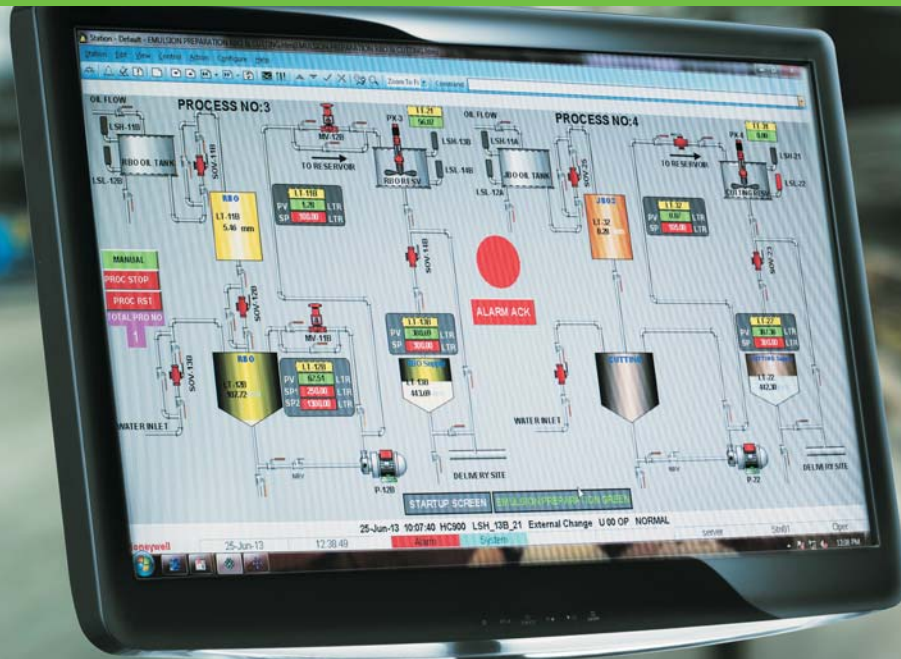




Gloster Limited

WITH THE WINDS OF CHANGE IN THE WORLD OF JUTE

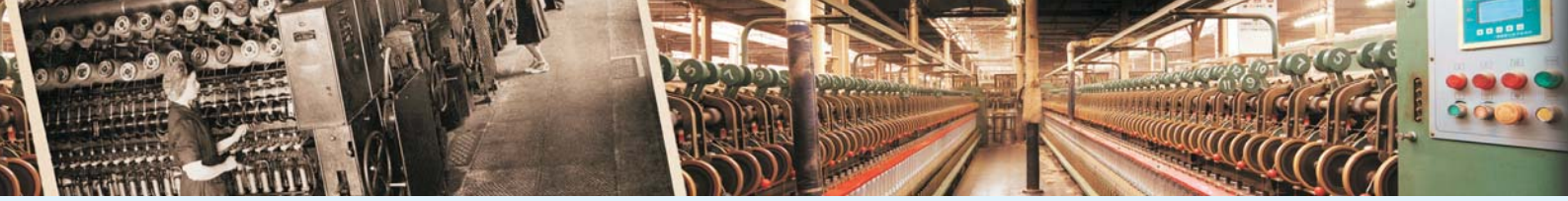
ANNUAL REPORT
2012-13



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Board of Directors	:	G. D. Bangur, Executive Chairman Hemant Bangur, Vice Chairman Bhaskar Mitter Nandita Sen R. R. Dash K. Mahapatra Dr. Prabir Ray D. C. Baheti, Managing Director
Company Secretary	:	Ajay Kumar Agarwal
Bankers	:	State Bank of India Yes Bank Limited ICICI Bank Limited Bank of Baroda
Auditors	:	Lovelock & Lewes Chartered Accountants Kolkata
Registered & Share 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 (India) Phone : +91 33 2661 8327 / 8271 Fax : +91 33 2661 8940



Evolution in Jute Cultivation and Jute Industry through Research, Innovation and Development



Gloster R & D Lab

Research & Development – The Basics

- Research is a systematic study of materials and sources to establish facts and drawing conclusions for advancement of knowledge
- Research in Applied Science and Technology go hand in hand
- Fundamental or Basic Research symbolizes discovery and expansion of knowledge
- Technology provides a mechanism for delivering the results of research in Applied Science
- The Fundamental, Applied research amongst others are aimed at development and growth of crop, with a recommendation of scientific methods of cultivation and better fibre extraction. Technological Research provides the innovation of new products and processes



Ground Breaking Research in Jute



Dundee jute factory of late 19th century

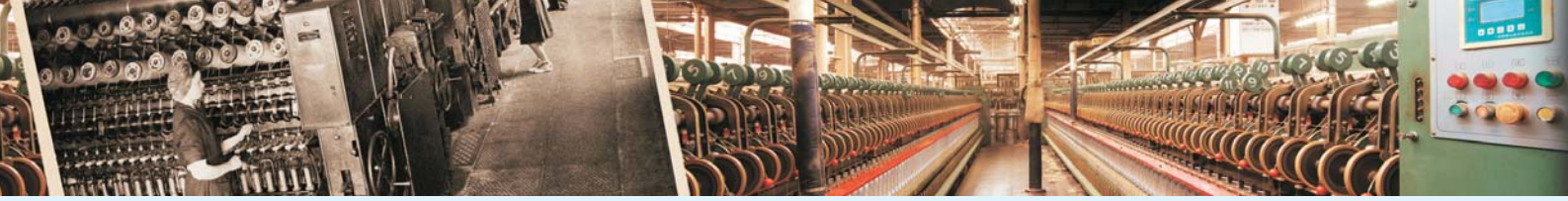


Spinning Plant of today at Gloster

Jute is a natural fibre with golden and silky shine and hence called '**The Golden Fibre**'. It is the cheapest vegetable fibre procured from the bast or skin of the plant's stem and the second most important vegetable fibre after cotton in terms of usage, global consumption, production and availability. Jute is 100% bio-degradable and recyclable and thus environment friendly. The worldwide awareness on environment is one of the reasons for opportunities for growth and expansion of world market space for jute products due to its environment friendly characteristics.

Starting in 1830 in Dundee, when the flax spinners learned how to spin jute yarn by modifying their power-driven flax machinery to the modern day Ring Spinning machines the Jute Industry has witnessed a meteoric growth in terms of technology and innovation.

Research and development in Jute Industry has been an on going process and the industry has achieved major breakthroughs by innovating multidimensional products such as Jute Agrotexiles, Jute Geotextiles as Woven, Non-Woven, Composites and Value added lifestyle products made from jute etc.



Journey of Jute - Sowing the seeds for success

Sustained efforts by Scientists & Research organizations during the last few decades in exploiting and harnessing the positive attributes of jute have given a plethora of benefits to the industry as enumerated below:

Agriculture

- Production and availability of certified jute seeds to farmers have been considerably improved
- Jute seeds production in West Bengal once perceived as impossible has been made possible through Fundamental Research study of soils and weather conditions in different parts of state
- Growth cycle of jute reduced to 120 days from 150 days thereby enabling farmers to accommodate Paddy in their annual cropping cycle
- Water less fungal retting of jute has been achieved in labs which however needs to be carried to farm level after evaluating its environmental and commercial implications
- Trials are going on with Enzymatic retting to reduce usage of water and time in retting of jute
- Asian Vegetable Research and Development Centre, Taiwan assessed all vegetables produced in Asia for contents of their nutrients and ranked Jute in 2nd position for containing maximum Anti-Oxidants. This research fuelled the demand for jute leaves and currently Bangladesh exports organic jute leaves as vegetables to Japan and Gulf Nations worth more than ₹ 200 crores annually



Jute Field



Extraction of jute fibre

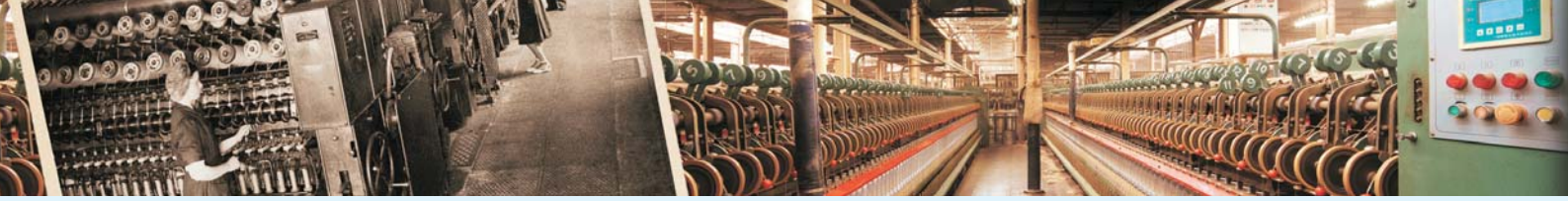


Industry

- Efficiency/productivity has increased on advent of modernized machines and the modern day automatic/semi-automatic machines have also reduced manpower requirement
- The modernized machines have facilitated manufacturing of lighter count jute yarn, enabling the usage of jute and jute blended yarn in the areas of garments, upholstery and other value added products
- The Non-Woven conversion technology, the result of rigorous Research in Jute Industry has enabled to convert jute fibre and caddies, into jute non-wovens which are used as eco-compatible substitutes of syntehetic textiles for different end use functionalities
- Considerable reduction in process wastage and process stock per unit of production is one of the significant break through of research
- Overall inputs for Power and Fuel have reduced, since the modernized machines on one hand consume less power and on the other hand are more efficient
- Old Coal fired Lancashire boilers are being replaced by multi fuel boilers thereby enabling usage of jute process waste as fuel for boilers
- Usage of Vegetable oils in place of traditional mineral oil based Jute Batching Oil has been made possible enabling production of Food Grade jute bags free from Hydrocarbon contamination thereby making it suitable for packaging of food products



Converting Jute Waste into Wealth



Reaping the benefits - Development of Non-Conventional products and uses which have redefined life of Jute



Manufacturing Agrotextile



Jute Agrotextile in use

Jute Agrotextiles – Applications

Soil conservation and Reduction of nutrient loss, Weed management and agro-mulching, Afforestation in semi-arid zone, Sleeves for growth of sapling, Air layering and wrapping / covering of plants, Nursery seed bed cover, Shade over nursery



Manufacturing Geotextile



Slope stabilization with Geotextile

Jute Geotextiles – Applications

Slope stabilization, Soil erosion control, Better and faster vegetation growth, Bio-degradation to ensure fertility of soil, Scientific disposal of solid waste, Rural road construction, Protection of riverbanks and embankments, Land reclamation



Manufacturing Buildtextile



Road Construction with Buildtextile

Build Textiles – Applications

Scaffolding nets, Awnings, jute based composites for construction



Organic Packaging Textile – Applications

Specialized organic packaging for organic foods to keep them unadulterated



Organic Jute cultivation facility of Gloster



Organic Jute For Coffe beans

Decorative Textile – Applications

Wall tapestry, Wall hanging, Creative wall covering, Relief carving, Floor coverings, Furnishing fabrics



Carpet Manufacturing Unit at Gloster



Jute Decorative Carpets

Lifestyle Textile – Applications

Apparels, Fancy jewellery, Stylish ornaments, Fashionable ladies bags, sling bags and fashionable carry bags



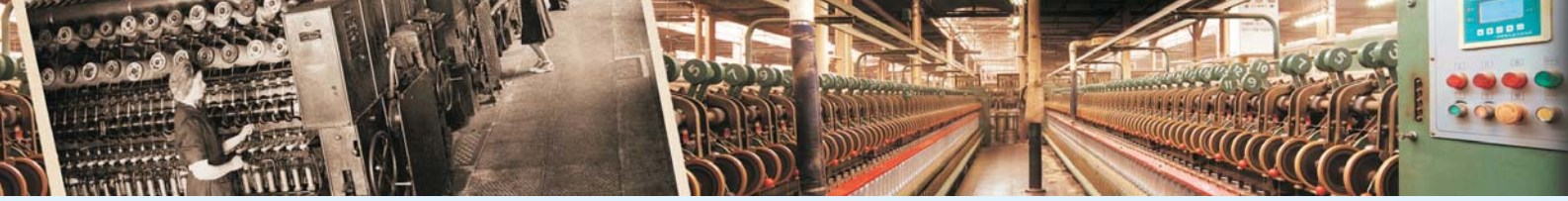
Bag Manufacturing Unit at Gloster



Lifestyle Bags

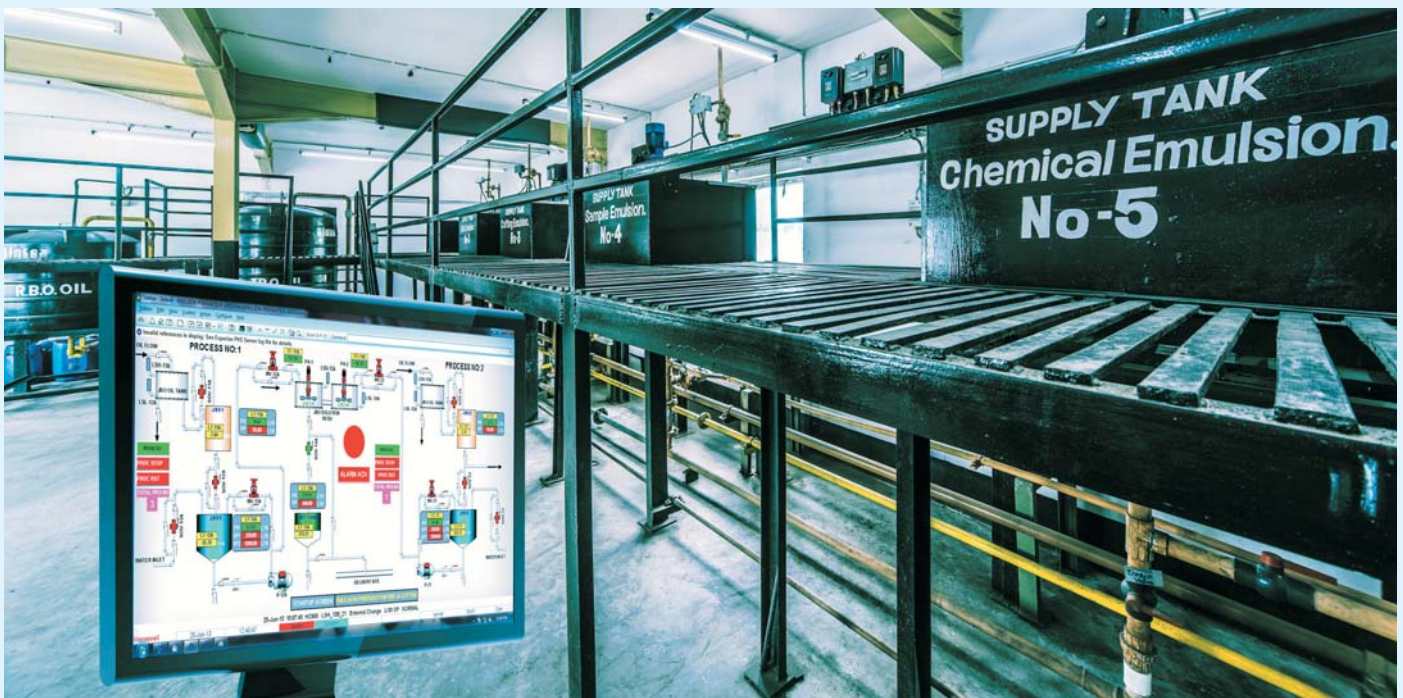
Other Products

Jute Reinforced Polyolefin for Industrial Applications
Bio-technologies for making Pulp and Paper from whole Jute



GLOSTER – THINKING AHEAD

- Team of Scientists and Technicians dedicated completely in research, product development, quality management
- State of Art Laboratory consisting of cutting-edge gadgets and equipment
- Promoting the production of organic jute and obtained certificate from “IMO Control” for the same
- Our Technical team, is motivating about 180 farmers spread over 4 villages for cultivation of organic jute and providing the farmers with:
 - Training on good farming practices
 - Free certified jute seeds
 - Concrete jute retting tanks and pumps
 - International inspection and Certification for Organic integrity of Jute produced
- New product development through persistent research and is producing
 - Geo-textiles
 - Agro-Textiles
 - Furnishing Fabrics
 - Lifestyle Products
 - Made-ups as woven, non-wovens
 - Fabrics treated for fire retardancy, microbial attack resistant
 - Hydrocarbon free jute bags – food grade jute bag and cloths confirming to international standard specifications
- The Indian Roads Congress (IRC) and Central Road Research Institute (CRRRI), premier and prestigious National research and technical bodies of Highway Engineers approved Jute Geo Textiles in Road Construction, produced by Gloster.
- Gloster initiated and entered into an agreement with National



Fully automated Emulsion Plant at Gloster



Jute Board (NJB) and National Institute of Industrial Engineering (NITIE) for "Productivity Improvement and Total Quality Management (TQM)." The whole study was completed satisfactorily and the areas of improvement suggested by NITIE have been implemented

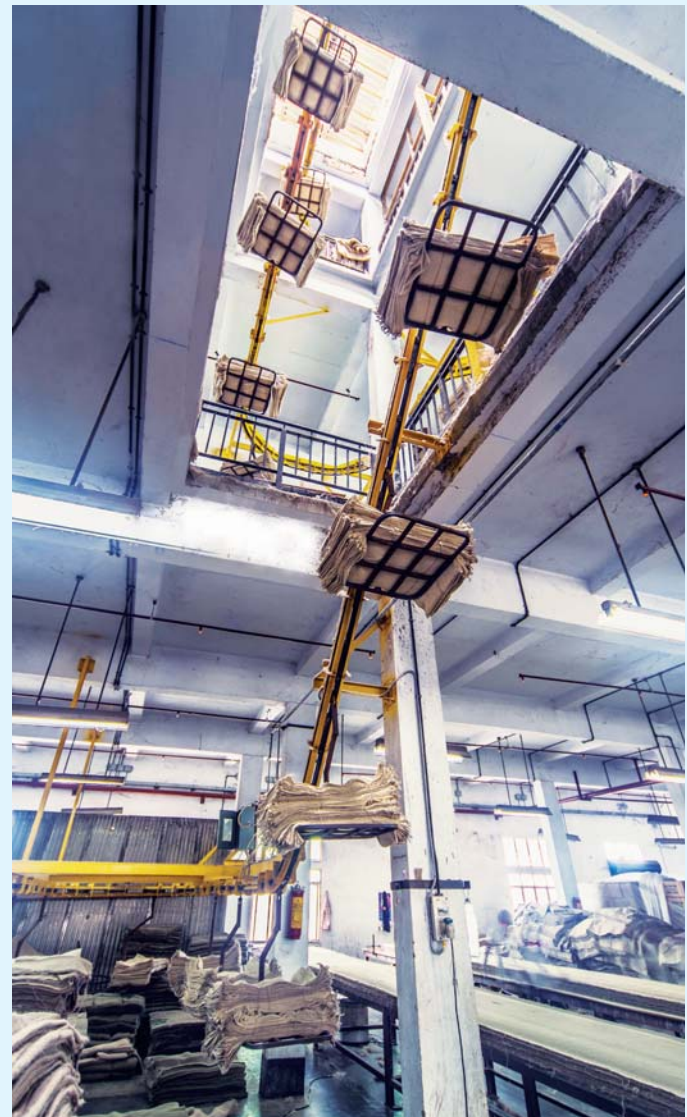
- Closely associated with:
 - **Indian Jute Industries Research Association (IJIRA)** Engaged in fundamental and applied research on jute and jute blended products.



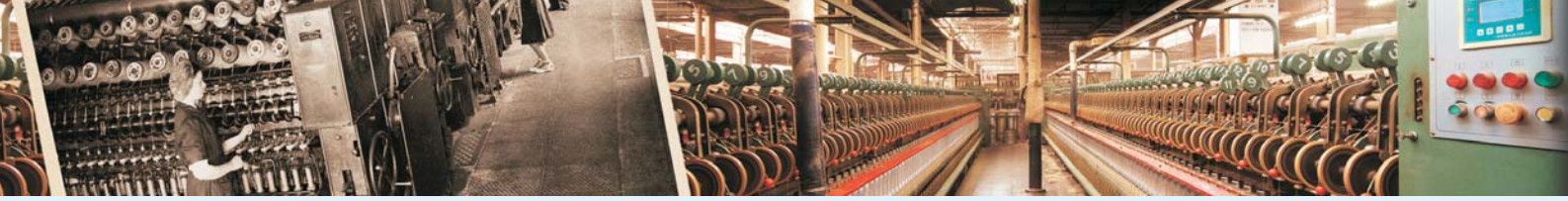
Indian Jute Industries Research Association (IJIRA)

- **National Institute of Research on Jute and Allied Fibre Technology (NIRJAFT)** Engaged in various technological researches on jute and other long vegetable fibres.
- **Central Research Institute for Jute and Allied Fibres (CRIJAF)** Engaged in genetic research and development of Raw jute fibre, right from cultivation to extraction
- **The South Indian Textile Research Association (SITRA)** Engaged in textile research including jute for quality control in the processes of Spinning, Weaving, Knitting etc.
- **National Jute Board (NJB)** Administers fund created from levy of "Cess" on the production of jute goods, with focus to utilize the funds effectively in promotion of Scientific and Industrial research and better marketing of jute goods.
- **Department of Jute and Fibre Technology, University of Calcutta (Institute of Jute Technology)** Premier institution running jute technology course

- Sri D. C. Baheti Managing Director of GLOSTER is presently the Chairman of Indian Jute Industries Research Association and Member, Committee on Geotextiles, National Jute Board (NJB)
- Dr. Prabir Ray, Director of Indian Jute Industries Research Association is also on Board of GLOSTER
- Gloster has offered ₹100 lakhs to IJIRA to support and stimulate further Research on Jute



Latest Material Handling System



Drivers for the Future

The industry has made significant developments / innovations over the years but still a lot of expectations are to be fulfilled.

In the words of Charles Darwin “It is not the strongest of the species, who survive, nor the most intelligent, but, the most responsive to change.”

Going by the above words the Industry is responsive to the changes / demands of its consumers and is working on possibility of achieving the following:

- Jute retted without water or retted with minimum water
- Jute processed without oil
- Jute having no traces of organic volatile compound
- Jute without traces of bacterial, fungal or viral manifestations in them
- Mapping of jute genome towards redressal of limitations in

different applications of jute products vis-à-vis competitive textile products

- Development of high yielding varieties of jute seeds favorable to changes in ecosystems
- Improvement of pest management techniques to reduce pest damage to the crops
- Strengthening of linkage between jute agricultural research and farmers as well as the linkage between jute industrial research, pilot scale entrepreneurs and the industry, in order to accelerate the dissemination of new technology
- Establishment of more international links with research organizations of jute producing countries
- Cost-effective Development of diversified jute products for the domestic and international market



Modern Effluent Treatment Plant (ETP)



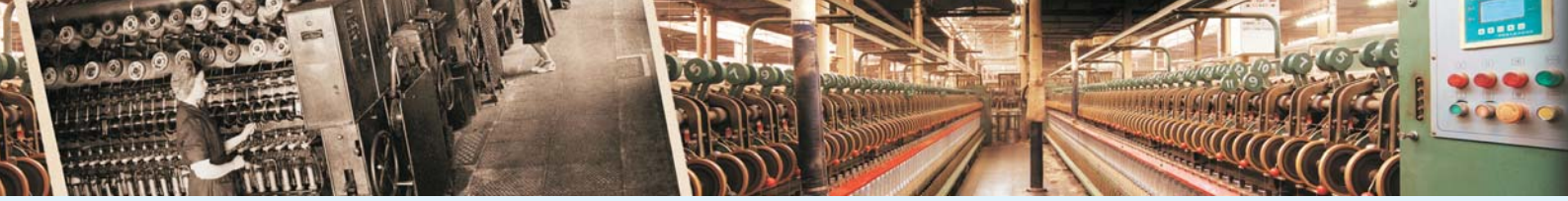
FINANCIAL HIGHLIGHTS

Year Ended	Share Capital	Reserves	Net Worth	Income From Operations	Net Profit	Cash Profit	Earnings Per Share	Cash Earnings Per Share	Book Value Per Share	Dividend
	(₹ lakhs)	(₹ lakhs)	(₹ lakhs)	(₹ lakhs)	(₹ lakhs)	(₹ lakhs)	(₹)	(₹)	(₹)	(%)
31/03/1993	22	26	47	3,909	30	65	1	2	2	20%
31/03/1998	65	773	839	6,983	331	390	13	15	32	35%
31/03/2003	131	1,869	2,000	11,052	377	505	14	19	76	35%
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%
31/03/2012	262	27,861	28,123	30,860	1,894	2,536	72	97	1,075	200%
31/03/2013	262	40,347	40,608	34,623	2,021	2,732	77	104	1,552	100%

- Reserves, Networth includes Revaluation Reserves arising on revaluation of Fixed Assets.
- Net Worth Includes Deferred Tax.
- Book Value, Earnings Per Share & Cash Earnings Per Share calculated on expanded Capital for all years.



Gloster Physical Testing Lab



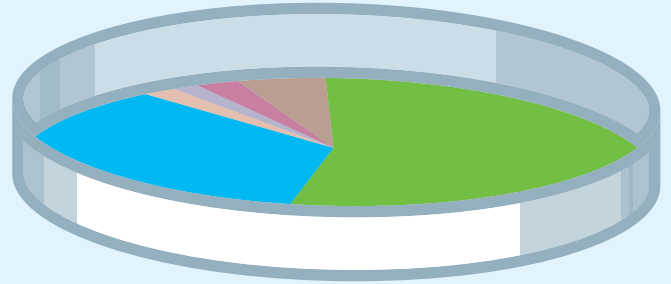
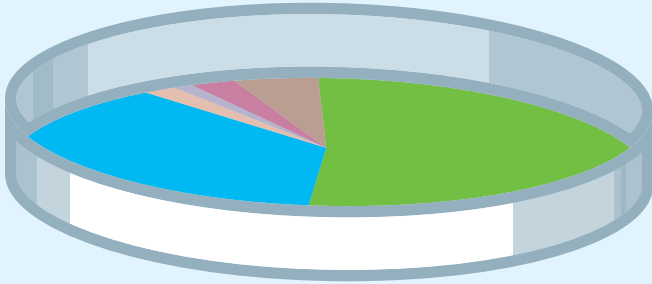
HISTORICAL DATA

▼ DISTRIBUTION OF REVENUE 2012-13

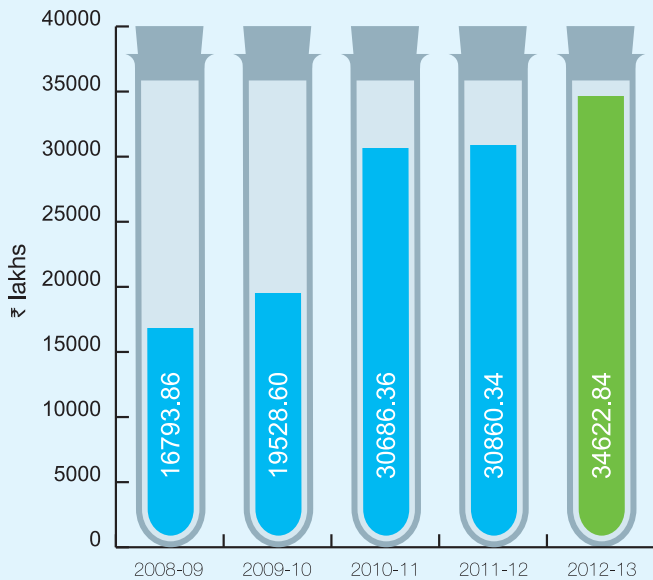
COST OF RAW MATERIAL	52.05
MFG. & OTHER EXPENSES	36.00
DEPRECIATION	2.04
FINANCE COSTS	1.22
TAX	2.90
PROFIT (PAT)	5.79

▼ DISTRIBUTION OF REVENUE 2011-12

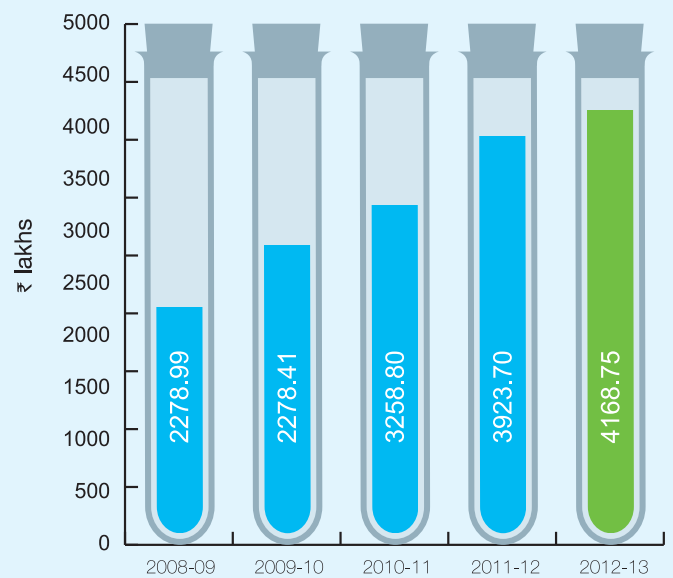
COST OF RAW MATERIAL	54.24
MFG. & OTHER EXPENSES	33.26
DEPRECIATION	2.04
FINANCE COSTS	1.65
TAX	2.78
PROFIT (PAT)	6.03



▼ INCOME FROM OPERATIONS

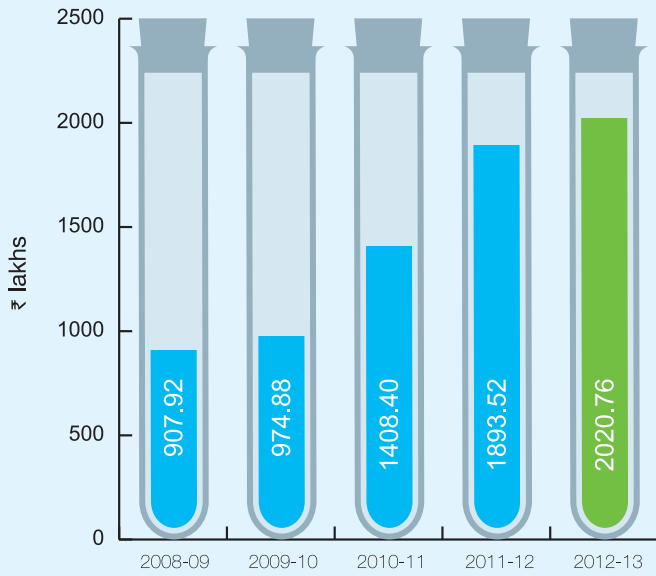


▼ EBITDA

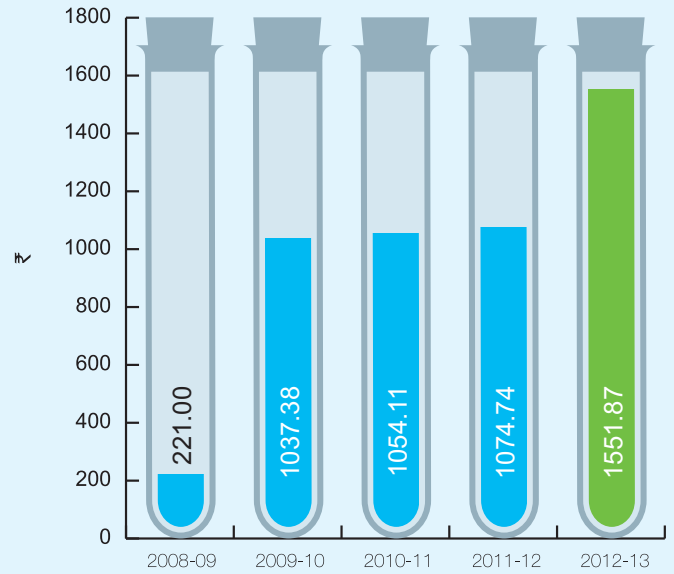




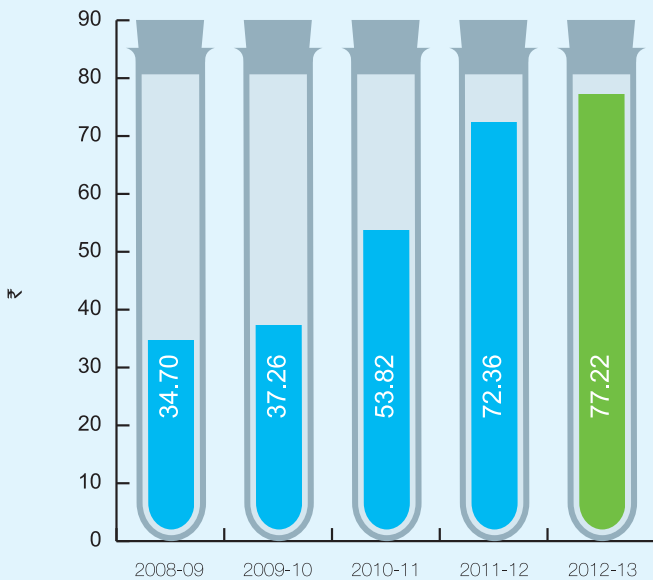
▼ PROFIT AFTER TAX



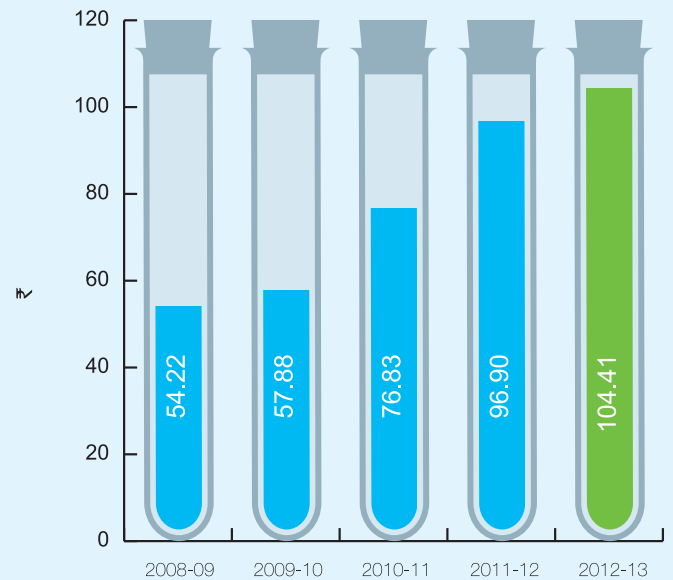
▼ BOOK VALUE PER SHARE

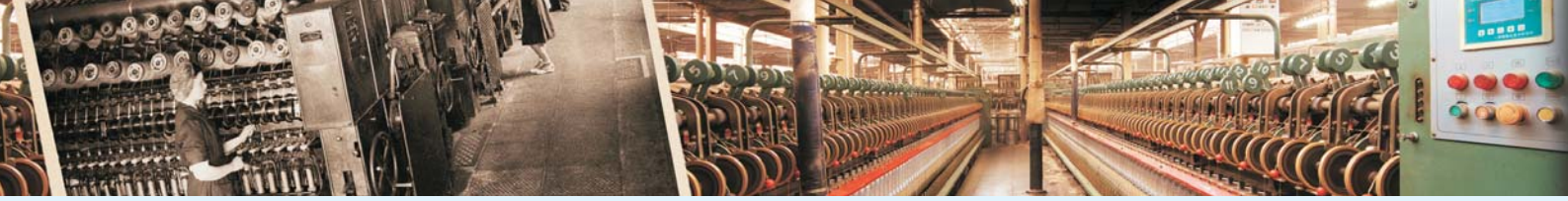


▼ EARNINGS PER SHARE

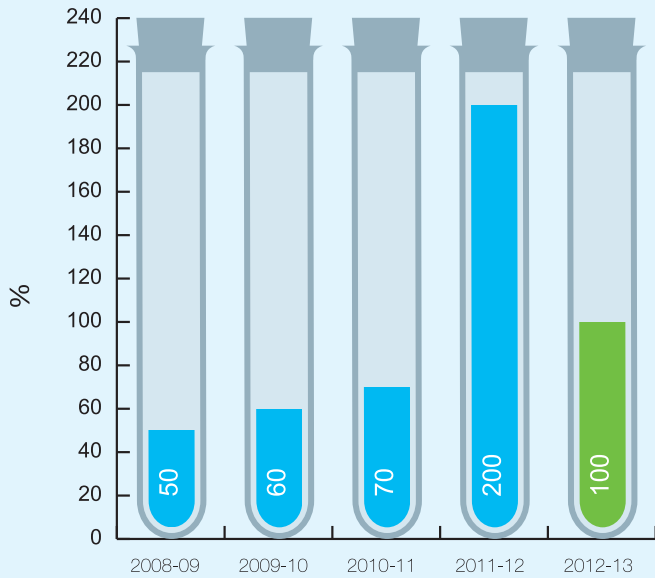


▼ CASH EARNINGS PER SHARE

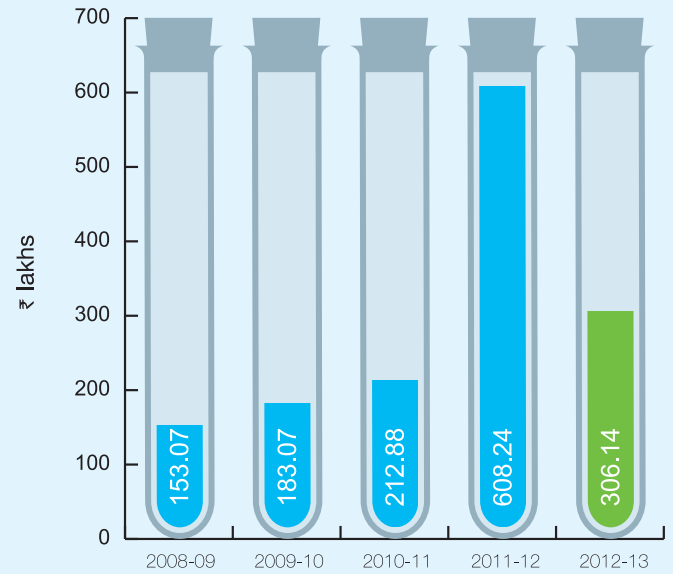




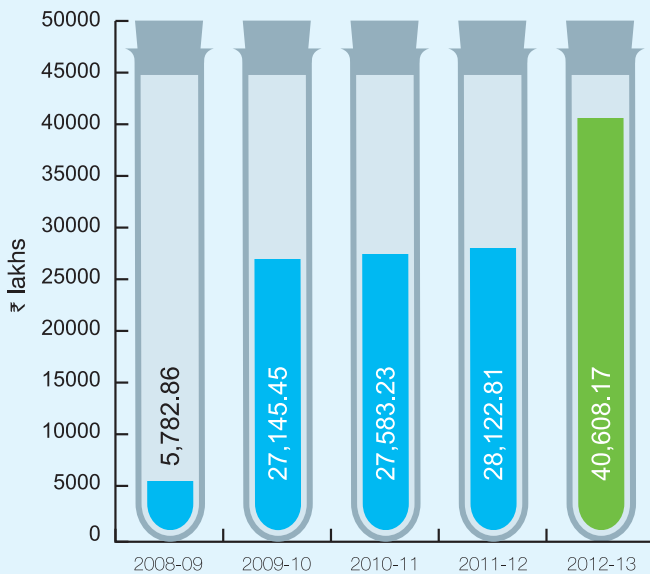
▼ DIVIDEND



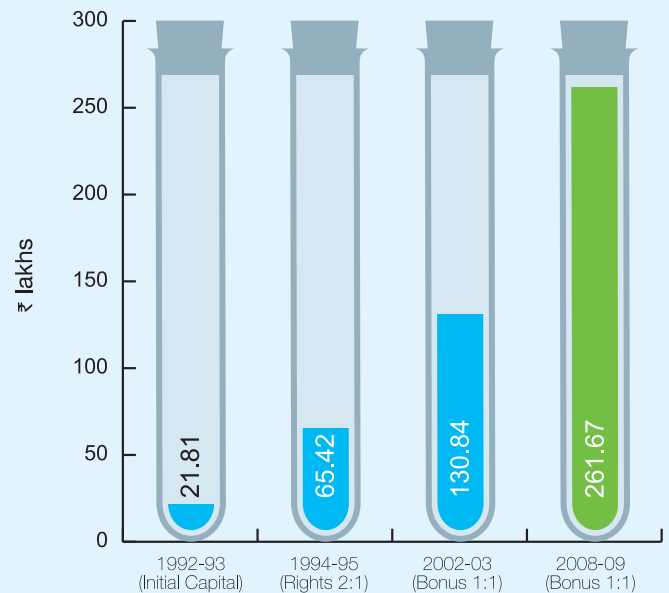
▼ DIVIDEND PAYOUT



▼ NET WORTH



▼ SHARE CAPITAL BUILTUP





NOTICE

TO THE MEMBERS

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of Gloster Limited will be held on Thursday, the 25th July, 2013 at 11.00 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 audited Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss for the year ended 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 Shri Hemant Bangur who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Bhaskar Mitter 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 AN ORDINARY RESOLUTION:

“**RESOLVED THAT** pursuant to the provisions of Section 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals, if any, as may be required, the Company hereby approves the re-appointment and the remuneration payable to Shri Gopal Das Bangur, as a Whole-time Director to be designated as Executive Chairman of the Company

for a period of three years with effect from 12th April, 2013 on the terms and conditions as set out in the agreement entered into by the Company with him, a copy whereof is placed before this meeting and duly initialed by the Managing Director for the purpose of identification, with authority to the Board of Directors including a Committee thereof to alter or otherwise vary the same in such manner as may be agreed to between the Board of Directors and Shri Gopal Das Bangur as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956, as existing or as amended, modified or re-enacted from time to time.”

Registered Office:
21, Strand Road
Kolkata – 700 001
Dated: 10th May, 2013

By Order of the Board
Ajay Kumar 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 Book Closure date for the purpose of payment of dividend will be 28th June, 2013.
4. Dividend if approved by the members at the ensuing Annual General Meeting will be paid to eligible members after 25th July, 2013.
5. 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.
6. 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 Agents, Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata-700 001 enclosing their share certificates to enable the company to consolidate their holdings in one single Folio.



7. 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 Agents, Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata-700 001 quoting their Folio Number.
8. The relevant details of Item no. 3, 4 & 6 above pursuant to Clause 49 of the listing agreement are annexed hereto.
9. 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.
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 National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available. In absence of NECS 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, 2006, 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, 2006 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 e-mail
 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 e-mail id) may get the same registered/ updated either with their Depositories or by writing to the Company.

**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE
 FORTHCOMING ANNUAL GENERAL MEETING
 (In Pursuance of Clause 49 of the Listing Agreement)**

Name	Shri Hemant Bangur
Date of Birth	21.04.1972
Date of Appointment	13.04.2000
Qualifications	Post Graduate in International Trade
Expertise in specific functional areas	Rich & wide experience in Jute & Plantation industry
Directorships in other Companies	Joonktollee Tea & Industries Limited, Jagdishpur Company Limited, The Cochin Malabar Estates & Industries Limited, Laxmi Asbestos Products Limited, The Phosphate Company Limited, Madhav Trading



	Corporation Limited, The Cambay Investment Corporation Limited, The Kamla Company Limited, Bombay Agency Company Private Limited, Credwyn Holdings (I) Private Limited
Chairman/Member of Committees of the Board of other Companies of which he is a Director.	Nil
Shareholding in the Company	68,333 Shares
Relationship with other Directors	Son of Shri Gopal Das Bangur, Executive Chairman

Name	Shri Bhaskar Mitter
Date of Birth	11.10.1919
Date of Appointment	23.12.1993
Qualifications	Barrister at Law (London)
Expertise in specific functional areas	Eminent professional and business leader having more than 6 decades of wide and varied experience over the whole range of business operations in the industry. He is the former Chairman of Andrew Yule Group, CESC Limited and BOC Limited
Directorships in other Companies	NIL
Chairman/Member of Committees of the Board of other Companies of which he is a Director.	NIL
Shareholding in the Company	NIL
Relationship with other Directors	NIL

Name	Shri Gopal Das Bangur
Date of Birth	15.11.1946
Date of Appointment	18.02.1992
Qualifications	B.Com
Expertise in specific functional areas	Wide experience in Jute, Cable, Plantation & Chemical industry. Under his able leadership, the Company has witnessed phenomenal growth and has been able to withstand and ride upon all the difficult times posed by the industry.
Directorships in other Companies	Joonktollee Tea & Industries Limited, Kettlewell Bullen & Company Limited, The Oriental Company Limited, Laxmi Asbestos Products Limited, The Marwar Textiles (Agency) Private Limited
Chairman/Member of Committees of the Board of other Companies of which he is a Director.	2 (Two)
Shareholding in the Company	89,285 Shares
Relationship with other Directors	Father of Shri Hemant Bangur, Vice Chairman



ANNEXURE TO NOTICE

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

Item No.6

Shri Gopal Das Bangur was appointed as a Whole-time Director designated as Executive Chairman of the Company as per terms & conditions approved by the members at 18th Annual General Meeting of the Company held on 29th September, 2010. Such appointment was valid up to 11th April, 2013. The Board of Directors of the company by a resolution passed on 14th February, 2013 re-appointed Shri Bangur as Whole-time Director designated as Executive Chairman for a further period of three years with effect from 12th April, 2013. The following remuneration and terms & conditions of service as recommended by the Remuneration Committee of Directors and approved by the Board of Directors of the Company at its meeting held on 14th February, 2013 is in accordance with and within the ceiling of maximum remuneration permitted under Schedule XIII to the Companies Act, 1956.

- a) **Salary:** ₹ 4,50,000/- per month in the range of ₹ 4,50,000/- to ₹ 6,00,000/- per month. The Remuneration Committee may review and determine from time to time and recommend to the Board necessary revision in salary during the tenure of appointment.
- b) **Commission:** Such commission on net profits, as may be decided by the Board of Directors in its absolute discretion on recommendations of the Remuneration Committee for each financial year or part thereof, subject however, that the total remuneration i.e. salary, perquisites and commission in any one financial year shall not exceed the limits prescribed or as may be prescribed from time to time, under Section 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Act, as may for the time being be in force.
- c) **Perquisites & Benefits:**
 - i) **Provident & Super Annuation Fund :** Company's contribution towards Provident Fund and Superannuation or Annuity Fund as per rules of the Company.
 - ii) **Gratuity :** As per rules of the Company.

- iii) **Housing :** Hired furnished accommodation with gas, electricity, furniture, water and furnishings or house rent allowance in lieu of accommodation together with reimbursement of expenses and/or allowances for utilization of gas, electricity, furniture, water, furnishings and repairs subject to a maximum of 25% of salary per month.
- iv) **Medical Benefit :** Reimbursement of medical expenses for self, spouse and dependent children equivalent to one month's salary in a year.
- v) **Leave :** As per rules of the Company.
- vi) **Leave Travel Assistance :** Reimbursement of actual travelling expenses for self, spouse and dependent children equivalent to one month's salary in a year.
- vii) **Car :** Free use of Company's Car with Driver.
- viii) **Telephone :** Free telephone facility at residence.
- ix) **Leave Encashment :** As per rules of the Company.
- x) **Club Fees :** Reimbursement of fees of two clubs including entrance and life membership fees.
- xi) **Personal Accident Insurance :** Reimbursement of all accident premium for self, spouse and dependent children.
- xii) **Reimbursement of Expenses :** Reimbursement of all entertainment, travelling, hotel and other expenses incurred during the course of and in connection with the business of the Company.
- xiii) **Any other perquisites** as may be allowed by the Board on recommendation of Remuneration Committee.

The provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephones and use of car for private purposes shall be billed by the Company to Shri Gopal Das Bangur.

- d. **Minimum Remuneration:** In the event of absence or inadequacy of profits Shri Gopal Das Bangur shall be entitled to receive a remuneration including allowances, perquisites etc as are recommended by



the Remuneration Committee to the Board of Directors but not exceeding the limits as may be prescribed in the Schedule XIII of the Companies Act, 1956 as amended from time to time as minimum remuneration.

- e. **Sitting Fees:** That Shri Gopal Das Bangur shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

Apart from the above terms and conditions governing remuneration, the agreement contains further terms and conditions as the terms of office, the powers and duties of the Whole-time Director to be designated as Executive Chairman, provision for earlier termination of the

appointment by either party by three months notice in writing to other party etc.

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

The copy of the agreement referred to in the proposed ordinary resolution is available for inspection of the members at the registered office of the company on all working days between 11.00 A.M. to 1.00P.M. upto the date of Annual General Meeting.

None of the directors of the company except Shri Gopal Das Bangur and Shri Hemant Bangur are in any way concerned or interested in the said resolution.



Wide Width Backing Plant



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors take pleasure in presenting the Twenty First Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

The highlights of the financial results of the Company for the year ended 31st March, 2013 are as under:

(₹ lakhs)

Particulars	Year Ended 31.3.2013	Year Ended 31.3.2012
Revenue from operations	34,622.84	30,860.34
Total Expenses	30,664.39	27,596.46
Operating Profit Before Depreciation & Finance Costs	3,958.45	3,263.88
Finance Costs	425.87	518.38
Depreciation/Amortization	711.31	642.05
Operating Profit after Depreciation & Finance Costs	2,821.27	2,103.45
Other Income	210.30	659.82
Gross Profit before Tax & Exceptional Items	3,031.57	2,763.27
Tax Expense (including Deferred Tax)	1,010.81	869.74
Profit for the year	2,020.76	1,893.53
Balance brought forward from previous year	539.95	354.66
Amount available for appropriation	2,560.71	2,248.19
Appropriations:		
Dividend		
Proposed Dividend	261.67	261.67
Proposed Special dividend - "20 years of Gloster's Operations"	—	261.67
Total Proposed Dividend	261.67	523.34
Dividend Tax	44.47	84.90
General Reserve	1,700.00	1,100.00
Balance carried to Balance Sheet	554.57	539.95

DIVIDEND

Your Directors have recommended for your approval a dividend of 100% i.e ₹ 10/- per equity share for the year ended 31st March, 2013. The total outflow for dividend will be ₹ 306.14 lakhs including ₹ 44.47 lakhs by way of dividend tax.

BONUS

During the last few years, there has been an impressive growth in the performance of the Company and consequently significant additions have been made to the free reserves. Therefore, your Directors have recommended issue of bonus shares in the ratio of one



new bonus equity share to be issued for every one equity share of face value of ₹ 10/- each held by the members. The approval of the members is being sought through postal ballot process. The Bonus Shares shall rank pari passu in all respects with the existing fully paid up equity shares, except that these Bonus Shares shall not be eligible for dividend for the year ended 31st March, 2013.

OPERATIONS

The production & sales during the year under review has been 54,937 MT & 54,627 MT in comparison to 51,314 MT & 51,493 MT respectively in the immediately preceding year resulting in a growth of 7.06 % and 6.09 % in production and sales respectively. During the year under review your Company has posted good performance as the Net Profit for the year has gone up to ₹ 2,020.76 lakhs as against ₹ 1,893.53 lakhs during the year 2011-12.

The year under review witnessed stable raw jute prices at moderate levels because of carry over of raw jute stock from the previous year and reasonably good crop during the year.

The initial forecast of raw jute crop in the forthcoming jute season is good. Further there is enough carry over of raw jute stock at the end of the year. Prices of raw jute in the current year are likely to be stable.

EXPORTS

Your Company's export performance during the year has improved in volume terms from 10,192 MT in the year 2011-12 to 11,751 MT in the year 2012-13. The exports in value terms has also gone up to ₹ 9,236.24 lakhs as against ₹ 7,795.42 lakhs in the previous year resulting in a growth of 18.50%. Your Directors are hopeful of further improvement in export performance in future, barring unforeseen circumstances.

REVALUATION OF FIXED ASSETS

The Company had carried out revaluation of certain class of Fixed Assets as at 31.03.2010, and net increase in the book value was credited to Revaluation Reserve. Since the value of Land, Building and Plant & Machinery has appreciated substantially in the last three years, the management felt the need for revaluing these assets as at 31.03.2013 in order to reflect them at their true value. Consequently Land, Building and Plant & Machinery have been revalued as at 31.03.2013 by an approved valuer and net replacement value of these assets stand at ₹ 35,477.64 lakhs resulting in a net increase in book value by ₹ 11,464.09 lakhs.

MODERNISATION

The Company has completed 4th phase of modernisation during the year. The 4th phase of modernisation included replacement of old looms and spinning frames with new/modern high speed looms and spinning frames & latest material handling equipments.

SUBSIDIARY COMPANIES

Gloster Lifestyle Limited, Gloster Specialities Limited and Gloster Gujrat Limited are wholly owned subsidiaries of your Company. In terms of the Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, a general exemption has been granted from the compliance of Section 212 of the Companies Act, 1956, requiring holding companies to attach with their Balance Sheet, a copy of the Balance Sheet, Profit & Loss Account and other documents of each of its subsidiaries, provided that the Board of Directors of such companies have given consent to this effect and that the conditions prescribed in the said Circular are complied with.

Your Board at their meeting held on 10th May, 2013 have decided on not attaching, inter alia, the Balance Sheet, Profit and Loss Account and other relevant reports and statements of its subsidiary companies with the Balance Sheet of your Company as on 31st March, 2013 and have also agreed to comply with the conditions prescribed in the said circular.

In view of the above Circular, the Balance Sheet, Profit and Loss Account and other documents and statements of the aforesaid three Subsidiaries have not been attached to the Balance Sheet as on 31st March, 2013 of your Company though a Consolidated Financial Statement has been attached. The Annual Report of the aforesaid Subsidiaries will be made available to the shareholders of the Company and its Subsidiaries upon receipt of written requests from them. The Annual Reports of the aforesaid Subsidiary companies will also be available for inspection by any shareholder at the Registered Office of the Company as well as Registered Office of the Subsidiary companies on any working day during the business hours. In compliance with the requirements of the aforesaid circular, a statement showing relevant details for the year ended 31st March, 2013 of the Subsidiaries of the Company have been included in the Consolidated Financial statements of the Company which forms part of this Annual Report.

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 has been practicing the principles of good corporate governance over the years and lays strong emphasis on transparency, accountability and integrity. As required under Clause 49 of the Listing Agreement of Stock Exchanges, a report on Corporate Governance and a certificate from the practicing Company Secretary, confirming compliance with the requirements of the Corporate Governance are annexed as part of this Report.

DEPOSITORY SYSTEM

As the members are aware, your Company's shares are tradeable compulsorily in electronic form. In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialization of the Company's shares either in National Securities Depository Ltd or Central Depository Services (India) Ltd.

DIRECTORS

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 1956 Shri Hemant Bangur and Shri Bhaskar Mitter, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Shri Gopal Das Bangur was re-appointed as Whole-time Director designated as Executive Chairman of the Company with effect from 12th April, 2013 on the terms & conditions as mentioned in the resolution which is being placed before you for your consideration at the ensuing Annual General Meeting and your Directors recommended passing of the same.

AUDITORS

Messers Lovelock & Lewes, Chartered Accountants, Statutory Auditors of the Company hold office up to the forthcoming Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company for the financial year 2013-14. 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 2011-2012 has been filed within due date. The Company has appointed M/s D. Radhakrishnan & Co., Cost Accountants to Audit the cost accounts for the financial year 2013-14, subject to the approval of the Central Government,

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. 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 is enjoying ratings of adequate safety – "A-(Pronounced A minus)" with a "stable" outlook and strong safety – "A2+(Pronounced A two plus)" for the long term and short term bank facilities respectively since beginning.

CONSOLIDATED FINANCIAL STATEMENTS

As required by the Listing Agreement with the Stock Exchanges, the Consolidated Financial Statements prepared in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India are attached.

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

Information in accordance with the provisions of 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 have been followed along with proper explanations for material departures.
- ii) that the Directors have selected such accounting policies and applied them consistently and made



judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

- iii) that the Directors have 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 have 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)

The Company endeavors to contribute towards the welfare and social upliftment of the community at large. The Company continues to carry on the CSR activities initiated in the past. Additionally, the Company undertook the following new CSR initiatives during the year:

- Constructed Sulabh Sauchalayas for the local community at Bauria.
- Contributed towards renovation of one of the floor of hospital building and purchase of medical equipments at the Anandalok Hospital, Kolkata.
- Sponsored community development programmes undertaken by various Charitable Trusts in the country.
- Sponsors weekly Medical Camp at Bauria for the poor & underprivileged section of the society.

APPRECIATION

Your Directors wish to place on record their sincere appreciation for the commitment and contribution of its employees, without whose hard work, solidarity, and support your Company's achievements would not have been possible. 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 and faith reposed in the Company

For & on behalf of the Board

Place : Kolkata
Dated : 10th May, 2013

G. D. BANGUR
Executive Chairman



Sulabh Sauchalayas



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 LED lights in Spinning, Ring Spinning section and in Process House in place of fluorescent tubes.
- 2 Installation of Super Energy Efficient motors in Group Drive and Individual Drive systems in Weaving section.
- 3 Installation of steam pressure & flow monitoring system in boiler.
- 4 Installed high efficiency trapping and condensate recovery system in VDR & Calender machines.
- 5 High efficiency conveyor system installed in three storied building where value added / lifestyle products are made.
- 6 For reducing consumption of electricity Solar defused refracted light lamps have been installed in one section of roof.

FORM A

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

(I) POWER & FUEL CONSUMPTION

1 Electricity

a) Purchased

Units (KWH) (in lakhs)

Total Amount (₹ In lakhs)

Rate/Unit (₹)

b) Own Generation

i) Through Captive Power Plant

Units (KWH) (in lakhs)

Unit per ltr. of Diesel Oil

Cost/Unit (₹)

ii) Through Diesel Generator

Units (KWH) (in lakhs)

Unit per ltr. of Diesel Oil

Cost/Unit (₹)

iii) Through Steam Turbine/Generator

2 Coal

Consumption (MT)

Total Cost (₹ In lakhs)

Average Rate/MT (₹)

	2012-13	2011-12
	230.38	232.59
	1,561.23	1,523.90
	6.78	6.55
	Nil	Nil
	Nil	Nil
	Nil	Nil
	4.51	1.79
	3.03	2.52
	16.58	17.66
	Nil	Nil
	193.86	142.21
	19.52	13.28
	10,066.88	9,340.22



	2012-13	2011-12
3 Furnace Oil for Power Plant		
Consumption (KL)	Nil	Nil
Average Rate/Litre (₹)	Nil	Nil
4 Furnace/Diesel Oil for Boiler		
Consumption (KL)	15.11	4.31
Average Rate/Litre (₹)	37.86	40.31
(II) CONSUMPTION PER MT OF PRODUCTION		
Electricity (Units)	427.56	456.75
(Both purchased & generated)		
Coal (Kgs.)	3.53	2.77

B. Technology Absorption, Adaptation & Innovation

- 1 Installed electrical synchronized system in place of mechanical system in Spreader machines.
- 2 Installed advanced technology fully automatic Emulsion plant.
- 3 New Effluent Treatment plant with modern facilities & zero discharge is in operation.
- 4 New high efficiency Oil Hydraulic Bailing Press has been installed.

- 5 Various types of Material Handling Equipments such as Tow Trucks, Jumbo Trucks, Scissor Lift have been introduced in the mill for facilitating material handling system.
- 6 Old Spinning Frames & Looms are gradually being replaced by modern Spinning Frames and High Speed Rapier Looms.
- 7 Advanced De-humidification system installed for lifestyle products.

C. Foreign Exchange Earnings & Outgo

- a) Total Foreign Exchange earned
- b) Total Foreign Exchange used

Information contained in

- Note 41
Note 38 & 39



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, 2013.

Name	Designation/ Nature of Duties	Gross Remuneration (Rupees)	Qualifi- cation	Experi- ence	Date of commencement of Employment	Age	Last Employment held Name of Company Designation
Gopal Das Bangur	Executive Chairman	1,61,15,464	B. Com.	42	12.04.2000	66	Joonktolee Tea and Industries Limited President
Dharam Chand Baheti	Managing Director	1,05,67,043	B. Com.	46	01.04.1992	65	Fort Gloster Industries Limited Works Manager

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.



Lifestyle Division



MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry structure and developments

By a notification during the year under review the Government of India has diluted the compulsory packing norms for food grains and sugar under Jute Packaging Materials (Compulsory use for Packing Commodities) Act, 1987 (JPMA). It has been directed that food grains to the extent of 90% of production & sugar to the extent of 40% of production, shall be packed in Jute Packaging Material. The said notification is valid upto June 2013.

b) Opportunities and Threats / Risks & Concerns

Opportunities

- Weak rupee may offer opportunity for export of jute products at attractive prices.
- In view of rising concern for environment and global warming jute products are getting preference over other substitutes.
- Improvement in USA and other world economies may lead to demand for promotional bags, lifestyle products and jute made ups.
- Good monsoon forecast in the current year should increase food grain & sugar crop, thereby increasing requirement of jute packaging materials.
- Decrease in crude oil prices may help to contain the cost of input from petroleum products;
- The industry continues to get incentives for technological upgradation of manufacturing facilities under different schemes as below:

The Technology Upgradation Fund Scheme (TUF Scheme) for modernisation/expansion, under the Ministry of Textiles, the Government of India has been extended;

Risk & Concern / Threat

- Further dilution of compulsory packing of food grains & sugar in Jute Packaging may affect market for jute products;
- Availability of Raw jute, being an agricultural produce, may vary and thereby may adversely affect the performance;
- Ever increasing dearness allowance, will lead to increase in the employee cost and overall cost of production;
- Stiff competition from Bangladesh due to huge adverse differentials in wage, power cost and export subsidy offered by Government of Bangladesh on jute goods;
- Competition from cheaper substitute synthetic packaging materials ;

c) Segment-wise or product-wise performance

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

(₹ lakhs)

Particulars	Inside India		Outside India		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Segment revenue by location of customers	24,969.42	22,742.27	9,236.24	7,795.42	34,205.67	30,537.70
Carrying amount of segment assets	775.43	838.14	317.91	356.50	1,093.34	1,194.64
Carrying amount of segment liabilities	102.21	127.17	11.31	58.03	113.52	185.20
Additions to tangible and intangible assets	-	-	-	-	795.45	841.77



d) Outlook

The initial forecast of raw jute crop for the current season is encouraging. Higher raw jute crop in the current year may 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.

During the year under review 4th phase of modernisation has been completed which included replacement of old looms and Spinning Frames with new / modern high speed machines & introduction of latest material handling equipments.

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

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 optimisation 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:

(₹ lakhs)

Particulars	2012-13	2011-12	Increase/ (Decrease)
Revenue from operations	34,622.84	30,860.34	3,762.50
Raw material cost	18,136.30	17,035.73	1,100.57
Finance costs	425.87	518.38	(92.51)
Profit for the year	2,020.76	1,893.53	127.23
Inventories	6,933.90	5,551.29	1,382.61
Capital investment	795.45	841.77	(46.32)

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.

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.

h) Cautionary statement

Statements made in this section of the report are



CORPORATE GOVERNANCE REPORT

INTRODUCTION

Your Company's philosophy of Corporate Governance is a reflection of its ethical behavior, policies and commitment to core values. Strict adherence to the principles of fairness, transparency, professionalism, accountability and propriety in total functioning of the Company, are pre-requisites for attaining sustainable growth in this competitive corporate world. Your Company aims to align its interests with the interests of stake holders and is focused on generating long term shareholder's 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, Managing 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	4	1	2
Shri Hemant Bangur	Promoter Non-Executive	8	Nil	Nil
Shri Bhaskar Mitter	Independent Non-Executive	Nil	Nil	Nil
Smt. Nandita Sen	Independent Non-Executive	Nil	Nil	Nil
Shri Rebatl Ranjan Dash	Independent Non-Executive	Nil	Nil	Nil
Shri Krutibas Mahapatra	Independent Non-Executive	Nil	Nil	Nil
Dr. Prabir Ray	Independent Non-Executive	Nil	Nil	Nil
Shri Dharam Chand Baheti	Non-Promoter Managing Director	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 membership of Audit Committee and Shareholder's / Investors' Grievances Committee is 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 whenever necessary. The Board Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. The Board papers, comprising the agenda backed by comprehensive background information are circulated to the Directors in advance and, in exceptional cases, the same is tabled at the Board Meeting. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman.

The information as specified in Annexure IA 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 are also regularly placed before the Board.

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

During the financial year ended 31st March, 2013, four Board Meetings were held on 26th May, 2012, 9th August, 2012, 3rd November, 2012, and 14th February, 2013. 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 9th August, 2012
Shri Gopal Das Bangur	4	Yes
Shri Hemant Bangur	4	Yes
Shri Bhaskar Mitter	4	Yes
Smt. Nandita Sen	4	Yes
Shri Rebatil Ranjan Dash	4	Yes
Shri Krutibas Mahapatra	4	Yes
Dr Prabir Ray	4	Yes
Shri Dharam Chand Baheti	4	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 & Cost 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 statements & in particular investments made by the unlisted Subsidiaries of the Company.

The Audit Committee while reviewing the Annual Financial Statements also review the applicability of various Accounting Standards (AS) issued by The Institute of Chartered Accountants of India. Compliance of the AS applicable to the Company has been ensured in the Financial Statements for the year ended 31st March, 2013.

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 Managing Director of the Company is specially invited at the meetings of the Committee, whenever required. The Statutory Auditors, Internal Auditors and the Cost 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, 2013, four Audit Committee Meetings were held on 26th May, 2012, 9th August, 2012, 3rd November, 2012, and 14th February, 2013. The Audit Committee also met prior to the finalization of accounts for the year ended 31st March, 2013.

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	4
Shri Krutibas Mahapatra	4

The Company Secretary was present at all the above meetings.

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 and Managing Directors of the Company. The terms of reference of the Committee includes:

- Reviewing the overall compensation policy, service agreements and other employment conditions of Whole -time Directors & Managing Directors
- Reviewing the performance of the Whole - time Directors & Managing 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, 2013, three Remuneration Committee Meetings were held on 26th May, 2012, 3rd November, 2012 and 14th February, 2013.

The attendance at the Remuneration Committee Meetings is as under:

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

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. During the year ended 31st March, 2013 sitting fees for a attending each Board meeting & each Committee meeting has been revised from ₹ 8,000 to ₹ 10,000 and from ₹ 4,000 to ₹ 5,000 respectively, effective from 14th February, 2013.

WHOLE-TIME DIRECTORS

Name of the Director	Salary ₹	Benefits ₹	Commission* ₹	Service Contract
Shri Gopal Das Bangur, Executive Chairman	60,00,000	26,15,464	75,00,000	3 Years
Shri Dharam Chand Baheti, Managing Director	29,92,903	35,74,140	40,00,000	5 Years

* Payable in 2013 –14 for 2012-13

B. Remuneration to Whole-time Directors / Managing Directors

The appointment of Whole- time Directors & Managing 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 & Managing Directors, which are governed by the respective Agreements executed between them and the Company. Remuneration paid to Whole-time Directors & Managing 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 & Managing Directors comprises of salary, perquisites and allowances, commission and contributions to Provident and other Funds as approved by the shareholders at General Meetings. Annual increments are recommended by the Remuneration Committee and recommended to the Board for approval thereof.

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

DETAILS OF REMUNERATION TO ALL THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 2013

NON-EXECUTIVE DIRECTORS

Name of the Director	Commission* ₹	Sitting Fees ₹
Shri Hemant Bangur	3,00,000	81,000
Shri Bhaskar Mitter	3,00,000	81,000
Smt Nandita Sen	3,00,000	81,000
Shri Rebatl Ranjan Dash	3,00,000	34,000#
Shri Krutibas Mahapatra	3,00,000	81,000
Dr Prabir Ray	3,00,000	34,000

* Payable in 2013 –14 for 2012-13

Amount paid /payable to LIC of India



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, rematerialised, 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 Registrar & Share Transfer Agents, M/s. Maheshwari Datamatics Pvt Ltd to redress shareholders grievances and provide a periodical report to the said committee at every meeting about the grievances received, solved and pending in addition to their existing functions as follows: -

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

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

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

SEBI including SEBI Complaints Redress System (SCORES), Stock Exchanges, Department of Company Affairs, Registrar of Companies etc.

The Minutes of the 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 Shareholders' / Investors' Grievance Committee of Directors is as under:

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

COMPLIANCE OFFICER

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

MEETING AND ATTENDANCE

During the financial year ended 31st March, 2013, four Shareholders'/Investors' Grievance Committee meetings were held on 26th May, 2012, 9th August, 2012, 3rd November, 2012, and 14th February, 2013.

The attendance at the Shareholders' / Investors' Grievance Committee is as under :

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



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

The total number of complaints received during the year ended 31st March, 2013 was 1 and the same was replied to the satisfaction of the shareholder. There were no complaints outstanding as on 31st March, 2013. The number of share transfers and requests for dematerialisation pending as on 31st March, 2013 were Nil.

Shareholders'/ Investors' complaints and other correspondence are attended to within the stipulated time period except where constrained by disputes or legal impediments.

6. SUBSIDIARY COMPANIES

The Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

7. CEO/CFO CERTIFICATION

As required by Clause 49 V of the Listing Agreement, the CEO/CFO Certificate signed by Shri Dharam Chand Baheti, CEO and Shri Ajay Kumar Agarwal, CFO was placed before the Board of Directors at their meeting held on 10th May, 2013.

8. GENERAL BODY MEETINGS

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

Financial Year	Date Meeting	Type	Location of the Meeting	Time
2009- 10	29th September, 2010	AGM	Shripati Singhanian Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata 700 020	02.30 P.M.
2010-11	6th August, 2011	AGM	Shripati Singhanian Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata 700 020	11.00 A.M.
2011-12	9th August, 2012	AGM	Shripati Singhanian Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata 700 020	11.00 A.M.

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

Date of Meeting	Type	Change of Name of the Company	Commission to Non-Executive Director	Commencement of business u/s 149(2A)
29th September, 2010	AGM	Yes	Yes	—
6th August, 2011	AGM	—	—	Yes
9th August, 2012	AGM	—	—	—

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 have affirmed compliance with the Code for the year ended 31st March, 2013 and a declaration to this effect signed by Shri Dharam Chand Baheti, Managing Director 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.

11. 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 Subsidiaries, Promoters, Directors or Management, their 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.35 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.

12. 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 'The Economic Times' and one of the prominent local dailies in Bengali. Presently the same are not sent to the shareholders separately.
- (iii) The Company's Annual Reports and 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.
- (vi) The Company has an exclusive e-mail ID for Shareholders/Investors and they may write to the Company at shares@glosterjute.com.

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/s, all Board members and Senior Management Personnel have affirmed compliance with Gloster Code of Conduct for the year ended 31st March, 2013.

Place : Kolkata
Date : 10th May, 2013

For Gloster Limited
Dharam Chand Baheti
Managing Director



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

To The Members of Gloster Limited

I have examined the compliance of the conditions of Corporate Governance by Gloster Limited for the financial year ended 31st March, 2013 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
Date : 10th May, 2013

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



Modern Jiggers



SHAREHOLDER INFORMATION

REGISTERED OFFICE

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

ANNUAL GENERAL MEETING

Date and Time : 25th, July 2013 at 11.00 A.M

Venue : Shripati Singhanian Hall, Rotary Sadan,
94/2, Chowringhee Road, Kolkata 700020

FINANCIAL CALENDAR

Financial reporting for the quarter ending
June 30, 2013 : By 15th August, 2013

Financial reporting for the half year ending
September 30 2013 : By 15th November, 2013

Financial reporting for the quarter ending
December 31, 2013 : By 15th February, 2014

Financial reporting for the year ending
March 31, 2014 : By 31st May, 2014

DATE OF BOOK CLOSURE

On 28th June, 2013

DIVIDEND PAYMENT

After 25th July, 2013

LISTING ON STOCK EXCHANGE

The Equity shares of the Company are listed on The Calcutta Stock Exchange Ltd. BSE Ltd. 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 2013-2014.

STOCK CODE

CSE –10017076

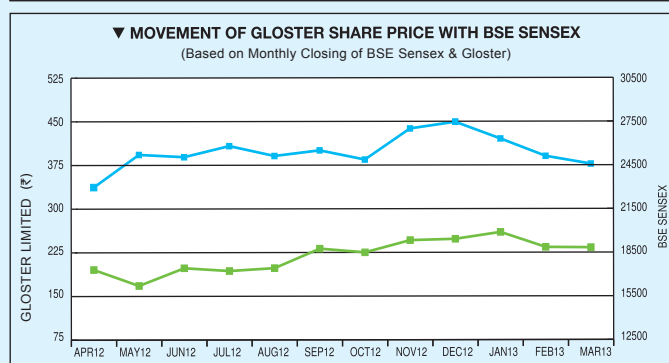
BSE— 590085

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 Limited, hence monthly high and low quotations and volume of shares traded on the BSE Ltd. during the year are only given.

MONTH	BSE		
	HIGH (₹)	LOW (₹)	VOLUME (NO OF SHARES)
APRIL, 2012	430.00	307.00	50,312
MAY, 2012	408.95	311.05	9,404
JUNE, 2012	414.00	351.25	4,333
JULY, 2012	464.90	380.65	5,594
AUGUST, 2012	430.95	368.00	3,433
SEPTEMBER, 2012	479.00	379.00	12,709
OCTOBER, 2012	421.00	381.50	8,094
NOVEMBER, 2012	460.00	381.15	16,375
DECEMBER, 2012	475.00	414.00	24,814
JANUARY, 2013	473.55	403.00	10,321
FEBRUARY, 2013	445.00	390.00	13,618
MARCH, 2013	414.50	370.05	12,018
		BSE	
No. of Shares traded		1,71,025	
Highest Share Price (₹)		479.00	
Lowest Share Price (₹)		307.00	
Closing share price as on 31st March, 2013 (₹)		377.00	
Market Capitalisation as on 31st March, 2013 (₹)		9,865.03 lakhs	



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

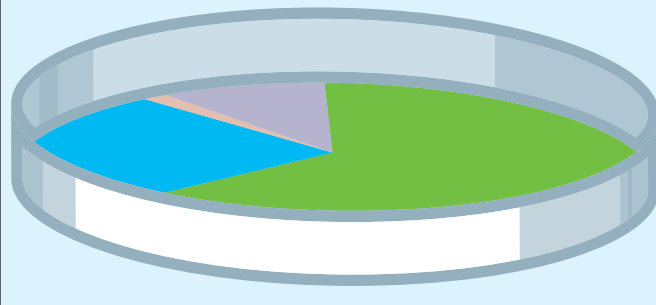
The transfer of shares in physical form is processed and completed by M/s. Maheshwari Datamatics Private Limited within the stipulated time period, provided all the documents are in order. In case of shares in electronic form, the transfers are processed by National Securities Depository Limited and Central Depository Services (India) Limited through respective Depository Participants. In compliance with the Listing 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, 2013

NO. OF EQUITY SHARES HELD	NO. OF SHARE HOLDERS	% OF SHARE HOLDERS	NO. OF SHARES HELD	% OF SHARE HOLDING
Upto 500	1,961	93.12	1,52,975	5.85
501 to 1000	75	3.56	55,269	2.11
1001 to 2000	41	1.95	58,858	2.25
2001 to 3000	9	0.42	21,995	0.84
3001 to 4000	4	0.19	14,018	0.53
4001 to 5000	1	0.05	4,372	0.17
5001 to 10000	2	0.09	17,520	0.67
10001 and above	13	0.62	22,91,713	87.58
GRAND TOTAL	2,106	100.00	26,16,720	100.00

▼ SHAREHOLDING PATTERN

■ Promoters	65.05%
■ Banks, Financial Institutions & Insurance Companies	22.46%
■ Bodies Corporate	1.55%
■ General Public and others	10.94%



SHAREHOLDING PATTERN AS ON 31ST MARCH, 2013

CATEGORY	NO. OF SHARES HELD	% OF SHARE CAPITAL
A. PROMOTER'S HOLDING		
Promoters		
a. Indian Promoters	17,02,222	65.05
b. Foreign Promoters	—	—
Sub-total	17,02,222	65.05
B. NON-PROMOTER'S HOLDING		
1. Institutional Investors		
a. Mutual Funds and UTI	—	—
b. Banks, Financial Institutions, Insurance Companies	5,87,809	22.46
c. FIs	—	—
Sub-total	5,87,809	22.46
2. OTHERS		
a. Bodies Corporate	40,460	1.55
b. Indian Public	2,82,656	10.80
c. Others	3,573	0.14
Sub-total	3,26,689	12.49
GRAND TOTAL	26,16,720	100.00

DEMATERIALISATION OF SHARES AND LIQUIDITY

97.65% of the equity shares of the Company have been dematerialised as on 31st March, 2013. 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 DEMATERIALISATION AS ON 31ST MARCH, 2013

PARTICULARS	NO. OF SHARES	% TO TOTAL CAPITAL	NO. OF ACCO-UNTS
National Securities Depository Limited	21,82,714	83.41	1,155
Central Depository Services (India) Limited	3,72,628	14.24	458
Total Dematerialised	25,55,342	97.65	1,613
Physical	61,378	2.35	493
Grand Total	26,16,720	100.00	2,106



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
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
2010-2011	6th August, 2011	11th September, 2018
2011-2012	9th August, 2012	14th September, 2019

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 Agents.

ELECTRONIC CLEARING SERVICE

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for crediting dividends through National Electronic Clearing Services (NECS) to the investors wherever NECS and bank details are available. In the absence of NECS facility, the Company is required to print the bank account details on the dividend

warrants. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. However, members who wish to receive dividend in an account other than the one specified while opening the Depository Account, may notify their DPs about any change in the Bank Account details.

PLANT LOCATION

P.O Fort Gloster
Bauria, Howrah-711310
West Bengal

ADDRESS FOR CORRESPONDENCE

Registrar & Share Transfer Agents
<p>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</p>
Registered Office
<p>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</p>

RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the 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 Exchange/s. 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.



INDEPENDENT AUDITORS' REPORT

To the Members of Gloster Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Gloster Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



8. As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, 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 March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

Place: Kolkata

Dated: May 10, 2013

For **Lovelock & Lewes**

Firm Registration Number: 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership Number 55000



Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Gloster Limited on the financial statements as of and for the year ended March 31, 2013

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of four years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory has been physically verified by the Management during the year.
 - (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.
- iii. (a) The Company has granted unsecured loans, to one company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregated to ₹ 200 lakhs and ₹ Nil, respectively.
 - (b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
 - (c) In respect of the aforesaid loans, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
 - (d) In respect of the aforesaid loans, there is no overdue amount more than Rupees One lakh.
 - (e) The Company has taken unsecured loans from a company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregated to ₹ 175.78 lakhs and ₹ 265.63 lakhs respectively.
 - (f) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
 - (g) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts, as stipulated, and is also regular in payment of interest, as applicable.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system 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 system.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.



- (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.
- vi. 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.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. 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.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, wealth-tax, service tax, customs duty, and excise duty which have not been deposited on account of any dispute. The particulars of dues of sales tax as at March 31, 2013 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	9,210	1995-96	Appellate & Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	2,91,540	2001-02	Hon'ble High Court of Calcutta
West Bengal Sales Tax Act, 1994	West Bengal Sales tax	9,45,191	2003-04	West Bengal Taxation Tribunal
Central Sales Tax Act, 1956	Central Sales Tax	4,43,167	2003-04	Hon'ble High Court of Calcutta
West Bengal Sales Tax Act, 1994	West Bengal Sales tax	5,04,168	2004-05	Appellate & Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	20,38,951	2004-05	Appellate & Revisional Board
West Bengal VAT Act, 2003	West Bengal VAT	1,70,63,698	2005-06	Appellate & Revisional Board



Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	8,44,112	2005-06	Appellate & Revisional Board
West Bengal VAT Act, 2003	West Bengal VAT	2,68,833	2006-07	Appellate & Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	1,62,820	2006-07	Appellate & Revisional Board
West Bengal VAT Act, 2003	West Bengal VAT	14,42,916	2007-08	Appellate & Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	8,41,751	2007-08	Appellate & Revisional Board
West Bengal VAT Act, 2003	West Bengal VAT	21,61,019	2008-09	Appellate & Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	6,94,675	2008-09	Appellate & Revisional Board
West Bengal VAT Act, 2003	West Bengal VAT	26,34,472	2009-10	Additional Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	64,80,450	2009-10	Additional Commissioner

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. 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.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. 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. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.



- xviii. 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. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Place: Kolkata
Dated: May 10, 2013

For **Lovelock & Lewes**
Firm Registration Number: 301056E
Chartered Accountants
Sunit Kumar Basu
Partner
Membership Number 55000



BALANCE SHEET AS AT 31ST MARCH, 2013

	Note	As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	261.67	261.67
Reserves and Surplus	4	39,774.93	27,254.39
		40,036.60	27,516.06
Non-current Liabilities			
Long-term borrowings	5	544.78	589.88
Deferred tax liabilities (net)	6	571.56	606.75
Other long term liability	7	61.81	95.51
Long-term provisions	8	161.56	110.12
		1,339.71	1,402.26
Current Liabilities			
Short-term borrowings	9	5,428.62	4,220.00
Trade Payables	10	350.89	417.98
Other current liabilities	11	2,139.00	1,718.43
Short-term provisions	12	1,116.58	989.21
		9,035.09	7,345.62
Total		50,411.40	36,263.94
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	13	36,281.51	25,178.65
Intangible assets	14	8.61	12.08
Capital work-in-progress		87.33	340.15
Non-current investments	15	1,556.92	820.30
Long-term loans and advances	16	602.69	594.33
		38,537.06	26,945.51
Current assets			
Current investments	17	1,201.26	200.00
Inventories	18	6,933.90	5,551.29
Trade Receivables	19	1,093.34	1,194.64
Cash and Bank balances	20	1,511.92	1,357.15
Short-term loans and advances	21	1,101.07	987.42
Other current assets	22	32.85	27.93
		11,874.34	9,318.43
Total		50,411.40	36,263.94
Corporate Information	1		
Summary of significant accounting policies	2		

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

Place: Kolkata
Dated: 10th May, 2013

For **Lovelock & Lewes**
Firm Registration No. 301056E
Chartered Accountants
Sunit Kumar Basu
Partner
Membership No. 55000

Ajay Kumar Agarwal
Company Secretary

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



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note	Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
INCOME			
Revenue from operations (gross)	23	34,892.11	31,089.02
Less: Excise Duty and R & D Cess		269.27	228.68
Revenue from operations (net)		34,622.84	30,860.34
Other Income	24	210.30	659.82
Total Revenue		34,833.14	31,520.16
EXPENSES			
Cost of materials consumed	25	18,136.30	17,035.73
Purchase of traded goods		14.96	–
Changes in inventories of finished goods, stock-in-process and semi-finished goods	26	(42.36)	113.25
Employee benefits expense	27	6,238.39	4,921.33
Finance costs	28	425.87	518.38
Depreciation and amortization expense	29	711.31	642.05
Other expenses	30	6,317.10	5,526.15
Total Expenses		31,801.57	28,756.89
Profit before tax		3,031.57	2,763.27
Tax expense			
Current tax		1,046.00	932.00
Deferred tax		(35.19)	(62.26)
Total Tax expenses		1,010.81	869.74
Profit for the year		2,020.76	1,893.53
Earnings per equity share [nominal value per share ₹ 10 (31.03.2012 - ₹ 10)]			
Basic & Diluted	31	77.22	72.36
Corporate Information	1		
Summary of significant accounting policies	2		

The notes are an integral part of these financial statements.

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

Place: Kolkata
Dated: 10th May, 2013

For **Lovelock & Lewes**
Firm Registration No. 301056E
Chartered Accountants
Sunit Kumar Basu
Partner
Membership No. 55000

Ajay Kumar Agarwal
Company Secretary

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



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
A. Cash Flow from Operating Activities				
Net profit before tax		3,031.57		2,763.27
Adjustments for:				
Depreciation and Amortisation Expenses	711.31		642.05	
Finance Costs	425.87		518.38	
Net (Profit) / Loss on sale of fixed assets	5.45		(20.67)	
Net gain on sale of current investments	(5.73)		(0.01)	
Unrealised (Gain) / Loss on exchange (net)	(0.18)		(17.62)	
Interest Income	(72.23)		(41.09)	
Dividend income on current investments	(8.17)		(2.20)	
Bad Debts written off	–		5.54	
Insurance claim receivable	–		(546.00)	
Liabilities no longer required written back	(10.76)		(2.46)	
Provision for diminution in value of investments written back	–		(20.00)	
Investments written off	–		20.00	
		1,045.56		535.92
Operating profit before working capital changes		4,077.13		3,299.19
Adjustments for:				
Decrease/(Increase) in Inventories	(1,382.61)		1,910.71	
Decrease/(Increase) in Trade Receivables	101.31		(207.08)	
Decrease/(Increase) in Other Receivables	(76.72)		364.08	
(Decrease)/Increase in Trade and Other Payables	876.88		107.91	
		(481.14)		2,175.62
Cash generated from operations		3,595.99		5,474.81
Income Taxes paid		(1,062.42)		(754.29)
Net Cash from Operating Activities	A	2,533.57		4,720.52
B. Cash Flow from investing activities				
Purchase of Fixed Assets (net of capital subsidy received)	(758.73)		(670.74)	
Sale of Fixed Assets	6.03		27.16	
Purchase of Current investments	(9,986.95)		(780.00)	
Application Money paid for Current investments	(50.00)		–	
Purchase of Non-current investments in Subsidiaries	–		(805.00)	
Purchase of other Non-current investments	(746.62)		–	



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Sale of Current Investments	9,001.42		580.01	
Interest received	67.31		40.42	
Dividend received	8.17		2.20	
Short term loans given to Subsidiaries	—		(1,145.00)	
Short term loans repaid by Subsidiaries	—		1,145.00	
Net Cash used in Investing activities		(2,459.37)		(1,605.95)
C. Cash Flow from Financing Activities				
Net proceeds/(repayment) of Short term Borrowings	1,208.62		(1,048.09)	
Proceeds from Long-term Borrowings	208.18		304.96	
Repayment of Long-term Bank Borrowings	(317.77)		(594.73)	
Finance Costs paid	(408.92)		(534.79)	
Dividend paid	(524.64)		(179.40)	
Dividend Taxes paid	(84.90)		(29.71)	
Net Cash from/(used) in Financing Activities		80.57		(2,081.76)
Net Increase in Cash and Cash Equivalents (A+B+C)		154.77		1,032.81
Cash and Cash Equivalents (Opening Balance)	1,357.15		324.34	
Cash and Cash Equivalents (Closing Balance)	1,511.92		1,357.15	

Notes

- The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard - 3, on Cash Flow Statement as per Companies Accounting Standard Rules, 2006.
- Closing balance of Cash and Cash equivalents represent "Cash and Bank balances" and includes ₹ 11.46 lakhs (31.03.2012 ₹ 12.76 lakhs) lying in designated accounts with banks on account of unclaimed dividends and ₹ 112.88 lakhs (31.03.2012 ₹ 127.87 lakhs) on account of margin money deposits which are not available for use by the Company.
- Previous year's figures have been regrouped/ rearranged wherever necessary.

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

Place: Kolkata
Dated: 10th May, 2013

For **Lovelock & Lewes**
Firm Registration No. 301056E
Chartered Accountants
Sunit Kumar Basu
Partner
Membership No. 55000

Ajay Kumar Agarwal
Company Secretary

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



Notes to the Financial Statements

1 Corporate Information

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

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention, except for certain tangible assets which are carried at revalued amounts. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211 (3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.2 Use of estimates

The preparation of financial statements in

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

2.3 Tangible assets and Depreciation

- a) All items of land, building 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, 2013 (an earlier revaluation at current replacement cost was carried out as at 31st March, 2010). The appreciation in the net book value of these assets over their book value has been credited to Revaluation Reserve.
- b) Other tangible assets are stated at cost of acquisition including inward freight, duties, taxes and expenses incidental to acquisition and installation.
- c) Depreciation is provided at Straight line method at rates specified in Schedule XIV of the Companies Act, 1956. No depreciation is provided on Freehold Land.
- d) Profit and Loss on disposal of tangible assets is recognised in the Statement of Profit and Loss.
- e) An impairment loss is recognized where applicable when the carrying value of tangible asset exceeds its market value or value in use whichever is higher.

2.4 Intangible assets and Amortization

- a) Intangible assets are stated at cost of acquisition including duties, taxes and expenses incidental to acquisition and installation.
- b) Intangible assets comprising of computer software is depreciated on straight line method over a period of five years.



Notes to the Financial Statements

- c) Profit and Loss on disposal of intangible assets is recognised in the Statement of Profit and Loss.
- d) An impairment loss is recognized where applicable when the carrying value of intangible asset exceeds its market value or value in use whichever is higher.

2.5 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.

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

2.6 Subsidy and Export incentive

Subsidy and export incentive 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 statement of profit and loss. 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.

2.7 Inventories

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

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

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

2.8 Employee Benefit

a Defined Contribution Plans

The Company contributes to Provident Funds

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

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

b Defined Benefit Plans

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

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

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

c Compensated Absences

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

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

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

d Other 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.



Notes to the Financial Statements

2.9 Research & Development Cess and Excise duty

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

2.10 Sales

Sales is stated net of sales tax. Sale is recognised on transfer of substantial risks and rewards of ownership in goods to the buyer.

2.11 Interest Income

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

2.12 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 Statement of Profit and Loss .

2.13 Derivative Instruments

The Company uses derivative financial instruments such as forward exchange contracts, to hedge its risks associated with foreign currency fluctuations. 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 loss arising on

cancellation of derivative instruments is recognised as income or expense for the period.

2.14 Taxation

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

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

2.15 Borrowing Cost

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

2.16 Provisions and Contingent Liabilities

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.



Notes to the Financial Statements

3. Share Capital

Authorised:

2,50,00,000 (31.03. 2012 - 2,50,00,000)
Equity Shares of ₹ 10/- each

Issued, Subscribed and Fully Paid-up:

26,16,720 (31.03. 2012 - 26,16,720)
Equity Shares of ₹ 10/- each

Total

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
2,500.00	2,500.00
261.67	261.67
261.67	261.67

(a) Reconciliation of number of equity shares

Balance as at the beginning and end of the year

As at 31st March, 2013		As at 31st March, 2012	
No. of Shares	₹ lakhs	No. of Shares	₹ lakhs
26,16,720	261.67	26,16,720	261.67

(b) Rights attached to equity shares

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

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

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

Equity shares allotted as fully paid-up pursuant contract(s) without payment being received in cash 1993-94

Equity shares allotted as fully paid-up bonus share by way of capitalisation of General Reserve in 2002-03

Equity shares allotted as fully paid-up bonus share by way of capitalisation of General Reserve in 2008-09

As at 31st March, 2013 No. of Shares	As at 31st March, 2012 No. of Shares
2,17,360	2,17,360
6,54,180	6,54,180
13,08,360	13,08,360

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

Life Insurance Corporation of India
Kettlewell Bullen & Company Limited
The Oriental Company Limited
Madhav Trading Corporation Limited
Credwyn Holdings (India) Pvt. Limited

As at 31st March, 2013		As at 31st March, 2012	
No. of Shares	% holding	No. of Shares	% holding
5,83,521	22.30	5,88,890	22.50
4,61,972	17.65	4,61,972	17.65
3,77,504	14.43	3,77,504	14.43
2,58,028	9.86	2,52,117	9.63
2,27,870	8.71	1,79,465	6.86



Notes to the Financial Statements

4. Reserves and Surplus

	As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
Capital Reserve	150.00	150.00
Securities Premium Account	174.45	174.45
Revaluation Reserve		
Balance as at the beginning of the year	19,107.11	19,790.54
Add:		
Amount added on revaluation of land, building and plant and machinery during the year	11,464.10	–
Less:		
i) Amount transferred to the Statement of Profit and Loss as reduction from depreciation and amortization expense	649.52	652.47
ii) Adjustment on account of disposal of Tangible Assets	11.07	37.55
Less: Depreciation on account of disposal of Tangible Assets	2.41 8.66	6.59 30.96
Balance as at the end of the year	29,913.03	19,107.11
General Reserve		
Balance as at the beginning of the year	7,282.88	6,182.88
Add:		
Transferred from Surplus in the Statement of Profit and Loss during the year	1,700.00	1,100.00
Balance as at the end of the year	8,982.88	7,282.88
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	539.95	354.66
Profit for the year	2,020.76	1,893.53
Less : Appropriations		
i) Proposed dividend on equity shares for the year ₹ 10/- per share (2011-12 ₹ 10/- per share)	261.67	261.67
ii) Proposed as Special dividend- “20 years of Gloster Operations” on equity shares for the year 2011-12- ₹ 10/- per share	–	261.67
Total Dividend	261.67	523.34
Dividend distribution tax on proposed dividend on equity shares	44.47	84.90
Transfer to General Reserve	1,700.00	1,100.00
Balance as at the end of the year	554.57	539.95
Total	39,774.93	27,254.39



Notes to the Financial Statements

5. Long-term borrowings

Secured

Term loans

From Banks [Refer note (a) below]

Unsecured

Term loans

Other Loan [Refer note (b) below]

Total

	As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
	356.23	532.44
	188.55	57.44
	544.78	589.88

Notes:

(a) Nature of security and terms of repayment for secured borrowings (including current maturities of Long term borrowings in note-11)	
Nature of Security	Terms of repayment
Term loan from banks amounting to ₹ nil. lakhs (31.03.2012: ₹ 79.63 lakhs) are secured by equitable mortgage of factory land and building, hypothecation of all plant & machinery and all other fixed assets of the Company and also guaranteed by Kettlewell Bullen & Company Limited.	Repayable in 23 equal quarterly instalments beginning from 2nd May 2007 along with interest of 13.75% p.a.
Term loan from banks amounting to ₹ 524.23 lakhs (31.03.2012: ₹ 700.90 lakhs) are secured by equitable mortgage of factory land and building, hypothecation of all plant & machinery and all other fixed assets of the Company and also guaranteed by Kettlewell Bullen & Company Limited.	Repayable in 25 equal quarterly instalments beginning from March 2011 along with interest of 11.75% p.a.
Term loan from banks amounting to ₹ 8.21 lakhs (31.03.2012: ₹ 41.43 lakhs) are secured by hypothecation of the assets acquired under the loan.	Repayable in 36 equal monthly instalments from the date of the loan along with interest of 8.40 % p.a.
(b) Term of re-payment for Unsecured Borrowing	Terms of repayment
Other Loan	Repayable in 26 equal quarterly instalments beginning from third quarter of 2012-13 along with interest of 16.00 % p.a.



Notes to the Financial Statements

6. Deferred tax liabilities (net)

Deferred tax liabilities

Depreciation

Deferred tax assets

Provision for leave encashment

Other timing differences

Total [Refer note (a) below]

Note:

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

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
609.46	628.46
27.16	10.97
10.74	10.74
37.90	21.71
571.56	606.75

7. Other long term liability

Other long term liability

Total

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
61.81	95.51
61.81	95.51

8. Long-term provisions

Provision for compensated absences of employees

Total

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
161.56	110.12
161.56	110.12

9. Short-term borrowings

Secured

Loans from banks [refer note (a) and (b) below]

Loans from Life Insurance Corporation of India
[refer note (c) below]

Total

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
4,978.38	3,728.99
450.24	491.01
5,428.62	4,220.00

Notes:

(a) Loan repayable on demand amounting to ₹ 4,978.38 lakhs (31.03.2012 ₹ 3,278.99 lakhs) are secured by hypothecation of stock of raw material, stock-in-process, finished goods, stores & consumables, book debts and other current assets of the Company.

(b) Loans repayable on demand to bank amounting to ₹ 4,978.38 lakhs (31.03.2012 ₹ 2,778.99 lakhs) is also guaranteed by Kettlewell Bullen & Company Limited.

(c) Loan from Life Insurance Corporation of India amounting to ₹ 450.24 lakhs (31.03. 2012- ₹ 491.01 lakhs) secured against Keyman insurance policies.



Notes to the Financial Statements

10. Trade payables

Trade payables (refer note 37 for details of dues to Micro, Small and Medium Enterprises)

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
350.89	417.98
350.89	417.98

Total

11. Other current liabilities

Current maturities of long-term debt (also refer note 5)

Advances received from customers

Interest accrued and due on borrowings

Interest accrued but not due on borrowings

Unpaid Dividends [Refer note (a) below]

Statutory dues

Directors' commission

Electricity dues

Others

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
253.29	317.77
113.52	185.20
24.89	10.28
9.62	7.28
11.46	12.76
50.79	35.64
133.00	123.00
175.05	167.08
1,367.38	859.42
2,139.00	1,718.43

Total

Note:

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

12. Short-term provisions

Provision for Employee Benefits (also refer note 27)

Provision for Gratuity

Provision for compensated absences of employees

Other Provisions

Proposed Dividend

Provision for Dividend Distribution Tax

Provision for Taxation (Net)

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
494.17	60.94
54.67	42.01
261.67	523.34
44.47	84.90
261.60	278.02
1,116.58	989.21

Total



Notes to the Financial Statements

13. Tangible Assets

Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	Cost/ Valuation as at 1st April, 2012 [(note (a))]	Additions during the year	Amount Added on Revalua- tion [(note (a))]	Sale/ Adjustment during the year [(note (b))]	Cost/ Valuation as at 31st March, 2013	As at 1st April, 2012	For the Year	Sale/ Adjustment during the year	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Freehold Land	10,521.53	–	8,571.65	–	19,093.18	–	–	–	–	19,093.18	10,521.53
Buildings	7,703.12	459.68	1,292.33	20.00	9,435.13	840.88	248.23	–	1,089.11	8,346.02	68,862.24
Tubewells	5.60	–	–	–	5.60	3.65	0.18	–	3.83	1.77	1.95
Plant & Equipment	11,863.63	539.70	1,600.12	33.32	13,970.13	4,899.08	1,045.17	12.66	5,931.59	8,038.54	6,964.55
Electric Installation	330.83	–	–	–	330.83	91.04	15.71	–	106.75	224.08	239.79
Furniture & Fixtures	358.43	5.73	–	–	364.16	17.21	22.19	–	39.40	324.76	341.22
Office Equipment	131.05	16.03	–	–	147.08	22.71	6.07	–	28.78	118.30	108.34
Launches	0.04	–	–	–	0.04	0.03	–	–	0.03	0.01	0.01
Vehicles	180.54	24.98	–	19.18	186.34	41.52	17.67	7.70	51.49	134.85	139.02
Total	31,094.77	1,046.12	11,464.10	72.50	43,532.49	5,916.12	1,355.22	20.36	7,250.98	36,281.51	25,178.65
Previous Year	30,294.93	1,025.32	–	225.48	31,094.77	4,647.90	1,290.58	22.36	5,916.12	25,178.65	–

Notes: a) The Company has revalued Land, Buildings, Plant & Machinery at its factory at Bauria, Howrah at current replacement value as at 31st March, 2010 and as at 31st March, 2013 as per valuation report of an approved valuer. The resultant restatement of the aforesaid Fixed Assets arising out of such revaluation are as set out below:-

Particulars	31st March, 2010		31st March, 2013	
	Original Cost	Amount added on revaluation	Original Cost	Amount further added on revaluation
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Freehold Land	112.50	10,409.03	112.50	8,571.65
Buildings	2,507.18	4,772.03	3,370.76	1,292.33
Plant & Equipment	5,867.29	5,403.38	6,966.54	1,600.12

b) Adjustment to Plant & Machinery includes Subsidy received ₹ 12 lakhs (2011-12 ₹145.69 lakhs) and Building ₹ 20 lakhs (2011-12 ₹ 20 lakhs)

14. Intangible Assets

Particulars	GROSS BLOCK					AMORTIZATION				NET BLOCK	
	Cost/ Valuation as at 1st April, 2012	Additions during the year	Amount Added on Revalua- tion	Sale/ Adjustment during the year	Cost/ Valuation as at 31st March, 2013	As at 1st April, 2012	For the Year	Sale/ Adjustment during the year	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Computer - Software	27.14	2.14	–	–	29.28	15.06	5.61	–	20.67	8.61	12.08
Total	27.14	2.14	–	–	29.28	15.06	5.61	–	20.67	8.61	12.08
Previous Year	19.34	7.80	–	–	27.14	11.11	3.95	–	15.06	12.08	–



Notes to the Financial Statements

15. Non-current Investments

	As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
Trade Investments (valued at cost unless stated otherwise)		
Unquoted Equity instruments		
Investment in Subsidiaries		
Gloster Lifestyle Limited 40,00,000 (31.03.2012 - 40,00,000) Equity Shares of ