AKHILESHWAR PRASAD & CO.
Chartered Accountants

NILHAT HOUSE
11, R. N. MUKHERJEE ROAD
Ground Floor, Kolkata - 700 001
Phones : 2262-7279 / 2213-3179
Fax : 033 2230-6106
E-mail : dghosh.ca@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Fort Gloster Industries Limited

Report on the Financial Statements

Opinion

We have audited the accompanying the financial statements of Fort Gloster Industries Limited (***"the Company"***) which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year ended as on 31st March, 2021, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid the 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 Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

AKHILESHWAR PRASAD & CO.
CHARTERED ACCOUNTANTS
KOLKATA

We have nothing to report in this regard.

Responsibilities of Management and those charged with governance 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 of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, change in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India, specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 implementation and maintenance of 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures

AKHILESHWAR PRASAD & CO.
CHARTERED ACCOUNTANTS
KOLKATA

in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. 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 Indian Accounting Standards specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 Control 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 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 does not have any pending litigations which would impact its financial positions.
      ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii) There were no amounts which were required to be transferred to the Investor Education and Protection

AKHILESHWAR PRASAD & CO. CHARTERED ACCOUNTANTS KOLKATA

Fund by the Company.

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.

For Akhileshwar Prasad & Co, Chartered Accountants

F.R.No 323011E

Name : P.K. Kukherjee

Membership No. : 50935

Partner

UDIN:21050935AAAAES4058

Place of Signature: Kolkata

Date : 11.06.2021

AKHILESHWAR PRASAD & CO. CHARTERED ACCOUNTANTS KOLKATA

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF FORT GLOSTER INDUSTRIES LIMITED

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 **Fort Gloster Industries Limited** ("the Company") as of 31st March, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended 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.

Auditors' Responsibility

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, 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, 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 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.

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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

AKHILESHWAR PRASAD & CO.
CHARTERED ACCOUNTANTS
KOLKATA

Inherent Limitations of Internal 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, 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, 2021, 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 Akhileshwar Prasad & Co, Chartered Accountants

F.R.No 323011E

Name : P.K. Kukherjee

Membership No. : 50935

Partner

UDIN:21050935AAAAES4058

Place of Signature: Kolkata

Date : 11.06.2021

AKHILESHWAR PRASAD & CO. CHARTERED ACCOUNTANTS KOLKATA

FORT GLOSTER INDUSTRIES LIMITED
Balance Sheet as at 31st March 2021

(All amounts in Rs. lakhs)

	Particulars	Note	As at 31st March, 2021		As at 31st March, 2020	
I.	**ASSETS**					
	Non - current assets					
	(a) Property, plant and equipment	3.1	5,196.48		1,612.41	
	(b) Intangible Asset	3.2	1,438.20		-	
	(c) Financial Assets					
	(i) Investments	4	-		0.83	
	(d) Other non current assets	5	86.10	6,720.78	93.27	1,706.51
	Current assets					
	(a) Inventories	6	218.28		246.45	
	(b) Financial Assets					
	(i) Trade Receivables	7	-		-	
	(ii) Cash and Cash equivalents	8(i)	282.95		797.83	
	(iii) Bank balances other than cash and cash equivalents	8(ii)	350.18		3.42	
	(iv) Other financial assets	9	5.25		101.66	
	(c) Current tax assets	10	0.13		34.83	
	(d) Other current assets	11	-		13.21	
	(e) Assets classified as held for sale	12	43.14	899.93	-	1,197.40
	Total Assets			7,620.71		2,905.91
II.	**EQUITY AND LIABILITIES**					
	Equity					
	(a) Equity Share capital	13	4,841.00		1,215.33	
	(b) Other Equity	14	(364.58)	4,476.42	(63,023.19)	(61,807.86)
	Liabilities					
	Current liabilities					
	(a) Financial Liabilities					
	(i) Trade payables					
	a) total outstanding dues of micro enterprises and small enterprises	15	-		-	
	b) total outstanding dues of creditors other than micro enterprises and small enterprises		27.98		1,863.06	
	(ii) Short Term Borrowings	16	2,360.30		-	
	(iii) Other financial liabilities	17	695.32		62,127.75	
	(b) Other current liabilities	18	49.08		552.49	
	(c) Short Term Provisions	19	11.61	3,144.29	170.47	64,713.77
	Total Equity and Liabilities			7,620.71		2,905.91
	Corporate Information	1				
	Significant Accounting Policies	2				
	The accompanying notes 1 to 37 are an integral part of the Financial Statements.					

As per our report of even date attached.

For Akhileshwar Prasad & Co
Chartered Accountants
F.R.No 323011E

NAME : P.K. Mukherjee
Membership No. : 050935
Partner

Place of Signature: Kolkata
Date : 11.06.2021

AKHILESHWAR PRASAD & CO.
CHARTERED ACCOUNTANTS
KOLKATA

For Fort Gloster Industries Limited

Sri HB — Director

Sri DCB — Director

Sri AKA — Director

Sri VD — Executive Director

Sri SNR — CFO

Ms BJ — Company Secretary

FORT GLOSTER INDUSTRIES LIMITED

Statement of Profit and Loss for the year ended 31 st March, 2021

(All amounts in Rs. lakhs)

	Particulars	Note No.	Period Ended 31st March, 2021	Year Ended 31st March, 2020
I.	**Other income**	20	79.54	6.33
II.	**Total Income**		79.54	6.33
III.	**Expenses:**			
	Employee benefits expense	21	46.01	49.58
	Finance costs	22	4.90	11.81
	Depreciation and amortization expenses	23	136.79	26.15
	Other expenses	24	277.70	90.00
	Total expenses (III)		465.40	177.54
IV.	**Loss before exceptional items and tax (II-III)**		(385.86)	(171.21)
V.	Exceptional items		-	-
VI.	**Loss before tax (IV-V)**		(385.86)	(171.21)
VII.	**Tax expense**		-	-
VIII.	**Loss for the year (VI-VII)**		(385.86)	(171.21)
IX.	**Other comprehensive income / (loss)**			
	Items that will not be reclassified to profit or loss			
	Remeasurement Gain of defined benefit plans		-	-
	Total other comprehensive income / (loss)		-	-
X.	**Total comprehensive income for the year (VIII - IX)**		(385.86)	(171.21)
	Earnings per equity share of Rs. 10/- each [Refer note no. 25]			
	Basic		(1.07)	(1.41)
	Diluted		(1.07)	(1.41)
	Corporate Information	1		
	Significant Accounting Policies	2		
	The accompanying Notes 1 to 37 are an integral part of the Financial Statements.			

As per our report of even date attached.

For Akhileshwar Prasad & Co

Chartered Accountants

F.R.No 323011E

NAME : P.K. Mukherjee

Membership No. : 050935

Partner

Place of Signature: Kolkata

Date : 11.06.2021

AKHILESHWAR PRASAD & CO CHARTERED ACCOUNTANTS KOLKATA

For Fort Gloster Industries Limited

Sri HB — Director

Sri DCB — Director

Sri AKA — Director

Sri VD — Executive Director

Sri SNR — CFO

Ms BJ — Company Secretary

FORT GLOSTER INDUSTRIES LIMITED

Cash Flow Statement for the period ended 31st March,2021

(All amounts in Rs. lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Cash flows from Operating Activities		
Profit before tax	(385.86)	(171.21)
Adjustments for:		
Less:-Profit on sale of Machinery scrap	(65.19)	-
Add:- Depreciation	136.79	26.15
Add:- Finance Cost & Others	-	12.22
Operating profit before working capital changes	**(314.26)**	**(132.84)**
Adjustments for:		
(Increase)/Decrease in Other assets/other bank balances	590.52	(4.04)
(Increase)/Decrease in Inventories	27.92	-
Increase/(Decrease) in Trade Payables	(1,835.08)	-
Increase/(Decrease) in Other financial liabilities/Other current liabilities/provisions (including CIRP dues)	(5,954.32)	18.78
Cash flow from Operating Activities (A)	**(7,485.22)**	**(118.10)**
Cash flow from Investing Activities		
Sale of Property, Plant & Equipement	313.14	-
Cash flow from Investing Activities (B)	**313.14**	-
Cash flow from Financing Activities		
proceed from borrowings	1,816.20	860.00
Repayment of borrowings	-	(18.63)
Increase in Share capital	4,841.00	30.00
Cash flow from Financing Activities (C)	**6,657.20**	**871.37**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(514.88)	753.27
Cash and cash equivalents- opening balance	797.83	44.56
Cash and cash equivalents - closing balance	**282.95**	**797.83**

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7 Statement of Cash Flows'.

The accompanying Notes 1 to 37 are an integral part of the Financial Statements.

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

This is the statement of cash flow referred to in our report of even date

As per our report of even date attached.
For Akhileshwar Prasad & Co
Chartered Accountants
F.R.No 323011E

NAME : P.K. Mukherjee
Membership No. : 050935
Partner

Place of Signature: Kolkata
Date : 11.06.2021

AKHILESHWAR PRASAD & CO
CHARTERED ACCOUNTANTS
KOLKATA

For Fort Gloster Industries Limited

Sri HB — Director

Sri DCB — Director

Sri AKA — Director

Sri VD — Executive Director

Sri SNR — CFO

Ms BJ — Bhawana Jain — Company Secretary

FORT GLOSTER INDUSTRIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

(All amounts in Rs. lakhs)

A. Equity share capital (Refer Note- 30)

Particulars	Amount
As at 1 April 2019	1,215.33
Changes in equity share capital	-
As at 31 March 2020	**1,215.33**
Issued during the year	4,841.00
Cancelled during the year (Refer note 30)	(1,215.33)
As at 31 March 2021	**7,271.66**

B. Other equity

	Capital reserve	Capital Redemption Reserve	Retained earnings	Total other equity
Balance as at 1 April 2019	-	21.00	(62,872.98)	(62,851.98)
Profit/(Loss) for the year	-	-	(171.21)	(171.21)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-		(171.21)	(171.21)
Balance as at 31 March 2020	-	21.00	(63,044.19)	(63,023.19)
Profit/(Loss) for the year	-	-	(385.86)	(385.86)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	(385.86)	(385.86)
Adjustment during the year (refer note 30)	(40.10)	(21.00)	63,105.57	63,044.47
As at 31 March 2021	(40.10)	-	(324.48)	(364.58)

As per our report of even date attached.

For Akhileshwar Prasad & Co

Chartered Accountants

F.R.No 323011E

NAME : P.K. Mukherjee

Membership No. : 050935

Partner

Place of Signature: Kolkata

Date : 11.06.2021

AKHILESHWAR PRASAD & CO. CHARTERED ACCOUNTANTS KOLKATA

For Fort Gloster Industries Limited

Sri HD — Director

Sri DCB — Director

Sri AKA — Director

Sri VD — Executive Director

Sri SNR — CFO

Ms BJ — Company Secretary

Note: 1 Corporate Information

Fort Gloster Industries Limited is a public limited company within the meaning of Companies Act, 2013.

