's experience in administration of companies, it was appointed as the Secretary and Registrar of Fort Gloster Jute Manufacturing Company Limited for a period of 5 years commencing from 1st January, 1970. In the year 1998, Kettlewell Bullen & Company Limited was registered as a Non-Banking Financial Company (non-deposit accepting) with the Reserve Bank of India. As on date, it continues to remain as one of the main promoters of Gloster Limited. The equity shares of Kettlewell Bullen & Company Limited were listed on The Calcutta Stock Exchange Limited ("CSE") till 9th August 2015.
- 4.2. **Gloster Limited** (CIN - L17119WB1992PLC054454) is a public company limited by shares incorporated in 1992 under the provisions of the Companies Act, 1956, having its registered office at 21, Strand Road, Kolkata - 700001, West Bengal and is engaged in manufacturing and exporting of all types of Jute & Jute allied products, Woven & Non-Woven Jute Geotextiles, Treated Fabric-Rot Proof, Fire Retardant, jute products for Interior Decoration and Packaging of Industrial and Agricultural produce.. Gloster Limited was part of Fort Gloster Jute Manufacturing Company Limited which was established in 1872. The name of the company was changed to Fort Gloster Industries Limited in 1957. 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 in 2010. The equity shares of Gloster Limited are listed on BSE Limited ("BSE") and The Calcutta Stock Exchange Limited ("CSE").

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5) VALUATION METHODOLOGIES CONSIDERED BY THE VALUER:

For the purpose of arriving at the value per equity share the Valuer has selected the following valuation methodologies:

- (a) Comparable Companies Multiple Method
- (b) Breakup Value method
- (c) Discounted Cash Flows Method

The detailed description for above-mentioned methods is given as under:

(a) Comparable Companies Multiple (CCM) Method:

Under this method, the value is determined on the basis of the multiples derived from valuation of comparable companies, as manifest in the stock market price of the listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to the valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

(b) Breakup Value Method:

In this method, the assets and liabilities are considered at their realizable or restated value including the intangible assets and contingent liabilities or liabilities on account of corporate guarantees given by the company, if any which are not stated in the Balance Sheet of the company. From the realizable value of the assets, the potential liabilities (including the preference share capital if any, with the amount of surplus due to them), which would have to be paid, would be deducted and the resultant value of the business is Breakup Value (BUV).

(c) Discounted Cash Flows Method:

This method is based on projected cash flow of the Company. The projected cash flows of the Company are discounted at an appropriate rate relating to the risk envisaged by the investor, to arrive at the present value. As already mentioned in the valuation report, this method is very popular as, ultimately 'cash is king' in any business and this method places greater emphasis on cash flows. More importantly, cash flows are not affected by the accounting treatment of a particular item.

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This method involves:

- Projections of future earnings;
- Determination of Free Cash Flow;
- Determination of NPV for the Free Cash Flow during the explicit forecast period;
- Determination of Continuing Value beyond the explicit forecast period.

For Gloster, the valuer has used a combination of Comparable Companies Multiple Method (CCM) and Discounted Cash Flow Method (DCF) and for KBCL, the Breakup Value Method (BUV) has been used.

6) FAIRNESS OPINION ON THE VALUATION REPORT:

- 6.1 We have reviewed the methodologies as mentioned above adopted by the Valuer for arriving at the fair valuation of the equity shares of the Companies and also reviewed the working and underlining assumptions adopted to arrive at the values under each of the above approaches, for determining their respective share prices and to recommend the share exchange ratio.
- 6.2 On the basis of the foregoing points, we are of the opinion, as of the date hereof, the following share exchange ratio is "Fair" to the equity shareholders.

"4 (Four) equity shares of KBCL of INR 10/- per equity share, will be allotted for every 5 (Five) equity shares of Gloster of INR 10/- per equity share."

Thanking you,

For Ashika Capital Limited


Mihir Mehta
Senior Manager



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August 9, 2016
ACL: MUM: 2016-17:0033

To
The Board of Directors,
Gloster Limited,
21, Strand Road,
KOLKATA - 700001.

Sub: Supplementary Fairness Opinion Certificate on the valuation carried out by M/s. Sharp & Tannan, Chartered Accountants

Ref: Proposed Scheme of Amalgamation between Gloster Limited and Kettlewell Bullen & Company Limited

We refer to our Fairness Opinion Certificate vide our Letter No. ACL:MUM: 2015-16:0077 dated March 28, 2016, on the valuation carried out by M/s. Sharp & Tannan, Chartered Accountants, issued for the proposed Scheme of Amalgamation between Gloster Limited ('Gloster') and Kettlewell Bullen & Company Limited ('Kettlewell') under Sections 391-394, of the Companies Act, 1956 or under Section 230-234 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 1956 and/or Companies Act, 2013 ('Scheme').

The Board of Directors of Gloster in their meeting held on March 29, 2016, has considered and approved the Scheme placed before the Board, subject to necessary approvals. The Board of Directors of Kettlewell had also in their Board meeting held on March 29, 2016, approved the said Scheme.

The Board of Directors of Gloster had also, in their meeting held on March 29, 2016, recommended issue of bonus shares of face value of Rs. 10/- each, to the equity shareholders of Gloster in the ratio 1:1 which was subsequently approved by the shareholders of Gloster by way of ordinary resolution vide their extra-ordinary meeting conducted through Postal Ballot on May 11, 2016 ("Bonus Issue").

As per clause 11.13 of the Scheme, in the event that the Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.

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M/s. Sharp & Tannan, Chartered Accountants (hereinafter referred to as 'Valuer') have issued a supplementary Valuation Report recommending therein adjusted share exchange ratio considering the impact of the Bonus Issue with respect to the Scheme.

In the circumstances as mentioned above, having regard to all relevant factors and on the basis of information, material and explanation made available to us, including the supplementary Report of the Valuer, We are of the opinion on the date hereof, that the following adjusted share exchange ratio with respect to the Scheme recommended by the Valuer is Fair and proper:

'2 (Two) equity shares of Kettlewell of INR 10/- per equity share, will be allotted for every 5 (Five) equity shares of Gloster of INR 10/- per equity share.'

Thanking you,

For Ashika Capital Limited


Mihir Mehta
Asst. Vice President-MBD

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DCS/AMAL/AC/R37/732/2016-17

March 10, 2017

The Company Secretary
Gloster Ltd
21, Strand Road, Kolkata,
West Bengal, 700001.

Sir,

Sub: Observation letter regarding the Draft Scheme of Amalgamation between Gloster Limited and Kettlewell Bullen & Company Limited.

We are in receipt of Draft Scheme of Amalgamation between Gloster Limited and Kettlewell Bullen & Company Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated March 10, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that post merger the resultant company shall be listed in atleast one national level stock exchange."
- "Company shall ensure that additional information, if any, submitted by the company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- Copy of the High Court approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitin Pujari
Manager

The Calcutta Stock Exchange Ltd.

7, Lyons Range, Kolkata - 700 001
Phone : +91 33 4025 3000, Fax : +91 33 4025 3030 / 3017
Website : www.cse-india.com, E-mail : cseadm@cse-india.com
CIN: U67120WB1923PLC004707

Ref.No. CSE/LD/13392/2017

3rd March, 2017

The Managing Director
Gloster Ltd.,
21, Strand Road,
Kolkata-700 001.

Dear Sir,

Sub: Observation letter for draft Scheme of Amalgamation between Gloster Ltd. and Kettlewell Bullen & Company Ltd.

We are in receipt of the draft Scheme of Amalgamation between Gloster Ltd. and Kettlewell Bullen & Company Ltd.

As required under SEBI Circular. No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI has vide its letter dated March 30, 2017, has inter alia given its comments on draft scheme filed by the company. A copy of SEBI comment letter is attached for your perusal and necessary compliance at your end.


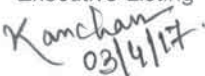
In view hereof, we hereby convey to you the Exchange's 'No-objection' of aforesaid securities with limited reference to those matters having bearing on listing/de-listing/continuous listing requirements (if any) within the provisions of the Listing Agreement and subject to the approval of the shareholders to the Scheme of Arrangement at the ensuing General meeting of the company.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

For THE CALCUTTA STOCK EXCHANGE LTD.


(CS Chandrani Datta)
Executive-Listing

03/4/17



भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

Navpreet Singh
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CFD/DIL-1/NS/07230/1/2017
March-30, 2017

Shri C S Chandrani Datta,
The Calcutta Stock Exchange Ltd,
7, Lyons Range,
Kolkata – 700001



Dear Sir,

Sub: Draft Scheme of Amalgamation between Gloster Limited and Kettlewell Bullen & Company Limited

1. This has reference to BSE letter No. LIST/LO/SEBI/AC/174/2016-17 dated September 20, 2016 forwarding the application of Draft Scheme of Amalgamation between Gloster Limited and Kettlewell Bullen & Company Limited filed in accordance with SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 (hereinafter referred to as 'the Circular') for our comments on the draft Scheme of Arrangement (hereinafter referred to as 'draft Scheme').
2. The matter has been examined by SEBI in the light of the provisions under Part A, Annexure I of the aforesaid Circular. Accordingly, SEBI's comments on the draft Scheme are as under:
 - a. The Stock Exchange shall ensure post merger the resultant company shall be listed in atleast one national level stock exchange.
 - b. The Stock Exchange shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.
 - c. The stock exchange may ensure compliance with the said Circulars.
 - d. The company shall duly comply with various provisions of the Circulars.

NS

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051.
दूरभाष : 2644 9950 / 4045 9950 (आई.सी.आर. एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

Please note that the submission of documents/information in accordance with the Circulars, to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Yours faithfully,

Navpreet Singh
Navpreet Singh



GLOSTER LIMITED

21, Strand Road, Kolkata-700 001 (India)
 Phone : +91 (33) 2230-9601 (4 Lines), Fax : +91(33)2231 4222/2210 6167, E-mail : info@glosterjute.com, Web : www.glosterjute.com
 CIN: L17119WB1992PLC054454

Annexure A

Complaints Report under Para (I)(A)(6) of Annexure I to the Securities and Exchange Board of India
 Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 on Scheme of Amalgamation

Part A

Sr No	Particulars	Number
1.	Number of complaints received directly	- Nil -
2.	Number of complaints forwarded by Stock exchanges	- Nil -
3.	Total Number of complaints/comments received (1+2)	- Nil -
4.	Number of complaints resolved	- Nil -
5.	Number of complaints pending	- Nil -

Part B

Sr No	Name of the Complainant	Date of Complaint	Status (Resolved/ Pending)
1.	- N.A, as no complaints received -		

For Gloster Limited

Company Secretary

Date: 14.10.2016



GLOSTER LIMITED

21, Strand Road, Kolkata-700 001 (India)
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CIN: L17119WB1992PLC054454

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF GLOSTER LIMITED AT ITS MEETING HELD ON FRIDAY THE 12 TH DAY OF MAY , 2017 AT 11.45 A.M. EXPLAINING THE EFFECT OF SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1.0 Background

1.1 The Proposed Scheme of Amalgamation between Gloster Limited (“Gloster” or “Transferor Company”) and Kettlewell Bullen & Company Limited (“Kettlewell” or “Transferee Company”)(collectively referred to as “Companies”) and their respective shareholders and creditors was approved by the Board of Directors of Gloster(“Board”) vide resolution dated March 29, 2016 and further on August 12, 2016. Subsequent to the said date, provisions of Section 230 to 232 of the Companies Act, 2013, interalia, governing amalgamation of companies have become operative with effect from 15th December, 2016. Provisions of Section 232(2)(c) of Companies Act, 2013 require the Board to adopt a report explaining the effect of arrangement and amalgamation on equity shareholders, Key Managerial Personnel, Promoters and Non-Promoter Shareholders of the Company laying out in particular the share exchange ratio and which is required to be circulated to the equity shareholders.

1.2 This report of the Board is accordingly being made in pursuance to the requirements of section 232(2)(c) of the Companies Act, 2013.

1.3 The following documents were placed before the Board:

1.3.1 Draft Scheme of Amalgamation duly initialed by the Chairman.

1.3.2 Valuation & Share Exchange Ratio Report dated March 28, 2016 along with Supplementary Valuation & Share Exchange Ratio Report dated August 9, 2016, prepared by M/s. Sharp &Tannan, Chartered Accountants, recommending the share exchange ratio (“Valuation Report”).

1.3.3 Fairness Opinion dated March 28, 2016 along with Supplementary Fairness Opinion certificate dated August 9, 2016 prepared by M/s. Ashika Capital Limited, Merchant Banker providing the Fairness opinion on the Share Exchange Ratio recommended M/s. by Sharp & Tannan (“Fairness opinion”).

1.3.4 Report of the Audit Committee of the Board of Directors dated March 29, 2016 and August 12, 2016.

2.0 Effect of the Scheme of Amalgamation on equity shareholders (promoter and non-promoter shareholders) of Gloster:

2.1 Under the Scheme, an arrangement is sought to be entered into between the Transferor Company, the Transferee Company and their equity shareholders (promoter and non-promoter shareholders).Upon the sanctioning of the Scheme, and in terms of Chapter 2 of the Scheme, the equity shareholders (whether promoter shareholders or non-promoter shareholders) (other than the Transferee Company) of the Transferor Company shall become the equity shareholders of the Transferee Company based on the Share Exchange Ratio as under and as stipulated in Clause 11of Chapter 2 of the Scheme:

“2 (two) fully paid up equity shares of Rs. 10 (Rupees Ten) each of Transferee Company for every 5 (five) fully paid up equity share of Rs. 10 (Rupees Ten) each held by such shareholder in Transferor Company”

2.2 Upon the effectiveness of the Scheme, the equity shares held by the Transferee Company in the paid-up equity share capital of the Transferor Company shall stand cancelled.



GLOSTER LIMITED

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Phone : +91 (33) 2230-9601 (4 Lines), Fax : +91(33)2231 4222/2210 6167, E-mail : info@glosterjute.com, Web : www.glosterjute.com

CIN: L17119WB1992PLC054454

3.0 **Effect of the Scheme of Amalgamation on the employees (including key managerial personnel) of Gloster:**

3.1 Under Clause 5 of Chapter 2 of the Scheme, on and from the Effective Date, the Transferee Company undertakes to engage all the employees of the Transferor Company on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service and in the manner provided under the Scheme. In the circumstances, the rights of the employees of the Transferor Company would in no way be affected by the Scheme. The key managerial personnel of the Transferor Company are also the employees of the Transferor Company.

3.2 Under the Scheme, no rights of the employees (including key managerial personnel) of the Transferee Company are being affected.

4.0 **Effect of the Scheme of Amalgamation on the Directors of Gloster:**

4.1 Upon the effectiveness of the Scheme, the directors of the Transferor Company shall cease to be its directors as Transferor Company shall stand dissolved without winding up.

5.0 No special valuation difficulties were reported.

By order of the Board

Sd/-

D.C. Baheti,
Managing Director
DIN:00040953

Date:12th May, 2017

Place: Kolkata

ISO 9001 CERTIFIED COMPANY • TWO STAR EXPORT HOUSE

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF KETTLEWELL BULLEN & COMPANY LIMITED AT ITS MEETING HELD ON FRIDAY THE 12 TH DAY OF MAY , 2017 AT 02.30 P.M. EXPLAINING THE EFFECT OF SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1.0 Background

1.1 The Proposed Scheme of Amalgamation between Gloster Limited ("**Gloster**" or "**Transferor Company**") and **Kettlewell Bullen & Company Limited** ("**Kettlewell**" or "**Transferee Company**") (collectively referred to as "**Companies**") and their respective shareholders and creditors was approved by the Board of Directors of Kettlewell ("**Board**") vide resolution dated March 29, 2016 and further on August 12, 2016. Subsequent to the said date, provisions of Section 230 to 232 of the Companies Act, 2013, inter alia, governing amalgamation of companies have become operative with effect from 15th December, 2016. Provisions of Section 232(2)(c) of Companies Act, 2013 require the Board to adopt a report explaining the effect of arrangement and amalgamation on equity shareholders, Key Managerial Personnel, Promoters and Non-Promoter Shareholders of the Company laying out in particular the share exchange ratio and which is required to be circulated to the equity shareholders.

1.2 This report of the Board is accordingly being made in pursuance to the requirements of section 232(2)(c) of the Companies Act, 2013.

1.3 The following documents were placed before the Board:

1.3.1 Draft Scheme of Amalgamation duly initialed by the Chairman.

1.3.2 Valuation & Share Exchange Ratio Report dated March 28, 2016 along with Supplementary Valuation & Share Exchange Ratio Report dated August 9, 2016, prepared by M/s. Sharp & Tannan, Chartered Accountants, recommending the share exchange ratio ("**Valuation Report**").

1.3.3 Fairness Opinion dated March 28, 2016 along with Supplementary Fairness Opinion certificate dated August 9, 2016 prepared by M/s. Ashika Capital Limited, Merchant Banker providing the Fairness opinion on the Share Exchange Ratio recommended M/s. by Sharp & Tannan ("**Fairness opinion**").

2.0 Effect of the Scheme of Amalgamation on equity shareholders (promoter and non-promoter shareholders) of Kettlewell:

2.1 Under the Scheme, an arrangement is sought to be entered into between the Transferee Company, Transferor Company and their equity shareholders. Upon the effectiveness of the Scheme, the Transferee Company shall allot equity shares to the shareholders of Transferor Company based on the Share Exchange Ratio as under and in the manner stipulated in Clause 11 of Chapter 2 of the Scheme:

"2 (two) fully paid up equity shares of Rs. 10 (Rupees Ten) each of Transferee Company for every 5 (five) fully paid up equity share of Rs. 10 (Rupees Ten) each held by such shareholder in Transferor Company"

2.2 Upon the effectiveness of the Scheme, the equity shares held by the Transferee Company in the paid-up equity share capital of the Transferor Company shall stand cancelled.

3.0 Effect of the Scheme of Amalgamation on the employees (including key managerial personnel)of Kettlewell:

3.1 Under Clause 5 of Chapter 2 of the Scheme, on and from the Effective Date, the Transferee Company undertakes to engage all the employees of the Transferor Company on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service and in the manner provided under the Scheme. In the circumstances, the rights of the employees of the Transferor Company would in no way be affected by the Scheme. The key managerial personnel of the Transferor Company are also the employees of the Transferor Company.

3.2 Under the Scheme, no rights of the employees (including key managerial personnel)of the Transferee Company are being affected.

4.0 Effect of the Scheme of Amalgamation on the Directors of Kettlewell:

4.1 There is no effect of the Scheme on the directors of the Transferee Company.

5.0 No special valuation difficulties were reported.

By order of the Board

Sd/-
O.P. Modani
Director
DIN:00615363

Date:12th May, 2017

Place: Kolkata

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOSTER LIMITED

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
 - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone financial statements – Refer Note 31.
 - ii. The Company has derivative contracts as at March 31, 2017 for which there were no material foreseeable losses Refer Note 35. There are no long term contracts outstanding as at March 31, 2017.
 - 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, 2017.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 42.

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

Sunit Kumar Basu
Partner
Membership Number 55000

Place: Kolkata
Date: May 12, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Gloster Limited on the standalone financial statements for the year ended March 31, 2017

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

1. We have audited the internal financial controls over financial reporting of Gloster Limited ("the Company") as of March 31, 2017 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sunit Kumar Basu
Partner
Membership Number 55000

Place: Kolkata
Date: May 12, 2017

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Gloster Limited on the standalone financial statements as of and for the year ended March 31, 2017

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of four years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) The title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the financial statements, are held in the name of the Company.
- ii. 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 not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii) (a), (iii) (b) and (iii) (c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. 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 and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax, service-tax, duty of customs, duty of excise which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, and value added tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount of Demand* (Rs.)	Period to which the amount relates	Forum where the dispute is pending
West Bengal VAT Act, 2003	West Bengal VAT	1,304,424	2007-08	West Bengal Taxation Tribunal
Central Sales Tax Act, 1956	Central Sales Tax	671,033	2007-08	Calcutta High Court
West Bengal VAT Act, 2003	West Bengal VAT	4,570,981	2008-09	West Bengal Taxation Tribunal
West Bengal VAT Act, 2003	West Bengal VAT	1,734,219	2009-10	Appellate & Revisional Board

Name of the statute	Nature of dues	Amount of Demand* (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	1,554,342	2009-10	Appellate & Revisional Board
West Bengal VAT Act, 2003	West Bengal VAT	2,226,350	2010-11	Appellate & Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	3,883,904	2010-11	Appellate & Revisional Board
West Bengal VAT Act, 2003	West Bengal VAT	2,985,287	2011-12	Appellate & Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	7,540,895	2011-12	Appellate & Revisional Board
West Bengal VAT Act, 2003	West Bengal VAT	5,164,136	2012-13	Appellate & Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	8,153,448	2012-13	Appellate & Revisional Board

*Against the above, a sum of Rs. 42.01 lakhs has been deposited by the company under protest.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any banks as at balance sheet date. The Company does not have any loans or borrowings from any financial institution or Government nor has issued any debentures as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer, 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 financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Sunit Kumar Basu
Partner
Membership Number 55000

Place: Kolkata
Date: May 12, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

	Note	As at	
		31st March, 2017	31st March, 2016
		Rs. lakhs	Rs. lakhs
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	1,046.69	523.34
Reserves and Surplus	4	36,494.47	32,435.63
		37,541.16	32,958.97
Non-current Liabilities			
Long-term borrowings	5	-	286.83
Deferred tax liabilities (net)	6	102.24	56.84
Long-term provisions	7	400.18	303.23
		502.42	646.90
Current Liabilities			
Short-term borrowings	8	3,333.67	7,765.21
Trade Payables (includes dues of Micro and Small enterprises Rs 0.33 Lakh (2015-16 :Rs 1.21 Lakhs)	9	431.39	616.87
Other current liabilities	10	2,982.92	2,426.01
Short-term provisions	11	943.41	1,617.59
		7,691.39	12,425.68
Total		45,734.97	46,031.55
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	12	26,215.63	25,583.96
Intangible assets	13	17.41	19.41
Capital work-in-progress		174.68	400.16
Intangible Assets under development		32.85	32.85
Non-current investments	14	3,849.90	3,008.62
Long-term loans and advances	15	574.85	596.72
		30,865.32	29,641.72
Current assets			
Current investments	16	2,385.90	1,530.08
Inventories	17	8,034.28	9,948.09
Trade receivables	18	1,959.31	2,552.52
Cash and Bank balances	19	223.50	411.33
Short-term loans and advances	20	2,247.21	1,947.81
Other current assets	21	19.45	-
		14,869.65	16,389.83
Total		45,734.97	46,031.55
Corporate Information		1	
Summary of significant accounting policies		2	

The accompanying notes are an integral part of these financial statements.

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

For Lovelock & Lewes

Firm Registration No. 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership No. 55000

Shankar Lal Kedia

Chief Financial Officer

Ajay Kumar Agarwal

Company Secretary

Hemant Bangur

D.C. Baheti Executive Chairman

Nandita Sen Managing Director

S.N. Bhattacharya Director

K. Mahapatra Director

Prabir ray Director

Place : Kolkata

Date: 12th May, 2017

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH, 2017

	Note	As at	
		31st March, 2017	31st March, 2016
		Rs. lakhs	Rs. lakhs
Income			
Revenue from operations (gross)	22	50,742.79	43,026.30
Less: Excise Duty and R & D Cess		369.85	315.60
Revenue from operations (net)		50,372.94	42,710.70
Other Income	23	1,400.34	1,167.13
Total Revenue		51,773.28	43,877.83
EXPENSES			
Cost of materials consumed	24	25,259.75	25,030.46
Purchase of traded goods		-	10.17
Changes in inventories of finished goods, stock-in-process and semi -finished goods	25	1,161.93	(1,795.22)
Employee benefits expense	26	8,421.82	8,194.39
Finance costs	27	341.75	411.50
Depreciation and amortization expense	28	769.23	780.03
Other expenses	29	8,744.22	7,554.31
Total Expenses		44,698.70	40,185.64
Profit before exceptional items and tax		7,074.58	3,692.19
Exceptional items		-	-
Profit before tax		7,074.58	3,692.19
Tax expense			
Current tax		2,447.00	1,243.00
Deferred tax		45.40	(14.83)
Total Tax expenses		2,492.40	1,228.17
Profit for the year		4,582.18	2,464.02
Earnings per equity share[Nominal Value per Share Rs.10 (31.03.2016 - Rs.10)]			
Basic & Diluted	30	43.78	23.54
Corporate Information		1	
Summary of significant accounting policies		2	

The accompanying notes are an integral part of these financial statements.

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

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu

Partner
Membership No. 55000

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

Hemant Bangur
D.C. Baheti
Nandita Sen
S.N. Bhattacharya
K. Mahapatra
Prabir ray
Executive Chairman
Managing Director
Director
Director
Director
Director

Place : Kolkata
Date: 12th May, 2017

CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2017

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Rs. Lakhs		Rs. Lakhs	
A. Cash Flow from Operating Activities				
Net profit before tax		7,074.58		3,692.19
Adjustments for :				
Depreciation and Amortisation Expenses	769.23		780.03	
Finance Costs	341.75		411.50	
Bad Debts Written Off	-		4.38	
Net (Profit) / Loss on sale of fixed assets	(30.66)		(2.45)	
Net gain on sale of current investments	(4.09)		(36.30)	
Net gain on sale of Long Term Investments	(14.26)		(99.92)	
Unrealised (Gain) / Loss on exchange (net)	(1.85)		(2.86)	
(Gain)/ Loss on Mark to Market adjustment for Derivative Instrument	-		22.57	
Export License utilized	(7.51)		(3.79)	
Interest Income	(261.45)		(191.64)	
Dividend income on long term investments	(8.26)		(1.13)	
Liabilities no longer required written back	(0.09)		(5.79)	
Provision for Impairment of Power Plant written back	(245.07)			
Diminution in value of Investment	54.49		21.43	
Provision for Diminution in Investment Written Back	(21.43)		(11.73)	
Fixed Asset Written Off	67.41	638.21	-	884.30
Operating profit before working capital changes		7,712.79		4,576.49
Adjustments for :				
Decrease/(Increase) in Inventories	1,913.81		(3,141.14)	
Decrease/(Increase) in Trade and Other Receivables	839.52		(952.70)	
(Decrease)/Increase in Trade and Other Payables	227.36	2,968.69	1,408.04	(2,685.80)
Cash generated from operations		10,681.48		1,890.69
Income Taxes paid		(2,287.81)		(1,505.52)
Net Cash from Operating Activities	A	8,393.67		385.17
B. Cash Flow from investing activities				
Purchase of Fixed Assets	(1,337.72)		(1,504.11)	
Grant/ Capital Subsidy Received against Specific Fixed Assets	148.98		16.92	
Sale of Fixed Assets	231.70		12.57	
Purchase of Current investments	(9,842.16)		(3,427.38)	
Application Money paid for Investment	(20.00)		(200.00)	
Sale/ Redemption of Investments	8,130.46		2,062.25	
Interest received	241.99		191.64	
Dividend received	8.26		1.13	
Intercompany Deposit given	(1,200.00)		(1,200.00)	

CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2017 (Contd.)

Particulars		Year ended 31st March, 2017		Year ended 31st March, 2016	
	Repayment of Intercompany Deposit	700.00		-	
	(Increase)/Decrease in Margin Money Deposits	40.98		(40.98)	
	Net (Finance)/Repayment against Bill Discounting	(64.08)			
	Net Cash used in Investing activities		(2,961.59)		(4,087.96)
C.	Cash Flow from Financing Activities				
	Net proceeds / (repayment) of Short term Borrowings	(4,433.53)		4,763.76	
	Proceeds from Long-term Borrowings	112.00		598.00	
	Repayment of Long-term Bank Borrowings	(525.83)		(995.73)	
	Finance costs paid	(356.08)		(405.57)	
	Dividend paid	(312.79)		(314.01)	
	Dividend Taxes paid	(63.92)		(63.92)	
	Net Cash from / (used) in Financing Activities		(5,580.15)		3,582.53
	Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		(148.07)		(120.26)
D.	Cash and Cash Equivalents				
	Net Increase/ (Decrease) in Cash and Cash Equivalents		(148.07)		(120.26)
	Cash and Cash Equivalents as on 1 April		351.88		472.14
	Cash and Cash Equivalents 31 March		203.81		351.88

Notes

- The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard -3, on Cash Flow Statement as per Companies Accounting Standard Rules, 2006.
- Previous year's figures have been regrouped/ rearranged wherever necessary.
This is the Cash Flow statement referred to in our report of even date.

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

Place : Kolkata
Date: 12th May, 2017

Sunit Kumar Basu
Partner
Membership No. 55000

Shankar Lal Kedia Ajay Kumar Agarwal
Chief Financial Officer Company Secretary

Hemant Bangur Executive Chairman
D.C. Baheti Managing Director
Nandita Sen Director
S.N. Bhattacharya Director
K. Mahapatra Director
Prabir ray Director

Notes to the Financial Statements

1. Corporate Information

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

2. Summary of significant accounting policies

2.1 Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7(1) of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

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

2.2 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 Tangible assets and Depreciation

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

Notes to the Financial Statements

- e) An impairment loss is recognized where applicable when the carrying amount of tangible asset exceeds its recoverable amount.

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.
- b) Intangible assets comprising of computer software is depreciated on straight line method over a period of five years.
- c) Profit and Loss on disposal of Intangible assets is recognized in the Statement of Profit and Loss.
- d) An impairment loss is recognized where applicable when the carrying amount of intangible asset exceeds its recoverable amount.

2.5 Impairment of Assets

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

2.6 Investments

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

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

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

2.7 Subsidy / Government Grant

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

2.8 Inventories

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

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

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

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

Notes to the Financial Statements

2.9 Employee Benefit

a) Defined Contribution Plans

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

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

b) Defined Benefit Plans

(i) Gratuity

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

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

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

(ii) Compensated Absences

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

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

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

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

2.10 Research & Development Cess and Excise duty

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

Notes to the Financial Statements

2.11 Sale of Goods

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

2.12 Other Income

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

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

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

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

2.13 Foreign Currency Transaction

(i) Initial Recognition

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

(ii) Subsequent Recognition

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

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

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

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

2.14 Taxation

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

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

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

Notes to the Financial Statements

2.15 Borrowing Cost

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

2.16 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.

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

2.17 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.

2.18 Cash and Cash Equivalents

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

2.19 Change in Accounting Policy

The Company used to provide for proposed final dividend recommended by the Board of Directors as an appropriation to the Profit for the period. Pursuant to Companies (Accounting Standards) Amendment Rules, 2016 final dividend is being provided for only on approval by the shareholders in Annual General Meeting. Had the Company provided for proposed final dividend as in the past, provisions would have been higher by Rs.944.83 lakhs and net current assets would have been lower by a similar amount. The aforesaid change in Accounting policy, however does not have any impact on the profit for the current year.

Notes to the Financial Statements

3. Share Capital

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Authorised 2,50,00,000 (31.03.2016 - 2,50,00,000) Equity Shares of Rs. 10/- each	2,500.00	2,500.00
Issued, Subscribed and Fully Paid-up 1,04,66,880 (31.03.2016 - 52,33,440) Equity Shares of Rs. 10/- each	1,046.69	523.34
Total	1,046.69	523.34

(a) Reconciliation of number of equity shares

	As at			
	31st March, 2017		31st March, 2016	
	No. of Shares	Rs. lakhs	No. of Shares	Rs. lakhs
Balance as at the beginning of the year	5,233,440	523.344	5,233,440	523.344
Add: Shares Issued as fully paid up bonus shares during the Year	5,233,440	523.344	-	-
Balance as at the end of the year	10,466,880	1,046.688	5,233,440	523.344

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

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

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

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

	As at	
	31st March, 2017	31st March, 2016
	No. of Shares	No. of Shares
Equity shares allotted as fully paid-up pursuant contract(s) without payment being received in cash 1993-94	217,360	217,360
Equity shares allotted as fully paid up bonus share by way of capitalisation of General Reserve in 2002-03	654,180	654,180
Equity shares allotted as fully paid up bonus share by way of capitalisation of General Reserve in 2008-09	1,308,360	1,308,360
Equity shares allotted as fully paid-up bonus share by way of capitalisation of Securities Premium Account and General Reserve in 2013-14	2,616,720	2,616,720
Equity shares allotted as fully paid-up bonus share by way of capitalisation of General Reserve in 2016-17	5,233,440	-

Notes to the Financial Statements

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

	As at			
	31st March, 2017		31st March, 2016	
	No. of Shares	% holding	No. of Shares	% holding
Life Insurance Corporation of India	2,303,194	22.00	1,151,597	22.05
Kettlewell Bullen & Company Limited	1,787,806	17.08	893,903	17.08
The Oriental Company Limited	1,510,016	14.43	755,008	14.43
Madhav Trading Corporation Limited	1,208,115	11.54	591,840	11.31
Credwyn Holdings (India) Pvt.Ltd.	510,380	4.88	305,190	5.83
Pushpa Devi Bangur	832,840	7.96	395,228	7.55

4. Reserves and Surplus

	As at			
	31st March, 2017		31st March, 2016	
	Rs. lakhs		Rs. lakhs	
Capital Reserve		150.00		150.00
Revaluation Reserve				
Balance as at the beginning of the year		18,980.68		24,379.95
Deduct:				
Adjustment [Refer Note 12(a)]		-		5,399.27
Balance as at the end of the year		18,980.68		18,980.68
General Reserve				
Balance as at the beginning of the year		12,795.66		10,795.66
Deduct: Capitalised by Issue of Bonus Share		523.34		-
Add: Transferred from Surplus in the Statement of Profit and Loss during the year		2,000.00		2,000.00
Balance as at the end of the year		14,272.32		12,795.66
Surplus in the Statement of Profit and Loss				
Balance as at the beginning of the year		509.29		423.20
Add: Profit for the year		4,582.18		2,464.02
Deduct: Appropriations				
i) Proposed dividend on equity shares for the year [Refer Note (a) below and Note 2.19] (2015-16 Rs. 3/- per share)		-		314.01
ii) Dividend distribution tax on proposed dividend on equity shares		-		63.92
iii) Transfer to General Reserve		2,000.00		2,000.00
Balance as at the end of the year		3,091.47		509.29
Total		36,494.47		32,435.63

(a) The Board has recommended a dividend of 50% i.e Rs. 5/- per equity share for the year ended 31st March, 2017 and a special dividend - "25 years of Gloster's operations" of 25% i.e Rs. 2.5/- per equity share, making a total dividend of 75% i.e Rs. 7.5/- per equity share. The Payment is subject to approval of the shareholders at the ensuing Annual general meeting of the Company.

Notes to the Financial Statements

5. Long-term borrowings

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Secured		
Term Loan from Banks [Refer Note (a) below]	-	192.50
Unsecured		
Term Loan from Banks [Refer Note (b) below]	166.67	388.00
	166.67	580.50
Less: Amount disclosed under the head "Other current liabilities" [Refer Note 10]	166.67	293.67
Total	-	286.83
Nature of security and terms of repayment for secured borrowings (including current maturities of Long term borrowings in Note 10)		
Nature of Security	Terms of repayment	
a) Term loan from banks amounting to Rs.nil lakhs (31.03.2016: Rs 192.50 lakhs) are secured by equitable mortgage of factory, land and building, hypothecation of all plant & machinery and all other movable fixed assets of the Company.	Repayable in 24 equal quarterly instalments beginning from August 2015 along with interest rate linked to Bank base rate + 1.40% spread.	
b) Unsecured Term Loan from Bank amounting to Rs 166.67 Lakhs (31.03.2016: Rs 388 Lakhs)	Repayable in 3 equal quarterly instalments beginning from December 2016 along with interest rate linked to Bank base rate + 0.25% spread.	

6. Deferred tax liabilities (net)

		As at	
		31st March, 2017	31st March, 2016
		Rs. lakhs	Rs. lakhs
Deferred tax liabilities			
Depreciation (A)	483.50	458.70	
Deferred tax assets			
Provision for leave encashment	128.26	95.29	
Provision for doubtful advances	51.28	51.28	
Provision for Impairment	11.82	96.64	
Others	189.90	158.65	
	(B)	381.26	401.86
Total [Refer note (a) below]	(A-B)	102.24	56.84

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

7. Long-term provisions

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Provision for Compensated absences of employees	400.18	303.23
Total	400.18	303.23

Notes to the Financial Statements

8. Short-term borrowings

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Secured		
Loans from banks [refer note (a) below]	3,333.67	5,265.21
Unsecured :		
Loans From Banks [refer note (b) below]	-	2,500.00
Total	3,333.67	7,765.21

(a) Loan repayable on demand amounting to Rs. 3,333.67 lakhs (31.03.2016: Rs. 5,265.21 lakhs) are secured by hypothecation of stock of raw material, stock -in-process, finished goods, stores & consumables, book debts and other current assets of the Company.

Further, loans repayable on demand to bank amounting to Rs. 2,159.52 lakhs (31.03.2016: Rs. 3,414.16 lakhs) is also secured by Corporate Guarantee of Kettlewell Bullen & Company Limited.

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

9. Trade payables

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Total outstanding dues of Micro Small & Medium Enterprises (Refer note 36)	0.33	1.21
Total outstanding dues of creditors other than Micro Small & Medium Enterprises	431.06	615.66
Total	431.39	616.87

10. Other current liabilities

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Current maturities of long-term debt (also refer note 5)	166.67	293.67
Advances received from customers	308.92	160.89
Interest accrued and due on borrowings	2.11	9.94
Interest accrued but not due on borrowings	-	6.51
Unpaid Dividends [refer note (a) below]	19.48	18.26
Statutory dues	231.83	184.86
Capital Creditors	11.89	55.42
Other payables [Refer note (b) below]	2,242.15	1,696.46
Total	2,982.92	2,426.01

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the end of the year.

(b) Other payables include Buyers Credit of Rs. 93.28 lakhs (31.03.2016: Rs.Nil) and Employee Cost liability of Rs. 854.33 lakhs (31.03.2016: Rs. 657.88 lakhs).

Notes to the Financial Statements

11. Short-term provisions

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Provision for Employee Benefits (also refer note 26)		
Provision for Gratuity	442.61	916.35
Provision for compensated absences of employees	91.18	72.87
Other Provisions		
i) Proposed dividend on equity shares for the year [Refer Note 4 and Note 2.19] (2015-16 Rs. 3/- per share)	-	314.01
Provision for Dividend Distribution Tax	-	63.92
Provision for Taxation [Net of Advance Tax Rs.10,303.30 lakhs (2015-16 Rs. 8,015.49 Lakhs)]	409.62	250.44
Total	943.91	1,617.59

Notes to the Financial Statements

12. Tangible assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				Impairment				NET BLOCK After Impairment		
	Cost/Valuation as at 1st April, 2016 [Note (a)]	Additions during the year	Sale/ Adjustment during the year [Note (b)]	Cost/ Valuation as at 31st March, 2017	As at 1st April, 2016	For the Year	Sale/ Adjustment during the year	As at 31st March, 2017	As at 1st April, 2016	Impairment Loss For the Year	Sale/ Adjustment during the year	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs
Freehold Land	19,093.18	-	-	19,093.18	-	-	-	-	-	-	-	-	-	19,093.18	19,093.18
Buildings	4,118.62	397.92	65.32	4,451.22	923.80	117.73	25.46	1,016.07	57.94	-	36.65	21.29	3,413.86	3,136.88	
Roads	198.64	-	-	198.64	156.82	12.53	-	169.35	-	-	-	-	29.29	41.82	
Plant & Equipment	9,061.42	1,089.13	1,006.26	9,444.29	6,261.13	491.60	639.77	6,112.96	211.62	-	199.65	11.97	3,019.36	2,588.67	
Furniture & Fixtures	396.33	6.04	-	402.37	153.47	39.46	-	192.93	-	-	-	-	209.44	242.86	
Motor Vehicles	259.59	68.48	5.95	322.12	97.18	34.61	4.57	127.22	-	-	-	-	194.90	162.41	
Launches	0.04	-	-	0.04	0.03	0.00	-	0.03	-	-	-	-	0.01	0.01	
Office Equipment	157.53	5.62	1.22	161.93	108.93	28.66	1.02	136.57	0.71	-	0.13	0.58	24.78	47.89	
Electrical Installations	581.01	-	17.75	563.26	301.82	38.55	8.23	332.14	8.95	-	8.64	0.31	230.81	270.24	
Total	33,866.36	1,567.19	1,096.50	34,337.05	8,003.18	763.14	679.05	8,087.27	279.22	-	245.07	34.15	26,215.63	25,583.96	
Previous Year	44,334.25	1,206.99	11,674.88	33,866.36	13,474.93	776.82	6,248.57	8,003.18	279.22	-	-	279.22	25,583.96	-	

Note:

- a) The Company had revalued all of its Land, Buildings and Plant & Machinery at its factory at Bauria, Howrah at current replacement value as at 31st March, 2010 and 31st March, 2013 as per valuation report of an approved valuer. Revaluation Reserve balance of Rs.5,399.27 lakhs attributable to the depreciable tangible assets (Buildings and Plant & Machinery) has been reversed during previous financial year with corresponding reduction in the book value of such assets with effect from 1st April, 2015.

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

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

- b) Adjustment to Plant & Machinery includes Subsidy received Rs. 148.98 lacs (2015-16: Rs.16.93 lacs)

13. Intangible assets

Particulars	GROSS BLOCK			AMORTISATION			Net Block	
	Cost/ Valuation as at 1st April, 2016	Additions during the year	Sale/Adjustment during the year	As at 1st April, 2016	For the Year	Sale/Adjustment during the year	As at 31st March, 2017	As at 31st March, 2016
	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs
Computer - Software	52.72	4.09	-	33.31	6.09	-	39.40	17.41
Total	52.72	4.09	-	33.31	6.09	-	39.40	17.41
Previous Year	40.79	11.93	-	30.10	3.21	-	33.31	19.41

Notes to the Financial Statements

14. Non-current investments

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Long Term Investments					
Trade Investments (valued at cost unless stated otherwise)					
Unquoted Equity Instruments -Fully paid-up					
Investment in Subsidiaries					
Gloster Lifestyle Limited	10	40,00,000	400.00	40,00,000	400.00
Gloster Specialities Limited	10	40,00,000	400.00	40,00,000	400.00
Unquoted Equity Instruments -Fully paid-up					
Fine Worthy Software Solutions Private Limited [Net of provision for other than temporary diminution agregating to Rs 41.86 lakhs)(31.03.2016 : nil)]	10	91,411	171.83	91,411	213.68
Mutual Fund (Quoted)- Fully paid-up					
Reliance Fixed Horizon Fund XXVIII Series 14 - Growth	10	25,00,000	250.00	25,00,000	250.00
Kotak Mahindra FMP Series -172 Mutual Fund	10	5,00,000	50.00	5,00,000	50.00
ICICI Prudential FMP Series 78	10	10,00,000	100.00	10,00,000	100.00
Reliance Fixed Horizon Fund XXX Series 14 - Growth	10	10,00,000	100.00	10,00,000	100.00
Reliance Fixed Horizon Fund XXXI Series 15 - Growth	10	10,00,000	100.00	-	-
UTI Fixed Term Income Fund Series XXII - VI - Growth	10	12,50,000	125.00	12,50,000	125.00
HDFC FMP Growth Series 37	10	10,00,000	100.00	-	-
Others (Unquoted)-Fully paid -up					
IIFL Income Opportunities Fund	0.7693	29,44,328.38	24.85	29,44,328.38	28.45
IIFL Asset Revival Fund Series 2	10	2,00,000	200.00	-	-
Peninsula Brookfield India Real Estate Fund	100,000	124.64	126.64	166.70	168.70
IIFL National Development Agenda Fund	8.471	1,968,813.88	170.00	19,68,813.88	200.00
IIFL Real Estate Fund (Domestic) - Series 2 Class B units	10	18,66,885.30	200.00	18,66,885.30	200.00
Indiareit Apartment Fund	100,000	66.62	67.48	49.15	50.00
Orios Venture Partners Fund	100	1,65,000	165.00	1,25,000	125.00
IIFL Best of Class Fund - I : -					
Class B1	10	5,00,000	50.00	5,00,000	50.00
Class B2	10	5,00,000	50.00	5,00,000	50.00
IIFL Real Estate Fund (Domestic) - Series 3 Class B	10	2,00,000	200.00	20,00,000	200.00
IIFL Special Opportunities Fund Class A1	10	500,000	50.00	-	-
IIFL Re Organize India Equity Fund Class A1	10	500,000	50.00	-	-
IIFL Focussed Equity Strategies Fund : -					
Class A1	10	2,49,862.58	25.00	-	-
Class B1	10	2,50,365.53	25.00	-	-
Malabar Value Fund	100	40,354.75	40.00	-	-
Sundaram Alternative Opportunities Fund- Nano Cap Series I	100,000	14.97	15.00	-	-
DSP Blackrock AIF Pharma Fund Class B	100	1,02,753.75	100.00	-	-
Tata Motors Finance Limited Compulsorily Convertible Preference Shares	100	1,00,000	100.00	1,00,000	100.00
Carried Forward ...			3,455.80		2,810.83

Notes to the Financial Statements

14. Non-current investments (Contd)

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Long Term Investments Contd ...					
Brought Forward			3,455.80		2,810.83
Quoted Equity Instruments- Fully paid-up (Investment through PMS)					
Aegis Logistic Ltd	2	9,091	15.40	-	-
Alkem Laboratories Ltd	2	619	10.57	186	2.56
Asian Paints Ltd.	1	438	5.15	744	6.38
Ajanta Pharma Ltd	2	232	4.60	-	-
Amara Raja Batteries Ltd	1	531	5.47	-	-
Astral Poly Technik Ltd	1	850	3.36	-	-
Bajaj Finance Ltd.	10	1,943	17.25	204	10.67
Bajaj Finserv Ltd	2	178	5.78	-	-
Bharat Forge Ltd.	2	787	7.19	903	8.31
Bharat Petroleum Corpn. Ltd	10	-	-	759	6.46
Birla Corporation Ltd.	10	1,700	11.70	-	-
Britannia Industries Ltd	2	165	5.64	-	-
Bosch Ltd.	10	67	14.24	78	16.57
Canfin Homes Ltd.	10	296	4.87	-	-
City Union Bank Ltd.	1	6,484	7.42	3,609	3.15
Cholamandalam Investment And Finance Company Ltd	10	421	4.18	-	-
Colgate-Palmolive (India) Limited	1	555	5.37	232	2.26
Container Corporation of India Ltd.	10	285	3.67	159	2.10
Cummins India Ltd.	2	881	8.73	493	5.29
Development Credit Bank Ltd	10	9,268	11.60	-	-
Dhanuka Agritech Ltd	2	510	3.60	-	-
Dishman Pharmaceuticals & Chemicals Ltd	2	1,225	3.63	-	-
Dr Lal Pathlabs Ltd	10	454	5.13	-	-
Eicher Motors Ltd.	10	86	16.74	115	20.49
Emami Limited	1	823	8.74	339	3.61
Engineers India Ltd	5	1,734	2.18	467	0.94
Gabriel India Limited	1	5,521	6.63	-	-
Glaxo Smithkline Consumer Healthcare Ltd.	10	96	5.58	53	3.20
Godrej Industries Ltd	1	1,013	4.97	-	-
Havells India Ltd	1	1,077	4.44	-	-
HDFC Bank Ltd.	2	-	-	708	7.73
Hero Motocorp Limited	2	-	-	165	4.25
Hindustan Petroleum Corporation Ltd.	10	7,334	27.21	1,381	10.52
Housing Development Finance Corporation Ltd.	2	-	-	398	5.07
Interglobe Aviation Ltd	10	-	-	574	5.04
Ipca Laboratories Ltd.	2	913	6.21	508	3.97
Carried Forward ...			3,703.05		2,939.40

Notes to the Financial Statements

14. Non-current investments (Contd)

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Brought Forward			3,703.05		2,939.40
Quoted Equity Instruments- Fully paid-up					
Indusind Bank Ltd	10	422	5.13	-	-
ltd Cementation India Ltd	1	2,468	3.46	-	-
Jammu Kashmir Bank Ltd	1	4,461	3.40	2,295	2.01
Kotak Mahindra Bank Limited	5	2,621	18.88	1,664	11.27
Kajaria Ceramics Ltd	1	990	6.60	-	-
Larsen & Toubro Ltd.	2	-	-	337	5.27
L&T Technology Services Ltd	2	792	6.85	-	-
Lakshmi Vilas Bank Limited	10	3,280	5.05	-	-
Lupin Ltd	2	350	5.27	-	-
Mahanagar Gas Ltd	10	671	4.09	-	-
Max Financial Services Ltd	2	2,457	10.39	1,107	5.89
M R F Ltd	10	9	4.74	-	-
Motherson Sumi Systems Ltd	1	1,558	5.06	-	-
Page Industries Ltd.	10	146	21.32	63	8.99
Phoenix Lamps Limited	10	2,133	3.52	-	-
P I Industries Ltd	1	679	5.59	-	-
Pidilite Industries Ltd	1	554	3.87	-	-
Qess Corp Ltd	10	1,038	5.64	-	-
Speciality Restaurants Ltd	10	Nil	-	373	0.54
Shree Cements Ltd	10	25	4.30	-	-
State Bank of India	1	Nil	-	2,505	6.14
Sun Pharmaceuticals Ltd.	1	Nil	-	1,250	11.23
Tata Consultancy Services Ltd.	1	Nil	-	251	6.54
TTK Prestige Ltd	10	120	5.89	-	-
United Spirit Ltd	10	Nil	-	158	4.94
Voltas Ltd.	1	4,395	14.99	2,155	6.40
Welspun India Ltd	10	3,141	2.81	-	-
Total			3,849.90		3,008.62
Aggregate amount of Quoted Investments			1,219.10		822.79
Aggregate Market Value of Quoted Investments			1,393.60		855.40
Aggregate amount of Unquoted Investments			2,630.80		2,185.83
Aggregate Provision for diminution in value of Investments			41.86		-

Notes to the Financial Statements

15. Long-term loans and advances

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good (unless otherwise stated)		
Capital Advance	126.08	170.17
Security Deposits	448.77	426.55
Total	574.85	596.72

16. Current Investments

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Trade Investments (valued at cost unless stated otherwise)					
Quoted Equity Instruments- Fully paid-up (Direct Investment)					
J K Paper Limited	10	150,000	102.16	-	-
J K Tyre & Industries Limited	2	100,000	128.52	-	-
Larsen & Toubro Ltd.	2	1,000	15.00	-	-
Magma Fincorp Limited	2	98,100	103.84	-	-
[Net of provision for other than temporary diminution agregating to Rs 11.81 lakhs)(31.03.2016 : nil)]					
National Aluminium Company Ltd	5	70,000	40.92	-	-
NBCC (India) Ltd	2	15,000	22.76	-	-
Shree Cements Ltd	10	600	102.12	-	-
[Net of provision for other than temporary diminution agregating to Rs 0.82 lakhs)(31.03.2016 : nil)]					
State Bank of India	1	20,000	50.87	-	-
Tata Global Beverages Ltd.	1	50,000	69.71	-	-
At cost or fair value, whichever is less					
Quoted					
Debentures - Fully paid-up					
Edelweiss Finance & Investments Limited (Debt Market Linked Non Convertible Debentures) (31.03.2016-Net of provision for other than temporary diminution agregating to Rs 5.63 lakhs)	100,000	-	-	99	93.37
India Infoline Finance Limited (Principal Protected Secured Redeemable Non Convertible Market Linked Debentures) (31.03.2016-Net of provision for other than temporary diminution agregating to Rs 15.80 lakhs)	1,000,000	-	-	10	84.20
Aspire Home Finance Corporation Ltd (Secured Redeemable Listed Principal Protected Non Convertible Market Linked Debentures)	100,000	20	200.00	-	-
ECL Finance Limited (Secured Redeemable Non Convertible Debentures)	100,000	100	100.00	-	-

Notes to the Financial Statements

16. Current Investments (contd.)

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Investment in Mutual fund -Fully paid-up					
Unquoted					
ICICI Prudential Gilt Fund Investment Plan- PF Option-Regular Plan	10	11,53,119.58	250.00	11,53,119.58	250.00
ICICI Prudential Liquid Plan - Growth	100	1,45,781.82	350.00	4,48,284.14	1,002.51
Birla Sunlife Cash Plus Growth Regular Plan	10	1,34,387.80	350.00	-	-
HDFC Cash Management Fund Savings Plan Regular Plan Growth	1,000	11,840.33	400.00	-	-
Forefront Alternative Equity Scheme	10	7,04,112.94	100.00	7,04,112.94	100.00
Total			2,385.90		1,530.08
Aggregate amount of quoted investments			935.90		177.57
Aggregate Market Value of quoted investments			1,007.92		177.57
Aggregate amount of unquoted investments			1,450.00		1,352.51
Aggregate Provision for diminution in value of Investments			12.63		21.43

17. Inventories

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Raw materials	3,919.01	4,609.47
Stock-in-process	698.79	1,610.70
Semi Finished Goods	269.30	292.72
Finished Goods (includes in transit Rs.474.45 lakhs, {31.03. 2016:Rs. 171.17 lakhs})	2,295.03	2,521.63
Stores and Spares	852.15	913.57
Total	8,034.28	9,948.09

18. Trade receivables

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	106.20	72.08
Others	1,853.11	2,480.44
Total	1,959.31	2,552.52

19. Cash and Bank balances

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Cash and cash equivalents		
Cash on hand	4.01	14.78
Balances with Banks :		
In current accounts	199.81	337.11
	203.81	351.88
Other Bank Balances		
Unpaid dividend account	19.48	18.26
Margin money deposits	0.21	41.19
Total	223.50	411.33

Notes to the Financial Statements

20. Short-term loans and advances

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good (unless otherwise stated)		
Security Deposits	96.39	96.39
Prepaid Expenses	62.02	108.57
Balances with Government Authorities	6.95	5.62
Advances for goods and services - Considered Good	119.24	76.77
Employee Advances	241.61	245.00
Loans to Bodies Corporate	1,700.00	1,200.00
Other Advances		
Considered Good	21.00	215.48
Doubtful	148.17	148.17
Less : Provision for Doubtful Advance	(148.17)	(148.17)
Total	2,247.21	1,947.83

21. Other current assets

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good :		
Interest accrued on Loans to Bodies Corporate	19.45	-
Total	19.45	-

22. Revenue from operations

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Sale of products		
Finished goods	49,519.86	42,517.75
Traded goods	-	10.73
	49,519.86	42,528.48
Other operating revenues		
Export incentive	1,222.93	497.82
Revenue from operations (gross)	50,742.79	43,026.30
Less : Excise duty and R&D Cess	369.85	315.60
Total	50,372.94	42,710.70

Notes to the Financial Statements

23. Other Income

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Interest Income on		
Bank deposits	0.66	5.78
Other deposits	163.92	92.24
Long - term investments	61.33	62.24
Others	35.54	31.38
Dividend on long term investment	8.26	1.13
Rent	2.79	2.93
Profit on sale of fixed asset	30.66	2.45
Profit on sale of current investments (Net)	4.09	36.30
Profit on Sale of Long Term Investment	14.26	99.92
Liabilities no longer required written back	0.09	5.79
Net Gain on foreign currency transaction and translation	318.66	18.06
Miscellaneous Income [Refer note (a) below]	436.46	27.96
Provision for Diminution in Investment Written Back	21.43	11.73
Provision for Impairment Written Back	245.07	-
Keyman Insurance claim realised	57.12	769.22
Total	1,400.34	1,167.13

(a) Miscellaneous Income includes Insurance claim realized amounting to Rs 399.06 Lakhs. (31.03.2016.Rs.nil)

24. Cost of materials consumed

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Inventory at the beginning of the year	4,609.47	3,289.49
Add : Purchases (net) [Refer note (a) below]	24,569.29	26,350.44
	29,178.76	29,639.93
Less : Inventory at the end of the year	3,919.01	4,609.47
Total	25,259.75	25,030.46

(a) Purchases is net of discount received on prompt payment of supplier's bills amounting to Rs.352.62 lakhs (2015-16 : Rs. 425.98 lakhs)

25. Changes in inventories of finished goods, stock-in-process and semi -finished goods

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Inventories at the end 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 (A)	3,263.12	4,425.05
Inventories at the beginning of the year		
Stock-in-Process	1,610.70	747.88
Semi- Finished Goods	292.72	378.00
Finished Goods	2,521.63	1,503.95
Total (B)	4,425.05	2,629.83
(Increase)/decrease in inventories (B-A)	1,161.93	(1,795.22)

Notes to the Financial Statements

26. Employees benefits expense

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Salaries, Wages & Bonus	6,995.33	6,358.31
Contribution to Provident and Other Funds [Refer notes (a) and (b) below]	1,353.93	1,767.09
Workmen and Staff Welfare expenses	72.56	68.99
Total	8,421.82	8,194.39

Notes :

(a) Defined Contribution Plans

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

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Employer's Contribution to Provident Fund	140.97	125.90
Employer's Contribution to Pension Fund	395.96	377.71
Employer's Contribution to Superannuation Fund	84.86	72.54

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

(b) Defined Benefit Plans

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

Sl. No.	Description	Gratuity (Funded)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
		Rs lakhs	Rs lakhs
(a)	Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation		
	Present Value of Obligation at the beginning of the year	5,176.17	4,358.59
	Current Service Cost	329.54	266.18
	Interest Cost	403.71	333.00
	Acquisition Cost	43.19	-
	Actuarial (Gains)/Losses	448.35	397.01
	Benefits Paid	(131.91)	(178.61)
	Present Value of Obligation at the end of the year	6,269.05	5,176.17
(b)	Reconciliation of the Opening and Closing balances of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	4,259.82	4,261.71
	Expected Return on Plan Assets	372.16	337.67
	Acquisition Adjustment	43.19	-
	Actuarial Gains/(Losses)	366.83	(257.83)
	Contributions	916.35	96.88
	Benefits paid	(131.91)	(178.61)
	Fair Value of Plan Assets at the end of the year	5,826.44	4,259.82

Notes to the Financial Statements

Sl. No.	Description	Gratuity (Funded)	
		Year ended 31st March, 2017 Rs lakhs	Year ended 31st March, 2016 Rs lakhs
(c)	Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets		
	Present Value of Obligation at the end of the year	6,269.05	5,176.17
	Fair Value of Plan Assets at the end of the year	5,826.44	4,259.82
	Assets/(Liabilities) recognized in the Balance Sheet	(442.61)	(916.35)
(d)	Expense recognised in the Profit and Loss Account		
	Current Service Cost	329.54	266.18
	Interest Cost	403.71	333.00
	Acquisition Cost	43.19	-
	Expected Return on Plan Assets	(372.16)	(337.67)
	Acquisition Adjustment	(43.19)	-
	Actuarial (Gains)/Losses	81.52	654.84
	Total Expense recognized	442.61	916.35
(e)	Category of Plan Assets : [Refer note (b) below]		
	Fund with Birla Sun Life Insurance Company Limited	5,217.11	4,135.36
	Fund with HDFC Life	609.33	124.46
	Total	5,826.44	4,259.82
(f)	Actuarial Assumptions		
	Discount Rate (Per annum)	6.75%	7.90%
	Expected Rate of Return on Assets (Per annum)	8.00%	8.00%
	Salary Escalation	9.00%	9.00%
	Mortality Rate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate

- a) The estimates of future salary increases, considered in actuarial valuations, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investment of funds during the estimated term of the obligation.
- b) The Company made annual contributions to the insurer of an amount as determined by actuarial valuation. Company was not informed of the investments made by the insurer.
- c) The table below illustrates experience adjustment disclosure as per para 120 (n) (ii) of Accounting Standard 15 – Employee Benefits.

	2016-17 Rs.lakhs	2015-16 Rs.lakhs	2014-15 Rs.lakhs	2013-14 Rs.lakhs	2012-13 Rs.lakhs
Defined benefit obligation	(6,269.05)	(5,176.17)	(4,358.59)	(3,684.68)	(3,254.32)
Plan assets	5,826.44	4,259.82	4,261.71	3,340.49	2,760.15
Surplus / (deficit)	(442.61)	(916.35)	(96.88)	(344.19)	(494.17)
Experience adjustments on plan liabilities	275.05	61.56	203.74	(90.60)	(168.25)
Experience adjustments on plan assets	366.83	(257.83)	459.11	2.89	64.22

Notes to the Financial Statements

27. Finance costs

	Year Ended	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Interest expenses	316.16	373.30
Other borrowing costs	25.59	38.20
Total	341.75	411.50

28. Depreciation and amortization expense

	Year Ended	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Depreciation on Tangible assets	763.14	776.82
Amortization of Intangible assets	6.09	3.21
Total	769.23	780.03

29. Other expenses

	Year Ended	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Consumption of stores and spare parts (net)	2,969.50	2,308.35
Power and fuel	2,031.51	1,919.64
Rent	85.04	79.18
Repairs to building	62.27	50.14
Repairs to machinery	0.87	0.83
Repairs - others	29.03	38.90
Insurance	665.03	600.39
Rates and Taxes	33.74	28.14
Processing Charges	577.05	585.70
Freight and Delivery Charges	328.36	257.93
Research & Development Cess and Excise Duty [Refer note (a) below]	118.34	114.79
Export Dock and Toll Charges	137.93	104.88
Brokerage and Commission	260.59	163.33
Bad Debts Written Off	-	4.38
CSR Expenses [Refer note (c) below]	246.18	18.70
Miscellaneous expenses [Refer note (b) below]	1,076.88	829.21
Diminution in value of Investment	54.49	21.43
Fixed Asset Written Off	67.41	-
Raw Jute Damaged In Fire	-	428.39
Total	8,744.22	7,554.31

(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 Rs.3.73 lakhs (31.03.2016: Rs. 11.54 lakhs)

(b) Miscellaneous expenses includes remuneration to auditors for :

	Year Ended	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Audit Fees	13.25	13.25
Other Services	12.75	10.25
Reimbursement of expenses (including service tax)	5.47	4.69
Total	31.47	28.19

Notes to the Financial Statements

(c) Corporate Social Responsibility (CSR)

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

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

Gross Amount required to be spent by the Company during the year : Rs.60.32 lakhs (2015-16 Rs.55.27 Lakhs)

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

Amount spent during the year under various heads	In Cash	Yet to be paid in cash	Total
	Rs. lakhs	Rs. lakhs	Rs. lakhs
(i) Construction / acquisition of any asset	Nil	Nil	Nil
(ii) On purposes other than (i) above	246.18	Nil	246.18

30. Earnings per equity share (EPS)

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

Particulars	Year Ended	
	31st March, 2017	31st March, 2016
(I) Basic		
a. Net Profit after tax (Rs. in lakhs)	4,582.18	2,464.02
b. (i) Number of Equity Shares at the beginning of the year	5,233,440	5,233,440
(ii) Number of Equity Shares at the end of the year	10,466,880	5,233,440
(iii) Weighted average number of Equity Shares outstanding during the year	10,466,880	5,233,440
(iv) Face Value of Equity Share (Rs.)	10	10
c. Basic Earning / (Loss) per share [a/b (iii)] (Rs.)	43.78	23.54
(II) Diluted		
a. Dilutive Potential Equity Shares	-	-
b. Weighted average number of Equity Shares for computing diluted earnings per shares [(I)b(iii)+(II)a] *	10,466,880	10,466,880
c. Diluted Earning / (Loss) per Share [(I)(a) / (II)(b)] (Rs.) *	43.78	23.54

Consequent to approval of the shareholders through Postal Ballot on 11th May,2016, the Company has allotted Bonus Shares in the ratio of 1:1 i.e. one new equity share for every one existing equity share to the eligible shareholders of the Company.

*The weighted average number of Equity Shares for computing diluted earnings and earnings per share for all periods presented are based on current capital after issue of Bonus Shares.

31. Contingent liabilities

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
a) Claims against the Company not acknowledged as debts :		
Sales tax matter	325.73	379.97
ESI matter	45.57	45.57
b) Export bills discounted with bank	107.98	263.86

32. Commitments

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Estimated amounts of contracts remaining to be executed on capital account and not provided for tangible assets	220.81	507.06
Other Commitment - towards investments	835.00	137.00

Notes to the Financial Statements

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

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

Particulars	Within India		Outside India		Total	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
Segment revenue by location of customers	37,066.28	31,580.00	12,083.73	10,632.88	49,150.01	42,212.88
Carrying amount of segment assets	1,282.82	2,044.08	676.49	508.44	1,959.31	2,552.52
Additions to tangible and intangible assets	1,345.80	1,507.37	-	-	1,345.80	1,507.37

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

Names of Related Parties and nature of relationship

a) Subsidiary Companies

Gloster Lifestyle Limited

Gloster Specialities Limited

b) Key Management Personnel

Shri G D Bangur (upto 7th June,2015)

Shri Hemant Bangur

Shri D C Baheti

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

Joonktollee Tea & Industries Limited

Kettlewell Bullen & Company Limited

Notes to the Financial Statements

Transactions with related parties are as follows:				
	Particulars	Year	Key Management Personnel	Enterprise over which Key Management Personnel & relatives of Key Management Personnel have significant Influence
			Rs lakhs	Rs lakhs
A	Transactions during the year			
1	Remuneration Paid	2016-17	614.15	-
		2015-16	347.73	-
2	Dividend Paid	2016-17	8.39	53.63
		2015-16	8.39	53.63
3	Rent Paid	2016-17	-	41.36
		2015-16	-	40.94
4	Sales	2016-17	-	109.44
		2015-16	-	94.68
5	Dividend Received	2016-17	-	-
		2015-16	-	0.23
B	Outstanding balance at year end			
1	Commission Payable	2016-17	375.00	-
		2015-16	200.00	-
2	Deposits	2016-17	-	400.00
		2015-16	-	400.00

35. Derivative instruments and unhedged foreign currency exposure

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

Nature of Exposure	As at	
	31st March, 2017	31st March, 2016
	In lakhs	In lakhs
Forward Contracts to sell (in USD)	6.98	4.42
Forward Contracts to sell (in GBP)	1.03	0.26
Forward Contracts to sell (in EUR)	2.03	0.51
Forward Contracts to sell (in JPY)	-	36.28
Forward Contracts to buy (in USD)	1.73	4.83

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

Nature of Exposure	As at	
	31st March, 2017	31st March, 2016
	In lakhs	In lakhs
Import Trade payables (USD)	0.24	-

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

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

Nature of Exposure	As at	
	31st March, 2017	31st March, 2016
	In lakhs	In lakhs
Provision for Resultant Mark to Market Loss	-	22.57

Notes to the Financial statements

36. 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	31st March, 2017	31st March, 2016
		Rs lakhs	Rs lakhs
1	The principal amount remaining unpaid to any supplier as at the year end	0.33	1.21
	The interest remaining unpaid to any supplier as at the year end	1.62	1.44
2	Principal amounts paid to suppliers beyond the appointed day during the year.	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	0.17	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.	1.61	1.44

*Included in Sl No. 1 above is Rs 0.33 lakh (31.03.2016 : Rs. 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.

37. The Company's Board of Directors at its meeting held on March 29, 2016 had approved the Scheme of Arrangement between "the Company" and Kettlewell Bullen & Company Limited in terms of the provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 & Companies Act, 2013, to the extent applicable. Upon the coming into effect of the Scheme and with effect from the Appointed Date i.e. 1st January, 2015, the Undertaking of Gloster Limited will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in Kettlewell Bullen & Company Limited, as a going concern, in accordance with Section 2(1B) of the Income Tax Act. The Company has since received No Objection Certificate from BSE Ltd. & Calcutta Stock Exchange Ltd. with regard to the Scheme and application has been filed before the National Company Law Tribunal for approval.

38. Value of imports calculated on CIF basis

	Year ended	
	31st March, 2017	31st March, 2016
	Rs lakhs	Rs lakhs
Stores, Spare parts and Components	115.95	301.26
Capital Goods	303.89	306.61
Raw Materials	2,164.85	2,444.68

39. Expenditure in Foreign currency

	Year ended	
	31st March, 2017	31st March, 2016
	Rs lakhs	Rs lakhs
Interest	-	6.15
Other expenses	110.22	28.11
Total	110.22	34.26

Notes to the Financial statements

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

	Year ended		Year ended	
	31st March, 2017	31st March, 2017	31st March, 2016	31st March, 2016
	%	Rs lakhs	%	Rs lakhs
Raw materials				
Indigenous	88.91	22,458.29	95.43	23,886.59
Imported	11.09	2,801.46	4.57	1,143.87
	100.00	25,259.75	100.00	25,030.46
Stores, spare parts and components				
Indigenous	84.47	2,508.30	73.69	1,701.05
Imported	15.53	461.20	26.31	607.30
	100.00	2,969.50	100.00	2,308.35
Stores and spare parts consumed includes value of stores written off during the year.		20.93		25.03

41. Earnings in Foreign currency

	Year ended	
	31st March, 2017	31st March, 2016
	Rs lakhs	Rs lakhs
Export on F.O.B basis	11,881.24	10,471.55

42. Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	55.30	14.52	69.82
(+) Permitted receipts	-	24.16	24.16
(-) Permitted payments	-	34.53	34.53
(-) Amount deposited in Banks	55.30	-	55.30
Closing cash in hand as on 30 December 2016	-	4.15	4.15

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.

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

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu

Partner
Membership No. 55000

Place : Kolkata
Date: 12th May, 2017

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

Hemant Bangur
D.C. Baheti
Nandita Sen
S.N. Bhattacharya
K. Mahapatra
Prabir ray

Executive Chairman
Managing Director
Director
Director
Director
Director

INDEPENDENT AUDITORS' REPORT

To the Members of Gloster Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Gloster Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), (refer Note 1 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs 1,261.65 lakhs and net assets of Rs 1,221.46 lakhs as at March 31, 2017, total revenue of Rs. 126.53 lakhs, net profit of Rs 75.66 lakhs and net cash flows amounting to Rs (1,431.19) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and (11) 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 financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 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, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

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

- i) The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Group – Refer Note 31 to the consolidated financial statements.
- ii) The Group has derivative contracts as at March 31, 2017 for which there were no material foreseeable losses – Refer Note 35 to the consolidated financial statements. There are no long term contracts outstanding as at March 31, 2017.
- 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, 2017.
- iv) The Group has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company, and its subsidiary companies, incorporated in India and as produced to us by the Management – Refer Note 37 to the consolidated financial statements.

For **Lovelock & Lewes**

Firm Registration Number: 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership Number 55000

Place: Kolkata

Date: May 12, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 9 (f) of the Independent Auditors' Report of even date to the members of Gloster Limited on the consolidated financial statements for the year ended March 31, 2017.

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Gloster Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph 9 below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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 **Lovelock & Lewes**

Firm Registration Number: 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership Number 55000

Place: Kolkata

Date: May 12, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

	Note	As at	As at
		31st March, 2017	31st March, 2016
		Rs. lakhs	Rs. lakhs
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	1,046.69	523.34
Reserves and Surplus	4	36,911.42	32,776.89
		37,958.11	33,300.23
Non-current Liabilities			
Long-term borrowings	5	-	286.83
Deferred tax liabilities (net)	6	102.24	56.84
Long-term provisions	7	400.18	303.23
		502.42	646.90
Current Liabilities			
Short-term borrowings	8	3,333.67	8,734.08
Trade Payables (includes dues of Micro and Small enterprises Rs 0.33 Lakh (2015-16 :Rs 1.21 Lakhs)	9	431.39	616.87
Other current liabilities	10	2,983.05	2,426.15
Short-term provisions	11	934.91	1,620.16
		7,683.02	13,397.26
Total		46,143.55	47,344.39
Assets			
Non-current Assets			
Fixed assets			
Tangible assets	12	26,215.63	25,583.96
Intangible assets	13	17.41	19.41
Capital work-in-progress		174.68	400.16
Intangible Assets under development		32.85	32.85
Non-current Investments	14	3,670.62	2,696.41
Long-term loans and advances	15	574.85	596.72
		30,686.04	29,329.51
Current assets			
Current Investments	16	2,461.45	1,643.68
Inventories	17	8,034.28	9,948.09
Trade receivables	18	1,959.31	2,552.52
Cash and Bank balances	19	275.06	1,894.09
Short-term loans and advances	20	2,687.41	1,947.83
Other current assets	21	40.00	28.67
		15,457.51	18,014.88
Total		46,143.55	47,344.39
Corporate Information	1		
Summary of significant accounting policies	2		

The notes are an integral part of these financial statements.

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

For Lovelock & Lewes

Firm Registration No. 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership No. 55000

Shankar Lal Kedia

Chief Financial Officer

Ajay Kumar Agarwal

Company Secretary

Hemant Bangur

D.C. Baheti Executive Chairman

Managing Director

Nandita Sen

Director

S.N. Bhattacharya

Director

K. Mahapatra

Director

Prabir ray

Director

Place : Kolkata

Date: 12th May, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH, 2017

	Note	As at	As at
		31st March, 2017	31st March, 2016
		Rs. lakhs	Rs. lakhs
Income			
Revenue from operations (gross)	22	50,742.79	43,026.30
Less: Excise Duty and R & D Cess		369.85	315.60
Revenue from operations (net)		50,372.94	42,710.70
Other Income	23	1,526.87	1,342.46
Total Revenue		51,899.81	44,053.16
Expenses			
Cost of materials consumed	24	25,259.75	25,030.46
Purchase of traded goods		-	10.17
Changes in inventories of finished goods, stock-in-process and semi-finished goods	25	1,161.93	(1,795.22)
Employee benefits expense	26	8,421.82	8,194.39
Finance costs	27	357.94	478.97
Depreciation and amortization expense	28	769.23	780.03
Other expenses	29	8,757.27	7556.01
Total Expenses		44,727.94	40,254.81
Profit before exceptional items and tax		7,171.87	3,798.35
Exceptional items		-	-
Profit before tax		7,171.87	3,798.35
Tax expense			
Current tax		2,468.60	1261.45
Deferred tax		45.40	(14.83)
Tax for earlier year		-	0.31
Total Tax expenses		2,514.00	1,246.93
Profit for the year		4,657.87	2,551.42
Earnings per equity share [nominal value per share Rs.10 (31.03.2016 - Rs.10)]			
Basic & Diluted	30	44.50	24.38
Corporate Information	1		
Summary of significant accounting policies	2		

The notes are an integral part of these financial statements.

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

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu

Partner
Membership No. 55000

Place : Kolkata
Date: 12th May, 2017

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

Hemant Bangur
D.C. Baheti
Nandita Sen
S.N. Bhattacharya
K. Mahapatra
Prabir ray

Executive Chairman
Managing Director
Director
Director
Director
Director

CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2017

Particulars		Year ended 31st March, 2017		Year ended 31st March, 2016	
A. Cash Flow from Operating Activities					
Net profit before tax			7,171.87		3,798.35
Adjustments for :					
Depreciation and Amortisation Expenses		769.23		780.03	
Finance Costs		357.94		478.97	
Bad Debts Written Off		-		4.38	
Net (Profit) / Loss on sale of fixed assets		(30.66)		(2.45)	
Net gain on sale of current investments		0.62		(34.78)	
Net gain on sale of Long Term Investments		(14.26)		(99.92)	
Unrealised (Gain) / Loss on exchange (net)		(1.85)		(2.88)	
(Gain)/ Loss on Mark to Market adjustment for Derivative Instrument		-		22.57	
Export Incentive received under SHIS Scheme		(7.51)		(3.79)	
Interest Income		(385.86)		(355.26)	
Dividend income on long term investments		(10.38)		(14.36)	
Liabilities no longer required written back		(0.09)		(5.79)	
Provision for Impairment of Power Plant written back		(245.07)		-	
Diminution in value of Investment		59.01		21.43	
Provision for Diminution in Investment Written Back		(21.43)		(11.73)	
Fixed Asset Written Off		67.41		-	
			537.10		776.42
Operating profit before working capital changes			7,708.97		4,574.77
Adjustments for :					
Decrease/(Increase) in Inventories		1,913.81		(3,141.14)	
Decrease/(Increase) in Trade and Other Receivables		839.52		(952.69)	
(Decrease)/Increase in Trade and Other Payables		215.37	2,968.70	1,408.05	(2,685.77)
Cash generated from operations			10,677.67		1,889.00
Income Taxes paid			(2,320.49)		(1,521.68)
Net Cash from Operating Activities	A		8,357.18		367.32
B. Cash Flow from investing activities					
Purchase of Fixed Assets		(1,337.72)		(1,504.11)	
Grant Received against Specific Assets		148.98		16.92	
Sale of Fixed Assets		231.70		12.57	
Purchase of Current investments		(9,842.16)		(3,660.94)	
Application Money paid for Current Investment		(20.00)		(200.00)	
Purchase of Long Term investments		(200.00)		(67.07)	
Sale/ Redemption of Investments		8,226.36		2,260.74	
Interest received		366.41		345.00	
Dividend received		10.39		14.37	
Intercompany Deposit given		(1,400.00)		(1,200.00)	

CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2017 (Contd.)

Particulars		Year ended 31st March, 2017		Year ended 31st March, 2016	
	Repayment of Intercompany Deposit	700.00		-	
	(Increase)/Decrease in Margin Money	40.98		(40.98)	
	Net (Finance)/Repayment against Bill Discounting	(296.16)			
	Net Cash used in Investing activities		(3,371.22)		(4,023.50)
C.	Cash Flow from Financing Activities				
	Net proceeds / (repayment) of Short term Borrowings	(5,402.40)		4,734.86	
	Proceeds from Long-term Borrowings	111.98		598.00	
	Repayment of Long-term Bank Borrowings	(525.83)		(995.73)	
	Finance costs paid	(372.27)		(473.04)	
	Dividend paid	(312.79)		(314.01)	
	Dividend Taxes paid	(63.92)		(63.92)	
	Net Cash from / (used) in Financing Activities		(6,565.23)		3,486.16
	Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		(1,579.27)		(170.02)
D.	Cash and Cash Equivalents				
	Net Increase/ (Decrease) in Cash and Cash Equivalents		(1,579.27)		(170.02)
	Cash and Cash Equivalents as on 1 April		1,834.64		2,004.66
	Cash and Cash Equivalents 31 March		255.37		1,834.64

Notes

The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard -3, on Cash Flow Statement as per Companies Accounting Standard Rules, 2006.

Previous year's figures have been regrouped/ rearranged wherever necessary.

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

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu

Partner
Membership No. 55000

Shankar Lal Kedia Ajay Kumar Agarwal
Chief Financial Officer Company Secretary

Hemant Bangur Executive Chairman
D.C. Baheti Managing Director
Nandita Sen Director
S.N. Bhattacharya Director
K. Mahapatra Director
Prabir ray Director

Place : Kolkata
Date: 12th May, 2017

Notes to the Consolidated Financial Statements

1. Corporate Information

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

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

Name of the company	Country of Incorporation	% of Holding as at 31st March, 2017
Gloster Lifestyle Limited	India	100%
Gloster Specialities Limited	India	100%

2. Summary of significant accounting policies

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7(1) of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

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

2.2 Basis of Consolidation

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

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

2.3 Use of estimates

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

Notes to the Consolidated Financial Statements

2.4 Tangible assets and Depreciation

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

2.5 Intangible assets and Amortization

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

2.6 Impairment of Assets

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

2.7 Investments

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

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

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

2.8 Subsidy / Government Grant

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

Notes to the Consolidated Financial Statements

2.9 Inventories

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

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

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

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

2.10 Employee Benefit

a) Defined Contribution Plans

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

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

b) Defined Benefit Plans

(i) Gratuity

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

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

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

(ii) Compensated absences

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

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

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

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

d) Other Short Term Employee Benefits

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

Notes to the Consolidated Financial Statements

2.11 Research & Development Cess and Excise duty

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

2.12 Sale of goods

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

2.13 Other Income

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

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

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

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

2.14 Foreign Currency Transaction

(i) Initial Recognition

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

(ii) Subsequent Recognition

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

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

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

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

2.15 Taxation

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

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

Notes to the Consolidated Financial Statements

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

2.16 Borrowing Cost

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

2.17 Provisions and Contingent Liabilities

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

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

2.18 Earnings per Share

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

2.19 Cash and Cash Equivalents

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

2.20 Change in Accounting Policy

The Company used to provide for proposed final dividend recommended by the Board of Directors as an appropriation to the Profit for the period. Pursuant to Companies (Accounting Standards) Amendment Rules, 2016 final dividend is being provided for only on approval by the shareholders in Annual General Meeting. Had the Company provided for proposed final dividend as in the past, provisions would have been higher by Rs.944.83 lakhs and net current assets would have been lower by a similar amount. The aforesaid change in Accounting policy, however does not have any impact on the profit for the current year.

Notes to the Consolidated Financial Statements

3. Share Capital

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Authorised 2,50,00,000 (31.03.2016 - 2,50,00,000) Equity Shares of Rs. 10/- each	2,500.00	2,500.00
Issued, Subscribed and Fully Paid-up 1,04,66,880 (31.03.2016 - 52,33,440) Equity Shares of Rs. 10/- each	1,046.69	523.34
Total	1,046.69	523.34

(a) Reconciliation of number of equity shares

	As at			
	31st March, 2017		31st March, 2016	
	No. of Shares	Rs. lakhs	No. of Shares	Rs. lakhs
Balance as at the beginning of the year	5,233,440	523.344	5,233,440	523.344
Add: Shares Issued as fully paid up bonus shares during the Year	5,233,440	523.344	-	-
Balance as at the end of the year	10,466,880	1,046.688	5,233,440	523.344

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

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

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

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

	As at	
	31st March, 2017	31st March, 2016
	No. of Shares	No. of Shares
Equity shares allotted as fully paid-up pursuant contract(s) without payment being received in cash 1993-94	217,360	217,360
Equity shares allotted as fully paid up bonus share by way of capitalisation of General Reserve in 2002-03	654,180	654,180
Equity shares allotted as fully paid up bonus share by way of capitalisation of General Reserve in 2008-09	1,308,360	1,308,360
Equity shares allotted as fully paid-up bonus share by way of capitalisation of Securities Premium Account and General Reserve in 2013-14	2,616,720	2,616,720
Equity shares allotted as fully paid-up bonus share by way of capitalisation of General Reserve in 2016-17	5,233,440	-

Notes to the Consolidated Financial Statements

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

	As at			
	31st March, 2017		31st March, 2016	
	No. of Shares	% holding	No. of Shares	% holding
Life Insurance Corporation of India	2,303,194	22.00	1,151,597	22.05
Kettlewell Bullen & Company Limited	1,787,806	17.08	893,903	17.08
The Oriental Company Limited	1,510,016	14.43	755,008	14.43
Madhav Trading Corporation Limited	1,208,115	11.54	591,840	11.31
Credwyn Holdings (India) Pvt.Ltd.	510,380	4.88	305,190	5.83
Pushpa Devi Bangur	832,840	7.96	395,228	7.55

4. Reserves and Surplus

	As at			
	31st March, 2017		31st March, 2016	
	Rs. lakhs		Rs. lakhs	
Capital Reserve		150.00		150.00
Revaluation Reserve				
Balance as at the beginning of the year		18,980.69		24,379.96
Deduct:				
Adjustment [Refer Note 12(a)]		-		5,399.27
Balance as at the end of the year		18,980.69		18,980.69
General Reserve				
Balance as at the beginning of the year		12,795.66		10,795.66
Deduct: Capitalised by Issue of Bonus Share		523.34		-
Add: Transferred from Surplus in the Statement of Profit and Loss during the year		2,000.00		2,000.00
Balance as at the end of the year		14,272.32		12,795.66
Surplus in the Statement of Profit and Loss				
Balance as at the beginning of the year		850.54		677.05
Add: Profit for the year		4,657.87		2,551.42
Deduct: Appropriations				
i) Proposed dividend on equity shares for the year [Refer Note (a) below and Note 2.20] (2015-16 Rs. 3/- per share)		-		314.01
ii) Dividend distribution tax on proposed dividend on equity shares		-		63.92
iii) Transfer to General Reserve		2,000.00		2,000.00
Balance as at the end of the year		3,508.41		850.54
Total		36,911.42		32,776.89

(a) The Board has recommended a dividend of 50% i.e Rs. 5/- per equity share for the year ended 31st March, 2017 and a special dividend - "25 years of Gloster's operations" of 25% i.e Rs. 2.5/- per equity share, making a total dividend of 75% i.e Rs. 7.5/- per equity share. The Payment is subject to approval of the shareholders at the ensuing Annual general meeting of the Company.

Notes to the Consolidated Financial Statements

5. Long-term borrowings

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Secured		
Term Loan from Banks [Refer Note (a) below]	-	192.50
Unsecure		
Term Loan from Banks [Refer Note (b) below]	166.67	388.00
	166.67	580.50
Less: Amount disclosed under the head "Other current liabilities" [Refer Note 10]	166.67	293.67
Total	-	286.83
Nature of security and terms of repayment for secured borrowings (including current maturities of Long term borrowings in Note 10)		
Nature of Security	Terms of repayment	
a) Term loan from banks amounting to Rs.nil lakhs (31.03.2016: Rs 192.50 lakhs) are secured by equitable mortgage of factory, land and building, hypothecation of all plant & machinery and all other movable fixed assets of the Company.	Repayable in 24 equal quarterly instalments beginning from August 2015 along with interest rate linked to Bank base rate + 1.40% spread.	
b) Unsecured Term Loan from Bank amounting to Rs 166.67 Lakhs (31.03.2016: Rs 388 Lakhs)	Repayable in 3 equal quarterly instalments beginning from December 2016 along with interest rate linked to Bank base rate + 0.25% spread.	

6. Deferred tax liabilities (net)

		As at	
		31st March, 2017	31st March, 2016
		Rs. lakhs	Rs. lakhs
Deferred tax liabilities			
Depreciation (A)	483.50	458.70	
Deferred tax assets			
Provision for leave encashment	128.26	95.29	
Provision for doubtful advances	51.26	51.28	
Provision for Impairment	11.82	96.64	
Others	189.90	158.65	
	(B)	381.26	401.86
Total [Refer note (a) below]	(A-B)	102.24	56.84

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

7. Long-term provisions

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Provision for Compensated absences of employees	400.18	303.23
Total	400.18	303.23

Notes to the Consolidated Financial Statements

8. Short-term borrowings

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Secured		
Loans from banks [refer note a]	3,333.67	6,234.08
Unsecured :		
Loans From Banks	-	2,500.00
Total	3,333.67	8,734.08

(a) For Parent Company:

Loan repayable on demand amounting to Rs. 3,333.67 lakhs (31.03.2016: Rs. 5,265.21 lakhs) are secured by hypothecation of stock of raw material, stock -in-process, finished goods, stores & consumables, book debts and other current assets of the Company.

Further, loans repayable on demand to bank amounting to Rs. 2,159.52 lakhs (31.03.2016: Rs. 3,414.16 lakhs) is also secured by Corporate Guarantee of Kettlewell Bullen & Company Limited.

(b) For Subsidiaries:

Loan Repayable on Demand amounting to Rs. nil Lakhs (31.03.2016: Rs. 968.87 Lakhs) are secured against Fixed Deposit

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

9. Trade payables

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Total outstanding dues of Micro Small & Medium Enterprises	0.33	1.21
Total outstanding dues of creditors other than Micro Small & Medium Enterprises	431.06	615.66
Total	431.39	616.87

10. Other current liabilities

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Current maturities of long-term debt (also refer note 5)	166.67	293.67
Advances received from customers	308.92	160.89
Interest accrued and due on borrowings	2.11	9.94
Interest accrued but not due on borrowings	-	6.51
Unpaid Dividends [refer note (a) below]	19.48	18.26
Statutory dues	231.83	184.86
Capital Creditors	11.89	55.42
Other payables [Refer note (b) below]	2,242.15	1,696.60
Total	2,983.05	2,426.15

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the end of the year.

(b) Other payables include Buyers Credit of Rs. 93.28 lakhs (31.03.2016: Rs.Nil) and Employee Cost liability of Rs. 854.33 lakhs (31.03.2016: Rs. 657.88 lakhs).

Notes to the Consolidated Financial Statements

11. Short-term provisions

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Provision for Employee Benefits (also refer note 26)		
Provision for Gratuity	442.61	916.35
Provision for compensated absences of employees	91.18	72.87
Other Provisions		
i) Proposed dividend on equity shares for the year [Refer Note 4 and Note 2.20] (2015-16 Rs. 3/- per share)	-	314.01
Provision for Dividend Distribution Tax	-	63.92
Provision for Taxation [Net of Advance Tax Rs.10,351.87 lakhs (2015-16 Rs. 8,061.52 Lakhs)]	401.12	253.01
Total	934.91	1,620.16

Notes to the Consolidated Financial Statements

12. Tangible assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				Impairment				NET BLOCK After Impairment		
	Cost/Valuation as at 1st April, 2016 [Note (a)]	Additions during the year	Sale/Adjustment during the year [Note (b)]	Cost/Valuation as at 31st March, 2017	As at 1st April, 2016	For the Year	Sale/Adjustment during the year	As at 31st March, 2017	As at 1st April, 2016	Impairment Loss For the Year	Sale/Adjustment during the year	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs
Freehold Land	19,093.18	-	-	19,093.18	-	-	-	-	-	-	-	19,093.18	19,093.18	19,093.18	19,093.18
Buildings	4,118.62	397.92	65.32	4,451.22	923.80	117.73	25.46	1,016.07	57.94	-	21.29	3,413.86	3,136.88	3,413.86	3,136.88
Roads	198.64	-	-	198.64	156.82	12.53	-	169.35	-	-	-	29.29	-	29.29	41.82
Plant & Equipment	9,061.42	1,089.13	1,006.26	9,144.29	6,261.13	491.60	639.77	6,112.96	211.62	199.65	11.97	3,019.36	2,588.67	3,019.36	2,588.67
Furniture & Fixtures	396.33	6.04	-	402.37	153.47	39.46	-	192.93	-	-	-	209.44	242.86	209.44	242.86
Motor Vehicles	259.59	68.48	5.95	322.12	97.18	34.61	4.57	127.22	-	-	-	194.90	162.41	194.90	162.41
Launches	0.04	-	-	0.04	0.03	0.00	-	0.03	-	-	-	0.01	0.01	0.01	0.01
Office Equipment	157.53	5.62	1.22	161.93	108.93	28.66	1.02	136.57	0.71	0.13	0.58	24.78	47.89	24.78	47.89
Electrical Installations	581.01	-	17.75	563.26	301.82	38.55	8.23	332.14	8.95	8.64	0.31	230.81	270.24	230.81	270.24
Total	33,866.36	1,567.19	1,096.50	34,337.05	8,003.18	763.14	679.05	8,087.27	279.22	245.07	34.15	26,215.63	25,583.96	26,215.63	25,583.96
Previous Year	44,334.25	1,206.99	11,674.88	33,866.36	13,474.93	776.82	6,248.57	8,003.18	279.22	-	279.22	25,583.96	-	25,583.96	-

Note:

- a) The Company had revalued all of its Land, Buildings and Plant & Machinery at its factory at Bauria, Howrah at current replacement value as at 31st March, 2010 and 31st March, 2013 as per valuation report of an approved valuer. Revaluation Reserve balance of Rs.5,399.27 lakhs attributable to the depreciable tangible assets (Buildings and Plant & Machinery) has been reversed during previous financial year with corresponding reduction in the book value of such assets with effect from 1st April, 2015.

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

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

- b) Adjustment to Plant & Machinery includes Subsidy received Rs. 148.98 lacs (2015-16: Rs.16.93 lacs)

13. Intangible assets

Particulars	GROSS BLOCK				AMORTISATION				Net Block		
	Cost/Valuation as at 1st April, 2016	Additions during the year	Sale/Adjustment during the year	Cost/Valuation as at 31st March, 2017	As at 1st April, 2016	For the Year	Sale/Adjustment during the year	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs
Computer - Software	52.72	4.09	-	56.81	33.31	6.09	-	39.40	17.41	17.41	19.41
Total	52.72	4.09	-	56.81	33.31	6.09	-	39.40	17.41	17.41	19.41
Previous Year	40.79	11.93	-	52.72	30.10	3.21	-	33.31	19.41	19.41	-

Notes to the Consolidated Financial Statements

14. Non-current investments

	As at 31st March, 2017			As at 31st March, 2016	
	Face Value	No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Long Term Investments					
Trade Investments (valued at cost unless stated otherwise)					
Unquoted Equity Instruments -Fully paid-up					
Fine Worthy Software Solutions Private Limited [Net of provision for other than temporary diminution agregating to Rs 41.86 lakhs)(31.03.2016 : nil)]	10	91,411	171.83	91,411	213.68
Quoted Bonds-Fully paid-up					
National Highways Authority of India (Secured Redeemable Non Convertible Tax free Bonds)	1,000	42,072	420.72	42,072	420.72
Debentures (Unquoted)-Fully paid-up					
Sheth Buildwell Pvt. Ltd. (Non Convertible Debentures)	100,000	-	-	96	67.07
Mutual Fund (Quoted)- Fully paid-up					
Reliance Fixed Horizon Fund XXVIII Series 14 - Growth	10	25,00,000	250.00	25,00,000	250.00
Kotak Mahindra FMP Series -172 Mutual Fund	10	5,00,000	50.00	5,00,000	50.00
ICICI Prudential FMP Series 78	10	10,00,000	100.00	10,00,000	100.00
Reliance Fixed Horizon Fund XXX Series 14 - Growth	10	10,00,000	100.00	10,00,000	100.00
Reliance Fixed Horizon Fund XXXI Series 15 - Growth	10	10,00,000	100.00	-	-
UTI Fixed Term Income Fund Series XXII - VI - Growth	10	12,50,000	125.00	12,50,000	125.00
HDFC FMP Growth Series 37	10	10,00,000	100.00	-	-
Others (Unquoted)-Fully paid -up					
IIFL Income Opportunities Fund	0.7693	29,44,328.38	24.85	29,44,328.38	28.45
IIFL Asset Revival Fund Series 2	10	2,000,000	200.00	-	-
Peninsula Brookfield India Real Estate Fund	100,000	124.64	126.64	166.70	168.70
IIFL National Development Agenda Fund	8.471	19,68,813.88	170.00	19,68,813.88	200.00
IIFL Real Estate Fund (Domestic) - Series 2 Class B units	10	18,66,885.30	200.00	18,66,885.30	200.00
Indiareit Apartment Fund	100,000	66.62	67.48	49.15	50.00
Orios Venture Partners Fund	100	1,65,000	165.00	1,25,000	125.00
IIFL Best of Class Fund - I :-					
Class B1	10	5,00,000	50.00	5,00,000	50.00
Class B2	10	5,00,000	50.00	5,00,000	50.00
IIFL Real Estate Fund (Domestic) - Series 3 Class B	10	20,00,000	200.00	20,00,000	200.00
IIFL Special Opportunities Fund Class A1	10	500,000	50.00	-	-
IIFL Re Organize India Equity Fund Class A1	10	500,000	50.00	-	-
IIFL Focussed Equity Strategies Fund :-					
Class A1	10	2,49,862.58	25.00	-	-
Class B1	10	2,50,365.53	25.00	-	-
IIFL Real Estate Fund (Domestic Series 4)	10	1,993,858.92	200.00	-	-
Malabar Value Fund	100	40,354.75	40.00	-	-
Carried Forward ...			3,061.52		2,398.62

Notes to the Consolidated Financial Statements

14. Non-current investments (Contd)

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Long Term Investments Contd ...					
Brought Forward			3,061.52		2,398.62
Others (Unquoted)-- Fully paid-up					
Sundaram Alternative Opportunities Fund- Nano Cap Series I	100,000	14.97	15.00	-	-
DSP Blackrock AIF Pharma Fund Class B	100	1,02,753.75	100.00	-	-
Tata Motors Finance Limited Compulsorily Convertible Preference Shares	100	1,00,000	100.00	1,00,000	100.00
Quoted Equity Instruments- Fully paid-up (Investment through PMS)					
Aegis Logistic Ltd	2	9,091	15.40	-	-
Alkem Laboratories Ltd	2	619	10.57	186	2.56
Asian Paints Ltd.	1	438	5.15	744	6.38
Ajanta Pharma Ltd	2	232	4.60	-	-
Amara Raja Batteries Ltd	1	531	5.47	-	-
Astral Poly Technik Ltd	1	850	3.36	-	-
Bajaj Finance Ltd.	10	1943	17.25	204	10.67
Bajaj Finserv Ltd	2	178	5.78	-	-
Bharat Forge Ltd.	2	787	7.19	903	8.31
Bharat Petroleum Corpn. Ltd	10	-	-	759	6.46
Birla Corporation Ltd.	10	1,700	11.70	-	-
Britannia Industries Ltd	2	165	5.64	-	-
Bosch Ltd.	10	67	14.24	78	16.57
Canfin Homes Ltd.	10	296	4.87	-	-
City Union Bank Ltd.	1	6,484	7.42	3,609	3.15
Cholamandalam Investment And Finance Company Ltd	10	421	4.18	-	-
Colgate-Palmolive (India) Limited	1	555	5.37	232	2.26
Container Corporation of India Ltd.	10	285	3.67	159	2.10
Cummins India Ltd.	2	881	8.73	493	5.29
Development Credit Bank Ltd	10	9,268	11.60	-	-
Dhanuka Agritech Ltd	2	510	3.60	-	-
Dishman Pharmaceuticals & Chemicals Ltd	2	1,225	3.64	-	-
Dr Lal Pathlabs Ltd	10	454	5.13	-	-
Eicher Motors Ltd.	10	86	16.74	115	20.49
Emami Limited	1	823	8.74	339	3.61
Engineers India Ltd	5	1,734	2.18	467	0.94
Gabriel India Limited	1	5,521	6.63	-	-
GlaxoSmithkline Consumer Healthcare Ltd.	10	96	5.58	53	3.20
Godrej Industries Ltd	1	1,013	4.97	-	-
Havells India Ltd	1	1,077	4.44	-	-
HDFC Bank Ltd.	2	-	-	708	7.73
Hero Motocorp Limited	2	-	-	165	4.25
Hindustan Petroleum Corporation Ltd.	10	7,334	27.21	1,381	10.52
Carried Forward ...			3,517.57		2,613.11

Notes to the Consolidated Financial Statements

14. Non-current investments (Contd)

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Long Term Investments Contd ...					
Brought Forward			3,517.57		2,613.11
Quoted Equity Instruments- Fully paid-up					
Housing Development Finance Corporation Ltd.	2	-	-	398	5.07
Interglobe Aviation Ltd	10	-	-	574	5.04
Ipca Laboratories Ltd.	2	913	6.21	508	3.97
Indusind Bank Ltd	10	422	5.13	-	-
Itl Cementation India Ltd	1	2,468	3.46	-	-
Jammu Kashmir Bank Ltd	1	4,461	3.39	2,295	2.01
Kotak Mahindra Bank Limited	5	2,621	18.88	1,664	11.27
Kajaria Ceramics Ltd	1	990	6.60	-	-
Larsen & Toubro Ltd.	2			337	5.27
L & T Technology Services Ltd	2	792	6.85	-	-
Lakshmi Vilas Bank Limited	10	3,280	5.05	-	-
Lupin Ltd	2	350	5.27	-	-
Mahanagar Gas Ltd	10	671	4.09	-	-
Max Financial Services Ltd	2	2,457	10.39	1,107	5.89
M R F Ltd	10	9	4.74	-	-
Motherson Sumi Systems Ltd	1	1,558	5.06	-	-
Page Industries Ltd.	10	146	21.32	63	8.99
Phoenix Lamps Limited	10	2,133	3.52	-	-
P I Industries Ltd	1	679	5.59	-	-
Pidilite Industries Ltd	1	554	3.87	-	-
Quess Corp Ltd	10	1,038	5.64	-	-
Speciality Restaurants Ltd	10	-	-	373	0.54
Shree Cements Ltd	10	25	4.30	-	-
State Bank of India	1	-	-	2,505	6.14
Sun Pharmaceuticals Ltd.	1	-	-	1,250	11.23
Tata Consultancy Services Ltd.	1	-	-	251	6.54
TTK Prestige Ltd	10	120	5.89	-	-
United Spirit Ltd	10	-	-	158	4.94
Voltas Ltd.	1	4,395	14.99	2,155	6.40
Welspun India Ltd	10	3,141	2.81	-	-
Total			3,670.62		2,696.41
Aggregate amount of Quoted Investments			1,639.82		1,243.51
Aggregate Market Value of Quoted Investments			1,856.49		1,322.39
Aggregate amount of Unquoted Investments			2,030.80		1,452.90
Aggregate Provision for diminution in value of Investments			41.86		-

Notes to the Consolidated Financial Statements

15. Long-term loans and advances

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good (unless otherwise stated)		
Capital Advance	126.08	170.17
Security Deposits	448.77	426.55
Total	574.85	596.72

16. Current Investments

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Trade Investments (valued at cost unless stated otherwise)					
Quoted Equity Instruments- Fully paid-up (Direct Investment)					
Infosys Limited	5	7,400	75.54	7,400	80.06
[Net of provision for other than temporary diminution agregating to Rs 4.52 lakhs)(31.03.2016 : nil)]					
J K Paper Limited	10	1,50,000	102.16	-	-
J K Tyre & Industries Limited	2	1,00,000	128.52	-	-
Larsen & Toubro Ltd.	2	1,000	15.00	-	-
Magma Fincorp Limited	2	98,100	103.85	-	-
[Net of provision for other than temporary diminution agregating to Rs 11.81 lakhs)(31.03.2016 : nil)]					
National Aluminium Company Ltd	5	70,000	40.92	-	-
NBCC (India) Ltd	2	15,000	22.76	-	-
Shree Cements Ltd	10	600	102.12	-	-
[Net of provision for other than temporary diminution agregating to Rs 0.82 lakhs)(31.03.2016 : nil)]					
State Bank of India	1	20,000	50.87	-	-
Tata Global Beverages Ltd.	1	50,000	69.71	-	-
At cost or fair value, whichever is less					
Quoted					
Debentures - Fully paid-up					
Edelweiss Finance & Investments Limited	100,000	-	-	99	93.37
(Debt Market Linked Non Convertible Debentures)					
(31.03.2016-Net of provision for other than temporary diminution agregating to Rs 5.63 lakhs)					
India Infoline Finance Limited	1,000,000	-	-	10	84.20
(Principal Protected Secured Redeemable Non Convertible Market Linked Debentures)					
(31.03.2016-Net of provision for other than temporary diminution agregating to Rs 15.80 lakhs)					
Aspire Home Finance Corporation Ltd	100,000	20	200.00	-	-
(Secured Redeemable Listed Principal Protected Non Convertible Market Linked Debentures)					
ECL Finance Limited	100,000	100	100.00	-	-
(Secured Redeemable Non Convertible Debentures)					
Debentures (Unquoted)-Fully paid-up					
Sheth Buildwell Pvt. Ltd.	100,000	-	-	96	33.54
(Non Convertible Debentures)					

Notes to the Consolidated Financial Statements

16. Current Investments (contd.)

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Units	Rs. lakhs	No. of Units	Rs. lakhs
Investment in Mutual fund -Fully paid-up					
Unquoted					
ICICI Prudential Gilt Fund Investment Plan- PF Option-Regular Plan	10	11,53,119.58	250.00	11,53,119.58	250.00
ICICI Prudential Liquid Plan - Growth	100	1,45,781.82	350.00	4,48,284.14	1,002.51
Birla Sunlife Cash Plus Growth Regular Plan	10	1,34,387.80	350.00	-	-
HDFC Cash Management Fund Savings Plan Regular Plan Growth	1000	11,840.33	400.00	-	-
Forefront Alternative Equity Scheme	10	7,04,112.94	100.00	7,04,112.94	100.00
Total			2,461.45		1,643.68
Aggregate amount of quoted investments			1,011.45		257.63
Aggregate Market Value of quoted investments			1,083.46		267.70
Aggregate amount of unquoted investments			1,450.00		1,386.05
Aggregate Provision for diminution in value of Investments			17.15		21.43

17. Inventories

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Raw materials	3,919.01	4,609.47
Stock-in-process	698.79	1,610.70
Semi Finished Goods	269.30	292.72
Finished Goods (includes in transit Rs.474.45 lakhs, {31.03. 2016:Rs. 171.17 lakhs})	2,295.03	2,521.63
Stores and Spares	852.15	913.57
Total	8,034.28	9,948.09

18. Trade receivables

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	106.20	72.08
Others	1,853.11	2,480.44
Total	1,959.31	2,552.52

19. Cash and Bank balances

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Cash and cash equivalents		
Cash on hand	4.01	14.78
Balances with Banks :		
In current accounts	206.11	337.11
In Fixed Deposit	45.25	1,482.75
	255.37	1,834.64
Other Bank Balances		
Unpaid dividend account	19.48	18.26
Margin money deposits	0.21	41.19
Total	275.06	1,894.09

Notes to the Consolidated Financial Statements

20. Short-term loans and advances

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good (unless otherwise stated)		
Security Deposits	96.39	96.39
Prepaid Expenses	62.02	108.57
Balances with Government Authorities	6.95	5.62
Advances for goods and services - Considered Good	119.24	76.77
Employee Advances	241.61	245.00
Loans to Bodies Corporate	1,900.00	1,200.00
Other Advances		
Considered Good	261.20	215.48
Doubtful	148.17	148.17
Less : Provision for Doubtful Advance	(148.17)	(148.17)
Total	2,687.41	1,947.83

21. Other current assets

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Unsecured, considered good :		
Interest accrued on Bonds	17.20	17.20
Interest accrued on Fixed Deposits	0.96	6.95
Interest accrued on Loans to Bodies Corporate	19.45	-
Interest accrued on Debentures	2.39	4.52
Total	40.00	28.67

22. Revenue from operations

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Sale of products		
Finished goods	49,519.86	42,517.75
Traded goods	-	10.73
	49,519.86	42,528.48
Other operating revenues		
Export incentive	1,222.93	497.82
Revenue from operations (gross)	50,742.79	43,026.30
Less : Excise duty and R&D Cess	369.85	315.60
Total	50,372.94	42,710.70

Notes to the Consolidated Financial Statements

23. Other Income

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Interest Income on		
Bank deposits	37.80	101.65
Other deposits	163.92	109.97
Long - term investments	61.33	62.24
Debentures	23.02	15.52
Others	99.79	65.88
Dividend Income on current investments	2.12	13.23
Dividend on long term investment	8.26	1.13
Rent	2.79	2.93
Net Profit on sale of fixed asset	30.66	2.45
Profit on sale of current investments	4.09	34.78
Profit on sale of Long term investment	14.26	99.92
Liabilities no longer required written back	0.09	5.79
Net Gain on foreign currency transaction and translation	318.66	18.06
Miscellaneous Income [Refer note (a) below]	436.46	27.96
Provision for Diminution in Investment Written Back	21.43	11.73
Provision for Impairment Written Back	245.07	
Keyman Insurance Realised	57.12	769.22
Total	1,526.87	1,342.46

(a) Miscellaneous Income includes Insurance claim realized amounting to Rs 399.06 Lakhs. (31.03.2016.Rs.nil)

24. Cost of materials consumed

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Inventory at the beginning of the year	4,609.47	3,289.49
Add : Purchases (net) [Refer note (a) below]	24,569.29	26,350.44
	29,178.76	29,639.93
Less : Inventory at the end of the year	3,919.01	4,609.47
Total	25,259.75	25,030.46

(a) Purchases is net of discount received on prompt payment of supplier's bills amounting to Rs.352.62 lakhs (2015-16 : Rs. 425.98 lakhs)

25. Changes in inventories of finished goods, stock-in-process and semi -finished goods

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Inventories at the end 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 (A)	3,263.12	4,425.05
Inventories at the beginning of the year		
Stock-in-Process	1,610.70	747.88
Semi- Finished Goods	292.72	378.00
Finished Goods	2,521.63	1,503.95
Total (B)	4,425.05	2,629.83
(Increase)/decrease in inventories (B-A)	1,161.93	(1,795.22)

Notes to the Consolidated Financial Statements

26. Employees benefits expense

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Salaries, Wages & Bonus	6,995.33	6,358.31
Contribution to Provident and Other Funds [Refer notes (a) and (b) below]	1,353.93	1,767.09
Workmen and Staff Welfare expenses	72.56	68.99
Total	8,421.82	8,194.39

(a) Defined Contribution Plans

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

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Employer's Contribution to Provident Fund	140.97	125.90
Employer's Contribution to Pension Fund	395.96	377.71
Employer's Contribution to Superannuation Fund	84.86	72.54

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

(b) Defined Benefit Plans

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

Sl. No.	Description	Gratuity (Funded)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
		Rs lakhs	Rs lakhs
(a)	Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation		
	Present Value of Obligation at the beginning of the year	5,176.17	4,358.59
	Current Service Cost	329.54	266.18
	Interest Cost	403.71	333.00
	Acquisition Cost	43.19	-
	Actuarial (Gains)/Losses	448.35	397.01
	Benefits Paid	(131.91)	(178.61)
	Present Value of Obligation at the end of the year	6,269.05	5,176.17
(b)	Reconciliation of the Opening and Closing balances of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	4,259.82	4,261.71
	Expected Return on Plan Assets	372.16	337.67
	Acquisition Adjustment	43.19	-
	Actuarial Gains/(Losses)	366.83	(257.83)
	Contributions	916.35	96.88
	Benefits paid	(131.91)	(178.61)
	Fair Value of Plan Assets at the end of the year	5,826.44	4,259.82

Notes to the Consolidated Financial Statements

Sl. No.	Description	Gratuity (Funded)	
		Year ended 31st March, 2017 Rs lakhs	Year ended 31st March, 2016 Rs lakhs
(c)	Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets		
	Present Value of Obligation at the end of the year	6,269.05	5,176.17
	Fair Value of Plan Assets at the end of the year	5,826.44	4,259.82
	Assets/(Liabilities) recognized in the Balance Sheet	(442.61)	(916.35)
(d)	Expense recognised in the Profit and Loss Account		
	Current Service Cost	329.54	266.18
	Interest Cost	403.71	333.00
	Acquisition Cost	43.19	-
	Expected Return on Plan Assets	(372.16)	(337.67)
	Acquisition Adjustment	(43.19)	-
	Actuarial (Gains)/Losses	81.52	654.84
	Total Expense recognized	442.61	916.35
(e)	Category of Plan Assets : [Refer note (b) below]		
	Fund with Birla Sun Life Insurance Company Limited	5,217.11	4,135.36
	Fund with HDFC Life	609.33	124.46
	Total	5,826.44	4,259.82
(f)	Actuarial Assumptions		
	Discount Rate (Per annum)	6.75%	7.90%
	Expected Rate of Return on Assets (Per annum)	8.00%	8.00%
	Salary Escalation	9.00%	9.00%
	Mortality Rate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate

- a) The estimates of future salary increases, considered in actuarial valuations, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investment of funds during the estimated term of the obligation.
- b) The Company made annual contributions to the insurer of an amount as determined by actuarial valuation. Company was not informed of the investments made by the insurer.
- c) The table below illustrates experience adjustment disclosure as per para 120 (n) (ii) of Accounting Standard 15 – Employee Benefits.

	2016-17	2015-16	2014-15	2013-14	2012-13
	Rs.lakhs	Rs.lakhs	Rs.lakhs	Rs.lakhs	Rs.lakhs
Defined benefit obligation	(6,269.05)	(5,176.17)	(4,358.59)	(3,684.68)	(3,254.32)
Plan assets	5,826.44	4,259.82	4,261.71	3,340.49	2,760.15
Surplus / (deficit)	(442.61)	(916.35)	(96.88)	(344.19)	(494.17)
Experience adjustments on plan liabilities	275.05	61.56	203.74	(90.60)	(168.25)
Experience adjustments on plan assets	366.83	(257.83)	459.11	2.89	64.22

Notes to the Consolidated Financial Statements

27. Finance costs

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Interest expenses	332.35	440.77
Other borrowing costs	25.59	38.20
Total	357.94	478.97

28. Depreciation and amortization expense

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Depreciation on Tangible assets	763.14	776.82
Amortization of Intangible assets	6.09	3.21
Total	769.23	780.03

29. Other expenses

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Consumption of stores and spare parts (net)	2,969.50	2308.35
Power and fuel	2,031.51	1919.64
Rent	85.04	79.18
Repairs to building	62.27	50.14
Repairs to machinery	0.87	0.83
Repairs - others	29.03	38.90
Insurance	665.03	600.39
Rates and Taxes	33.82	28.23
Processing Charges	577.05	585.70
Freight and Delivery Charges	328.36	257.93
Research & Development Cess and Excise Duty [Refer note (a) below]	118.34	114.79
Export Dock and Toll Charges	137.93	104.88
Brokerage and Commission	260.59	163.33
Bad Debts Written Off	-	4.38
CSR Expenses [Refer note (b) below]	246.18	18.70
Miscellaneous Expenses	1,080.62	830.82
Diminution in value of Investment	59.01	21.43
Fixed Asset Written Off	67.41	-
Raw Jute Damaged In Fire	-	428.39
Loss on sale of Long term investment	4.71	-
Total	8,757.27	7556.01

(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 Rs.3.73 lakhs (31.03.2016: Rs. 11.54 lakhs)

(b) Corporate Social Responsibility (CSR)

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

Notes to the Consolidated Financial Statements

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

Gross Amount required to be spent by the Company during the year : Rs.60.32 lakhs (2015-16 Rs.55.27 Lakhs)

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

Amount spent during the year under various heads	In Cash	Yet to be paid in cash	Total
	Rs. lakhs	Rs. lakhs	Rs. lakhs
(i) Construction / acquisition of any asset	Nil	Nil	Nil
(ii) On purposes other than (i) above	246.18	Nil	246.18

30. Earnings per equity share (EPS)

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

Particulars	Year Ended	
	31st March, 2017	31st March, 2016
a. Net Profit after tax (Rs. in lakhs)	4,657.87	2,551.42
b. (i) Number of Equity Shares at the beginning of the year	5,233,440	5,233,440
(ii) Number of Equity Shares at the end of the year	10,466,880	52,33,440
(iii) Weighted average number of Equity Shares outstanding during the year	10,466,880	5,233,440
(iv) Face Value of Equity Share (Rs.)	10	10
c. Basic Earning / (Loss) per share [a/b (iii)] (Rs.)	44.50	24.38
(II) Diluted		
a. Dilutive Potential Equity Shares	0.00	0.00
b. Weighted average number of Equity Shares for computing diluted earnings per shares [(I)b(iii)+(II)a] *	10,466,880	10,466,880
c. Diluted Earning / (Loss) per Share [(I)(a) / (II)(b)] (Rs.) *	44.50	24.38

Consequent to approval of the shareholders through Postal Ballot on 11th May,2016, the Company has allotted Bonus Shares in the ratio of 1:1 i.e. one new equity share for every one existing equity share to the eligible shareholders of the Company.

*The weighted average number of Equity Shares for computing diluted earnings and earnings per share for all periods presented are based on current capital after issue of Bonus Shares.

31. Contingent liabilities

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
a) Claims against the Company not acknowledged as debts :		
Sales tax matter	325.73	379.97
ESI matter	45.57	45.57
b) Export bills discounted with bank	107.98	263.86

32. Commitments

	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Estimated amounts of contracts remaining to be executed on capital account and not provided for tangible assets	220.81	507.06
Other Commitment - towards investments	835.00	137.00

Notes to the Consolidated Financial Statements

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

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

Particulars	Within India		Outside India		Total	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
Segment revenue by location of customers	37,066.28	31,580.00	12,083.73	10,632.88	49,150.01	42,212.88
Carrying amount of segment assets	1,282.82	2,044.08	676.49	508.44	1,959.31	2,552.52
Additions to tangible and intangible assets	1,345.80	1,507.37	-	-	1,345.80	1,507.37

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

Names of Related Parties and nature of relationship

- a) Key Management Personnel
Shri G D Bangur (upto 7th June,2015)
Shri Hemant Bangur
Shri D C Baheti
- b) Enterprise over which Key Management Personnel have significant influence-
Joonktollee Tea & Industries Limited
Kettlewell Bullen & Company Limited

Transactions with related parties are as follows:				
	Particulars	Year	Key Management Personnel	Enterprise over which Key Management Personnel & relatives of Key Management Personnel have significant Influence
			Rs lakhs	Rs lakhs
A	Transactions during the year			
1	Remuneration Paid	2016-17 2015-16	614.15 347.73	- -
2	Dividend Paid	2016-17 2015-16	8.39 8.39	53.63 53.63
3	Rent Paid	2016-17 2015-16	- -	41.36 40.94
4	Sales	2016-17 2015-16	- -	109.44 94.68
5	Dividend Received	2016-17 2015-16	- -	- 0.23
B	Outstanding balance at year end			
1	Commission Payable	2016-17 2015-16	375.00 200.00	- -
2	Deposits	2016-17 2015-16	- -	400.00 400.00

Notes to the Consolidated Financial Statements

35. Derivative instruments and unhedged foreign currency exposure.

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

Nature of Exposure	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Forward Contracts to sell (in USD)	6.98	4.42
Forward Contracts to sell (in GBP)	1.03	0.26
Forward Contracts to sell (in EUR)	2.03	0.51
Forward Contracts to sell (in JPY)	-	36.28
Forward Contracts to buy (in USD)	1.73	4.83

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

Nature of Exposure	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Import Trade payables (USD)	0.24	-

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

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

Nature of Exposure	As at	
	31st March, 2017	31st March, 2016
	Rs. lakhs	Rs. lakhs
Provision for Resultant Mark to Market Loss	-	22.57

36. The Company's Board of Directors at its meeting held on March 29, 2016 had approved the Scheme of Arrangement between "the Company" and Kettlewell Bullen & Company Limited in terms of the provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 & Companies Act, 2013, to the extent applicable. Upon the coming into effect of the Scheme and with effect from the Appointed Date i.e. 1st January, 2015, the Undertaking of Gloster Limited will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in Kettlewell Bullen & Company Limited, as a going concern, in accordance with Section 2(1B) of the Income Tax Act. The Company has since received No Objection Certificate from BSE Ltd. & Calcutta Stock Exchange Ltd. with regard to the Scheme and application has been filed before the National Company Law Tribunal for approval.

37. Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	55.30	14.53	69.83
(+) Permitted receipts	-	24.16	24.16
(-) Permitted payments	-	34.53	34.53
(-) Amount deposited in Banks	55.30	-	55.30
Closing cash in hand as on 30 December 2016	-	4.16	4.16

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.

Notes to the Consolidated Financial Statements

38. Previous year's figure have been arranged and/ or regrouped wherever necessary to make them comparable with that of current year.
39. 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			
	31st March, 2017		31st March, 2016		31st March, 2017		31st March, 2016	
Name of the Entity [Refer Note (a) below]	Net Assets Rs. lakhs	As a % of Consoli- dated Net Assets	Net Assets Rs. lakhs	As a % of Consoli- dated Net Assets	Net Profit Rs. lakhs	As a % of Consolidat- ed Profit / (Loss)	Net Profit Rs. lakhs	As a % of Consoli- dated Profit /(Loss)
Parent Gloster Limited	36,741.16	96.79%	32,158.96	96.57%	4,582.18	98.38%	2,464.02	96.58%
Subsidiaries Gloster Lifestyle Limited	604.44	1.59%	562.19	1.69%	42.24	0.90%	42.95	1.68%
Gloster Specialities Limited	612.51	1.62%	579.08	1.74%	33.43	0.72%	44.45	1.74%
	37,958.11	100.00%	33,300.23	100%	4,657.85	100.00%	2,551.42	100.00%

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

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Hemant Bangur Executive Chairman
D.C. Baheti Managing Director
Nandita Sen Director
S.N. Bhattacharya Director
K. Mahapatra Director
Prabir ray Director

Sunit Kumar Basu

Partner
Membership No. 55000

Place : Kolkata
Date: 12th May, 2017

Shankar Lal Kedia Chief Financial Officer
Ajay Kumar Agarwal Company Secretary

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

Rs. in lakhs

Sl. No.		1	2
1.	Name of the subsidiary	Gloster Lifestyle Limited	Gloster Specialities Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Uniform reporting period	Uniform reporting period
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable
4.	Share Capital	400.00	400.00
5.	Reserves and Surplus	204.43	212.50
6.	Total Assets	626.73	630.40
7.	Total Liabilities	626.73	630.40
8.	Investments	241.63	454.63
9.	Turnover	-	-
10.	Profit before Taxation	55.28	41.99
11.	Provision for Taxation	13.04	8.56
12.	Profit after Taxation	42.24	33.43
13.	Proposed Dividend	Nil	Nil
14.	% of shareholding	100%	100%

- Names of subsidiaries which are yet to commence operations : Nil
- Names of subsidiaries which have been liquidated or sold during the year : Nil

Part "B" : Associates and Joint Ventures : Not Applicable

Place : Kolkata
Date : 12th May, 2017

Shankar Lal Kedia **Ajay Kumar Agarwal**
Chief Financial Officer Company Secretary

Hemant Bangur Executive Chairman
D.C. Baheti Managing Director
Nandita Sen Director
S.N.Bhattacharya Director
K.Mahapatra Director
Prabir Ray Director

Independent Auditor's Report

To the Members of Kettlewell Bullen & Company Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting

and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements subject to Note No.23 Regarding non-provision for diminution in value of investments amounting to Rs. 126.22 Lacs with its consequent effect on Statement of profit and the Balance Sheet and read together with other notes and Significant Accounting Policies and Practices 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 31 March 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit And Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls refer to our separate report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's 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 Company has no pending litigations. Thus rule 11(a) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- ii. The Company has not made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts- subject to note no. 23 to the Financial Statements.
- iii. There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 31.

For **S. S. Kothari & Co.**
Chartered Accountants
Firm's Regn. No.: 302034E

Tapan Kanti Sengupta
Partner
Membership no. 50938

Kolkata

Dated : The 12th day of May, 2017

“Annexure A” to the Independent Auditors’ Report

The Annexure referred to in paragraph 1 under the heading “Report on Other Legal & Regulatory Requirements” of our Independent Auditors’ Report to the members of the Company on the Financial Statements for the year ended 31 March 2017.

As required by the companies (Auditor’s Report) order 2016 (“the order”) issued by the central government of India in terms of sub-section (11) of section 143 of the act, and on the basis of such checks as we considered appropriate and the information and explanations given to us we further report that:-

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) As per the information and explanation given to us the title deeds of immovable properties are held in the name of the company.
- (ii) The Company is an Investment company, primarily engaged in investing in shares and securities of other companies. Accordingly it does not hold physical inventories. Thus, paragraph 3(ii) of the order is not applicable.
- (iii)(a) The Company has granted unsecured loan to Body Corporates covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’).
- (b) In the case of the loans granted to the body corporates listed in the register maintained under section 189 of the Act according to the information and explanations given to us the rate of interest and the other terms and condition of such loans are not prima-facie prejudicial to the interest of the company, and the such loan is repayable on demand and as such there is no overdue balance of principal amount and interest are being fully received.
- (c) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The Company has not accepted any deposits from the public within the meaning of the section 73 to 76 or any other relevant provisions of the co. Act 2013 and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees’ state insurance and duty of excise.

According to the information and explanations given to us, the company has no disputed amounts payable in respect of provident fund, income tax, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, service tax and have not been deposited by the Company on account of disputes. considering the non-provision of diminution in value of investments as indicated in our audit report.
- (viii) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year thus rule 3(viii) of the order is not applicable.
- (ix) As per our opinion and according to the explanation and information given to us the company has not raised any money by way of public offer either in the form of equity or debt instruments so the clause (ix) of para 3 of the order does not applies to the company.
- (x) As per our opinion and according to explanations and information given to us no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) As per our opinion and according to explanations and information given to us the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of the section 197 read with Schedule V to the Companies Act.
- (xii) The company is not a Nidhi Company so the clause (xii) of para 3 of the order is not applicable.
- (xiii) As per our opinion and according to explanations and information given to us the transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) As per our opinion and according to explanations and information given to us the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review so clause (xiv) of para 3 of the order is not applicable to the company.
- (xv) As per our opinion and according to explanations and information given to us the company has not entered into any non-cash transactions with directors or persons connected with him so the clause (xv) of para 3 of the order is not applicable.
- (xvi) The company is an investment company registered as an Non- Banking Financial company under section 45-IA of the Reserve Bank of India Act, 1934 carrying RBI Certification No.: 05.01847 Dt. 30.04.1998

For **S. S. Kothari & Co.**
Chartered Accountants
Firm's Regn. No.: 302034E

Tapan Kanti Sengupta
Partner
Membership no. 50938

Kolkata

Dated : The 12th day of May, 2017

“Annexure B” to the Independent Auditors’ Report

The Annexure referred to in paragraph 2(f) under the heading “Report on Other Legal & Regulatory Requirements” of our Independent Auditors’ Report to the members of the Company on the standalone Financial Statements for the year ended 31 March 2017.

Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of The Companies Act 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of “Kettlewell Bullen & Company Limited” (the Company”) as of March 31st 2017 in conjunction with our audit of the financial statements of the company for the year ended as on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit in accordance with the Guidance Note on Audit of internal financial controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are 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 Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and as per the information and explanation given to us, the company has, in all material respects, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.S. Kothari & Co**

Chartered Accountants

Firm's registration number: 302034E

Tapan Kanti Sengupta

Partner

Membership number: 50938

Place: Kolkata

Date: The 12th day of May, 2017

KETTLEWELL BULLEN AND COMPANY LTD

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note	As at	As at
		31st March, 2017	31st March, 2016
		₹	₹
I EQUITY AND LIABILITIES			
1 Shareholder's Fund			
Share Capital	2	20,000,000	20,000,000
Reserves and Surplus	3	133,747,014	121,677,922
2 Non-Current Liabilities			
Long Term Provisions	4	1,286,853	1,087,619
3 Current Liabilities			
Other Current Liabilities	5	47,906,520	47,872,542
Short Term Provisions	6	2,450,000	4,032,000
TOTAL		205,390,387	194,670,083
II ASSETS			
1 Non Current Assets			
Fixed Assets	7	2,326,089	1,659,153
Non Current Investments	8	111,507,054	129,772,654
Deferred Tax Assets		444,719	404,390
Long Term Loans & Advances	9	74,334,913	42,219,463
2 Current Assets			
Cash and Cash Equivalents	10	491,850	3,068,296
Short-term Loan and Advances	11	16,285,761	17,546,127
TOTAL		205,390,387	194,670,083

The notes form an integral part of these financial statements

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

For **S.S.Kothari & Co**
Chartered Accountants
Firm Registration No. 302034E

(Tapan Kanti Sengupta)
Partner
Membership No. 50938

Kolkata
Dated : 12/05/2017

For and on behalf of the Board of Directors

Abhay Gandhi
Chief Executive Officer

Ramakant Kankani
Chief Financial Officer

Pushpa Devi Bangur
(DIN No. 00695640)
Vinita Bangur
(DIN No.01140985)
Lakshmi Narayan Bihani
(DIN No. 00194509)
Om Prakash Modani
(DIN No. 00615363)
Directors

KETTLEWELL BULLEN AND COMPANY LTD

Statement of Profit & Loss for the year ended 31st March, 2017

Particulars	Note	2016-17	2015-16
		₹	₹
I Revenue from Operation	12	15,183,534	16,249,105
II Other Income	13	5,532,000	10,987,236
III Total Revenue		20,715,534	27,236,341
IV Expenses :			
Employees Benefit Expenses	14	4,405,709	3,948,439
Depreciation	15	438,649	476,572
Other Expenses	16	1,602,199	1,521,676
Finance Cost	17	-	9,667
Contingent Provision against Standard Assets		80,214	(4,468)
V Total Expenses		6,526,771	5,951,886
VI Profit before Tax		14,188,763	21,284,455
VII Tax Expenses :			
Current Tax		2,160,000	3,742,000
Deferred Tax		(40,329)	(84,912)
VIII Profit for the year		12,069,092	17,627,367
XI Earning per Equity Shares			
Basic & Diluted		6.03	36.57

The notes form an integral part of these financial statements

This is the Statement of Profit & Loss referred to in our report of even date

For **S.S.Kothari & Co**
Chartered Accountants
Firm Registration No. 302034E

(Tapan Kanti Sengupta)
Partner
Membership No. 50938

Kolkata
Dated : 12/05/2017

Abhay Gandhi
Chief Executive Officer

Ramakant Kankani
Chief Financial Officer

For and on behalf of the Board of Directors

Pushpa Devi Bangur
(DIN No. 00695640)
Vinita Bangur
(DIN No.01140985)

Lakshmi Narayan Bihani
(DIN No. 00194509)
Om Prakash Modani
(DIN No. 00615363)
Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note	2016-17	2015-16
		₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax and Extraordinary items		14,188,763	21,284,455
Adjustment for depreciation		438,649	476,592
Assets Written off		–	–
Income tax Adjustment Account		175,183	146,110
Interest Received on Loan		(5,660,960)	(6,346,671)
Interest Paid		–	9,667
Profit/Loss on Sale of Investments		(3,575,543)	(2,892,273)
Interest Received on others		–	(65,442)
Contingent provision agst. Standard Assets		80,214	(4,468)
Dividend Received		(5,947,031)	(7,010,161)
Operating Profit before working capital changes		(300,725)	5,597,809
Adjustment for :			
Loans & Advances		(32,251,340)	1,859,849
Trade Payables		233,212	84,830
Cash generated from Operations		(32,318,853)	7,542,488
Direct Taxes received/paid		(2,601,141)	(3,663,951)
Net Cash from Operating Activities	(A)	(34,919,994)	3,878,538
B. CASH FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(1,105,585)	–
Sale of Fixed Assets		–	–
Purchase of Investments		(21,000,000)	(51,515,176)
Sale of Investments		42,841,142	36,332,410
Dividend Received		5,947,031	7,010,161
Interest Received on Loan		5,660,960	6,346,671
Interest Paid		–	(9,667)
Net Cash used in Investing Activities	(B)	32,343,548	(1,825,934)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of Share Capital		–	–
Proceeds from Borrowings		–	–
Dividends Paid including tax		–	–
Net Cash used in Financing Activities	(C)	–	–
Net increase in Cash and Cash Equivalent	(A+B+C)	(2,576,446)	2,052,604
Cash and Cash Equivalents			
(Opening Balance)		3,068,296	1,015,693
Cash and Cash Equivalents			
(Closing Balance)		491,850	3,068,297

As per our report of even date attached herewith

For **S.S.Kothari & Co**
Chartered Accountants
Firm Registration No. 302034E

(Tapan Kanti Sengupta)
Partner
Membership No. 50938

Kolkata
Dated : 12/05/2017

Abhay Gandhi
Chief Executive Officer

Ramakant Kankani
Chief Financial Officer

For and on behalf of the Board of Directors

Pushpa Devi Bangur
(DIN No. 00695640)

Vinita Bangur
(DIN No.01140985)

Lakshmi Narayan Bihani
(DIN No. 00194509)

Om Prakash Modani
(DIN No. 00615363)

Directors

Notes to the Financial Statement for the year ended 31st March 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES :

(annexed to and forming part of the Financial Statements for the year ended on that date)

a) General

These accounts have been prepared under historical cost convention in accordance with Generally Accepted Accounting principles and the Accounting Standards prescribed under section 133 of the Companies Act' 2013 ('Act') read with the Rule 7 of Companies (Accounts) Rules' 2014 and other provisions of the Act, to the extent applicable.

The Financial Statements have been prepared in accordance with the accepted Accounting standards in India. A Summary of significant accounting policies , which have been applied consistently, is set out below

All the assets and liabilities have been classified as current and non- as per the Company's normal operating cycle and other criteria set out in schedule III of the Companies Act' 2013.

b) Fixed Assets

Fixed Assets are stated at their original cost less depreciation using cost model. An impairment loss is recognised where applicable when the carrying value of fixed assets exceeds its market value or value in use whichever is higher.

Depreciation

Depreciation on Fixed Assets has been provided for on written down value basis at the rates specified in Schedule II the Companies Act, 2013, and in respect of assets acquired or sold during the year prorata depreciation for the period calculated on day's basis during which each such assets was in use has been provided.

c) Investments

Securities which are intended to be held for one year or more are classified as Non current-Long Term Investments. Investments are stated at cost less permanent diminutions in value, if any. Current Investments are stated at Cost or fair value whichever is lower.

d) Revenue Recognition

Income and expenditure are accounted for on accrual basis.

e) Retirement Benefit

- i) The company contributes to government administered fund towards which the company has no further liability beyond its monthly contribution.
- ii) Accrued Liability in respect of retirement gratuities is ascertained by the management up to 31st March, 2016 and is funded to approve gratuity fund.
- iii) Leave Encashment on retirement as on 31st March, 2017 as calculated by the management, has been provided for in the Accounts

f) Taxation

Current tax is determined on the basis of the amount payable for the year under Income Tax Act. Deferred tax is calculated at Current Statutory Income Tax rate and is recognised on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets, subject to consideration of prudence, are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Notes to the Financial Statement for the year ended 31st March 2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
2 SHARE CAPITAL		
Authorised :		
25,00,000 Ordinary Shares of Rs.10/- each	25,000,000	25,000,000
(previous year Rs. 25,00,000 Ordinary shares of Rs. 10/- each)	<u>25,000,000</u>	<u>25,000,000</u>
Issued, Subscribed & Paid Up :		
20,00,000 Equity Shares of Rs.10/- each fully Paid up (20,00,000 Equity Shares of Rs.10/- each fully Paid up)	20,000,000	20,000,000
Total	<u>20,000,000</u>	<u>20,000,000</u>

Reconciliation of Number of Shares :

	Face Value		As at 31st March 2017		As at 31st March 2016	
	₹	Number	Number	Number	2016	
Equity Shares						
Shares Outstanding at the Beginning of the year	100	2,000,000	20,000,000	40,000	4,000,000	
Face Value converted from Rs. 100/- to Rs. 10/-	10	-	-	400,000	4,000,000	
Bonus Issued on 7.3.16	10	-	-	1,600,000	16,000,000	
Shares Outstanding at the end of the year	10	2,000,000	20,000,000	2,000,000	20,000,000	

Details of Shareholders holding more than 5%

Name of the Shareholders	As at 31st March' 2017		As at 31st March' 2016	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Gopal Das Bangur	225,000	11.25	225,000	11.25
Pushpa Devi Bangur	232,500	11.63	232,500	11.63
Hemant Bangur	264,700	13.24	264,700	13.24
Vinita Bangur	331,600	16.58	331,600	16.58
Gopal Das Bangur and Hemant Bangur	185,000	9.25	185,000	9.25
The Cambay Investment Corporation Ltd	250,000	12.50	250,000	12.50
Madhav Trading Corporation Ltd.	110,000	5.50	110,000	5.50

3 RESERVES & SURPLUS

Capital Reserve

Balance at the beginning of the year	2,295,700	2,295,700
Balance at the end of the year	<u>2,295,700</u>	<u>2,295,700</u>

Special Reserve Fund - As per RBI guidelines for NBFCs

Balance at the beginning of the year	21,418,407	17,892,934
Add : Transferred from Profit & Loss Account	2,413,818	3,525,473
	-	-
Balance at the end of the year	<u>23,832,225</u>	<u>21,418,407</u>

General Reserve

Balance at the beginning of the year	87,105,897	95,105,897
Add : Transferred from Profit & Loss Account	10,000,000	5,000,000
Less : Bonus issued during the year	-	13,000,000
	<u>97,105,897</u>	<u>87,105,897</u>

Notes to the Financial Statement for the year ended 31st March 2017

	As at 31st March' 2017	As at 31st March' 2016
Name of the Shareholders	₹	₹
Profit & Loss Account		
Balance at the beginning of the year	10,857,918	1,756,024
Add: Profit for the year	12,069,092	17,627,367
Less : Appropriations		
Transferred to Special Reserve Fund	2,413,818	3,525,473
Transferred to General Reserve	10,000,000	5,000,000
Balance at the end of the year	<u>10,513,192</u>	<u>10,857,918</u>
Total	<u><u>133,747,014</u></u>	<u><u>121,677,922</u></u>
4. LONG TERM PROVISIONS		
Contingent Provision agst. Standard Asset	217,313	137,099
Provision for Leave Encashment	1,069,540	950,520
Total	<u><u>1,286,853</u></u>	<u><u>1,087,619</u></u>
5. OTHER CURRENT LIABILITIES		
Creditor for Expenses	292,670	253,242
Bonus Payable	23,850	22,050
Security Deposit	47,590,000	47,590,000
TDS on Payment	-	7,250
Total	<u><u>47,906,520</u></u>	<u><u>47,872,542</u></u>
6. SHORT TERM PROVISIONS		
Provisions for Taxation	2,450,000	4,032,000
Total	<u><u>2,450,000</u></u>	<u><u>4,032,000</u></u>

Notes to the Financial Statement for the year ended 31st March 2017

7. FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NETBLOCK		
	As at 31st March 2016 ₹	Addition During the Year ₹	Sales/Adj. During the Year ₹	As at 31st March 2017 ₹	Upto 31st March 2016 ₹	Deduction / Adjustment on 01.04.14 ₹	For the Year ₹	Adjust.on Sale during the Year ₹	Upto 31st March 2017 ₹	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Land Freehold	12,620	-	-	12,620	-	-	-	-	-	12,620	12,620
Building	2,177,703	-	-	2,177,703	1,145,216	-	82,164	-	1,227,380	950,323	1,032,487
Machinery	492,731	-	-	492,731	400,688	-	30,716	-	431,404	61,327	92,043
Furniture & Fittings	848,942	543,310	-	1,392,252	770,410	-	156,828	-	927,238	465,014	78,532
Computer	140,193	37,275	-	177,468	129,138	-	8,650	-	137,788	39,680	11,055
Vehicles	603,049	-	-	603,049	450,584	-	67,708	-	518,292	84,757	152,465
Office Equipments	1,611,962	525,000	-	2,136,962	1,332,011	-	92,583	-	1,424,594	712,368	279,951
Total	5,887,200	1,105,585	-	6,992,785	4,228,047	-	438,649	-	4,666,696	2,326,089	1,659,153
Previous Year	6,464,080	27,300	604,180	5,887,200	3,504,200	1,377	776,272	527,620	3,751,475	2,135,725	

Notes to the Financial Statement for the year ended 31st March 2017

8. NON CURRENT INVESTMENTS

Particulars	Face Value	Number	As at	Number	As at
			31st March 2017		31st March 2016
Other than trade - Long Term (At Cost)			₹		₹
EQUITY SHARES - FULLY PAID UP					
Quoted					
Adani port & SEZ Ltd (Formerly Mundra Port & SEZ Ltd.)	2	75	6,600	75	6,600
ABB India Ltd.	2	200	206,391	200	206,391
Amar Remedy Ltd.	10	200	5,600	200	5,600
Barak Valley Cements Ltd.	10	303	12,726	303	12,726
Dena Bank	10	5,000	135,000	5,000	135,000
Emami Infra structure Ltd.	10	300	-	300	-
Gloster Ltd.	10	1,787,806	18,533,479	893,903	18,533,479
Himachal Futuristic Communications Ltd.	1	16,900	239,135	16,900	239,135
Himatsingka Seide Ltd.	2	6,533	1,066,887	6,533	1,066,887
HINDALCO Industries Ltd.	1	4,000	261,694	4,000	261,694
Indian Overseas Bank	10	1,000	24,000	1,000	24,000
Indraprashta Gas Ltd.	10	700	33,600	700	33,600
Interglobe Aviation Ltd.	10	1,000	861,914	1,000	861,914
Jaiprakash Power Ventures Limited	10	16,900	540,800	16,900	540,800
Joonktollee Tea & Industries Ltd.	10	538,838	28,824,722	538,838	28,824,722
Kolte Patil Developers Ltd.	10	40	5,800	40	5,800
Larsen Tubro Ltd.	2	100	117,919	100	117,919
Penta Media Graphics Ltd.	1	11,070	73,673	11,070	73,673
Port Shipping Co. Ltd.	10	164,330	1,617,261	164,330	1,617,261
Punjab National Bank	2	470	36,660	470	36,660
Siemens Ltd.	2	200	200,371	200	200,371
The Cochin Malabar Estates & Industries Ltd.	10	98,939	6,680,526	98,939	6,680,526
The Phosphate Co. Ltd.	10	170,000	3,983,400	170,000	3,983,400
Uco Bank	10	3,000	36,000	3,000	36,000
			63,504,158		63,504,158
Unquoted					
Abhyudaya Developers Pvt. Ltd	10	-	-	400,000	8,000,000
Blackberry Properties Pvt. Ltd.	10	1,000,000	20,000,000	1,000,000	20,000,000
Cambay Investment Corporation Ltd.	10	38,000	387,021	38,000	387,021
Credwyn Holdings India Pvt. Ltd.	100	30,000	4,500,000	30,000	4,500,000
Devendra Finvest & Holding Pvt. Ltd.	10	-	-	8,000	80,800
Kamla Company Ltd.	10	-	-	58,050	1,184,300
Laxmi Asbestos Products Ltd.	100	5,000	500,000	5,000	500,000
Mangal Builders & Enterprises Ltd.	10	-	-	200,000	5,000,000
P.D.G.D. Investments & Trading Pvt. Ltd.	10	-	-	20,000	4,000,500
Sudipta Traders Pvt. Ltd.	10	90,000	22,500,000	90,000	22,500,000
The Oriental Company Ltd.	100	845	94,475	845	94,475
Woodland Multispeciality Hospital Ltd	10	4,290	21,400	4,290	21,400
			48,002,896		66,268,496
			111,507,054		129,772,654
Quoted Investment - Cost			63,504,158		63,504,158
- Market Value			1,050,695,614		636,863,793
Unquoted Investment - Cost			48,002,896		66,268,496

Notes to the Financial Statement for the year ended 31st March 2017

Particulars	As at	As at
	31st March 2017	31st March 2016
	₹	₹
9. LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Loan to Body Corporates	74,334,913	42,219,463
Total	74,334,913	42,219,463
10. CASH AND CASH EQUIVALENT		
Balances with Bank in Current Account	428,871	3,055,733
Cash on hand	62,979	12,563
Total	491,850	3,068,296
11. SHORT TERM LOAN AND ADVANCES		
(Unsecured, considered good)		
Security Deposits	12,590,400	12,590,400
Advances for Taxation	3,552,221	4,948,477
Prepaid Expenses	32,140	-
Other Advance	111,000	7,250
Total	16,285,761	17,546,127
	2016-17	2015-16
	₹	₹
12. REVENUE FROM OPERATIONS		
Interest Income	5,660,960	6,346,671
Dividend Income	5,947,031	7,010,161
Profit on sale of Long Term Investments	3,075,600	2,783,807
Profit on Redemption of units of Mutual Fund	499,943	108,467
Total	15,183,534	16,249,105
13. OTHER INCOME		
Interest from others	-	65,422
Other Income	5,532,000	5,528,000
Insurance Claim Rceived	-	5,393,813
Total	5,532,000	10,987,236
14. EMPLOYEES BENEFIT EXPENSES		
Salary , Bonus and Allowances	4,055,320	3,638,590
Contribution to Provident & other fund	333,141	296,174
Staff Welfare	17,248	13,675
Total	4,405,709	3,948,439
15. DEPRECIATION		
Depreciation on Fixed Assets	438,649	476,572
Total	438,649	476,572

Notes to the Financial Statement for the year ended 31st March 2017

	2016-17	2015-16
	₹	₹
16. OTHER EXPENSES		
Advertisement & Publicity Expenses	-	1,000
Auditors Remuneration		
Audit Fees	18,000	18,000
Other matters	11,450	6,840
Books & Periodicals	3,464	2,023
Car Expenses	204,043	194,989
Conveyance Expenses	10,072	9,561
Directors Sitting Fees	40,000	52,000
Donation	-	20,000
Electric Charges	357,270	388,250
Filing fees	150,663	21,752
General Expenses	29,304	24,050
Insurance	14,571	12,231
Listing Fees & Subscription	35,781	46,960
Office Maintenance	174,850	109,403
Printing & Stationery	20,420	22,310
Professional Charges	34,700	111,382
Rates & Taxes	108,894	90,292
Rent	47,400	47,400
Repairs to others	16,661	104,437
Telephone, Mobile & Internet Expenses	112,180	87,132
Travelling Expenses	37,293	-
Security Transaction Tax	-	5,555
Income Tax Adjustment Account	175,183	146,110
Total	1,602,199	1,521,676
17. FINANCE COST		
Interest paid to others	-	-
Interest Paid on Loan	-	9,667
	-	9,667

18. Contingency Liabilities in respect of guarantees issued by the Company to Banks on behalf of a Company for Various facilities enjoyed by the company to the extent of Rs. 2,215.86 Lacs (Previous Year Rs.3,893.78 Lac)

19. (i) Accrued gratuity liability as on 31st March, 2017 amounting to Rs. 27.42 Lacs has been funded to approved gratuity fund. However, as the Number of Employees is below the minimum number specified as per The Payment of Gratuity Act,1972 hence the said Act is not applicable to the Company and no disclosure is required under AS-15 is made.

(ii) Liability for accumulated Leave as at 31st March, 2017 amounting to Rs. 10.70 Lacs as ascertained by the Management has been provided for.

20. Particulars required in terms of Paragraph 9BB of non Banking Financial Companies Prudential Norms (Reserve Bank) Direction, 1988 are appended to the Balance Sheet.

Notes to the Financial Statement for the year ended 31st March 2017

21. i) The Company has received the registration certificate u/s 45(1A) of the Reserve Bank of India Act, 1934.
 ii) Since the Company did not accept any deposit from the public during the year the question of compliance with Section 45(1B) of Reserve Bank of India Act, 1934 regarding maintenance of minimum investment in approved securities does not arise.
22. There are no amounts due/overdue to micro, small and medium enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006.
23. No provision has been made for fall in value of investments of Rs. 126.22 Lacs as the management considers it as a temporary Phenomenon.
24. Salary, Bonus & other allowances, Contribution to Provident Fund and other fund, staff welfare, Telephone and mobile expenses have been stated net of receipt being Rs.180,256/-, 20,425/-, 7,671/- and Rs. 931/- respectively.
25. There are no separate reportable segment as per Accounting Standard - 17.
26. Related partly disclosure as per Accounting Standard 18 :

Key Management Personnel :

a. Smt. Pushpa Bangur	Key Management Personnel	Promotor and Non-Executive Director
b. Smt. Vinita Bangur	Key Management Personnel	Promotor and Non-Executive Director
c. Shri Abhay Gandhi	Key Management Personnel	Chief Executive officer

Transaction with related Party.

₹ in Lacs

Nature of Transaction	Key Management Personnel	
	2016-17	2015-16
	₹	₹
Director's Sitting Fees	0.40	0.10
Remuneration Paid	16.93	13.93

27. Earning per share as per Accounting Standard 20 :

	face Value	31.03.2017	31.03.2016
	(₹)	(₹)	(₹)
Profit after tax		12,069,092	17,627,367
Shares at the Beginning	100	2,000,000	40,000
No. of Shares after Change in Face Value of Rs. 100/- to Rs, 10/- each	10	-	400,000
Bonus Issued on 07-03-16	10	-	1,600,000
Weighted Average		2,000,000	481,967
Basic & Diluted Earning Per Share	10	6.03	36.57

28. Deferred Tax (Liability)/Assets consist as follows :

	31.03.2017	31.03.2016
	(₹)	(₹)
Timing difference for Deprecation	114,231	110,679
Provision for Leave Encashment	330,488	293,711
	444,719	404,390

Notes to the Financial Statement for the year ended 31st March 2017

29. Reserve fund has been created in accordance with the requirement of Section 45-1C of Reserve Bank of India Act, 1934.
30. The Company has made a provision of 0.25% for Standard Assets in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction 2007 as amended.

31. **Disclosure for Specified Bank Notes :-**

	Specified Bank Notes	Other Denomination	Total
Closing Cash in Hand as on 08-11-2016	38000	914	38,914
Transaction between 09-11-16 to 30-12-16			
+ withdrawl from Bank	145,000	145,000	
- Paid for permitted transaction	-	-	-
- paid for petty Expense		5,511	5,511
- Deposited in Bank	38000	-	38,000
Closing Cash in Hand as on 30-12-16			<u>140,403</u>

32. Previous year's figures have been re-arranged and re-grouped wherever necessary.

For S. S. KOTHARI & CO.

Chartered Accountants

Firm Registration No. 302034E

Abhay Gandhi
Chief Executive Officer

(TAPAN KANTI SENGUPTA)

Partner

Membership No. : 50938

Ramakant Kankani
Chief Financial Officer

Kolkata

Dated : 12/05/2017

For and on behalf of the Board of Directors

Pushpa Devi Bangur
(DIN No. 00695640)

Vinita Bangur
(DIN No.01140985)

Lakshmi Narayan Bihani
(DIN No. 00194509)

Om Prakash Modani
(DIN No. 00615363)

Directors

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH

Company Application No.207 of 2017

In the matter of:

The Companies Act, 2013;

And

In the matter of Sections 230 and 232 of the Companies Act, 2013;

And

In the Matter of:

Gloster Limited (CIN L17119WB1992PLC054454), a company incorporated in 1992 under the provisions of the Companies Act, 1956, having its registered office at 21, Strand Road, Kolkata – 700001

And

Kettlewell Bullen & Company Limited, (CIN U65192WB1923PLC004628), a company incorporated under the provisions of the Companies Act, 1913, having its registered office at 8, MunshiPremchandSarani, Kolkata 700 022.

..... Applicants.

UNSECURED CREDITORS

FORM OF PROXY

I/We, _____, the undersigned unsecured creditor of Gloster Limited, being the Applicant Company no.1 abovenamed, do hereby appoint Mr./Ms. _____ of _____ and failing him/her _____ of _____ as my/our proxy, to act for me/us at the meeting of the unsecured creditors of the Applicant Company no.1 to be held at Rotary Sadan, 94/2, Chowringhee Road. Kolkata – 700020 on Tuesday, the 5th day of September, 2017 at 2.00 p.m. for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Amalgamation of Gloster Limited with Kettlewell Bullen & Company Limited (the "Scheme") and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here, if 'for', insert 'FOR', if 'against', insert 'AGAINST', and in the latter case, strike out the words below after 'the Scheme') the said arrangement embodied in the Scheme, either with or without modification(s)*, as my/our proxy may approve. (*Strike out whatever is not applicable).

Affix
revenue
stamp

Dated this ____ day of _____ 2017.

Signature-----

Name : _____
Address : _____
Amount Due : _____

Signature of unsecured creditor : _____

Signature of Proxy: _____

Notes:

1. The proxy must be deposited at the registered office of Gloster Limited at 21, Strand Road, Kolkata – 700001, India, at least 48 (forty-eight) hours before the scheduled time of the commencement of the said meeting.
2. All alterations made in the form of proxy should be initialled.
3. Please affix appropriate revenue stamp before putting signature.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be a creditor of Gloster Limited.
6. No person shall be appointed as a proxy who is a minor.
7. The proxy of a creditor blind or incapable of writing would be accepted if such creditor has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address: provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the creditor before he attached his signature or mark.
8. The proxy of a creditor who does not know English would be accepted if it is executed in the manner prescribed in point no. 7 above and the witness certifies that it was explained to the creditor in the language known to him, and gives the creditor's name in English below the signature.

GLOSTER LIMITED

Registered office:21, Strand Road, Kolkata – 700001

Phone No. (033) 2230-9601

CIN: L17119WB1992PLC054454

Website: www.glosterjute.com

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

FOR NCLT CONVENED MEETING OF THE UNSECURED CREDITORS OF GLOSTER LIMITED

ON TUESDAY THE 5TH DAY OF SEPTEMBER 2017 AT 2.00 P.M.

I/We hereby record my/our presence at the meeting of the Unsecured Creditors of Gloster Limited, the Applicant Company no.1, convened pursuant to the order dated of the NCLT at Rotary Sadan, 94/2, Chowringhee Road. Kolkata – 700020, India on Tuesday the 5th Day of September, 2017 at 2.00 p.m. (14.00 hours).

Name and address of Unsecured Creditor : _____
(IN BLOCK LETTERS)

Signature : _____

Amount Due : _____

Name of the Proxy* : _____
(IN BLOCK LETTERS)

Signature : _____

*(To be filled in by the Proxy in case he/she attends instead of the creditor)

Notes:

1. Unsecured Creditor attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.
2. Unsecured Creditor who come to attend the meeting are requested to bring their copy of the Scheme with them.

Route Map for the venue of the meeting.

