



Gloster Limited

GOLDEN FIBRE. GOLDEN RETURNS.



Annual Report 2010-2011

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NURTURING NATURAL FIBRE

NATURAL FIBRES as a craft material are as old as human history. India with its diverse climatic and geographic conditions has been a host to many unique flora and fauna. Natural fibres are greatly elongated substances produced by plants and animals that are spun into filaments, thread or rope and then woven or knitted to manufacture clothing and other articles of use that has been in vogue since the dawn of civilization.

In the 20th century, natural fibres suffered a setback due to the invention of synthetic fibres with superior physical properties, lower cost and bulk industrial production. Since 1960s, there was a diversification in the trend of the global fabric market towards the usage of synthetic fibres mostly derived from petrochemicals due to the short term economic advantages that synthetic fibres offer.

With the increasing awareness on global warming and efforts towards the green earth, there is a drive in the global market to move away from the petrochemical based synthetic fibres to natural fibres. Natural fibres are a renewable resource. Growing one tonne of natural fibre requires less than 20% of the energy used for the production of same amount of synthetic fibre. The natural fibres industries generate employment



▲ GREEN JUTE FIELD OF BENGAL

opportunities for millions of people around the world and contribute to a greener planet. The fibres are environmentally friendly both in terms of production and disposal. Therefore, use of natural fibres also enhances the environment and helps to attain a sustainable way of living. Realising the benefits the General Assembly of the United Nations proclaimed 2009 to be the International Year of Natural Fibre which raised the profile of natural fibre industry.

Textile industry uses a wide assortment of natural fibres. Changing fads, innovations in the textile technology, globalization, amount of disposable income in the hands of consumers, and supply chain have all



▲ COTTON FIELD

influenced the consumption of natural fibres considerably in the textile industry. Many countries produce natural fibres, and they are of major economic importance in such countries. Cotton is a major natural fibre in West African countries, jute in Bangladesh, sisal in Tanzania and so on. India also has cotton, jute, silk among the major natural fibres grown and used in the vast textile industry this country has. Sale proceeds of natural fibres also contribute significantly being a cash crop to the food security and income of subsistence farmers in the developing countries.

Next to cotton, jute the lignocellulosic, long vegetable bast fibre, is the cheapest and most important of all

textile fibres and is available annually in the world. Jute is truly one of the most versatile fibres gifted to mankind by nature that finds various applications and uses ranging from packaging, handicrafts, geo-textiles, civil engineering, plant nursery, apparel, composites, decoratives, upholstery furnishings, fancy non-wovens, lifestyle and so on. Jute with its unique versatility, rightfully deserves to be branded as the “fibre for the future”. Jute, the ‘Golden Fibre’ as it is called had been the cash crop of the country throughout the 20th century. With modernization and technological advancements the golden fibre industry is now fast regaining its rightful place in the Indian economy.



▲ THE GOLDEN FIBRE

GLOSTER - EVOLVING AND TRANSFORMING

GLOSTER LIMITED believes never missing out on a golden opportunity. Before the world realized it, Gloster realized the potential of natural fibre and in particular the golden fibre – ‘jute’ and its incredible possibilities. Gloster trained its focus on reaping golden benefits from this golden fibre and ensuring golden returns to every individual associated with it.

Located on the banks of Holy Ganges in West Bengal and spread over a campus of more than 175 acres, Gloster is engaged in creating woven and non-woven textiles compliant to international standards. Experience and expertise of over fifty five years has enabled Gloster to gradually move from a commodities manufacturing Company towards diversified value added products manufacturing Company. Gloster has become a leading manufacturer and exporters of value added diversified products made of natural and allied fibre. Gloster today largely exports to developed countries including USA, UK, Netherlands, Germany, Australia amongst other countries.

To keep pace, Gloster has modernized and expanded its factories to extend its product line and its reach. The modern outlook of Gloster is also reflected in these projects as substantial investments have been made for



▲ WEAVING A STORY OF SUCCESS

improvement in quality of products, health & safety of employees, conservation of energy and improvement of the surrounding environment.

Owing to its constant strive towards quality, Gloster’s manufacturing units are certified for Quality Management System with certificate for ISO 9001:2008. Environmental aspects alongwith health and safety of employees have also been addressed by Gloster and consequently its units are certified under ISO 14001:2004 and OHSAS 18001:2007. Gloster is a socially responsible organization taking care of all parameters as required by International Organizations and is accordingly certified under SA 8000: 2008. Gloster



strictly follows the fair trade principles and have been certified to trade under FAIR TRADE by 'Flo-Cert' Germany.

Gloster is playing its part in the development of organic natural fibre. Gloster has adopted three villages in North 24 Parganas of West Bengal for almost three years now for cultivation of organic jute. The jute grown in these three villages have been approved and certified by an International Monitoring Agency, Bangalore as organic jute from the current crop season. This will foray Gloster's entry into organic products from natural fibres.

In a world without boundaries, Gloster aims to move forward in the value chain by manufacturing lifestyle products.

Keeping a keen eye on the interest of the nation, Gloster is assisting the Indian economy in creating direct and tertiary employment by employing over 4500 employees directly and thousands of stakeholders indirectly. Gloster shares India's vision in developing an eco-friendly green economy universally. Gloster has broadened its vision considerably and intends to play a significant role in sustaining the green cover of the world.

Gloster is always of the opinion that natural fibre including jute, being the most eco-friendly and renewable natural resource will find its right place in the economy of the country. The organization's focus is on bringing back the golden days that the golden fibre enjoyed once upon a time through the re-orientation and re-positioning of jute goods.



▲ FACTORY FLOOR



▲ New Workshop and Manufacturing Facilities



▲ New Bag Unit for Made-ups

GLOSTER AND GOLDEN FIBRE



International standard research for eco-label product development

Implementation of 'total quality control' from fibre purchase to product delivery

Capability of manufacturing customized products

Infrastructure to meet the demands of eco-friendly products

PRESTIGIOUS CERTIFICATIONS



Quality Management System IS/ISO 9001:2008
by Bureau of Indian Standards



EMS558015
Environmental Management
System ISO 14001:2004
by BSI India



OHS558016
Occupational Health and
Safety Management System
BS OHSAS 18001:2007
by BSI India



FM558013
Quality Management System
ISO 9001: 2008
by BSI India



Social Accountability
Management System
SA 8000: 2008 by SGS



Organic Jute Agricultural
Production certificate
by IMO Control Private Limited,
Bangalore



Fair Trade Products
Certification
by FLO-CERT-Germany

FINANCIAL HIGHLIGHTS

Year Ended	Share Capital (₹ In Lacs)	Reserves (₹ In Lacs)	Net Worth (₹ In Lacs)	Income From Operations (₹ In Lacs)	Net Profit (₹ In Lacs)	Cash Profit (₹ In Lacs)	Earning Per Share (₹)	Cash Earning Per Share (₹)	Book Value (₹)	Dividend
31/03/1998	65	773	839	6,983	331	390	13	15	32	35%
31/03/2003	131	1,869	2,000	11,052	379	507	14	19	76	35%
31/03/2004	131	2,195	2,326	12,134	306	559	12	21	89	35%
31/03/2005	131	2,749	2,880	12,373	405	700	15	27	110	35%
31/03/2006	131	3,169	3,300	13,579	436	800	17	31	126	40%
31/03/2007	131	3,750	3,881	12,771	423	874	16	33	148	40%
31/03/2008	131	4,829	4,960	15,816	1,104	1,616	42	62	190	50%
31/03/2009	262	5,521	5,783	16,794	908	1,419	35	54	221	50%
31/03/2010	262	26,884	27,145	19,529	975	1,515	37	58	1,037	60%
31/03/2011	262	27,322	27,583	30,686	1,408	2,010	54	77	1,054	70%

- Reserves, Networth includes Revaluation Reserve arising on revaluation of certain class of Fixed Assets on 31/03/2010.
- Net Worth Includes Deferred Tax .
- Book Value, Earning Per Share & Cash Earning Per Share calculated on expanded Capital for all years .

HISTORICAL DATA

DISTRIBUTION OF REVENUE

For the year 2010-11 ►

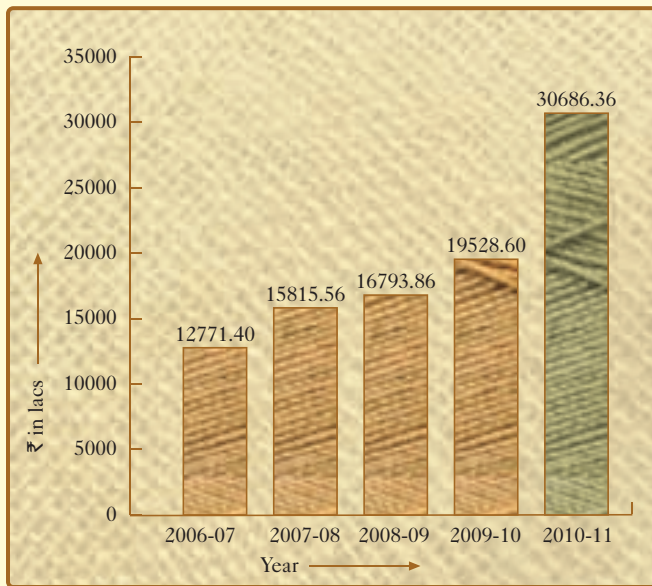


Cost of Raw Material	– 59.18%
Mfg. & Other Expenses	– 31.01%
Depreciation	– 1.88%
Interest	– 1.12%
Tax	– 2.41%
Profits (PAT)	– 4.40%

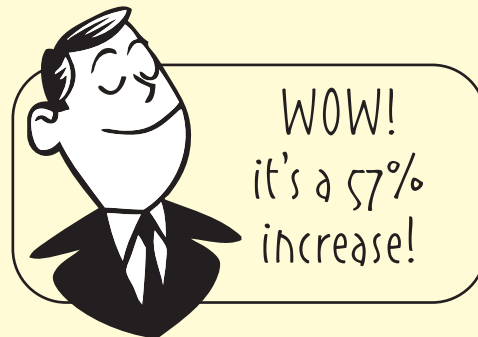
For the year 2009-10 ►



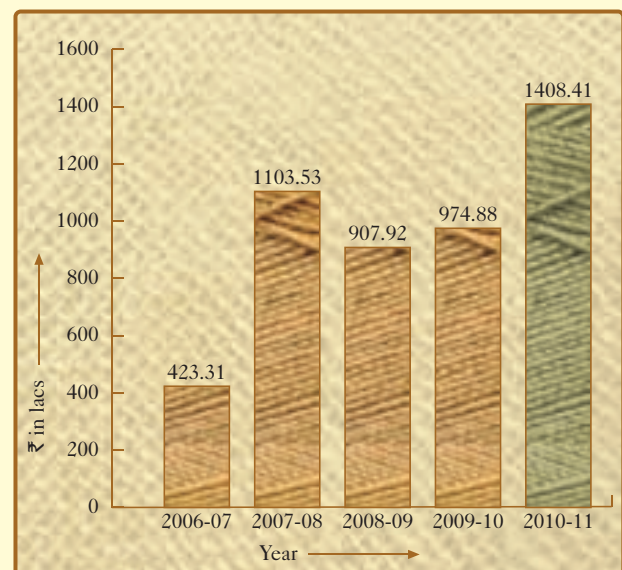
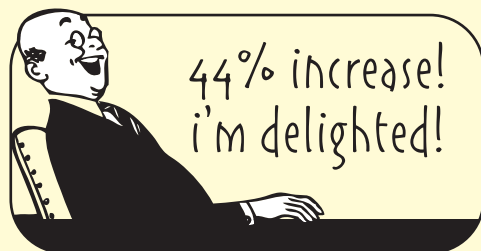
Cost of Raw Material	– 53.93%
Mfg. & Other Expenses	– 34.57%
Depreciation	– 2.75%
Interest	– 1.05%
Tax	– 2.74%
Profits (PAT)	– 4.96%

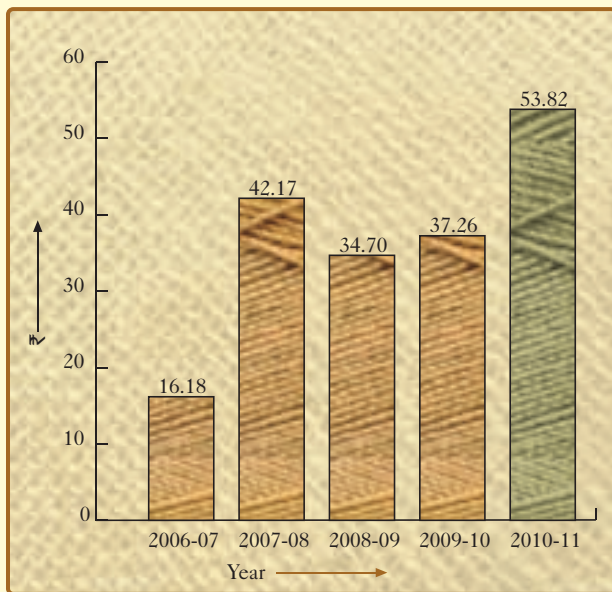


◀ INCOME FROM OPERATIONS

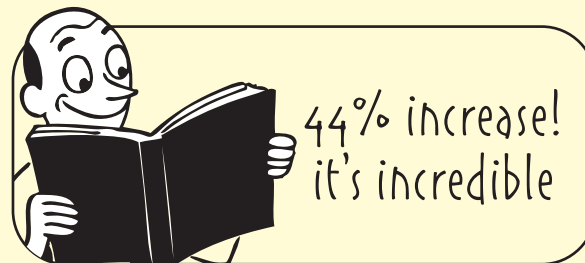


PROFIT AFTER TAX ▶

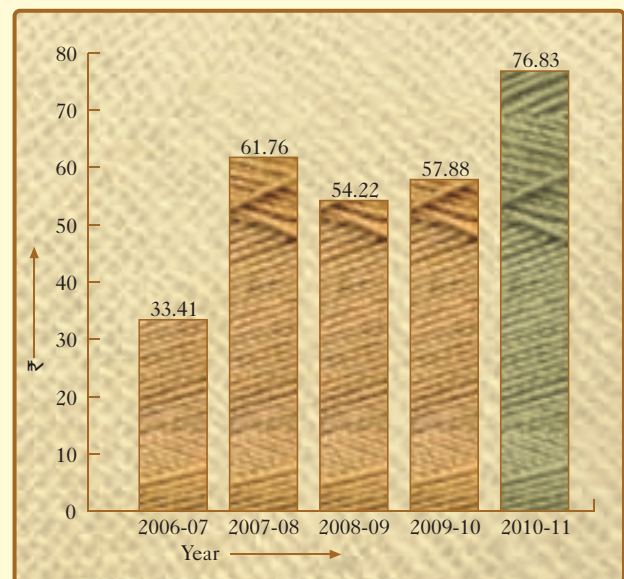
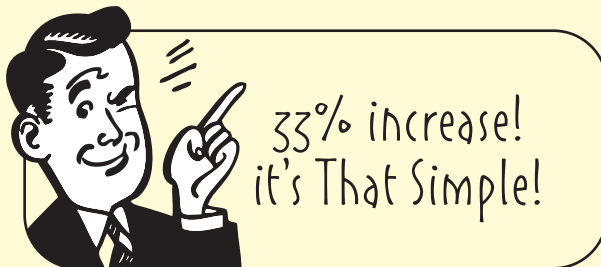


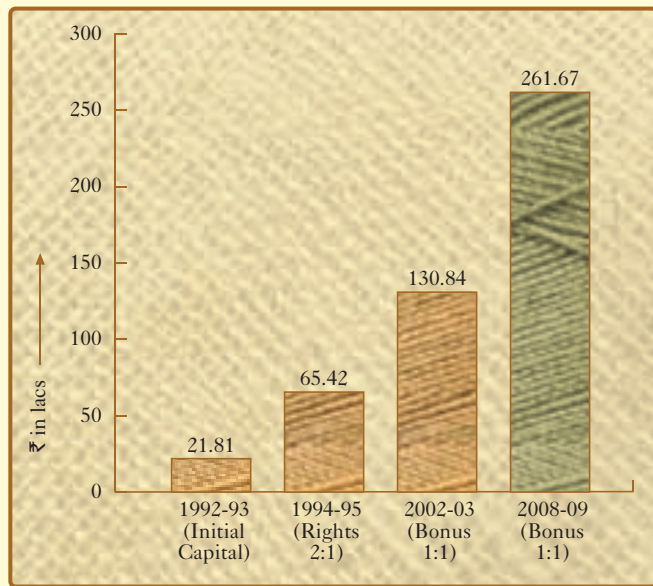


◀ EARNING PER SHARE



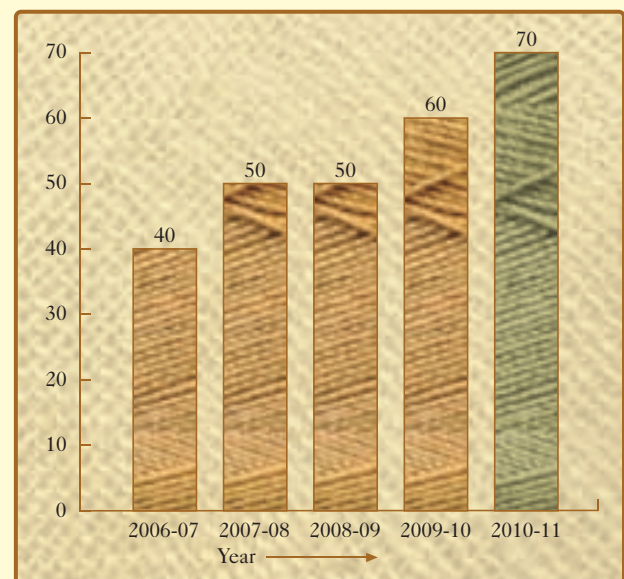
CASH EARNING PER SHARE ▶





◀ SHARE CAPITAL BUILTUP

DIVIDEND (%) ▶





Board of Directors	:	G. D. Bangur, Executive Chairman Hemant Bangur Bhaskar Mitter Nandita Sen Dr. Prabir Ray R. R. Dash K. Mahapatra D. C. Baheti, Executive Director
Company Secretary	:	Ajay Agarwal
Bankers	:	State Bank of India Yes Bank Ltd.
Auditors	:	Lovelock & Lewes Chartered Accountants Kolkata
Registrars & Transfer Agents	:	Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane Kolkata - 700 001 Phone : +91 33 2243 5809 Fax : +91 33 2248 4787 E-mail : mdpl@cal.vsnl.net.in
Registered & Administrative Office	:	21, Strand Road Kolkata - 700 001 (India) Phone : +91 33 2230 9601 (4 lines) Fax : +91 33 2210 6167, 2231 4222 E-mail : info@glosterjute.com Website : www.glosterjute.com
Mills	:	P. O. Fort Gloster Bauria, Howrah - 711 310 West Bengal Phone : +91 33 2661 8327 / 8271 Fax : +91 33 2661 8940



NOTICE

TO THE MEMBERS

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of Gloster Limited will be held on Saturday, the 6th August, 2011 at 11 A.M. at Shripati Singhania Hall, Rotary Sadan, 94/2 Chowringhee Road, Kolkata-700 020 to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March 2011, the Balance Sheet as on that date and the Report of the Directors and the Auditors' thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Dr. Prabir Roy who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Rebati Ranjan Dash who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Messrs Lovelock & Lewes, Chartered Accountants, the retiring Auditors of the Company be and are hereby re-appointed as Statutory Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed in this behalf by the Board of Directors of the Company."

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification(s), the following resolution:

6. AS A SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, the approval of the members of the Company be and is hereby accorded for commencement of all or any of the businesses specified in sub-clauses 1 and 4 of the Other Object Clause of the Memorandum of Association of the Company."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby severally authorised to do and execute all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to the said resolution."

Registered Office:
21, Strand Road
Kolkata – 700 001
Dated: 12th May, 2011

By Order of the Board
Ajay Agarwal
Company Secretary

NOTES:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. Proxies in order to be effective should be lodged with the Company at least 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 29th July, 2011 to 6th August, 2011 (both days inclusive).
4. Corporate Members are requested to send to the Company a duly certified copy of the Board Resolution, authorizing their representative to attend and vote at the Annual General Meeting.
5. Shareholders holding shares in identical order of names in more than one Folio, are requested to write to the Company or to the office of the Registrar & Share Transfer Agent, Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata-700001 enclosing their share certificates to enable the company to consolidate their holdings in one single Folio.
6. Members holding shares in physical form are requested to notify immediately any change in their address/mandate/bank details to the Company or to the office of the Registrar & Share Transfer Agent, Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata-700001 quoting their Folio Number.
7. The relevant details of Item no. 3 & 4 above pursuant to Clause 49 of the listing agreement are annexed hereto. None of the Directors seeking re-appointment are related to any member of the Board of Directors or to any Management Personnel.



8. Members seeking any information regarding accounts should write to the Company at least seven days before the date of the meeting so as to enable the management to keep the information ready.
9. The dividend as recommended by the Board, if declared at the meeting, will be paid on or after 8th August, 2011 to those members, whose names appear on the Company's Register of Members on 6th August, 2011. In respect of the shares in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited as on the closing hours of business on 28th July, 2011 for this purpose.
10. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend.
11. Dividend for the financial year ended 31st March, 2004, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government later this year, pursuant to the provisions of Section 205C of the Companies Act, 1956. Members, who have not yet encashed their dividend warrants for the financial year ended 31st March, 2004 or any subsequent Financial Years are requested to lodge their claims with the Company's Registrar and Share Transfer Agents without delay. Members are advised that no claims shall lie against the said fund or the Company for the amounts of dividends so transferred to the said Fund.
12. For the convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be regulated by the Attendance Slip, which is annexed to the Proxy Form. Members are requested to affix their signature at the place provided on the Attendance Slip and hand it over at the entrance.
13. Members who hold shares in dematerialized form are requested to bring their Client ID and DP numbers for quick identification while recording attendance at the meeting.
14. Pursuant to the provisions of Section 109A of the Companies Act, 1956, members are entitled to make a nomination and are requested to send their requests in Form 2 B to the Registrar and Share Transfer Agents.
15. Service of documents through Email
 Ministry of Corporate Affairs ("MCA") has vide Circular No. 17/2011 dt. 21.4.2011 allowed the service of documents on members by a Company through electronic mode.
 Accordingly the Company proposes to send documents including Annual Report to its members in electronic form at the e-mail address provided by them and/or made available to the Company by their Depositories.
 Members who have not yet registered their e.mail id (including those who wish to change their already registered email id) may get the same registered/updated either with their Depositories or by writing to the Company.
16. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed.

**DETAILS OF DIRECTORS RETIRING BY ROTATION & SEEKING REAPPOINTMENT
 (In Pursuance of Clause 49 of the Listing Agreement)**

Name	Dr. Prabir Ray
Date of Birth	01.07.1950
Date of Appointment	10.06.2006
Qualifications	B.SC (Tech) in Textile Technology from University of Calcutta, M.Tech from Indian Institute of Technology (IIT), Delhi & Ph.D from Technical University of Liberec, Czech Republic in Non-Woven Technology.
Expertise in specific functional areas	Eminent person having rich & considerable experience in Jute & Textile industry, instrumental in setting up non-woven pilot plant at VJTI. Fellow of Textile Association & former Principal of Institute of Jute Technology (IJT) & presently director of Indian Jute Industries Research Association (IJIRA)
Directorships in other Companies	NIL
Chairman/Member of Committees of the Board of other Companies of which he is a Director.	None
Shareholding in the Company	NIL



Name	Shri Rebat Ranjan Dash
Date of Birth	14.02.1954
Date of Appointment	29.01.2009
Qualifications	M.A. (Political Science)
Expertise in specific functional areas	Rich Experience in the areas of marketing and corporate risk management. Worked in the capacity of Executive Director (Inspection) at Central Office of LIC of India and presently he is Zonal Manager, LIC of India, Western Zonal Office.
Directorships in other Companies	North Eastern Development Finance Corporation Ltd.
Chairman/Member of Committees of the Board of other Companies of which he is a Director.	North Eastern Development Finance Corporation Ltd. Audit Committee – Member
Shareholding in the Company	NIL

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956

Item No.6

As the shareholders are aware, the Company is presently engaged in the business of dealing and manufacturing of jute goods alongwith various types of diversified & value added products. The management is currently exploring the possibilities of new business opportunities. The new activities /business proposed to be undertaken may be deemed to be not germane to the existing business of the Company as the same is covered in sub clauses 1 and 4 of Other Objects in the Memorandum of Association of the Company. Considering this, it is proposed to obtain the shareholders approval for commencing the new activities/business, as envisaged under Section 149(2A) of the Companies Act, 1956. The sub clauses 1 and 4 of Other Objects in Memorandum of Association of the Company are reproduced hereunder: -

1. To carry on the business of manufactures of and dealers in wires, cables and lines of all kinds, electricians and electrical engineers, contractors and manufactures of and dealers in tramway, electric and other apparatus mechanical and chemical engineers and in all apparatus and things required for or capable of being used in connection with the generation, accumulation, distribution, supply and employment of electricity or other energy for lighting, heating, sound and power or any of them, compressed air, gas, steam, oil or any of them or otherwise.

4. To carry on the business of manufactures of articles of rubber or other like gums or synthetic rubber or any other substitutes therefore or the same in combination with any metallic or non-metallic substance, and to manufacture, sell, import, export, buy and deal in rubber tyres, tubes, hoses, conveyor belts, laces, rings, rims, pipes, sheets, textiles, water-proofing materials, foam cushions, rollers and other rubber goods of all kinds or combinations of the same and all articles which can be conveniently dealt in or manufactured from or in connection with any of the said commodities; and to act as agents, factors and merchants in rubber and rubber goods and buy and sell and deal in rubber and rubber goods either on account of the Company or any other company, firm or person.

The Resolution set out in item no. 6 is to accord such approval.

None of the Directors of the Company are in any way concerned or interested in the said resolution except to the extent of their shareholding.

A copy of Memorandum of Association of the Company is available for inspection at the registered office of the Company on all working days between 11.00 A.M. to 1.00 P.M. upto the date of Annual General Meeting.

DIRECTORS' REPORT

DEAR SHAREHOLDERS

Your Directors take pleasure in presenting the Nineteenth Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

The highlights of the financial results of the Company for the year ended 31st March, 2011 are as under:

(₹ In lacs)

Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
Sales and Related Income	30,686.36	19,528.60
Total Expenditure	27,101.02	17,358.05
Operating Profit Before Depreciation & Interest	3,585.34	2,170.55
Interest	357.61	206.69
Depreciation/Amortisation	602.05	539.76
Operating Profit After Depreciation & Interest	2,625.68	1,424.10
Other Income	148.32	95.71
Gross Profit before Tax & Exceptional Items	2,774.00	1,519.81
Exceptional Items	594.44	6.59
Provision for Taxation (including Deferred Tax & Fringe Benefit Tax)	771.15	538.35
Profit after Tax	1,408.41	974.87
Balance brought forward from previous year	259.14	217.34
Amount available for appropriation	1,667.55	1,192.21
<u>Appropriations:</u>		
Proposed Dividend	183.17	157.00
Dividend Tax	29.72	26.07
General Reserve	1,100.00	750.00
Balance carried to Balance Sheet	354.66	259.14

DIVIDEND

Your Directors have recommended for your approval a dividend of 70% i.e ₹ 7/- per equity share for the year ended 31st March, 2011. The total outflow for dividend will be ₹ 212.89 lacs including ₹ 29.72 lacs by way of dividend tax.

OPERATIONS

The production & sales during the year under review has been 49,244 MT & 50,414 MT in comparison to 41,225 MT & 42,511 MT respectively during the year 2009-10. The figures are not comparable in view of industry wide strike of 62 days in the previous year.

There was not enough carry over of raw jute stocks from the previous year although there was an industry wide strike of around 62 days during the last year. As a result, there was upward trend in the prices of raw jute during most part of the year. Further,



delayed rainfall during the year had an adverse effect on the quality of the raw jute which resulted into higher price differential for better qualities of raw jute. However, your Company could manage to perform better due to proper planning and timely purchase of raw jute and sale of finished products.

The initial forecast of raw jute crop in the new jute season is better than normal as the farmers could fetch remunerative prices of their produce through out the year. The prices of the raw jute in the current year are likely to be some what lower.

The year under review saw your Company posting good performance as the Net Profit for the year has gone up to ₹ 1408.41 lacs as against ₹ 974.87 lacs during the year 2009-10 registering a growth of 44.47%.

During the year under review a fire broke out at the Mills on 29th March, 2011 resulting in damage and destruction of raw jute stocks in one godown and substantial damage to the godown building as well. The loss of raw jute due to fire has adversely affected the net profit of the Company.

The performance of the Ananya Unit has improved further during the year.

EXPORTS

There has been a very good growth of 94.45 % in exports during the year under review. Exports have gone up from ₹ 4,081.31 lacs in the year 2009-10 to ₹ 7,936.22 lacs during the current year. Your Company is focusing more in developing new products to further increase export performance.

MODERNISATION

Modernisation of plant of your Company is an ongoing process. The 3rd phase of modernization of old looms and spinning frames is under process with rapier / high speed looms and modern spinning machines respectively and is likely to be completed in the first half of the current financial year. With these efforts the management is hopeful that performance of the company will improve further.

SUBSIDIARY COMPANIES

The Company has formed three subsidiary companies during the year:

Gloster Lifestyle Limited was incorporated on 23rd February, 2011 to manufacture & marketing the promotional shopping Bags & made ups.

Gloster Specialities Limited was incorporated on 23rd February, 2011 to take up the new projects that the Company is exploring to venture into such as Jute Non-Woven.

Gloster Gujrat Limited was incorporated on 29th March, 2011 to set up a Public Private Partnership (PPP) based Vocational Training Programme Centre (VTC) & Employment Generation Facility (EGF) in Gujarat.

All the subsidiary companies formed are non-listed and non-material. The Audit Committee of the Company will regularly review financial statements of the subsidiary companies. The Minutes of the Board Meetings of the subsidiary companies shall be placed in the Board Meetings of the Company. Statement of important and significant transactions of the subsidiary companies shall be placed regularly in the Board Meetings of the Company. The Company has paid ₹ 1,01,400/- in aggregate as advance to these Companies during the year & intends to invest ₹ 5,00,000/- each towards subscribing Equity in his Company. The first accounting year of all the subsidiary companies shall end on 31st March, 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

As required by Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report has been annexed as part of the Annual Report.

CORPORATE GOVERNANCE

The Company reaffirms its commitment towards the application of best management practices, compliances with law, adherence to ethical standards and discharge of social responsibilities. Pursuant to Clause 49 of the Listing Agreement with



the Stock Exchanges, a report on Corporate Governance and a certificate from the practicing Company Secretary confirming compliance of the same has been annexed as part of this Report.

DEPOSITORY SYSTEM

As the members are aware, your Company's shares are tradable compulsorily in electronic form. In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialization of the Company's shares on either of the Depositories as aforesaid.

DIRECTORS

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 1956 Dr. Prabiir Ray and Shri Rebaty Ranjan Dash, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS

Messers Lovelock & Lewes, Chartered Accountants, Statutory Auditors of the Company hold office up to the forthcoming Annual General Meeting and are recommended for reappointment to audit the accounts of the Company for the financial year 2011-12. The Company has received a certificate from them to the effect that their reappointment, if made, would be within the limits prescribed under section 224(1B) of the companies Act, 1956.

As per the requirement of Central Government and pursuant to Section 233B of the Companies Act, 1956 your Company carries out an audit of cost records every year. The Cost Audit Report for the financial year 2009-2010 has been filed within due date.

Subject to the approval of the Central Government, the Company has appointed M/s D. Radhakrishnan & Co., Cost Accountants to audit the cost accounts for the financial year 2011-12.

CREDIT RATING

Various bank facilities of the Company are rated by CRISIL Limited based on Basel II norms followed by the banks under the guidelines of Reserve Bank of India. The Company is enjoying ratings of adequate safety – "A-(Pronounced A minus)" with a "stable" outlook and strong safety – "P2+(Pronounced P two plus)" for the long term and short term bank facilities respectively since beginning.

During the year under review, ratings for all existing bank facilities have been reviewed and fresh bank facilities, present & proposed have been rated by CRISIL Limited.

The Company has been assigned the same ratings of adequate safety – "A-(Pronounced A minus)" with a "stable" outlook and strong safety – "P2+(Pronounced P two plus)" for the long term and short term, present and proposed bank facilities respectively.

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

Additional information as required by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the prescribed form in Annexure "A" to the Report.

PARTICULARS OF EMPLOYEES

As required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, particulars of employees are set out in Annexure "B" to the Report.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm as under:



- i) that in the preparation of Annual Accounts, the applicable Standards had been followed along with proper explanations for material departures.
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors had prepared the annual accounts on a going concern basis.

ENVIRONMENT AND SAFETY

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As responsible corporate citizens, we have always endeavored to make contribution towards betterment of society in and around the areas of our operation. Our CSR initiatives are aimed at helping our surrounding communities become self-reliant.

The Company undertook the following CSR activities during the year :

- Sponsored Community Development Programmes under taken by various Welfare Trusts in Kolkata.
- Continuously running and maintaining school & public utilities in the areas around the factory.

APPRECIATION

Your directors wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry despite increased competition from several existing and new players.

TRADE RELATIONS

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

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank all investors, customers, vendors, bankers, regulatory and government authorities and stock exchanges, for their continued support.

Place : Kolkata

Dated : 12th May, 2011

For & on behalf of the Board

G. D. BANGUR
Executive Chairman

ANNEXURE “A” TO THE DIRECTORS REPORT

Information required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

1. Installation of automatic emulsion flow and temperature control system.
2. Installation of LED light in place of fluorescent tubes in Spinning department.
3. Super Energy Efficient motors in Ring Spinning and Line Shaft have been installed.
4. Installation of variable frequency drive in Spinning, Prebeaming, Beaming, Blowers, Drying Range (VDR) machines and Air Compressors.
5. Condensate recovery system in Beaming Department are working efficiently.

FORM A

Form for disclosure of particulars with respect to conservation of energy.

(I) POWER & FUEL CONSUMPTION

1. Electricity

a) Purchased

Units (KWH) (in Lacs)

Total Amount (₹ In Lacs)

Rate/Unit (₹)

b) Own Generation

i) Through Captive Power Plant

Units (KWH) (in Lacs)

Unit per ltr. of Diesel Oil

Cost/Unit (₹)

ii) Through Diesel Generator

Units (KWH) (in Lacs)

Unit per ltr. of Diesel Oil

Cost/Unit (₹)

iii) Through Steam Turbine/Generator

2. Coal

Consumption (MT)

Total Cost (₹ In lacs)

Average Rate/MT (₹)

3. Furnace Oil for Power Plant

Consumption (KL)

Average Rate/Litre (₹)

4. Furnace/Diesel Oil for Boiler

Consumption (KL)

Average Rate/Litre (₹)

(II) CONSUMPTION PER MT OF PRODUCTION

Electricity (Units)

(Both purchased & generated)

Coal (Kgs.)

	2010-11	2009-10
	229.09	174.22
	1,217.82	798.51
	5.32	4.58
	Nil	Nil
	Nil	Nil
	Nil	Nil
	2.31	5.10
	2.41	2.65
	17.05	13.36
		NA
	471.02	178.00
	21.44	8.62
	4,551.60	4,846.52
	Nil	Nil
	Nil	Nil
	101.48	234.68
	37.24	30.82
	469.91	434.98
	9.56	4.31

B. Technology Absorption, Adaptation & Innovation

1. In pursuit of clean air & environment the Company has taken further actions in establishing dust reduction system at Jute Spreader, Softner and Carding & Export Yarn Section.
2. To save energy, Normal Lighting System is being replaced by energy efficient LED lights.
3. Old technology Spinning Frames and Looms are gradually being replaced by Modern Spinning Frames and High Speed Rapier Looms.
4. The Mill Testing Laboratory has been upgraded and is now equipped with latest available apparatus.
5. Various types of Material Handling Equipments with updated technology are being procured.

C. Foreign Exchange Earnings & Outgo

a) Total Foreign Exchange earned

b) Total Foreign Exchange used

Information contained
in Schedule 19



ANNEXURE “B” TO THE DIRECTORS REPORT

Statement of Particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Directors Report for the year ended 31st March, 2011.

Name	Designation/ Nature of Duties	Gross Remuneration (₹)	Qualifi- cation	Experi- ence (Years)	Date of Commencement of Employment	Age (Years)	Last Employment held Name of the Company Designation
Gopal Das Bangur	Executive Chairman	1,16,38,071	B. Com.	40	12.04.2000	64	Joonktollee Tea and Industries Limited President

NOTES:

1. Remuneration includes salary, allowances, medical benefits, commission, Company's contribution to provident fund, superannuation fund, gratuity fund, Provision for Leave encashment and value of perquisites.
2. Employment is contractual subject to termination by notice by either side.

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry structure and developments:

By a notification during the year under review the Government of India has maintained the compulsory packing of food grains and sugar at 100% under Jute Packaging Materials (Compulsory use for Packing Commodities) Act, 1987 (JPMA), which is valid upto 30.06.2011.

b) Opportunities and Threats/Risks & Concerns :

Opportunities

- Strengthening of Rupee may offer opportunity for import of good quality of raw jute from Bangladesh at competitive price;
- Estimated increase in domestic food grain & sugar crop should result in increased requirement of jute packaging materials;
- With improvement in economies world over demand for diversified jute goods, promotional bags and jute made ups may see an upsurge;
- Concern for global warming and jute being a natural fibre should lead to preference for jute over other synthetic substitute products;
- The industry continues to get incentives for modernization and technological upgradation of manufacturing facilities under different schemes as below :
 - (i) The Technology Upgradation Fund Scheme (TUF Scheme) for modernization/expansion, under the Ministry of Textiles, the Government of India has been extended upto 2012;
 - (ii) National Jute Board (NJB) Scheme for Acquisition of Machinery & Plant (Capital subsidy) for Jute Industry under scheme no.6.4 of the Mini Mission - IV of the Jute Technology Mission @ 20% on Basic Price. The upper limit of the subsidy is limited to ₹ 350 lakhs per Jute Mill.

Risk & Concern/ Threat :

- Increase in crude oil prices may result in higher production cost
- Increased employee cost subsequent to Tripartite Settlement executed on 12th February, 2010;
- Availability of Raw jute, being an agricultural produce, may vary and thereby may adversely affect the performance;
- Stiff competition from Bangladesh due to huge adverse differentials in wage & power cost apart from 10% export subsidy being given by Government of Bangladesh on jute goods;
- Competition from the synthetic packaging industry.
- High inflation and higher rate of interest will affect demand and lead to increase in cost of funds;

c) Segment-wise or product-wise performance:

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

(₹ in lacs)

Particulars	Inside India		Outside India		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Sales	22,501.99	15,186.90	7,936.22	4,081.31	30,438.21	19,268.21
Carrying amount of segment assets (Sundry Debtors)	687.76	365.36	287.72	546.28	975.48	911.64
Carrying amount of segment Liabilities (Advances received from customers)	110.55	168.67	22.62	10.57	133.17	179.24
Purchase of Tangible & Intangible Assets	-	-	-	-	1,147.82	763.57



d) Outlook:

The initial forecast of raw jute crop for the current season is encouraging. Higher raw jute crop in the current year should see some softening in fibre price. Your Company, however, takes steps to build and maintain adequate raw jute stock at appropriate time during the season.

The 3rd phase of modernization is at advanced stage of completion and the benefits of the same has already started coming in. Your Company has made a cautious start in the promotional shopping bags and jute made ups segment. Your Company intends to take up this venture further in due course of time.

Your management will continue to make all efforts and is hopeful to be able to improve the economic performance of the Company in the years to come.

A major fire broke out at one of the raw jute godown at the mill on 29.03.2011 destroying and damaging the raw jute and the godown. As the stock & godown are insured the insurance surveyor has inspected the place & the material and salvaging operations are going on at present. The management has made a preliminary estimate of loss of ₹ 594.00 lacs in raw jute which has been written off in the accounts apart from the damage to the godown. The godown would be brought back to the original condition by repairing / reconstructing the same.

e) Internal control systems and their adequacy :

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

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

The Company has a well-defined integrated software system connecting its registered office and plant and providing improved MIS system and optimization of resources with inbuilt controls covering the business and supply-chain.

f) Discussion on financial performance with respect to operational performance:

The following are the significant areas of financial performance:

₹ in lacs			
Particulars	2010-11	2009-10	Increase / (Decrease)
Sales & Related Income	30,686.36	19,528.60	11,157.76
Raw material cost	18,298.54	10,082.95	8,215.59
Interest Expenses	357.61	206.69	150.92
Profit after tax	1,408.41	974.88	433.53
Inventory	7,462.00	4,678.13	2,783.87
Capital Investment	1,147.82	763.57	384.25

g) Human Resources & Industrial Relations:

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

h) Cautionary statement:

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



CORPORATE GOVERNANCE REPORT

INTRODUCTION

Corporate Governance is a combination of law, regulations and transparent activities as well as the best prevailing practices followed by corporates globally. Good Corporate Governance is of paramount importance to manage effectively in the globalised market scenario. Your company strictly adheres to the principles transparency, fairness, integrity & responsibility, which are the foundations for generating long term shareholders' wealth and confidence.

The detailed report on implementation by the Company, of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company is always committed to good Corporate Governance and application of best management practices for safeguarding the interest of all stakeholders. The principles of transparency and integrity are reflected in its activities. Your company seeks to focus on regulatory compliances, complying with all the provisions of listing agreement and applicable Corporate Governance Norms with all the modifications within the prescribed time, thereby giving stress on essential pre-requisites of corporate governance.

2. BOARD OF DIRECTORS :

COMPOSITION AND CATEGORY

In accordance with the law, the Board of Directors is the supreme management body of the company. The Board provides leadership, strategic guidance and independent view to the company's management while discharging its responsibilities. The Board consists of distinguished persons having requisite knowledge and expertise in business & industry, corporate finance, taxation, legal matters, risk management and marketing. The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors, meets with the requirements of Clause 49 (1) (A) of the Listing Agreement. The number of Independent Directors is more than one-half of the total number of Directors.

The present strength of the Board of Directors is eight, whose composition is given below:

- one Promoter, Executive Director
- one Promoter, Non-Executive Director
- one Non-Promoter, Executive Director
- five Independent, Non-Executive Directors

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

The composition of the Board of Directors and also the number of other Board of Directors or Board Committees of which he/she is a member/Chairman/Chairperson are as under:



Name of Director	Category of Directorship	Directorship in other companies (#)	No. of Board Committees (other than Gloster Ltd) in which Chairman / Chairperson/Member	
			Chairman/ Chairperson	Member @
Shri Gopal Das Bangur	Promoter Executive Chairman	7	1	2
Shri Hemant Bangur	Promoter Non-Executive	11	NIL	NIL
Shri Bhaskar Mitter	Independent Non-Executive	3	2	6
Smt. Nandita Sen	Independent Non-Executive	NIL	NIL	NIL
Dr. Prabir Ray	Independent Non-Executive	NIL	NIL	NIL
Shri Rebati Ranjan Dash	Independent Non-Executive	1	NIL	1
Shri Krutibas Mahapatra	Independent Non-Executive	NIL	NIL	NIL
Shri Dharam Chand Baheti	Non-Promoter Executive	4	NIL	NIL

(#) - Excludes Alternate Directorships, Directorships in Indian Private Limited companies and foreign companies and membership of Managing Committees of various bodies.

(@) - Member includes Chairman/Chairperson

Only memberships of Audit Committee and Shareholder's / Investors' Grievances Committee are considered.

BOARD PROCEDURE

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

The information as specified in Annexure I A to the existing Clause 49 of the Listing Agreement entered into with the Stock Exchanges, is regularly made available to the Board wherever applicable.

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

The Board's function is not limited to matters requiring statutorily the Board's approval. The Board is involved in all the important decisions relating to the company and policy matters, strategic business plans, new avenues of investment and expansion, compliance with statutory/regulatory requirements, major accounting provisions and write-offs are considered by the Board.

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

The Minutes of Audit Committee and other Committees of the Board are regularly placed before the Board. The Minutes of the Board Meetings of the subsidiary companies shall be placed in the Board Meetings of the Company.

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

During the financial year ended 31st March, 2011, five Board Meetings were held on 26th May, 2010, 5th August, 2010, 7th August, 2010, 12th November, 2010 and 2nd February, 2011. The attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) is as under:

Name of the Director	No. of Board Meetings attended	Attendance at last AGM held on 29th September, 2010
Shri Gopal Das Bangur	5	No
Shri Hemant Bangur	4	Yes
Shri Bhaskar Mitter	5	Yes
Smt. Nandita Sen	4	No
Dr Prabir Ray	5	Yes
Shri Rebati Ranjan Dash	2	Yes
Shri Krutibas Mahapatra	5	Yes
Shri Dharam Chand Baheti	5	Yes

3. AUDIT COMMITTEE:

BROAD TERMS OF REFERENCE

The Audit Committee assists the Board in discharging its responsibilities regarding compliance with legal and regulatory requirements, the quality and integrity of the accounting, auditing, reporting practices & financial disclosures of the company. The terms of reference of the Audit Committee are in accordance with paragraphs C and D of Clause 49 (II) of the Listing Agreement and as specified by the Board of Directors of the Company and inter-alia includes:

- Reviewing the Company's financial reporting process and disclosure of financial information.
- Recommending the appointment, re-appointment and removal of statutory auditors, fixation of audit and other fees.
- Reviewing the quarterly and annual financial statements with primary focus on accounting policies and practices, compliance with accounting standards and legal requirements concerning financial statements.
- Reviewing the adequacy of internal control systems and internal audit function, ensuring compliance of internal control systems and reviewing the Company's financial and risk management policies.
- Reviewing the reports furnished by the internal auditors and statutory auditors and ensure suitable follow-up thereon.
- Reviewing the financial statement & in particular investment made by the unlisted subsidiaries of the Company.

The Audit Committee while reviewing the Annual Financial Statements also reviewed the applicability of various Accounting Standards (AS) issued by The Institute of Chartered Accountants of India during the year. Compliance of the AS as applicable to the Company has been ensured in the Financial Statements for the year ended 31st March, 2011.

COMPOSITION

The Audit Committee comprises of four Non-Executive Directors, three of whom are Independent Directors and one of whom is non-Independent Director. The Audit Committee is constituted in accordance with the provisions of Clause 49 (II) (A) of the Listing Agreement and the Companies Act, 1956. All the members of the committee are well versed with finance & accounts, legal matters, company law, corporate affairs and general business practices. The Committee is empowered to seek any information it requires from any employee or to obtain legal or other independent professional advice when considered necessary. The Executive Director of the Company is specially invited at the meetings of the Committee, whenever required. The Statutory Auditors and the Internal Auditors are also invited to the Meetings whenever required. The quorum for the Audit Committee Meeting is two members. The Company Secretary acts as Secretary to the Committee.

The Minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meetings. The composition of the Audit Committee is as follows:

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

MEETINGS AND ATTENDANCE

During the financial year ended 31st March, 2011, five Audit Committee Meetings were held on 26th May, 2010, 5th August, 2010, 7th August, 2010, 12th November, 2010 and 2nd February, 2011. The Audit Committee also met prior to the finalization of accounts for the year ended 31st March 2011.

The attendance at the Audit Committee Meetings is as under:

Name of the Director	No. of meetings attended
Smt. Nandita Sen	4
Shri Hemant Bangur	4
Shri Bhaskar Mitter	5
Shri Krutibas Mahapatra	5

The Company Secretary was present at all the above meetings.

The Chairperson of the Audit Committee did not attend the 18th Annual General Meeting held on 29th September, 2010 on medical grounds.

INTERNAL AUDITORS

The Company has appointed a firm of Chartered Accountants as Internal Auditors to review the internal control systems of the Company and to report thereon. The report of the Internal Auditors is reviewed by the Audit Committee.

4. REMUNERATION COMMITTEE:

BRIEF DESCRIPTION OF TERMS OF REFERENCE

The Remuneration Committee is constituted to formulate and recommend to the Board from time to time, a compensation structure for the Whole time Directors of the Company. The terms of reference of the Committee includes:

- Reviewing the overall compensation policy, service agreements and other employment conditions of Wholetime Directors.
- Reviewing the performance of the Wholetime Directors and recommending to the Board the quantum of annual increments and annual commission.

COMPOSITION

The Remuneration Committee comprises of four Directors, of whom, three are independent, Non-Executive Directors and one Promoter, Non-Executive Director. The Chairman of the Committee is a Director nominated by the Board.

The composition of the Remuneration Committee is as follows:

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

MEETINGS AND ATTENDANCE

During the financial year ended 31st March 2011, two Remuneration Committee Meetings were held on 26th May 2010 and 12th November 2010.

The attendance at the Remuneration Committee Meetings is as under:

Name of the Director	No. of meetings attended
Shri Krutibas Mahapatra	2
Shri Hemant Bangur	1
Shri Bhaskar Mitter	2
Smt Nandita Sen	2

The Company Secretary was present at all the above meetings.

REMUNERATION POLICY

A Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of Commission and Sitting fees. In terms of the shareholders' approval given at the Eighteenth Annual General Meeting of the Company held on 29th September, 2010, commission is payable at a rate upto and not exceeding 1% per annum of the net profits of the Company as specifically computed for this purpose for a five year period for the financial year commencing from 1st April, 2010 actual amount as approved by the Board. Non-Executive Directors are paid sitting fees @ ₹ 8,000 for each meeting of the Board and ₹ 4,000 for any Committee thereof attended by them.

B. Remuneration to Whole-time Directors

The appointment of Whole-time Directors are governed by resolutions passed by the Board of Directors and Shareholders of the Company, which covers the terms of such appointment, payment of remuneration to Whole-time Directors, which are governed by the respective Agreements executed between them and the Company. Remuneration paid to Whole-time Directors are recommended by the Remuneration Committee, approved by the Board and is within the limits set by the shareholders at General Meetings. The remuneration package of Whole-time Directors comprises of salary, perquisites and allowances, commission and contributions to Provident and other Funds as approved by the shareholders at General Meetings. Annual increments are decided by the Remuneration Committee and recommended to the Board for approval thereof.

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

DETAILS OF REMUNERATION TO ALL THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 2011.

NON-EXECUTIVE DIRECTORS

Name of the Director	Commission * ₹	Sitting Fees ₹
Shri Hemant Bangur	2,50,000	64,000
Shri Bhaskar Mitter	2,50,000	84,000
Smt Nandita Sen	2,50,000	68,000
Dr Prabir Ray	2,50,000	40,000
Shri Rebati Ranjan Dash	2,50,000#	16,000#
Shri Krutibas Mahapatra	2,50,000	84,000

* Payable in 2011 -12

Amount paid/payable to LIC of India

WHOLE-TIME DIRECTORS

Name of the Director	Salary ₹	Benefits ₹	Commission ₹	Service Contract
Shri Gopal Das Bangur	44,42,709/-	26,95,362/-	45,00,000	3 Years
Shri Dharam Chand Baheti	21,30,000/-	14,11,853/-	20,00,000	5 Years

5. SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE:

FUNCTIONS

The Board of Gloster Limited has constituted a Committee of Directors, which inter-alia also functions as 'Shareholders' / Investors' Grievances Committee', consisting of four members, chaired by a Non-Executive Director.

The Committee deals with various matters relating to:

- transfer/transmission/transposition of shares;
- consolidation/splitting of folios;
- issue of share certificates for lost, sub-divided, consolidated, rematerialized, defaced, etc;
- review of shares dematerialised and all other related matters;
- investors' grievances and redressal mechanism and recommend measures to improve the level of investor services.

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

- to approve share transfers
- to issue duplicate shares against lost or mutilated share certificates
- to issue shares against consolidation and sub-division.
- to send a summary of complaints redressed on fortnightly basis
- to send periodical report on transfers & transmission processed, duplicate share certificates issued.

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

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

The Minutes of the Shareholders'/Investors' Grievances Committee are noted by the Board of Directors at the Board Meetings.

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

COMPOSITION

The composition of the Committee of Directors is as under:

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

COMPLIANCE OFFICER

The Board has designated Shri Ajay Agarwal, Manager Finance & Company Secretary as the Compliance Officer.

MEETING AND ATTENDANCE

During the financial year ended 31st March 2011, four Shareholders'/Investors' Grievances Committee meetings were held on 26th May 2010, 7th August, 2010, 12th November 2010 and 2nd February 2011.

The number of meetings attended by each of the members is as under:

Name of the Director	No. of meetings attended
Shri Hemant Bangur	3
Shri Bhaskar Mitter	4
Smt. Nandita Sen	3
Shri Krutibas Mahapatra	4

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

The total number of complaints received, and replied to the satisfaction of the shareholders during the year ended 31st March, 2011 were 5. There were no complaints outstanding as on 31st March, 2011. The number of share transfers and requests for dematerialization pending as on 31st March, 2011 were Nil.

Shareholders'/Investors' complaints and other correspondence are normally attended to within twenty one working days except where constrained by disputes or legal impediments.

6. SUBSIDIARY COMPANIES

The Company has formed three subsidiary companies during the year. All the subsidiary companies formed are non-listed and non-material. The Minutes of the Board Meetings of the subsidiary companies shall be placed in the Board Meetings of the Company. Statement of important and significant transactions of the subsidiary companies shall be placed regularly in the Board Meetings of the Company. The Audit Committee of the Company will regularly review financial statement & in particular the investments made by the unlisted subsidiaries of the Company. The first accounting year of all the subsidiary companies shall end on 31st March, 2012.

7. CEO/CFO CERTIFICATION

As required by Clause 49 V of the Listing Agreement, the CEO/CFO Certificate signed by Shri G.D. Bangur, CEO and Shri Ajay Agarwal, CFO was placed before the Board of Directors at their meeting held on 12 th May 2011.

8. GENERAL BODY MEETINGS

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

Financial Year	Date of Meeting	Type	Location of the Meeting	Time
2007 - 08	25th August, 08	AGM	Shripati Singhanian Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata 700 020	11.00 A.M.
2008 - 09	22nd August, 09	AGM	Shripati Singhanian Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata 700 020	11.00 A.M.
2009 - 10	29th September, 10	AGM	Shripati Singhanian Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata 700 020	02.30 P.M.



B. Special Resolutions Passed at last three Annual General Meetings (AGM) :

Date of Meeting	Type	Reappointment of Statutory Auditor	Change of Name of the Company	Commission to Non-Executive Director
25th August, 08	AGM	Yes	–	–
22nd August, 09	AGM	Yes	–	–
29th September, 10	AGM	–	Yes	Yes

The above resolutions were put to vote by show of hands and were passed unanimously.

C. Passing of Resolutions by Postal Ballot:

No resolution was put through postal ballot at the last three Annual General Meetings and no resolution is proposed to be passed through Postal Ballot at the ensuing Annual General Meeting.

9. CODE OF CONDUCT:

The Board of Directors has adopted the Code of Conduct and Ethics for Directors and Senior Management. The said Code has been communicated to the Directors and the members of the Senior Management. The Code has also been displayed on the Company's website-www.glosterjute.com. All the members of the Board and the senior management personnel had affirmed compliance with the Code for the year ended 31st March, 2011 and a declaration to this effect signed by Shri G.D.Bangur, Executive Chairman is forming part of this report.

10. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In compliance with the Securities & Exchange Board of India (Prevention of Insider Trading) Regulations, 1992, the Company has framed a Code of Conduct for prevention of Insider Trading by Company insiders. The code, inter alia, prohibits purchase and / or sale of shares of the company by the Directors and designated employees while in possession of unpublished price sensitive information in relation to the company.

9. DISCLOSURES:

a. Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

Transactions with related parties as per requirements of Accounting Standard AS 18 are disclosed in Note No.9 of Schedule 19 to the Accounts in the Annual Report.

b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

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

c. Non-mandatory requirements.

Adoption of Non-mandatory requirements of Clause 49 of the listing Agreement are being reviewed by the Board from time to time and adopted wherever necessary.

10. MEANS OF COMMUNICATION:

- (i) The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the Proforma prescribed by Clause 41 of the Listing Agreement



- (ii) The approved financial results are forthwith sent to the Listed Stock Exchanges and are published in one of the prominent business dailies and a local language newspaper. Presently the same are not sent to the shareholders separately.
- (iii) The Company's financial results and official news releases are displayed on the Company's website www.glosterjute.com
- (iv) No formal presentations were made to the institutional investors and analysts during the year under review.
- (v) Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

13. GENERAL SHAREHOLDER INFORMATION

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

14. COMPLIANCE CERTIFICATE

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, all Board members and Senior Management Personnel have affirmed compliance with Gloster Code of Conduct for the year ended 31st March, 2011.

Place : Kolkata
Dated : 12th May, 2011

For Gloster Limited
G. D. Bangur
Executive Chairman

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To The Members of Gloster Limited (formerly Gloster Jute Mills Ltd.)

I have examined the compliance of the conditions of Corporate Governance by Gloster Limited (formerly Gloster Jute Mills Ltd.) for the financial year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange (s). The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company. In my opinion and based on the relevant records and documents maintained by the Company and furnished to me for the review and information and explanations given to me by the Company, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Kolkata
Dated: 12th May, 2011

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

SHAREHOLDER INFORMATION

REGISTERED OFFICE : 21, Strand Road, Kolkata – 700 001, Telephone no : +91 33 2230 9601(4 lines)

ANNUAL GENERAL MEETING : **Date and Time** : 6th August, 2011 at 11.00 A.M.
Venue : Shripati Singhanian Hall, Rotary Sadan,
 94/2, Chowringhee Road, Kolkata-700 020

FINANCIAL CALENDAR :

Financial reporting for the quarter ending June 30, 2011 : Mid August, 2011
 Financial reporting for the half year ending September 30, 2011 : Mid November, 2011
 Financial reporting for the quarter ending December 31, 2011 : Mid February, 2012
 Financial reporting for the year ending March 31, 2012 : End May, 2012

DATE OF BOOK CLOSURE : 29th July 2011 to 6th August, 2011 (both days inclusive)

DIVIDEND :

The dividend as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, will be paid at par on or after 8th August, 2011 to those members, whose names appear on the Company's Register of Members as holders of equity shares in physical form on 6th August, 2011. In respect of shares held in dematerialised form, the dividend will be paid on the basis of beneficial ownership details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose as on the closing hours of business on 28th July, 2011.

LISTING ON STOCK EXCHANGE :

The Equity shares of the Company are listed on The Calcutta Stock Exchange (CSE). Bombay Stock Exchange has permitted the Equity shares of the Company for trading under the "B" group with effect from 6th May, 2008.

Annual Listing Fees as prescribed have been paid to the Calcutta Stock Exchange for the year 2011-2012.

STOCK CODE : CSE –10017076
 BSE— 590085
 Demat ISIN No. For NSDL and CDSL - INE652C01016

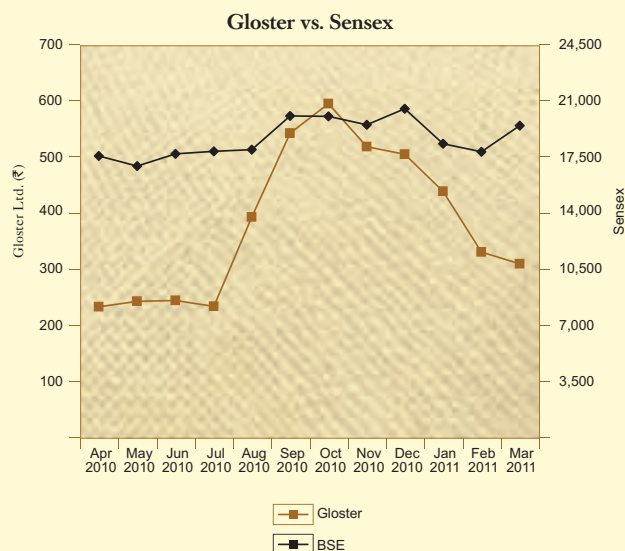
STOCK MARKET DATA :

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

MONTH	BSE		
	HIGH (₹)	Low (₹)	Volume (No of Shares)
APRIL, 2010	254.00	210.50	24,937
MAY, 2010	252.00	220.00	4,221
JUNE, 2010	280.00	205.00	13,412
JULY, 2010	270.00	225.00	1,82,266
AUGUST, 2010	450.00	244.50	1,67,657
SEPTEMBER, 2010	648.00	391.50	1,09,605
OCTOBER, 2010	629.80	482.20	31,820
NOVEMBER, 2010	712.00	444.55	38,995
DECEMBER, 2010	543.00	402.00	16,013
JANUARY, 2011	540.00	415.55	40,911
FEBRUARY, 2011	438.00	300.00	6,448
MARCH, 2011	378.00	286.00	22,580

PARTICULARS	BSE
No. of Shares traded	6,58,865
Highest Share Price (₹)	712
Lowest Share Price (₹)	205
Closing share price as on 31st March, 2011 (₹)	310
Market Capitalisation as on 31st March, 2011 (₹)	8,111.83 lacs.

MOVEMENT OF GLOSTER SHARE PRICE WITH BSE SENSEX (BASED ON MONTHLY CLOSING OF BSE SENSEX & GLOSTER)



REGISTRAR AND SHARE TRANSFER AGENTS:

Maheshwari Datamatics Pvt.Ltd.

6, Mangoe Lane, 2nd floor, Kolkata 700 001

Tel : +91 33 2243 5809

Fax : +91 33 2248 4787

e-mail : mdpl@cal.vsnl.net.in

SHARE TRANSFER SYSTEM:

The transfer of shares in physical form is processed and completed by Maheshwari Datamatics Private Limited every fortnight provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Agreement with the Stock Exchanges, a practicing Company Secretary audits the System of Transfer and a Certificate to that effect is issued.





DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2011:

No. of equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	1,714	93.41	1,40,493	5.37
501 to 1000	54	2.94	39,467	1.51
1001 to 2000	35	1.91	51,453	1.97
2001 to 3000	7	0.38	16,595	0.63
3001 to 4000	3	0.16	10,672	0.41
4001 to 5000	2	0.11	8,904	0.34
5001 to 10000	3	.016	20,721	0.79
10001 and above.	17	0.93	23,28,415	88.98
GRAND TOTAL	1,835	100.00	26,16,720	100.00

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2011:

CATEGORY	NO. OF SHARES HELD	% OF SHARE CAPITAL
A PROMOTER'S HOLDING		
Promoters		
a. Indian Promoters	15,39,355	58.83
b. Foreign Promoters	—	—
Sub-total	15,39,355	58.83
B. NON-PROMOTER'S HOLDING		
1. Institutional Investors		
a. Mutual Funds and UTI	—	—
b. Banks, Financial Institutions, Insurance Companies	6,23,324	23.82
c. FIs	—	—
Sub-total	6,23,324	23.82
2. OTHERS		
a. Bodies Corporate	1,07,681	4.12
b. Indian Public	3,42,876	13.10
c. NRIs	3,263	0.12
d. Others	221	0.01
Sub-total	4,54,041	17.35
GRAND TOTAL	26,16,720	100.00

SHAREHOLDING PATTERN

	Promoters	– 58.83%
	Financial Institutions	– 23.82%
	Body Corporates	– 4.12%
	General Public and others	– 13.23%



DEMATERIALIZATION OF SHARES AND LIQUIDITY:

97.15% of the equity shares of the Company have been dematerialized as on 31st March, 2011. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have the option to dematerialise their shares with either of the depositories.

STATUS OF DEMATERIALIZATION AS ON 31ST MARCH, 2011:

PARTICULARS	NO. OF SHARES	% TO TOTAL CAPITAL	NO. OF ACCOUNTS
National Securities Depository Limited	23,46,459	89.67	943
Central Depository Services (India) Limited	1,95,681	7.48	373
Total Dematerialised	25,42,140	97.15	1316
Physical	74,580	2.85	519
Grand Total	26,16,720	100.00	1,835

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

- NOT APPLICABLE

UNCLAIMED DIVIDENDS :

Pursuant to Section 205C of the Companies Act, 1956, dividends that are unpaid/unclaimed for a period of seven years from the date they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Given below are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF:

Financial Year	Date of declaration of dividend	Due Date for transfer to IEPF
2003-2004	14th August, 2004	19th September, 2011
2004-2005	20th August, 2005	25th September, 2012
2005-2006	29th July, 2006	3rd September, 2013
2006-2007	4th August, 2007	9th September, 2014
2007-2008	25th August, 2008	30th September, 2015
2008-2009	22nd August, 2009	27th September, 2016
2009-2010	29th September, 2010	4th November, 2017



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

NOMINATION:

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

ELECTRONIC CLEARING SERVICE:

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

PLANT LOCATION :


P.O. Fort Gloster
Bauria, Howrah-711 310
West Bengal

ADDRESS FOR CORRESPONDENCE :

Registrar & Share Transfer Agents	Registered Office
Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd floor Kolkata 700 001 Tel : +91 33 2243 5809 Fax: +91 33 2248 4787 E-mail : mdpl@cal.vsnl.net.in	21, Strand Road, Kolkata-700 001 Tel: +91 33 2230 9601 (4 lines) Fax: +91 33 2210 6167, 2231 4222 E-mail: info@glosterjute.com shares@glosterjute.com

RECONCILIATION OF SHARE CAPITAL AUDIT:

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



AUDITORS' REPORT TO THE MEMBERS OF GLOSTER LIMITED (FORMERLY GLOSTER JUTE MILLS LIMITED)

1. We have audited the attached Balance Sheet of Gloster Limited (formerly Gloster Jute Mills Limited) (the "Company") as at 31st March, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') 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 a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have 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 appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Lovelock & Lewes**

Firm Registration Number: 301056E

Chartered Accountants

Prabal Kr. Sarkar

Partner

Membership Number.52340

Kolkata
May 12, 2011



ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Gloster Limited (formerly Gloster Jute Mills Limited) on the financial statements for the year ended 31st March, 2011]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets of the Company 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 between the book records and the physical inventory have been noticed.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been verified with balance confirmations and subsequent sales record. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. The Company has neither granted nor taken any loans, secured or unsecured, to/ from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly paragraphs 4(iii) (b), (c) and (d) of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations in general, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (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 generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs duty, Excise duty, cess and other material statutory dues as applicable with the appropriate authorities. There are no undisputed amount payable in respect of the above as at 31st March 2011 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Customs duty, Excise duty and cess which have not been deposited on account of any dispute. The particulars of dues of Sales-tax as at 31st March, 2011 which have not been deposited on account of a dispute, are as follows -



Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax	9,210	1995-1996	Appellate and Revisional Board of Commercial Taxes, West Bengal
West Bengal Sales Tax	2,16,402	2000-2001	Appellate and Revisional Board of Commercial Taxes, West Bengal
Central Sales Tax	2,91,540	2001-2002	Calcutta High Court
West Bengal Sales Tax	1,68,599	2001-2002	West Bengal Taxation Tribunal
Central Sales Tax	1,19,610	2002-2003	Calcutta High Court
West Bengal Sales Tax	3,00,900	2002-2003	West Bengal Taxation Tribunal
Central Sales Tax	33,66,556	2003-2004	Appellate and Revisional Board of Commercial Taxes, West Bengal
West Bengal Sales Tax	16,32,754	2003-2004	Appellate and Revisional Board of Commercial Taxes, West Bengal
Central Sales Tax	20,38,951	2004-2005	Appellate and Revisional Board of Commercial Taxes, West Bengal
West Bengal Sales Tax	5,04,168	2004-2005	Appellate and Revisional Board of Commercial Taxes, West Bengal
Central Sales Tax	8,44,112	2005-2006	Appellate and Revisional Board of Commercial Taxes, West Bengal

10. The Company has no accumulated losses as at 31st March, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. 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 dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to it.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments. Accordingly the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
15. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year and neither does it have any debentures outstanding at year end.
20. The Company has not raised any money by public issues during the year.
21. 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 fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **Lovelock & Lewes**

Firm Registration Number: 301056E

Chartered Accountants

Prabal Kr. Sarkar

Partner

Membership Number.52340

Kolkata
May 12, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

		As at 31.03.2011 ₹	As at 31.03.2010 ₹
SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Capital	1	2,61,67,200	2,61,67,200
b) Reserves & Surplus	2	2,66,52,53,910	2,62,50,90,950
		2,69,14,21,110	2,65,12,58,150
2. Loan Funds			
a) Secured Loans	3	57,41,51,645	26,26,48,479
b) Unsecured Loans	4	7,50,00,000	-
		64,91,51,645	26,26,48,479
3. Deferred Tax Liability (net) (Refer Note No. 7 on Schedule - 19)		6,69,01,527	6,32,86,549
		3,40,74,74,282	2,97,71,93,178
APPLICATION OF FUNDS			
1. Fixed Assets	5		
a) Gross Block		3,03,14,27,661	2,95,96,29,709
b) Less : Depreciation		46,59,00,139	34,93,07,323
c) Net Block		2,56,55,27,522	2,61,03,22,386
d) Capital Work in Progress		5,31,50,292	3,76,55,806
		2,61,86,77,814	2,64,79,78,192
2. Investments	6	15,30,000	15,30,000
3. Current Assets, Loans and Advances			
a) Inventories	7	74,61,99,531	46,78,12,942
b) Sundry Debtors	8	9,75,48,392	9,11,64,202
c) Cash & Bank Balances	9	3,24,33,825	3,21,79,303
d) Other Current Assets	10	27,26,138	26,51,333
e) Loans & Advances	11	13,90,55,914	9,73,97,866
		1,01,79,63,800	69,12,05,646
Less: Current Liabilities & Provisions			
a) Current Liabilities	12	17,20,20,718	28,40,34,305
b) Provisions	13	5,86,76,614	7,94,86,355
		23,06,97,332	36,35,20,660
Net Current Assets		78,72,66,468	32,76,84,986
		3,40,74,74,282	2,97,71,93,178
Notes on Accounts	19		
Significant Accounting Policies	20		

The schedules referred to above form an integral part of the Balance Sheet.

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

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

Prabal Kr. Sarkar

Partner
Membership No. 52340

Ajay Agarwal
Company Secretary

Place : Kolkata
Dated : 12th May, 2011

G. D. Bangur Executive Chairman

Hemant Bangur
Bhaskar Mitter
Nandita Sen
Prabir Ray
R. R. Dash
K. Mahapatra Directors

D. C. Baheti Executive Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	SCHEDULE	2010-11 ₹	2009-10 ₹
INCOME			
Sales		3,06,62,12,815	1,94,16,95,669
Less : R&D Cess / Excise Duty		2,23,91,731	1,48,74,644
		30,438,21,084	1,92,68,21,025
Related Income		2,48,14,560	2,60,39,371
Sales & Related Income		3,06,86,35,644	19,528,60,396
Other Income	14	1,48,31,939	95,71,659
		3,08,34,67,583	1,96,24,32,055
EXPENDITURE			
Raw Materials, Finished Goods and Stores & Spare parts	15	1,93,85,51,374	1,17,76,22,373
Manufacturing, Selling, Distributing, Administrative and Other Expenses	16	75,25,14,389	54,55,16,386
Interest (Net)	17	3,57,61,036	2,06,69,107
Directors' Remuneration	18	1,90,35,924	1,26,66,547
Depreciation/Amortisation		12,59,50,807	
Less: Transfer from Revaluation Reserve		<u>6,57,45,422</u>	5,39,76,383
		2,80,60,68,108	1,81,04,50,796
PROFIT BEFORE TAXATION & EXCEPTIONAL ITEMS			
Less Exceptional Items		27,73,99,475	15,19,81,259
		5,94,43,548	6,58,659
PROFIT BEFORE TAXATION			
Provision For Taxation		21,79,55,927	15,13,22,600
Current tax		7,35,00,000	5,52,00,000
Deferred tax		36,14,978	(13,65,084)
PROFIT AFTER TAXATION			
Balance of Profit from Previous Year		14,08,40,949	9,74,87,684
		2,59,13,670	2,17,33,933
AVAILABLE FOR APPROPRIATION			
		16,67,54,619	11,92,21,617
APPROPRIATION			
General Reserve		11,00,00,000	7,50,00,000
Proposed Dividend		1,83,17,040	15,700,320
Tax on Proposed Dividend		29,71,482	26,07,627
Balance Carried to Balance Sheet		3,54,66,097	25,913,670
		16,67,54,619	11,92,21,617
Earning per Share (Basic and Diluted) (Refer Note No. 14 on Schedule 19)		54	37
Nominal value of shares		10	10
Notes on Accounts	19		
Significant Accounting Policies	20		

The schedules referred to above form an integral part of the Profit & Loss Account.
This is the Profit & Loss Account referred to in our report of even date.

Place : Kolkata
Dated : 12th May, 2011

For **Lovelock & Lewes**
Firm Registration No. 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership No. 52340

Ajay Agarwal
Company Secretary

G. D. Bangur Executive Chairman
Hemant Bangur
Bhaskar Mitter
Nandita Sen Directors
Prabir Ray
R. R. Dash
K. Mahapatra
D. C. Baheti Executive Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	2010-11		2009-10	
	₹	₹	₹	₹
A. Cash Flow from Operating Activities				
Net profit before tax		21,79,55,927		15,13,22,600
Adjustments for :				
Depreciation	6,02,05,385		5,39,76,383	
Interest Expense	4,39,60,775		2,25,42,749	
Profit on sale of fixed assets	(49,32,360)		(38,362)	
Loss/(Profit) on sale of current investments other than trade	(6,65,931)		(8,74,480)	
Unrealised (Gain) / Loss on exchange (net)	24,294		(17,68,483)	
Interest Income	(81,99,739)		(18,73,642)	
Dividend on short term investments other than trade	(3,17,659)		(6,538)	
Provision for employee benefits (net)	(40,88,000)		1,20,74,762	
Provision for diminution in value of investments	–		20,00,295	
Loss of stock damaged in fire	5,94,43,548		6,58,659	
Liabilities written back	(11,98,731)		(15,564)	
Wealth Tax	3,450		24,050	
		14,42,35,032		8,66,99,829
Operating profit before working capital changes		36,21,90,959		23,80,22,429
Adjustments for :				
Decrease/(Increase) in Inventories	(33,78,30,137)		(11,91,35,207)	
Decrease/(Increase) in Receivables	(66,81,508)		(1,99,80,095)	
Decrease/(Increase) in Loans & Advances	(4,29,98,876)		(2,23,89,009)	
(Decrease)/Increase in Trade Payables	(11,03,06,575)		13,43,74,498	
		(49,78,17,096)		(2,71,29,813)
Cash generated from operations		(13,56,26,137)		21,08,92,616
Income Taxes paid (including Wealth Tax and Fringe Benefit Tax)		(9,32,05,766)		(4,28,27,150)
Net Cash from Operating Activities	A	(22,88,31,903)		16,80,65,466
B. Cash Flow from investing activities				
Purchase of fixed assets	(11,31,17,820)		(7,06,82,472)	
Sale of Fixed Assets	77,55,707		21,34,855	
Purchase of Current Investments	(47,45,00,000)		(37,50,00,000)	
Sale of Current Investments	47,51,65,931		37,58,74,480	
Interest received	81,24,934		15,83,378	
Dividend received	3,17,659		6,538	
Net Cash used in Investing activities	B	(9,62,53,589)		(6,60,83,221)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	2010-11		2009-10	
	₹	₹	₹	₹
C. Cash Flow from Financing Activities				
Proceeds from Short term Bank Borrowings(net)	21,63,68,708		1,15,38,408	
Proceeds from Short term Inter Corporate Deposits	17,50,00,000		–	
Proceeds from Long term Bank Borrowings	12,43,27,984		50,09,727	
Repayment of Long Term Bank Borrowing	(2,95,99,379)		(4,27,76,000)	
Repayment of Long Term Borrowing	–		(13,196,860)	
Repayment of Short Term Borrowing	(10,00,00,000)		–	
Interest paid	(4,23,05,733)		(2,20,51,686)	
Dividend paid	(1,58,43,939)		(1,24,29,986)	
Dividend Taxes paid	(26,07,627)		(22,23,558)	
Net Cash used in Financing Activities C		32,53,40,014		(7,61,29,955)
Net Increase in Cash and Cash Equivalents (A+B+C)		2,54,522		25,852,290
Cash and Cash Equivalents (Opening Balance)*	3,21,79,303		63,27,013	
Cash and Cash Equivalents (Closing Balance) *	3,24,33,825		3,21,79,303	

* Refer Schedule 9 to accounts

The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard -3.

Cash and cash equivalents include ₹ 10,116,220/- (Year ended 31st March, 2010 - ₹ 3,129,220) which are not available for use at the year end by the Company.

Schedules referred to above form an integral part of the cash flow statement.

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

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

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

Prabal Kr. Sarkar
Partner
Membership No. 52340

Ajay Agarwal
Company Secretary

G. D. Bangur Executive Chairman
Hemant Bangur
Bhaskar Mitter
Nandita Sen Directors
Prabir Ray
R. R. Dash
K. Mahapatra
D. C. Baheti Executive Director

Place : Kolkata
Dated : 12th May, 2011

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2011

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
2,50,00,000 Equity Shares of ₹ 10/- Each	25,00,00,000	25,00,00,000
Issued And Subscribed		
26,16,720 Equity Shares of ₹10/- Each Fully Paid-Up	2,61,67,200	2,61,67,200
Of the above:		
a) 2,17,360 Equity Shares of ₹ 10/- each fully paid-up issued for consideration other than cash.		
b) 6,54,180 Equity Shares were allotted as fully paid up bonus share by way of capitalisation of General Reserve in 2002-03		
c) 13,08,360 Equity Shares were allotted as fully paid up bonus share by way of capitalisation of General Reserve in 2008-09		
	2,61,67,200	2,61,67,200
SCHEDULE 2		
RESERVES AND SURPLUS		
Capital Reserve	1,50,00,000	1,50,00,000
Share Premium Account	1,74,44,800	1,74,44,800
Revaluation Reserve	20,584,43,932	2,05,84,43,932
Less:		
a) Adjustment on Account of Disposal of Fixed Assets	1,40,07,106	-
b) Depreciation on Revaluation	6,57,45,422	
Less : Depreciation on Account of Disposal of Fixed Assets	3,63,061	-
	1,97,90,54,465	2,05,84,43,932
General Reserve		
As per Last Balance Sheet	50,82,88,548	43,32,88,548
Add : Amount Transferred from Profit & Loss Account	11,00,00,000	7,50,00,000
	61,82,88,548	50,82,88,548
Profit & Loss Account		
Balance at Credit	3,54,66,097	2,59,13,670
	2,66,52,53,910	2,62,50,90,950



SCHEDULE 3

SECURED LOANS

From Banks

Cash Credit etc.

- (a) ₹ 27,75,85,802/- secured by hypothecation of Stock of Raw Material, Stock in Process, Finished Goods, Stores & Consumables, Book Debts and other Current Assets of the Company and collaterally secured by equitable mortgage over the Land & Building and hypothecation of movable Plant and Machinery and also guaranteed by Kettlewell Bullen & Co.Ltd. (includes interest accrued and due ₹ 41,784/-, 2009-10 ₹ 10,06,040/-)
- (b) ₹ 8,72,38,626/- secured by subservient charge on current and moveable fixed assets of the Company (includes interest accrued and due ₹ 1,18,357/-, 2009-10 nil)

Term Loan

- (a) ₹ 11,77,75,354/- secured by equitable mortgage of Factory land and hypothecation of certain Plant & Machinery and other fixed assets acquired. Collaterally secured by hypothecation of Stock of Raw Material, Stock in Process, Finished Goods, Book Debts and other Current Assets of the Company and extension of mortgage charge over the immovable assets of the Company and also guaranteed by Kettlewell Bullen & Co. Ltd. (Includes interest accrued and due ₹ 21,33,842/-, 2009-10 ₹ 7,02,233/-)
- (b) ₹ 5,03,07,191/- secured by subservient charge on current and moveable fixed assets of the Company (includes interest accrued and due ₹ 3,07,191/-, 2009-10 nil)

Car loan

Secured by hypothecation of the assets acquired under the loan

From Life Insurance Corporation of India

Secured against Insurance policies

SCHEDULE 4

UNSECURED LOANS

Short Term Loans

From Others

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
From Banks	36,48,24,428	19,97,88,667
Cash Credit etc.		
(a) ₹ 27,75,85,802/- secured by hypothecation of Stock of Raw Material, Stock in Process, Finished Goods, Stores & Consumables, Book Debts and other Current Assets of the Company and collaterally secured by equitable mortgage over the Land & Building and hypothecation of movable Plant and Machinery and also guaranteed by Kettlewell Bullen & Co.Ltd. (includes interest accrued and due ₹ 41,784/-, 2009-10 ₹ 10,06,040/-)		
(b) ₹ 8,72,38,626/- secured by subservient charge on current and moveable fixed assets of the Company (includes interest accrued and due ₹ 1,18,357/-, 2009-10 nil)		
Term Loan	16,80,82,545	5,94,22,085
(a) ₹ 11,77,75,354/- secured by equitable mortgage of Factory land and hypothecation of certain Plant & Machinery and other fixed assets acquired. Collaterally secured by hypothecation of Stock of Raw Material, Stock in Process, Finished Goods, Book Debts and other Current Assets of the Company and extension of mortgage charge over the immovable assets of the Company and also guaranteed by Kettlewell Bullen & Co. Ltd. (Includes interest accrued and due ₹ 21,33,842/-, 2009-10 ₹ 7,02,233/-)		
(b) ₹ 5,03,07,191/- secured by subservient charge on current and moveable fixed assets of the Company (includes interest accrued and due ₹ 3,07,191/-, 2009-10 nil)		
Car loan	73,35,672	34,37,727
Secured by hypothecation of the assets acquired under the loan		
From Life Insurance Corporation of India		
Secured against Insurance policies	3,39,09,000	-
	57,41,51,645	26,26,48,479
SCHEDULE 4		
UNSECURED LOANS		
Short Term Loans		
From Others	7,50,00,000	-
	7,50,00,000	-

SCHEDULE 5 FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK		
	Cost / Valuation as at* 1st April 2010	Additions during Year	Sale/Adjustment** during the Year	Cost / Valuation as at 31st March 2011	As at 1st April 2010	For the year	Sale/Adjustment during the Year	As at 31st March 2011	As at 31st March 2010
	₹	₹	₹	₹	₹	₹	₹	₹	₹
TANGIBLE ASSETS									
1. Freehold Land	1,05,21,53,000	—	—	1,05,21,53,000	—	—	—	1,05,21,53,000	1,05,21,53,000
2. Buildings	72,79,21,743	1,91,84,155	—	74,71,05,897	3,58,92,742	2,36,99,668	—	68,75,13,487	69,20,29,001
3. Tubewells	5,59,629	—	—	5,59,629	3,28,379	18,264	—	2,12,987	2,31,250
4. Plant & Machinery	1,12,70,67,152	7,20,43,042	2,64,59,986	1,17,26,50,208	30,11,71,568	9,85,64,397	89,53,621	78,18,67,864	82,58,95,584
5. Electric Installation	3,00,18,421	—	—	3,00,18,421	62,49,102	14,25,877	—	2,23,43,442	2,37,69,319
6. Railway Siding	113	—	—	113	108	—	—	5	5
7. Furniture, Fittings & Other Office Equipments etc.	90,58,268	14,81,208	89,997	1,04,49,479	30,55,882	4,59,678	21,481	69,55,400	60,02,386
8. Launches	4,497	—	—	4,497	2,700	150	—	1,647	1,797
9. Motor Cars, Lorries & Cycles	1,09,12,535	65,79,530	9,40,000	1,65,52,065	18,82,771	13,95,903	3,82,889	1,36,56,280	90,29,764
INTANGIBLE ASSETS									
1. Computer - Software	19,34,351	—	—	19,34,351	7,24,071	3,86,870	—	8,23,410	12,10,280
TOTAL:	2,95,96,29,709	9,92,87,935	2,74,89,983	3,03,14,27,660	34,93,07,323	12,59,50,807	93,57,991	2,56,55,27,522	2,61,03,22,386
PREVIOUS YEAR	2,92,27,18,888	4,87,31,632	1,18,20,811	2,95,96,29,709	29,93,80,506	5,39,76,383	40,49,566	2,61,03,22,386	

* Consequent on revaluation of the Land, Buildings, Plant & Machinery at company's factory at Bauria, Howrah by the Board at current replacement value as at 31st March, 2010 as per valuation Report of an approved valuer, the said assets was restated as at 31.03.2010 resulting in increase in the net Book value of Land by ₹ 1,04,09,03,087/-, Building by ₹ 47,72,03,088/- and Plant & Machinery by ₹ 54,03,37,757/- which has been credited to Revaluation Reserve.

** Adjustment to Plant & Machinery includes Subsidy received ₹ 16,64,600/- (2009-10 ₹ 56,74,752/-)



SCHEDULE 6

INVESTMENTS

Long Term - At Cost

Trade Investment

Unquoted

Equity Share

Gloster Ultimo Ltd

24,999 Equity Shares of £ 1 each fully Paid-Up

Other Than Trade

Quoted

Equity Shares

The Cochin Malabar Estates & Industries Ltd

15,000 Shares of ₹ 10/- each fully Paid-Up

Less : Provision for diminution in value of investments

Market Value *

Quoted Investments

* As per last available quotations where quotations as on 31.3.2011 were not available .

SCHEDULE 7

INVENTORIES

Stores & Spare Parts

Raw Materials

Finished Goods

Semi-Finished Goods

Stock-in-Process

SCHEDULE 8

SUNDRY DEBTORS

UNSECURED - Considered Good

Debts Outstanding for a period exceeding six months

Other Debts

SCHEDULE 9

CASH AND BANK BALANCES

Cash-in-hand

Balance with Scheduled Banks :

On Current Accounts

On Deposit Accounts

(On Account of Margin Money)

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
	20,00,295	20,00,295
	27,03,000	27,03,000
	47,03,295	47,03,295
	31,73,295	31,73,295
	15,30,000	15,30,000
	15,30,000	15,30,000
	6,18,97,827	4,95,70,005
	41,02,29,705	26,19,93,991
	16,69,26,947	10,87,59,910
	4,34,66,737	2,02,33,475
	6,36,78,679	2,72,55,561
	74,61,99,531	46,78,12,942
	7,75,587	1,10,753
	9,67,72,805	9,10,53,449
	9,75,48,392	9,11,64,202
	7,69,977	22,88,719
	2,15,47,628	2,67,61,364
	1,01,16,220	31,29,220
	3,24,33,825	3,21,79,303



SCHEDULE 10

OTHER CURRENT ASSETS

Unsecured Considered Good

- Interest Subsidy Receivable
- Interest accrued on deposit

As at 31.03.2011 ₹	As at 31.03.2010 ₹
14,86,357	14,86,357
12,39,781	11,64,976
27,26,138	26,51,333

SCHEDULE 11

LOANS AND ADVANCES

Unsecured Considered Good

- Advances Recoverable in cash or in kind or for value to be received (Refer Note No. 15 in Schedule 19)
- Deposits
- Balances with Customs, Port Trust, Excise Authorities etc.

7,06,04,654	4,99,34,476
6,79,45,093	4,68,95,042
5,06,167	5,68,348
13,90,55,914	9,73,97,866

SCHEDULE 12

CURRENT LIABILITIES

- Sundry Creditors
 - (i) Total outstanding dues of micro enterprises and small enterprises (Refer Note No.11 on Schedule - 19)
 - (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises
- Advances Received from Customers
- Other Liabilities
- Interest accrued but not due on loans

1,31,844	1,12,801
14,37,82,954	23,04,73,878
1,33,17,277	1,79,24,115
1,39,50,843	3,54,39,050
8,37,800	84,461
17,20,20,718	28,40,34,305

SCHEDULE 13

PROVISIONS

- Provision for Taxation (Net of Advance Tax)
- Proposed Dividend
- Provision for Corporate Dividend Tax
- Provision for Employee Benefits

1,00,31,092	2,97,33,408
1,83,17,040	1,57,00,320
29,71,482	26,07,627
2,73,57,000	3,14,45,000
5,86,76,614	7,94,86,355

Schedules annexed to and forming part of the Profit & Loss Account for the year ended 31st March, 2011

	2010-11 ₹	2009-10 ₹
SCHEDULE 14		
OTHER INCOME		
Miscellaneous Income	13,62,530	58,37,343
Rent	2,98,583	2,39,790
Dividend on short term investment other than trade	3,17,659	6,538
Liability no longer required written back	11,98,731	15,564
Profit on sale of Fixed Assets (Net)	49,32,360	38,362
Gain on exchange (Net)	60,56,145	25,59,582
Profit on sale of Current Investments other than trade	6,65,931	8,74,480
	1,48,31,939	95,71,659
SCHEDULE 15		
RAW MATERIALS, FINISHED GOODS AND STORES & SPARE PARTS		
Raw Materials Consumed		
Opening Stock	26,19,93,991	15,75,27,279
Purchases	1,97,80,89,887	1,11,27,61,396
	2,24,00,83,878	1,27,02,88,675
Closing Stock	41,02,29,705	26,19,93,991
Consumption	1,82,98,54,173	1,00,82,94,684
Stores & Spare Parts Consumed	16,18,58,492	12,02,27,485
	1,99,17,12,665	1,12,85,22,169
(Increase) / Decrease in Stock		
Stock at Close		
Finished Goods	16,69,26,947	10,87,59,910
Semi-Finished Goods	4,34,66,373	2,02,33,475
Stock-In-Process	6,36,78,679	2,72,55,561
	27,40,71,999	15,62,48,946
Less : Opening Stock		
Finished Goods	10,87,59,910	7,90,71,939
Semi-Finished Goods	2,02,33,475	3,81,35,948
Stock-In-Process	2,72,55,561	3,72,53,047
	15,62,48,946	15,44,60,934
	(11,78,23,053)	(17,88,012)
Goods Purchased for resale	6,46,61,762	5,08,88,216
	1,93,85,51,374	1,17,76,22,373



SCHEDULE 16

MANUFACTURING, SELLING, DISTRIBUTION, ADMINISTRATIVE AND OTHER EXPENSES

	2010-11 ₹	2009-10 ₹
Power and Fuel	13,38,33,363	9,72,76,367
Rent	89,08,632	55,86,082
Rates & Taxes	18,81,944	15,81,650
Building Repairs	38,09,942	37,73,407
Machinery Repairs	3,27,394	5,16,869
General Repairs & Maintenance	32,95,117	31,11,108
Salaries , Wages & Bonus	36,53,05,382	25,94,18,828
Contribution to Provident & other Funds	6,06,19,735	5,63,44,920
Workmen & Staff Welfare Expenses	99,89,398	70,20,805
Insurance	83,92,152	89,11,080
Miscellaneous Expenses	4,08,38,840	3,15,19,205
Processing Charges	3,55,52,805	2,26,24,302
Freight & Delivery Charges	4,56,97,729	2,24,20,143
Research & Development Cess/ Excise Duty	80,87,854	43,58,697
Export Duty Cess & Toll Charges	66,51,553	39,24,629
Brokerage & Commission	1,93,22,549	1,51,27,999
Provision for Diminution in value of investments	-	20,00,295
	75,25,14,389	54,55,16,386

SCHEDULE 17

INTEREST

Interest		
On Fixed Loans	2,91,81,624	1,45,69,602
On Others	1,47,79,151	79,73,147
	4,39,60,775	2,25,42,749
Less : Interest Received/Receivable on deposit (Gross)	81,99,739	18,73,642
[Tax Deducted at Source ₹ 7,26,366/- (2009-10 ₹ 1,57,704/-)]		
	3,57,61,036	2,06,69,107



SCHEDULE 18

DIRECTORS' REMUNERATION

Computation of Net Profit for the purpose of Directors' Commission

Profit before Taxation as per Profit & Loss Account

Add: Directors' Remuneration

Wealth Tax

Provision for Diminution in value of investments

Less: Capital Profit on Sale of Fixed Assets

Executive Chairman's Commission

Executive Director's Commission

Non Whole Time Directors' Commission

Directors' Fee

Director's Remuneration

Salaries & Allowances

Contribution to Provident & Other Fund

Perquisites

Remuneration to whole time directors restricted upto 10% of Net Profit

Overall Remuneration to all directors restricted upto 11% of Net Profit

	2010-11 ₹	2009-10 ₹
	21,79,55,927	15,13,22,600
	1,90,35,924	1,26,66,547
	3,450	24,050
	–	20,00,295
	23,69,95,301	16,60,13,492
	13,96,112	1,42,031
	23,55,99,189	16,58,71,461
	45,00,000	40,00,000
	20,00,000	15,00,000
	15,00,000	12,00,000
	3,56,000	3,48,000
	64,22,709	42,45,000
	35,41,542	9,00,000
	7,15,673	4,73,547
	1,90,35,924	1,26,66,547
	2,35,59,919	1,65,87,146
	2,59,15,911	1,82,45,861

SCHEDULE 19

Notes annexed to and forming part of the Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended on that date

		As at 31.03.2011 ₹	As at 31.03.2010 ₹
1	Estimated amount of contract remaining to be executed on Capital Commitments not provided for :		
	Tangible Assets	73,76,444	2,90,82,855
	Intangible Assets	5,08,000	5,08,000
2	Contingent Liabilities :		
a)	Sales Tax related to non submission of Declaration forms	94,92,802	96,99,539
b)	Export Bills Discounted with Bank	1,43,81,302	70,39,975
c)	For ESI Matter	45,57,291	45,57,291
	The future cash outflow on account of the above can not be determined at this stage.		
3	Miscellaneous Expenses include Remuneration to Auditors for		
i)	Audit Fee	8,00,000	6,00,000
ii)	Other Services	3,50,000	2,25,000
iii)	Reimbursement of Expenses (including Service Tax)	1,33,678	92,765
4	Additional Information pursuant to the provisions of paragraphs 3, 4C & 4D of Part II of Schedule VI of the Companies Act, 1956		
i)	* Installed Capacity		
	Looms	Unit Nos. 1,043	1,099
	Spindles	Nos. 14,246	13,618

* As certified by the Company's Technical Experts.

Note : Licensed capacity has not been disclosed as separate license for manufacture of jute products is no longer required.

ii) Information about Production, Stock and Turnover of Finished Goods

Year	*Production	Opening Stock		***Closing Stock		**Turnover	
	MT	MT	₹	MT	₹	MT	₹
2010-11	49,244	2,648	10,87,59,910	2,872	16,69,26,947	50,414	3,04,38,21,084
2009-10	41,225	2,125	7,90,71,939	2,648	10,87,59,910	42,511	1,92,68,21,025

* Excluding 312 MT (2009-10 - 269 MT) Pack Sheet produced for internal Consumption.

* Excluding 2,970 MT (2009-10 - 2790 MT) of Jute Yarn produced and used for consumption at Ananya Unit

**Turnover includes purchase of 1,777 MT (2009-10- 1426 MT) Finished Goods for resale.

***Closing Stock includes purchase of Nil MT (2009-10- 383 MT) Finished Goods for resale, Consignment Stock ₹ 39,92,306/- (2009-10- ₹ 17,13,834/-) & Stock in Transit ₹ 2,04,75,031/-(2009-10 ₹ 1,20,32,723/-).

	2010-11 MT	2009-10 MT	2010-11 ₹	2009-10 ₹
iii) Purchase of Finished Goods for resale	1,777	1,809	6,46,61,762	5,08,88,216
iv) Raw Materials Consumption				
Jute	52,085	41,531	1,73,11,03,698	94,11,63,281
Other raw materials			9,87,50,475	6,71,31,403
Total			1,82,98,54,173	1,00,82,94,684



	2010-11 MT	2009-10 MT	2010-11 ₹	2009-10 ₹
v) Consumption of				
a) Raw Materials	%	%		
Indigenous	88.94	93.23	1,62,75,27,082	94,00,41,169
Imported	11.06	6.77	20,23,27,091	6,82,53,515
	100	100	1,82,98,54,173	1,00,82,94,684
b) Stores, Spare Parts and Components				
Indigenous	91.98	94.19	14,88,78,276	11,32,39,005
Imported	8.02	5.81	1,29,80,216	69,88,480
	100	100	16,18,58,492	12,02,27,485
c) Stores & Spare Parts consumed includes value of stores written off during the year			26,287	4,68,070
d) Stors & Spare Parts Consumed debited to Other Heads			2,33,37,345	2,28,35,395
vi) C.I.F Value of Imports				
Spare Parts & Components			1,33,17,432	96,53,957
Capital Goods			2,64,45,961	2,25,37,739
Raw Materials			40,49,98,838	7,77,48,805
vii) Expenditure in Foreign Currency on accrual basis in respect of				
Interest			6,28,463	8,11,500
Others			13,13,912	7,36,886
viii) Earnings in Foreign Exchange on accrual basis on account of Export of Goods calculated on F.O.B Basis			75,91,26,400	39,35,38,735

5 The Company had sought permission for filing of return under Urban Land (Ceiling and Regulation) Act 1976, upon the demerger of and vesting into Gloster Limited (Formerly Gloster Jute Mills Limited) of the erstwhile Jute Division of Fort Gloster Industries Limited. Such permission was granted and the Company has filed its return in respect of the same. The Company has claimed exemption under Section 20(1) of the said Act and has also offered to transfer part of the Company property to the Government of West Bengal, decision in respect of which is still pending.

6 Information in accordance with Accounting Standard 17 on Segment Reporting :

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

Particulars	Inside India		Outside India		Total	
	2010-11 ₹	2009-10 ₹	2010-11 ₹	2009-10 ₹	2010-11 ₹	2009-10 ₹
Sales	2,25,01,99,490	1,51,86,90,255	79,36,21,594	40,81,30,770	3,04,38,21,084	1,92,68,21,025
Carrying amount of segment assets (Sundry Debtors)	6,87,76,198	3,65,35,838	2,87,72,194	5,46,28,364	9,75,48,392	9,11,64,202
Carrying amount of segment Liabilities (Advances received from customers)	1,10,54,785	1,68,67,363	22,62,492	10,56,752	1,33,17,277	1,79,24,115
Purchase of Tangible and Intangible assets	—	—	—	—	11,47,82,420	7,63,57,224

7 Deferred Tax Liabilities (net) is attributable to the following:

	2010-11 ₹	2009-10 ₹
Depreciation	(6,94,02,760)	(6,52,67,396)
Provision for leave encashment	14,01,399	8,55,435
Section 43 B Item	10,99,834	11,25,412
Total	(6,69,01,527)	(6,32,86,549)

8 Consumption of raw materials in schedule 14 is net of discount received on prompt payment of suppliers bills amounting to ₹ 1,61,76,602/- (Previous year- ₹ 1,34,66,788/-).

9 Related party disclosures:-

a) Key Management Personnel

Shri G D Bangur

Shri D C Baheti

b) Relatives of Key Management Personnel

Shri Hemant Bangur

Smt.Pushpa Devi Bangur

Smt.Vinita Bangur

Master Pranov Bangur

c) Enterprise over which Key Management Personnel have significant influence-

Joonktollee Tea & Industries Limited

Kettlewell Bullen & Company Limited

The Phospate Company Limited

Port Shipping Company Limited*

The Oriental Company Limited

The Kamla Company Limited

Laxmi Asbestos Products Limited*

Marwar Textile (Agency) Limited*

PD GD Investments & Trading Pvt Limited*

Jagdishpur Company Limited*

The Cochin Malabar Estates & Industries Limited*

Madhav Trading Corporation Limited

The Cambay Investment Corporation Limited

Bombay Agency Company Pvt Limited*

Credwyn Holdings (I) Pvt Limited

Cochin Estates Limited*.

Devendra Finvest & Holding (P) Limited.*

Kherapati Vanijya Limited*

Wind Power Vinimay (P) Limited

d) Associate

Gloster Ultimo Limited*

*No transaction during the year

(ii) Transactions with related parties are as follows :

Particulars	Year	Associate	Key Management Personnel	Relatives of Key Management Personnel	Enterprise over which Key Management Personnel have significant influence						
					Joonkolllee Tea & Industries Ltd.	The Phosphate Co. Ltd.	Kalliwel Bullen & Co.	The Kamla Co Ltd.	The Cochin Malabar Estates & Ind. Ltd.	Others	
		(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
1 Remuneration Paid	2010-11 2009-10	— —	1,71,79,924 1,11,18,547	31,40,000 28,40,000	— —	— —	— —	— —	— —	— —	— —
2 Dividend Paid	2010-11 2009-10	— —	2,16,864 1,80,720	2,92,992 2,44,160	9,25,392 6,34,500	— —	— —	— —	— —	— —	50,35,854 43,33,205
3 Rent Paid	2010-11 2009-10	— —	— —	— —	— —	13,23,600 13,23,600	— —	— —	— —	— —	— —
4 Deposit Given	2010-11 2009-10	— —	— —	— —	— —	1,00,00,000 —	— —	— —	— —	— —	— —
5 Loan Given	2010-11 2009-10	— —	— —	— —	— —	— —	6,00,00,000 —	— —	— —	— —	— —
6 Reimbursement of Expenses	2010-11 2009-10	— —	— —	— —	— —	— —	— —	25,36,656 24,06,919	— —	— —	— —
7 Sales	2010-11 2009-10	— —	— —	— —	— —	38,90,800 26,92,150	— —	— —	— —	— —	— —
8 Interest Received	2010-11 2009-10	— —	— —	— —	— —	— —	28,84,932 —	— —	— —	— —	— —
9 Outstanding balance payable at year end:											
(i) Investment	2010-11 2009-10	20,00,295 20,00,295	— —	— —	— —	— —	— —	— —	— —	27,03,000 27,03,000	— —
(ii) Deposit	2010-11 2009-10	— —	— —	— —	— —	— —	— —	4,00,00,000 3,00,00,000	— —	— —	— —
(iii) Receivable Advance	2010-11 2009-10	80 80	— —	— —	— —	— —	— —	— —	— —	— —	— —

10 During the year, the Company has acquired and sold the following investments :

Name of Investment	No. of Units		₹	
	2010-11	2009-10	2010-11	2009-10
SBI Magnum Insta Cash Fund	33,52,458	47,53,981	7,00,00,000	9,60,00,000
Reliance Liquidity Fund-Growth Option	70,67,340	—	10,00,00,000	—
Reliance Liquid-Treasury Plan-Institutional Option-Growth Option-Growth Plan	30,91,442	77,05,623	7,00,00,000	17,00,00,000
Reliance Money Manager-Retail Option-Growth Plan	—	19,705	—	2,40,00,000
Reliance Money Manager-Institutional Option-Growth Option-Growth Plan	35,217	60,929	4,49,00,000	7,50,00,000
SBI -Premier Liquid Fund - Institutional - Growth	—	6,90,980	—	1,00,00,000
IDFC Money Managers Fund -Investment Plan	20,52,615	—	3,00,00,000	—
LIC Mutual Fund-Savings Plus-Growth Plan	1,05,02,743	—	15,96,00,000	—

11 Disclosure pursuant to section 22 of “The Micro, Small and Medium Enterprises Development Act, 2006” is as follows :

S. No.	Particulars	2010-11 ₹	2009-10 ₹
1	The principal amount remaining unpaid to any supplier as at the end of the year The interest remaining unpaid to any supplier as at the end of the year	1,16,189 15,469	1,06,135 6,667
2	The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 Delayed payment of principal amount paid beyond the appointed date during the year. Add: Interest actually paid under Section 16 of the Act, during the entire accounting year.	7,43,562 —	41,822 —
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	—	—
4	The amount of interest accrued and remaining unpaid at the end of the year	8,802	1,328
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	15,469	6,853

* Included in SI No 1 above is ₹ 6,667/- , (2009-10 ₹ 5,525/-) being interest on amounts outstanding as at the beginning of the accounting year.

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

12 Defined Benefit Plans :

As per Actuarial valuation as on 31st March, 2011 and recognised in the financial statements in respect of Defined Employee Benefit Schemes :

Sl. No.	Description	Gratuity (Funded)	
		2010-11 ₹	2009-10 ₹
(a)	Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation		
	Present Value of Obligation at the beginning of the year	19,92,46,405	16,05,41,405
	Current Service Cost	1,16,24,000	94,80,000
	Interest Cost	1,58,84,000	1,25,11,000
	Actuarial (Gains)/Losses	18,30,000	2,10,65,000
	Benefits Paid	(1,10,77,000)	(43,51,000)
	Present Value of Obligation at the end of the year	21,75,07,405	19,92,46,405

Sl. No.	Description	Gratuity (Funded)	
		2010-11 ₹	2009-10 ₹
(b)	Reconciliation of the Opening and Closing balances of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	17,82,29,000	15,03,60,000
	Expected Return on Plan Assets	1,46,56,000	1,22,62,000
	Actuarial Gains/(Losses)	6,37,000	97,77,000
	Contributions	2,10,17,000	1,01,81,000
	Benefits paid	(1,10,77,000)	(43,51,000)
	Fair Value of Plan Assets at the end of the year	<u>20,34,62,000</u>	<u>17,82,29,000</u>
(c)	Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets		
	Present Value of Obligation at the end of the year	21,75,07,405	19,92,46,405
	Fair Value of Plan Assets at the end of the year	<u>20,34,62,000</u>	<u>17,82,29,000</u>
	Assets/(Liabilities) recognized in the Balance Sheet	<u>(1,40,45,405)</u>	<u>(2,10,17,405)</u>
(d)	Expense recognised in the Profit and Loss Account		
	Current Service Cost	1,16,24,000	94,80,000
	Interest Cost	1,58,84,000	1,25,11,000
	Actual Return on Plan Assets	(1,46,56,000)	(1,22,62,000)
	Actuarial (Gains)/Losses	11,93,000	1,12,88,000
	Total Expense recognized	<u>1,40,45,000</u>	<u>2,10,17,000</u>
(e)	Category of Plan Assets :		
	Fund with Birla Sun Life Insurance Co.Ltd.	20,34,62,000	17,82,29,000
	Total	<u>20,34,62,000</u>	<u>17,82,29,000</u>
(f)	Actuarial Assumptions		
	Discount Rate (Per annum)	8.20	8.20
	Expected Rate of Return on Assets (Per annum)	8.00	8.00
	Salary Escalation	5.50	5.50
	Mortality Rate	In accordance with standard table LIC (1994-96) ultimate	

Notes:

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

	2010-11	2009-10	2008-09	2007-08
Defined benefit obligation	(21,75,07,000)	(19,92,46,000)	(16,05,41,000)	(14,58,93,000)
Plan assets	20,34,62,000	17,82,29,000	15,03,60,000	14,06,79,000
Surplus / (deficit)	(1,40,45,000)	(2,10,17,000)	(1,01,81,000)	(52,14,000)
Experience adjustments on plan liabilities	(18,30,000)	(2,70,77,000)	(1,65,70,000)	Not Available
Experience adjustments on plan assets	6,37,000	97,77,000	(20,54,000)	Not Available



- 4) Comparative values of defined benefit plans for the past three years instead of four financial years as required by Accounting Standard - 15 (Revised 2005) on Employees Benefits are provided, this being only the fourth year of adoption of the Standard
- 5) Amount recognized as an expense:
- (i) Salaries, Wages and Bonus in Schedule 16 includes Provision for Leave encashment ₹ 36,18,857 (2009-10 ₹ 25,16,726)
 - (ii) Contribution to Provident and other funds in Schedule 16 includes Gratuity Fund contribution of ₹ 1,24,42,000 (2009-10 ₹ 2,10,17,000)
 - (iii) Workmen & Staff Welfare Expenses in Schedule 16 includes Provision for Sick Leave ₹ 3,22,000 (2009-10 ₹ 73,762)
 - (iv) Contribution to provident and other funds in Schedule 16 includes ₹ 3,28,01,122 (2009-10 ₹ 2,49,09,184) towards contribution to defined contribution plans viz. Provident Fund, Pension Fund, Superannuation Fund.
 - (v) Directors Remuneration in Schedule 18 includes Gratuity Fund Contribution ₹ 16,03,000 (2009-10 nil) & Provision for Leave Encashment ₹ 6,00,000 (2009-10 nil)
- 13 (a) The Company uses Forward Exchange Contracts to hedge its exposures in foreign currency. Forward Exchange Contracts outstanding as at year end :

Nature of Exposure	Currency pair	Buy		Sell	
		2010-11	2009-10	2010-11	2009-10
Forward Exchange Contracts					
Receivables	USD/INR	—	—	4,91,720	29,46,274
	GBP/INR	—	—	35,180	40,384
	EUR/INR	—	—	61,968	1,80,000
Payables	USD/INR	11,84,415	3,27,143	—	—

- (b) Foreign exchange currency exposures that have not been hedged by a derivative instrument or otherwise as at year end:


Nature of Exposure	Currency pair	Buy		Sell	
		2010-11	2009-10	2010-11	2009-10
Receivables	USD/INR	—	—	—	12,81,784
	GBP/INR	—	—	—	29,433
	EUR/INR	—	—	64,800	21,928
Payables	USD/INR	3,22,660	7,80,103	—	—

14 Earnings Per Share

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

Particulars	2010-11 ₹	2009-10 ₹
Net Profit After Tax	14,08,40,949	9,74,87,684
Weighted average number of shares used as denominator for Basic and Diluted earnings per share	26,16,720	26,16,720
Basic and Diluted earnings per share of ₹ 10/- each (in ₹)	54	37

- 15 During the year three companies have been formed which eventually on issue of Share Capital would remain subsidiaries of the Company. The Company has currently paid ₹ 1,01,400 in aggregate as advance to these Companies and intends to invest ₹ 5,00,000 in each company.
- 16 Previous year's figures have been rearranged and / or regrouped wherever necessary to make them comparable with that of current year.



SCHEDULE 20

SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING POLICY STATEMENT

The Financial Statements are prepared to comply in all material respects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211 (3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

ACCOUNTING CONVENTION

The Accounts are prepared under the historical cost convention modified by the revaluation of certain fixed assets.

FIXED ASSETS AND DEPRECIATION

- a) All items of land, buildings and plant and machinery at company's factory at Bauria, Howrah are revalued and restated at valuation by an approved valuer at current replacement cost as at 31st March, 2010. The appreciation in the net book value of these assets over their book value has been credited to Revaluation Reserve.
- b) Other fixed assets are stated at cost of acquisition including inward freight, duties, taxes and expenses incidental to acquisition and installation.
- c) Depreciation is provided at Straight line method at rates specified in Schedule XIV of the Companies Act, 1956. In respect of revalued assets, the incremental depreciation on account of revaluation is recouped from Revaluation Reserve. No depreciation is provided on Freehold Land.
- d) Intangible assets comprising of computer software is depreciated on straight line method over a period of five years.
- e) Profit & Loss on disposal of Fixed Assets is recognized in Profit & Loss Account.
- f) An impairment loss is recognized where applicable when the carrying value of fixed asset exceeds its market value or value in use whichever is higher.

INVESTMENTS

Long term investments are carried at cost after deducting provision, if any, for diminution in value considered to be other than temporary in nature.

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

Dividends are accounted for as and when declared.

SUBSIDY & EXPORT BENEFIT

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

INVENTORIES

Raw Jute and Stores and Spare parts 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.

EMPLOYEE BENEFITS

Defined Contribution Plans

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

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

Defined Benefit Plans

Accrued liability determined based on actuarial valuation as at the year end in respect of future payment of gratuities are charged against revenue every year.

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 to revenue every year.

Long Term Employee Benefits

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 to revenue every year.

Other long term employee benefits comprising of entitlement to accumulation of Sick Leave is provided for based on actuarial valuation carried out in accordance with revised Accounting Standard 15 as at the end of the year.

Short Term Employee Benefits

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

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

RESEARCH & DEVELOPMENT CESS AND EXCISE DUTY

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

SALES

Turnover is stated net of sales tax. Sale is recognised on transfer of property in goods to the buyer.

FOREIGN CURRENCY TRANSACTION

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the Balance Sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions. Exchange differences arising on settlement of transactions and/or restatements are dealt with in the Profit and Loss Account.

Derivative Instruments

The Company uses derivative financial instruments such as forward exchange contracts, currency swaps etc. to hedge its risks associated with foreign currency fluctuations relating to the underlying transactions, highly probable forecast transactions and firm commitments. In respect of Forward Exchange Contracts with underlying transactions, the premium or discount arising at the inception of such contract is amortised as expense or income over the life of contract. Other Derivative contracts outstanding at the Balance Sheet date are marked to market and resulting loss, if any, is provided for in the financial statements. Any profit or losses arising on cancellation of derivative instruments are recognised as income or expenses for the period.

TAXATION

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

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

Fringe benefit tax is determined as the amount of tax payable in respect of value of fringe benefits for the year based on applicable tax rates and laws.

BORROWING COSTS

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

PROVISIONS AND CONTINGENT LIABILITIES

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Signatures to Schedules 1 to 20

For **Lovelock & Lewes**
Firm Registration No. 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership No. 52340

Ajay Agarwal
Company Secretary

G. D. Bangur	Executive Chairman
Hemant Bangur Bhaskar Mitter Nandita Sen Prabir Ray R. R. Dash K. Mahapatra	Directors
D. C. Baheti	Executive Director

Place : Kolkata

Dated: : 12th May, 2011

Information pursuant to part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract And Company's General Business Profile

I. Registration Details

CIN No.	L17119WB1992PLC054454	State Code	21
Balance Sheet Date	31.03.2011		

II. Capital Raised during the year (Amount in ₹ Thousands)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of Mobilisation and deployment of Funds (Amount in ₹ Thousands)

Total Liabilities	34,07,474	Total Assets	34,07,474
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Sources of Funds

Paid Up Capital	26,167	Reserves & Surplus	26,65,254
Secured Loans	5,74,152	Unsecured Loans	75,000
Deferred Tax Liability	66,901		

Application of Funds

Net Fixed Assets	26,18,678	Investments	1,530
Net Current Assets	7,87,266	Misc. Expenditure	Nil

IV. Performance of the Company (Amount in ₹ Thousands)

Turnover	30,83,468	Total Expenditure	28,65,512
Profit before tax	2,17,956	Profit after tax	1,40,841
Earning per share (in ₹)	54	Dividend Rate %	70%

V. Generic Name of the Principal Product of Company

Item Code No. (ITC Code)	630510.00	Product Description	JUTE GOODS
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ECS MANDATE FORM

(For Shares held in Physical Mode please complete the form and mail to

Maheshwari Datamatics Pvt. Ltd.
Unit : Gloster Ltd.
6, Mangoe Lane
2nd Floor, Kolkata - 700 001

Shares held in Electronic Mode should inform respective DPs

Dear Sirs,

Change in mode of payment to ECS

I hereby consent to have the amount of dividend on my equity shares credited through the Electronic Clearing Service (ECS).

The particulars are :

- 1. Folio No. / Client ID No./DPID No.
(Folio No. given in equity share certificate(s) / Customer ID Nos. given by your DPs)
- 2. Shareholder's Name
- 3. Shareholder's Address

P.T.O

**Form 2B
THE COMPANIES ACT, 1956**

[See Rules 4CCC and 50]

NOMINATION FORM

(To be filled in by individual applying singly or jointly)

(If jointly, only upto two persons)

I/We
and
the holders of Share Certificate(s) bearing Folio No. of
M/s.

wish to make nomination and do hereby nominate the following person in whom all rights of transfer and/or amount payable in respect of Share Certificate shall vest in the event of my/our death.

Name and Address of Nominee

Name :

Address :

.....

Signature of Nominee

Date of Birth*

(*to be furnished in case the nominee is a minor)

** The Nominee is a minor whose guardian is

Name and Address

P.T.O



4. Income Tax Permanent Account Nos.10 Digits (for issue of TDS certificate)
(PAN should be latest and correct)

5. Particulars of the Bank

- Bank Name
- Branch Name and Address
- Telephone Nos. of Bank
- Mention the 9 digit-code number of the Bank and branch appearing on the MICR cheque issued by the Bank

(Please attach the photocopy of a cheque or a cancelled bank cheque issued by your bank for verifying the accuracy of the code number.)

- Account type Savings [] Current [] Cash Credit []
- Account number (as appearing on the MICR cheque book)

6. Date from which the mandate should be effective

I hereby, declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information or non availability of ECS facility with company's banks at my place / city.

I would not hold the Company / Registrar & Share Transfer Agents of the Company responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through ECS.

Signature of the first / sole shareholder.

(** To be deleted if not applicable)

Signature :

Name :

Address :

Date :

Signature :

Name :

Address :

Date :

Signature of the two witness

Name and Address

Signature with date

- 1.
- 2.

Instructions :

1. The Nomination can be made by individuals only by applying/holding Share Certificates on their own behalf singly or jointly up to two persons. Non-individuals including Society, Trust, Body Corporate, Partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. If the Share certificates are held jointly all joint holders will sign the nomination form.
2. A minor can be nominated by a holder or Shre Certificates and in that event the name and address of the Guardian shall, be given by the holder.
3. The nominee shall not a Trust, Society, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family, or a Power of Attorney holder.



GLOSTER LIMITED

(formerly GLOSTER JUTE MILLS LTD.)

Regd. Office : 21 Strand Road, Kolkata - 700 001

ATTENDANCE SLIP

I hereby record my presence at the Nineteenth Annual General Meeting of the Members of the company at Shripati Singhania Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020 at 11 A.M. on Saturday, the 6th August, 2011.

Folio No. / DP-ID & Client ID :

No. of Shares held :

Name of Member(s) / Proxy :

Signature of Member / Proxy :

- Notes :
1. Shareholder's/ Proxy holder wishing to attend the meeting must bring the attendance Slip to the meeting and hand over at the entrance duly signed.
 2. Shareholder / Proxy holder desiring to attend and meeting should bring his copy of the annual Report for reference at the meeting.

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PROXY

Folio No. / DP-ID & Client ID : No. of Shares held :

I/We..... of

..... being a member/s of the above named company,

hereby appoint of

or failing him of

as my / our Proxy to attend and vote for me/us and on my/our behalf at the Nineteenth Annual General Meeting of the Company to be held on Saturday, the 6th August, 2011 and at any adjournment thereof.

Signed this day of2011

Signature _____

Affix One
₹
Revenue
Stamp

NOTE : The Proxy in order to be effective should be duly stamped, completed any signed and must be deposited at the registered Office of the company not less than 48 hours before the time for holding the aforesaid Meeting. the Proxy need not be a member of the company.





Gloster Limited

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