The Company was under Corporate Insolvency Resolution Process and the resolution plan submitted by Gloster Limited, the Resolution Applicant was approved vide order dated 27th September 2019 passed by the Hon'ble National Company Tribunal, Kolkata Bench. The Company is now a Wholly Owned Subsidiary Company of Gloster Limited.

Note: 2 Summary of significant accounting policies

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

2.1 Basis of Preparation

(i) Compliance with Ind AS

These financial statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. Further, the Company has also given effect of the Resolution Plan approved by NCLT vide order dated 27th September, 2019 while preparing these financial statements. Refer Note 30.

ii) Classification of current and non-current

All asset and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Ind AS 1 - Presentation of Financial Statements and Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

(iii)Historical cost convention

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

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

(iv) New and amended standards adopted by the company

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2020:

• Definition of Material – amendments to Ind AS 1 and Ind AS 8
• Definition of a Business – amendments to Ind AS 103
• COVID-19 related concessions – amendments to Ind AS 116
• Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

AKHILESHWAR PRASAD & CO
CHARTERED ACCOUNTANTS
KOLKATA

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.2 Use of estimates

The preparation of financial statements in conformity with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period.

Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

2.3 Property, Plant and equipment and Depreciation

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

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

c) Depreciation is provided on Straight line method over the estimated useful lives of the assets. Pursuant to Notification of Schedule II of the Companies Act, 2013 becoming effective, the Company has adopted the useful lives as per the lives specified for the respective fixed assets in the Schedule II of the Companies Act, 2013.

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

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

2.4 Intangible assets and amortization

a) Intangible assets are stated at cost of acquisition including duties, taxes and expenses incidental to acquisition and installation, net of accumulated depreciation. Recognition of costs as an asset is ceased when the asset is complete and available for its intended use.

b) Intangible assets comprising of trademarks are amortized on straight line method as per the management estimated useful life.

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

AKHILESHWAR PRASAD & CO.
CHARTERED ACCOUNTANTS
KOLKATA

2.5 Impairment of assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (property, plant and equipment) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to their coverable amount.

Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased /increased. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount. Where an impairment loss subsequently reverses, the carrying value of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

2.6 Financial assets

The financial assets are classified in the following categories:

a) financial assets measured at amortised cost,

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

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

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

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

Financial assets measured at amortised cost

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

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

Financial instruments measured at FVTPL

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

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

AKHILESHWAR PRASAD & CO.
CHARTERED ACCOUNTANTS
KOLKATA

Financial assets at FVOCI

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

Equity instruments

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

De-recognition of financial asset

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

Impairment of financial assets

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

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

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

2.7 Financial Liabilities

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

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

AKHILESHWAR PRASAD & CO.
CHARTERED ACCOUNTANTS
KOLKATA

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

2.8 Subsidy / Government Grant

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

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

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

2.9 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

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

b) Defined Benefit Plans

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

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

c) Compensated absences

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

AKHILESHWAR PRASAD & CO.
CHARTERED ACCOUNTANTS
KOLKATA

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.

2.11 Revenue Recognition
Revenue from contracts with customers are recognised when the control over the goods or services promised in the contract are transferred to the customer. The amount of revenue recognised depicts the transfer of promised goods and services to customers for an amount that reflects the consideration to which the Company is entitled to in exchange for the goods and services.

Revenue from sale of products is recognised when the control over such goods have been transferred, being when the goods are delivered to the customers. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only passage of time is required before payment is done.

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

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

Export incentives 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.

2.12 Foreign Currency Transaction
(i) Initial Recognition
On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction.

(ii) Subsequent Recognition
At the reporting date, foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of transactions.
All monetary assets and liabilities in foreign currency are restated at the end of accounting period at the closing exchange rate.

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

AKHILESHWAR PRASAD & CO.
CHARTERED ACCOUNTANTS
KOLKATA

2.13 Derivative Instruments

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

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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

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

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

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

2.15 Borrowing Cost

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

Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

AKHILESHWAR PRASAD & CO.
CHARTERED ACCOUNTANTS
KOLKATA

2.16 Provisions:

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value, except where the effect of the time value of money is material.

2.17 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 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement. Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

2.19 Earnings per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.20 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, and balance with bank in current account.

2.21 Dividends

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

AKHILESHWAR PRASAD & CO.
CHARTERED ACCOUNTANTS
KOLKATA

2.22 Offsetting Financial Instruments

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

2.23 Segment reporting

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

The Board of directors of the Company has been identified as being the chief operating decision maker.

2.24 Functional and Presentation Currency

The financial statements have been presented in Indian Rupees, which is also the Company's functional currency. All financial information presented in Indian Rupees has been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

2A Critical estimates and judgements

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

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

(i) Estimation of defined benefit obligation
(ii) Recognition of deferred tax assets for carried forward tax losses
(iii) Useful life of property, plant and equipments and intangible assets

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

AKHILESHWAR PRASAD & CO.
CHARTERED ACCOUNTANTS
KOLKATA

FORT GLOSTER INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

(All amounts in Rs. lakhs)

Note No : 3.1

Property, plant and equipment

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2020	Additions/Adjustment Refer Note 30	Deductions/ Adjustment Refer Note 30	As at 31.03.2021	Upto 01.04.2020	for the Period	Adjustment Refer Note 30	Upto 31.03.2021	As at 31.03.2021
Freehold Land	1,095.98	3,414.86	(1,095.98)	3,414.86	-	-	-	-	3,414.86
Buildings (freehold)	470.74	1,604.65	(470.74)	1,604.65	122.49	82.85	(130.80)	74.54	1,530.11
Plant & Equipment	41.07	261.07	(41.07)	261.07	16.67	10.57	(16.67)	10.57	250.49
Vehicles	0.09	-	(0.09)	-	-		-	-	-
Office Equipments	3.50	0.37	(3.50)	0.37	0.24	0.01	(0.24)	0.01	0.36
Furniture & fixtures	0.69	0.67	(0.69)	0.67	0.02	0.01	(0.02)	0.01	0.66
Tube wells	0.07	-	(0.07)	-	-		-	-	-
Electrical Installations	0.20	-	(0.20)	-	0.05		(0.05)	-	-
Computer	0.07	-	(0.07)	-	-		-	-	-
TOTAL	1,612.41	5,281.62	(1,612.41)	5,281.62	139.47	93.45	(147.78)	85.14	5,196.48

Note No : 3.2

Intangible Asset

PARTICULARS	GROSS BLOCK				AMORTIZATION				NET BLOCK
	As at 01.04.2020	Additions/ Adjustment	Deductions/ Adjustment Refer Note 30	As at 31.03.2021	Upto 01.04.2020	for the Period	Adjustment Refer Note 30	Upto 31.03.2021	As at 31.03.2021
Trademark		1,481.55	-	1,481.55	-	43.35		43.35	1,438.20
TOTAL	-	1,481.55	-	1,481.55	-	43.35	-	43.35	1,438.20

Previous Year figures- Property, plant and equipment

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2019	Additions/ Adjustment	Deductions/ Adjustment	As at 31.03.2020	Upto 31.03.2019	for the Year	Sales/ Adjustment	Upto 31.03.2020	As at 31.03.2020
Freehold Land	1,095.98	-	-	1,095.98	-	-	-	-	1,095.98
Buildings (freehold)	593.23	-	-	593.23	96.35	26.14	-	122.49	470.74
Plant & Equipment	57.74	-	-	57.74	16.67	-	-	16.67	41.07
Vehicles	0.09	-	-	0.09	-	-	-	-	0.09
Furniture and Fixtures	0.71	-	-	0.71	0.02	-	-	0.02	0.69
Office Equipments	3.74	-	-	3.74	0.24	-	-	0.24	3.50
Tubewells	0.07	-	-	0.07	-	-	-	-	0.07
Electrical Installations	0.25	-	-	0.25	0.04	0.01	-	0.05	0.20
Computer	0.07	-	-	0.07	-	-	-	-	0.07
TOTAL	1,751.88	-	-	1,751.88	113.32	26.15	-	139.47	1,612.41

AKHILESHWAR PRASAD & CO. CHARTERED ACCOUNTANTS KOLKATA

FORT GLOSTER INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

(All amounts in Rs. lakhs)

Note No. : 4

Non - Current Investments (Refer Note 30)

Particulars	As at 31st March, 2021 Amount	As at 31st March, 2020 Amount
Investment in Equity Shares Quoted (valued at fair value through profit or loss): Nil (previous year 200 equity shares of Rs. 10 each of Birla Corporation Ltd.)	-	0.83
	-	0.83
Aggregate Book Value of Quoted Investment	-	0.17
Aggregate Market Value of Quoted Investment	-	0.83

Note No. : 5

Other non-current assets: (Refer note 30)

Particulars	As at 31st March, 2021 Amount	As at 31st March, 2020 Amount
Advance for Goods & Services	86.10	-
Advance to suppliers and others	-	127.19
Less provision for impairment		(31.92)
	86.10	95.27

Note No. : 6

Inventories (Refer note 30)

Particulars	As at 31st March, 2021 Amount	As at 31st March, 2020 Amount
Stores & Spares Parts	14.10	38.43
Scrap	204.18	8.94
Raw Materials	-	115.88
Stock in Process	-	43.21
Finished Goods	-	39.99
	218.28	246.45

AKHILESHWAR PRASAD & CO. CHARTERED ACCOUNTANTS KOLKATA

FORT GLOSTER INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

Note No. : 7

Trade Receivables (Refer note 30)

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Amount	Amount
Trade Receivables - credit impaired	-	377.26
Less - Provision for impairment		(377.26)
	-	-

Note No. : 8(i)

Cash and cash equivalents

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Amount	Amount
Balances with banks		
In current accounts	282.35	796.00
Cash on hand	0.60	1.83
	282.95	797.83

Note No. : 8(ii)

Other bank Balance

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Amount	Amount
Banks Escrow account (Balance lying in Escrow Account of Punjab National Bank pursuant to CIRP Process)	350.18	-
Fixed deposits with banks (Pledged with Allahabad bank against margin Money)	-	3.42
	350.18	3.42

Note No. : 9

Other current financial assets: (Refer note 30)

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Amount	Amount
Other receivable	5.25	-
Security deposits (Considered doubtful)	-	126.76
Less: Provision for Impainnent	-	(25.10)
	5.25	101.66

AKHILESHWAR PRASAD & CO. CHARTERED ACCOUNTANTS KOLKATA

FORT GLOSTER INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

Note No. : 10

Current Tax Assets (net) (Refer Note 30)

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Amount	Amount
Tax Deducted at source	0.13	-
Advance tax (net)	-	34.83
	0.13	**34.83**

Note No. : 11

Other current assets (Refer note 30)

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Amount	Amount
Deposit with Customs, Port Trust and Excise Authorities	-	13.11
Voluntary Retirement Benefits (to the extent not written off or adjusted)	-	0.10
	-	**13.21**

Note No. : 12

Assets Classified as held for sales

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Amount	Amount
Plant machinery	43.14	-
	43.14	**-**

AKHILESHWAR PRASAD & CO. CHARTERED ACCOUNTANTS KOLKATA

FORT GLOSTER INDUSTRIES LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

(All amounts in Rs. lakhs)

Note No. : 13

Equity share capital

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	Amount	No. of shares	Amount
(a) Authorised:				
Preference shares of par value Rs.10/- each	-	-	10,00,000	100.00
Equity shares of par value Rs.10/- each (Refer note a below)	4,84,10,000	4,841.00	1,90,00,000	1,900.00
		4,841.00		2,000.00
(b) Issued:				
Equity shares of par value Rs.10/- each	4,84,10,000	4,841.00	1,25,50,800	1,255.08
(c) Subscribed and fully paid up:				
Equity shares of par value Rs.10/- each	4,84,10,000	4,841.00	1,21,53,316	1,215.33

(a) Issued pursuant to Hon'ble NCLT passed on 27 September 2019 approving the resolution plan of Gloster Limited under Insolvency and Bankruptcy Code 2016.

(b) The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The holders of equity shares are entitled to receive dividends as declared from time to time. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(i) Reconciliation of number of share outstanding

Particulars	As at 31 March 2021		As at 31st March, 2020	
	No. of Shares	Value in lakhs	No. of Shares	Value in lakhs
Number of share outstanding at the beginning of the period	1,21,53,316	1,215.33	1,21,53,316	1,215.33
Issued during the period	4,84,10,000	4,841.00	-	-
Cancelled during the period (Refer note 30)	(1,21,53,316)	(1,215.33)	-	-
Number of share outstanding at the end of the period	**4,84,10,000**	**4,841.00**	**1,21,53,316**	**1,215.33**

(ii) Details of Equity Shares held by the holding company and by subsidiary/associate of the holding company :

Name of the shareholders	As at 31 March 2021	As at 31 March
	%	%
Gloster Limited (Holding Company)	100%	0%

(iii) Details of shareholders holding more than 5% shares of the company

Name of the shareholders	As at 31 March 2021	As at 31 March
	%	%
Gloster Limited (Holding Company)	100%	-
The West Coast Paper Mills Ltd.	-	18.24%
The Diamond Company Ltd.	-	19.68%
Shree Satyanarayan Investments Co. Ltd.	-	17.99%
	100%	55.91%

Note No. : 14

Other Equity

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Amount	Amount
Capital Redemption reserve	-	21.00
Capital reserve	(40.10)	-
Retained earnings	(324.48)	(63,044.19)
	(364.58)	(63,023.19)

Capital Redemption reserve	Amount
Balance as at 1st April 2019	21.00
Changes during the year	-
Closing balance as at 31 March 2020	21.00
Adjustment during the year (Refer note 30)	(21.00)
Closing balance as at 31 March 2021	-

AKHILESHWAR PRASAD & CO. CHARTERED ACCOUNTANTS

(All amounts in Rs. lakhs)

Capital reserve	Amount
Balance as at 1st April 2019	-
Changes during the year	-
Closing balance as at 31 March 2020	-
Adjustment during the year (Refer note 30)	(40.10)
Closing balance as at 31 March 2021	**(40.10)**

Retained earnings	Amount
Balance as at 1st April 2019	(62,872.98)
Loss for the year	(171.21)
Other comprehensive income, net of tax	-
Closing balance as at 31 March 2020	**(63,044.19)**
Loss for the year	(385.86)
Other comprehensive income, net of tax	-
Adjustment during the year (Refer note 30)	63,105.57
Closing balance as at 31 March 2021	**(324.48)**

Nature and purpose of reserves
(i) Capital reserve

Capital reserve represents the amount recognised on reduction of equity share capital and other adjustments in terms of the order of Hon'ble NCLT passed on 27th September 2019 approving the resolution plan under Insolvency and Bankruptcy Code 2016.(Refer Note -27.)

(ii) Retained earnings

Accumulated balance of retained earnings has been transferred to capital reserve in terms of the Hon'ble NCLT passed on 27th September 2019 approving the resolution plan under Insolvency and Bankruptcy Code 2016 (Refer Note -27). Balance in the Retained Earning represents losses of the company during the period.

Note No. :15
Trade payables (Refer Note 30)

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Amount	Amount
Total outstanding dues of creditors other than micro and small enterprises	27.98	1,863.06
	27.98	**1,863.06**

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act (MSMED), 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note No. :16
Short term Borrowings

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Amount	Amount
Loan from Holding Company - Gloster Limited	2,360.30	-
	2,360.30	-

AKHILESHWAR PRASAD & CO. CHARTERED ACCOUNTANTS KOLKATA

FORT GLOSTER INDUSTRIES LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

(All amounts in Rs. lakhs)

Note No. :17
Other Financial Liabilities (Refer note 30)

Particulars	As at 31st March, 2021 Amount	As at 31st March, 2020 Amount
Interest accrued and due		
On borrowings	-	20,866.73
On Statutory payment	-	1,266.17
Over due borrowings:		
Working capital Term Loans (Secured)		
From banks		
Punjab National Bank	-	987.99
Andhra Bank	-	391.56
Allahabad Bank	-	1,497.62
From entities other than banks		
From Financial Institutions		
West Bengal Industrial Development Corporation Limited	-	40.68
Industrial Development Bank of India (IDBI)	-	632.89
From a related party (Free of Interest)		
Gloster Cables Ltd.	-	547.03
Inter Corporate deposit (Free of Interest) - Unsecured		
From a related party	-	809.18
Other than related parties	-	126.00
Loans payable on demand (Secured)		
From banks - Cash Credit		
Punjab National Bank	-	6,128.55
Andhra Bank	-	4,522.40
Allahabad Bank	-	23,363.29
Other Payables		
Secutity Deposit	-	0.47
Retention money	-	0.19
Payable towards expenses etc.	-	49.44
Unpaid salaries,wages and other payroll dues	7.01	11.96
Payable towards CIRP Dues	346.79	-
Payable to Gloster Limited for other advances	341.52	885.62
	695.32	62,127.75

Note - The company was admitted to Corporate Insolvency Resolution Process (CIRP) vide Order dated 9th August 2018 passed by Hon'ble NCLT, Kolkata Bench. Pursuant to CIRP process the outstanding dues of Financial and other creditors have been settled during the year 2020-2021. (Refer Note 30).

