



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

Ref: GL/AA/17-18/0425

May 12, 2017

The Secretary BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 Scrip Code - 538595	The Secretary The Calcutta Stock Exchange Ltd. 7, Lyons Range Kolkata 700 001
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Dear Sir,

Re: Audited Financial Results for the year ended 31st March 2017

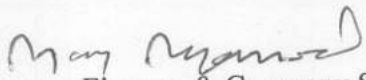
In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, enclosed please find enclosed herewith a copy of Audited Financial Results of the Company for the year ended 31st March 2017 approved by the Board of Directors in its meeting held on 12th May 2017, along with Auditors Report and Form A.

The meeting concluded at 3.30 p.m.

This is for your information and record.

Thanking you,

Yours faithfully,
For **GLOSTER LIMITED**


Manager Finance & Company Secretary

Encl: as above.



145 YEARS OF EXCELLENCE WITH THE GOLDEN FIBRE

**GLOSTER LIMITED**

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AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2017

PART-I

(₹ in lakhs)

Sr.No.	Particulars	Standalone				Consolidated	
		3 months ended		Year ended		Year ended	
		31.03.2017 (Unaudited)	31.12.2016 (Unaudited)	31.03.2016 (Unaudited)	31.03.2017 (Audited)	31.03.2016 (Audited)	31.03.2016 (Audited)
1	Income from operations	13,209	10,443	12,516	49,150	42,213	42,213
	a) Net sales (Net of excise duty / R & D Cess)	131	307	122	1,223	498	498
	b) Other operating income	13,340	10,750	12,638	50,373	42,711	42,711
2	Total income from operations (net)						
	Expenses	5,956	5,195	7,716	25,260	25,030	25,030
	a) Cost of materials consumed	-	-	-	-	10	10
	b) Purchases of stock-in-trade	1,179	(445)	(352)	1,162	(1,795)	(1,795)
	c) Changes in inventories of finished goods, work in progress and stock-in-trade	2,193	2,048	1,979	8,422	8,194	8,194
	d) Employee benefits expense	201	195	191	769	780	780
	e) Depreciation & amortisation expense	3,225	1,855	2,428	8,744	7,555	7,556
	f) Other expenses	12,754	8,848	11,962	44,357	39,774	39,775
3	Total expenses						
	Profit/ (Loss) from operations before other income, finance costs and exceptional items (1 - 2)	586	1,902	676	6,016	2,937	2,936
4	Other income	454	183	212	1,400	1,167	1,342
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	1,040	2,085	888	7,416	4,104	4,278
6	Finance costs	73	66	152	342	412	479
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	967	2,019	736	7,074	3,692	3,799
8	Exceptional items	-	-	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax (7 - 8)	967	2,019	736	7,074	3,692	3,799
10	Tax Expense	372	700	213	2,492	1,228	1,247
10	Tax expense	595	1,319	523	4,582	2,464	2,552
11	Net Profit / (Loss) from ordinary activities after tax (9 - 10)	-	-	-	-	-	-
12	Extraordinary item (net of tax expense)	595	1,319	523	4,582	2,464	2,552
13	Net Profit / (Loss) for the period (11 - 12)	1,047	1,047	1,047	1,047	1,047	1,047
14	Paid-up equity share capital (Face Value of ₹10/- each)						
15	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year						
16	Earnings per share (after extraordinary items) (of ₹10/- each) (not annualised)	5.69	12.60	5.00	43.78	23.54	24.38
	a) Basic (₹)	5.69	12.60	5.00	43.78	23.54	24.38
	b) Diluted (₹)						



Statement of Assets and Liabilities					
Sr.No.	Particulars	Standalone		Consolidated	
		As at 31.03.2017 (Audited)	As at 31.03.2016 (Audited)	As at 31.03.2017 (Audited)	As at 31.03.2016 (Audited)
A	EQUITY AND LIABILITIES				
1	Shareholders' Funds				
	(a) Share Capital	1,047	523	1,047	523
	(b) Reserves and Surplus	36,494	32,436	36,911	32,777
		37,541	32,959	37,958	33,300
	Sub-total-Shareholders' funds				
2	Non-current liabilities				
	(a) Long- term borrowings	0	287	-	287
	(b) Deferred tax liabilities (net)	102	57	102	57
	(c) Other long-term liabilities	-	-	-	-
	(c) Long- term provisions	400	303	400	303
		502	647	502	647
	Sub-total-Non - current liabilities				
3	Current liabilities				
	(a) Short- term borrowings	3,334	7,765	3,334	8,734
	(b) Trade payables	431	617	431	617
	(c) Other current liabilities	2,983	2,426	2,983	2,426
	(d) Short-term provisions	943	1,618	935	1,621
		7,691	12,426	7,683	13,398
	Sub-total - Current liabilities	45,734	46,032	46,143	47,345
	TOTAL - EQUITY AND LIABILITIES				
B	ASSETS				
1	Non-current assets				
	(a) Fixed assets	26,441	26,036	26,441	26,036
	(b) Non- current investment	3,850	3,009	3,671	2,696
	(c) Long- term loans and advances	575	597	575	597
		30,866	29,642	30,687	29,329
2	Current assets				
	(a) Current investments	2,386	1,530	2,461	1,644
	(b) Inventories	8,034	9,948	8,034	9,948
	(c) Trade receivable	1,959	2,553	1,959	2,553
	(d) Cash and cash equivalents	223	411	275	1,894
	(e) Short-term loans and advances	2,247	1,948	2,687	1,948
	(f) Other current assets	19	-	40	29
		14,868	16,390	15,456	18,016
	Sub-total - Current assets	45,734	46,032	46,143	47,345
	TOTAL - ASSETS				




Notes:

- 1 The above results have been reviewed by the Audit Committee and were approved by the Board of Directors at their respective meetings held on 12th May, 2017
- 2 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.
- 3 In respect of standalone financial results, figures of the last quarter ended 31st March, 2017 and for previous year quarter ended 31st March, 2016 are the balancing figures between audited figures of respective financial year and the published year to date figure upto the third quarter ended 31st December, 2016 and 31st December, 2015.
- 4 The Company is engaged in business of manufacturing jute goods and is managed organisationally as a single business segment. Accordingly, the Company has a single primary reporting segment as envisaged in Accounting Standard (AS-17) on "Segment Reporting".
- 5 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. Accordingly, a sum of Rs.523.34 lakhs has been capitalised and transferred to Share Capital Account on allotment of fully paid Bonus Shares. The earnings per share for all periods presented are based on current capital after issue of Bonus Shares.
- 6 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.
- 7 Previous period's / year's figures have been regrouped / re-arranged, wherever necessary, to conform to the current period's/year's presentation.

Place: Kolkata
Date: 12th May, 2017



By Order of the Board

Hemant Bangur
Executive Chairman

Lovelock & Lewes

Chartered Accountants

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

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INDEPENDENT AUDITORS' REPORT

To the Members of Gloster Limited

Report on the Financial Statements

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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.



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INDEPENDENT AUDITORS' REPORT

To the Members of Gloster Limited

Report on the Financial Statements

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- (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

Lovelock & Lewes

Chartered Accountants

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.



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Chartered Accountants

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

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

Place: Kolkata
Date: May 12, 2017


Sunit Kumar Basu
Partner
Membership Number 55000

Lovelock & Lewes

Chartered Accountants

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.



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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 for the year ended March 31, 2017

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- (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
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



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
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 for the year ended March 31, 2017

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- 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 therequisite 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 Gloster Limited
Firm Registration Number: 301056E
Chartered Accountants


Sunit Kumar Basu
Partner
Membership Number 55000

Place: Kolkata
Date: May 12, 2017

Lovelock & Lewes

Chartered Accountants

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.



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4. 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 1,257.11 lakhs and net assets of Rs 1,216.93 lakhs as at March 31, 2017, total revenue of Rs. 125.98 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.



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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 thereports 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 foreseeable losses – Refer Note 35 to the consolidated financial statements. There are no long term contracts outstanding as at March 31, 2017.



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
Chartered Accountants

- 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

Place: Kolkata
Date: May 12, 2017


Sunit Kumar Basu
Partner
Membership Number 55000

Lovelock & Lewes

Chartered Accountants

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.



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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.



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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.

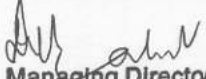




For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants



Sunit Kumar Basu
Partner
Membership Number 55000

Place: Kolkata
Date: May 12, 2017

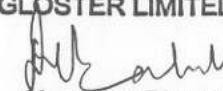
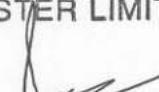
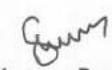

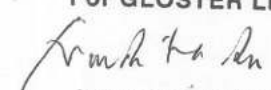
FORM A

1.	Name of the company	Gloster Limited
2.	Annual financial statements for the year ended	31 March ,2017
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signatures of CEO/Managing Director, CFO, Auditor of the Company and Audit Committee Chairperson	Refer below
	<i>Name/ Designation</i>	<i>Signature</i>
	D.C. Baheti Managing Director	For GLOSTER LIMITED  Managing Director
	Shankar Lal Kedia CFO	For GLOSTER LIMITED  Chief Financial Officer
	Lovelock & Lewes Auditor	For Lovelock & Lewes Firm Registration No-301056E Chartered Accountants  Sunit Kumar Basu Partner Membership No: 55000 
	Nandita Sen Audit Committee, Chairperson	For GLOSTER LIMITED  Chairperson-Audit Committee

Place : Kolkata

Date :12th May, 2017

FORM A

1.	Name of the company	Gloster Limited
2.	Annual financial statements for the year ended (Consolidated)	31 March ,2017
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signatures of CEO/Managing Director, CFO, Auditor of the Company and Audit Committee Chairperson	Refer below
	<i>Name/ Designation</i>	<i>Signature</i>
	D.C. Baheti Managing Director	For GLOSTER LIMITED  Managing Director
	Shankar Lal Kedia CFO	For GLOSTER LIMITED  Chief Financial Officer
	Lovelock & Lewes Auditor	For Lovelock & Lewes Firm Registration No-301056E Chartered Accountants  Sunit Kumar Basu Partner Membership No: 55000 
	Nandita Sen Audit Committee, Chairperson	For GLOSTER LIMITED  Chairperson-Audit Committee

Place : Kolkata

Date :12th May, 2017