Note No. :18
Other current liabilities (Refer note 30 and 36)

Particulars	As at 31st March, 2021 Amount	As at 31st March, 2020 Amount
Statutory payments	30.58	552.49
Advance on account of Scrap Sales	18.50	-
	49.08	552.49

Note No. :19
Short - term provisions

Particulars	As at 31st March, 2021 Amount	As at 31st March, 2020 Amount
Provision for employee benefits		
Gratuity	9.20	165.93
Leave Encashment	0.91	4.54
Provision for Audit Fee	1.50	-
	11.61	170.47

AKHILESHWAR PRASAD & CO.
CHARTERED ACCOUNTANTS
KOLKATA

(All amounts in Rs. lakhs)

Note No. : 20

Other income

Particulars	Year ended 31st March 2021 Amount	Year ended 31st March 2020 Amount
Interest income (Gross)*	1.81	-
Other non-operating income		
Rent	3.74	5.29
Sale of Building scrap	8.23	-
Profit on sale of Machinery scrap	65.19	-
Other Miscellaneous Income	0.13	1.04
Fair value gain on financial instruments at fair value through profit or loss	0.44	-
	79.54	**6.33**
* The amount of T.D.S on the above mentioned amounts are as follows-		
Interest income	0.13	

Note No. : 21

Employee benefits expense

Particulars	Year ended 31st March 2021 Amount	Year ended 31st March 2020 Amount
Salaries and wages	43.06	47.63
Contribution to provident and other funds	1.28	0.86
Staff welfare expense	1.67	1.09
	46.01	**49.58**

Note No. : 22

Finance costs

Particulars	Year ended 31st March 2021 Amount	Year ended 31st March 2020 Amount
Interest expense		
On short term borrowings	4.87	11.75
On unpaid statutory dues	0.03	0.06
	4.90	**11.81**

AKHILESHWAR PRASAD & CO.
CHARTERED ACCOUNTANTS
KOLKATA

FORT GLOSTER INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

(All amounts in Rs. lakhs)

Note No. : 23

Depreciation and amortisation expense

Particulars	Year ended 31st March 2021 Amount	Year ended 31st March 2020 Amount
Depreciation of property, plant and equipment	93.45	26.15
Amortisation of Trademark	43.35	-
	136.79	26.15

Note No. : 24

Other expenses

Particulars	Year ended 31st March 2021 Amount	Year ended 31st March 2020 Amount
Rates and Taxes	24.04	-
Miscellaneous Expenses	15.94	11.42
Repairs & maintenance - Others	18.05	-
Repairs & maintenance (Building)	109.93	-
Security charge	42.09	-
Statutory Auditors' Remuneration	1.75	0.30
Professional charges	50.80	74.48
Consultancy charges	11.80	-
Electric charges	3.30	3.38
Miscellaneous expenses written off	-	0.19
Conveyance Expenses	-	0.01
Fair value loss on financial instruinents at fair value through profit or loss	-	0.22
	277.70	90.00

AKHILESHWAR PRASAD & CO. CHARTERED ACCOUNTANTS * KOLKATA *

FORT GLOSTER INDUSTRIES LIMITED

Notes to the financial statements

(All amounts in Rs. lakhs)

Note 25: Earning per share

Particulars	**31st March 2021**	**31st March 2020**
(a) Profit / (Loss) attributable to equity holders of the company used in calculating basic and diluted earnings per share **(in lakhs)**	(385.86)	(171.21)
(b) Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share **(in numbers)**	3,58,93,994	1,21,53,316
(c) Basic and diluted earnings per share (Rs.)	(1.07)	(1.41)
(d) Nominal value per share (Rs.)	10	10

AKHILESHWAR PRASAD & CO. CHARTERED ACCOUNTANTS * KOLKATA *

(All amounts in Rs. lakhs)

Note 26 Fair value measurements

(i) Financial instruments by category

Particulars	As at 31 March 2021	As at 31 March 2020		
	Amortised cost	Amortised cost	FVTPL	Total
Financial assets				
Investments	-	-	0.83	0.83
Oher current financial assets	5.25	101.66	-	101.66
Cash and cash equivalents	282.95	797.83	-	797.83
Total financial assets	288.20	899.49	0.83	900.32
Financial liabilities				
Borrowings	2,360.30	-	-	-
Other current financial liabilities	49.08	552.49	-	552.49
Other payables	695.32	62,127.75	-	62,127.75
Total financial liabilities	3,104.69	62,680.24	-	62,680.24

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the

Level 1 [Quoted prices in an active market]:

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

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

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

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

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

The carrying amounts as at 31 March 2021 for borrowings and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

AKHILESHWAR PRASAD & CO.
CHARTERED ACCOUNTANTS
KOLKATA

FORT GLOSTER INDUSTRIES LIMITED
Notes to the financial statements

(All amounts in Rs. lakhs)

Note 27 : Capital management

(a) Risk management

The company's objectives when managing capital are to
i. safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders, and

ii. benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

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

The amount mentioned under total equity in balance sheet is considered as Capital.

(b) Dividends paid and proposed
The company has not paid or proposed any dividends during the year ended 31 March 2021 or 31 March 2020.

AKHILESHWAR PRASAD & CO.
CHARTERED ACCOUNTANTS
KOLKATA

FORT GLOSTER INDUSTRIES LIMITED
Notes to the financial statements

(All amounts in Rs. lakhs)

Note 28 :Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

(A)Credit risk

Credit risk is the risk that a counterparty falls to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits. Other financial assets measured at amortized cost includes loans to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverabiity of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

Credit risk management

The Company assesses and manages credit risk of financial assets on the basis of assumptions, inputs and factors specific to the class of financial assets. The Company provides for expected credit loss on Cash and cash equivalents, other bank balances. Investments, loans, trade receivables and other financial assets based on 12 months expected credit loss/life time expected credit loss/ fully provided for. Life time expected credit loss is provided for trade receivables. No significant changes in estimation were made during the reported period.

(B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company is presently relying on the financial support from the parent company to its funding requirement. The ongoing turnaround measures being employed by the parent company will enable the Company to generate positve cash flows and will help to control the liquidity crisis.

(i) Maturities of financial liabilities

The tables below analyze the Company's financial liabilities as at 31 March 2021 into relevant maturity groupings based on their contractual maturities.

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

Contractual maturities of financial liabilities as at 31st March 2021

Particulars	Less than 1 year	More than 1 year	Total
Loan from parent company	2,360.30	-	2,360.30
Other payable to parent company	341.52	-	341.52
Oher financial Liabilities	353.80	-	353.80
	3,055.62	-	3,055.62

AKHILESHWAR PRASAD & CO.
CHARTERED ACCOUNTANTS
KOLKATA

(C) Market risk

Interest rate risk

i) Liabilities

The Company's fixed rate borrowings are carried at amortised cost. They are, therefore, not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Company has no variable rate borrowings.

ii) Assets

The company's fixed deposits, interest bearing security deposits and loans are carried at fixed rate. Therefore, not subject to interest rate risk as defined In Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

AKHILESHWAR PRASAD & CO. CHARTERED ACCOUNTANTS * KOLKATA *

FORT GLOSTER INDUSTRIES LIMITED
Notes to the financial statements

Note 29: Related party transactions

(a) Parent entity
The company is controlled by the following entity:

Name	Type	Place of incorporation	Ownership interest
			As at 31 March 2021
Gloster Limited	Immediate and ultimate parent	India	100%

(b) Fellow subsidiary
- Gloster Lifestyle Limited (100% subsidiary of Gloster Limited)
- Gloster Specialities Limited (100% subsidiary of Gloster Limited)
- Gloster Nuvo Limited (100% subsidiary of Gloster Limited)
- Network Industries Limited (100% subsidiary of Gloster Limited)

(c) Key Manegement Personnel (KMP)
- Shri Vikram Duggal (Executive Director)

(d) Transaction with related parties

Particulars	Year	Gloster Limited
A. Transactions during the year		
Loan received	2020-21	2,360.30
	2019-20	-
Other payable	2020-21	341.52
	2019-20	
Outstanding balances at year end		
Loan	2020-21	2,360.30
	2019-20	-
		-
Other financial liabilities	2020-21	341.52
	2019-20	-

(e) Terms and conditions of the transactions
All outstanding balances are unsecured and are repayable in cash.

AKHILESHWAR PRASAD & CO.
CHARTERED ACCOUNTANTS
KOLKATA

Note 30: Corporate Insolvency Resolution Process (CIRP)

The Hon'ble National Company Law Tribunal ("NCLT") Kolkata Bench, admitted the Corporate

In terms of IBC Code the Resolution Plan submitted by Gloster Limited, was approved by Hon'ble NCLT, Kolkata vide order dated 27th September 2019. In accordance with Resolution Plan Monitoring Committee was formed with representatives of Resolution Professional, Financial Creditors and Successful Resolution Applicant on 22nd October 2019.

The resolution amount of Gloster Limited in its Resolution Plan was Rs.72.00 crores. In terms of the outcome of the meeting of Monitoring Committee (MC) Gloster Limited had paid Rs.7,85,00,000 (settlement amount of all creditors except financial creditors) on 6th November, 2019 to Escrow Account of FGIL maintained at Punjab National Bank. Gloster Limited paid the balance amount of Rs.64,16,29,735 on 4th August, 2020 pursuant to outcome of the meeting of MC on 4th August, 2020 in compliance to the Hon'ble NCLT Order dated 20th July 2020. The Management & Control of the Company have been handed over to the successful Resolution Applicant – Gloster Limited on 5th August 2020.

Consequential impact giving effect to Approved Resolution Plan as above are as follows:

a. The existing equity shares of the Company have been cancelled in compliance with the Order of Hon'ble NCLT and has been adjusted with capital reserve.

b. 4,84,10,000 fully paid equity shares of Rs. 10 each were allotted to Gloster Limited and consequently equity share capital of the company stands at Rs. 48.41 crores.

c. All Assets of the Company i.e. Tangible & Intangible Assets have been restated on 5th August 2020 as per their fair values in terms of the Resolution Plan and in compliance with the Order of Hon'ble NCLT and as per the valuer' s report obtained by the Company read with Clarification Bulletin 16 issued by Ind AS Technical Facilitation Group (ITFG) on 4th September 2018.

d. Land and Buildings situated at Mouza : Fort Gloster,P.S, Bauria,. Dist: Howrah, West Bengal-711323. P.O. Bauria Mill, Bauria Cotton Mills Road, P.O. Bauria, District Howrah, West Bengal, the total land area being 55.76 Acres is in possession of the Company and Title Deeds of the same have also been handed over by IDBI bank. Title Deeds of 3 offices at Safron Complex, Fategunj, Unit No 612, 613 & 614, Vadodra has been handed over to the Company and physical possession of office at 206-207, Anand Chambers, 2nd Floor, Near High Court, Navarangpura, SP No 4, PP No. 258 TPS no 3, Ellisbridge. Ahmedabad has been taken. Title deeds of one godown at Plot no 53, Maha Gujarat, Indu Nagar, Sarkhei Bavia Road, Village Moriay and offices at 303 Mittal Chambers, MCH no 2-2-51/A , 51/B, 51/C MG Road, Secunderabad & Parsn Manere, Gemini Compound, Flat No 3, 7th Floor, 602 Mount Road, Anna Salai, Chennai – 600 006 have not been handed over by the Resolution Professional as yet.

AKHILESHWAR PRASAD & CO.
CHARTERED ACCOUNTANTS
KOLKATA

e. The Trademark of the Company which was fraudently transferred by the erstwhile management has been held to be the Trademark of the Company by NCLT vide its Order dated 27th September 2019 and consequently is an asset of the Company.

f. Further, contingent liabilities and other claims etc. against the company prior to the effective date stand extinguished.

g. Book value of other assets not available has also been adjusted with capital reserve.

Note 31

The Company has unsbsorbed depreciation and carried forward business losses available for set off under the Income Tax Act, 1961. However, in view of inability to assess future taxable Income, the extent of net deferred tax assets which may be adjusted in the subsequent years is not probable at this stage and accordingly in keeping with Indian Accounting Standard-12 on 'Income Taxes', the same has not been recognised in these accounts on prudent basis.

Note 32

There are no Contingent Assets or Liabilites as at 31.03.2021 and 31.03.2020.

Note 33

Segment Information as per Indian Accounting Standard - 108 on Operating Segments

The Company operates in a single business segment, i.e. cables and hence, no disclosure is required to be made under Indian Accounting Standard 108'Operating Segments'.

AKHILESHWAR PRASAD & CO.
CHARTERED ACCOUNTANTS
KOLKATA

Note 34

(a) Gratuity:

Every employee is entitled to a benefit equivalent to fifteen day's salary last drawn for each completed year of service in line with Payment of Gratuity Act,1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. Gratuity benefit vests after five year of continuous service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2020	-	-	-
Current service cost	0.31	-	0.31
Past Service Cost	8.89	-	8.89
Total amount	**9.20**	-	**9.20**
Benefit payments	-	-	-
31 March 2021	9.20	-	9.20

Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 March 2021	
Discount rate	6.90%	
Rate of salary increase	6.00%	
Mortality rate	Indian assured lives mortality (2012-14)	

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

Sensitivity analysis

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

Assumptions	**Change in assumption**	**Impact on scheme liabilities**
31 March 2021		
Discount rate	Increase by 1.00%, Decrease by 1.00%	Decrease by Rs.21,632/-, Increase by Rs. 22,484/-
Rate of salary increase	Increase by 1.00%, Decrease by 1.00%	Increase by Rs. 22,408/-, Decrease by Rs. 21,906/-

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied while calculating the defined benefit liability recognised in the balance sheet.

Risk exposure

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

Interest rate risk:

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

Demographic risk:

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

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. Higher than expected increases in salary will increase the defined benefit obligation.

The company was admitted to Corporate Insolvency Resolution Process (CIRP) vide Order dated 9th August 2018 passed by Hon'ble NCLT, Kolkata Bench. The Management & Control of the Company have been handed over to the successful Resolution Applicant - Gloster Limited on 5th August 2020. This is the first year of preparation of Acturial Valuation Report under IND AS 19.

AKHILESHWAR PRASAD & CO.
CHARTERED ACCOUNTANTS
KOLKATA

Note 35

Particulars	31.03.2021	31.03.2020
	(All amounts in Rs. lakhs)	
Estimated amounts of contracts remaining to be executed on capital account and not provided for property, plant and equipment	611.32	-

Note 36 - Contingent Liabilities

The Resolution Plan of successful Resolution Applicant i.e. Gloster Limited was approved by Hon'ble NCLT Kolkata Bench vide its Order dated 27.09.2019 (certified true copy was received on 17.10.2019). In accordance with Resolution Plan, Monitoring Committee was formed with representative of Resolution Professional, Financial Creditors and Successful Resolution Applicant on 22.10.2019.

Thereafter, some applications have been filed against the above NCLT Order at Hon'ble NCLAT, New Delhi by ex-workers, Gloster Cables Limited, West Coast Paper Mills Ltd and Orbit Udyog Limited. The Company is contesting these matters. The Successful Resolution Applicant i.e. Gloster Limited has also filed an application with Hon'ble NCLAT, New Delhi for modification in the Order of Hon'ble NCLT.

The Company does not perceive any future cash outflow, pending resolution of the proceedings.

Note 37

Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.

As per our report of even date attached.
For Akhileshwar Prasad & Co
Chartered Accountants
F.R.No 323011E

NAME : P.K. Mukherjee
Membership No. : 050935
Partner

Place of Signature: Kolkata
Date : 11.06.2021

For Fort Gloster Industries Limited

Sri HB — **Director**

Sri DCB — **Director**

Sri AKA — **Director**

Sri VD — **Executive Director**

Sri SNR — **CFO**

Ms BJ — **Company Secretary**

AKHILESHWAR PRASAD & CO. CHARTERED ACCOUNTANTS KOLKATA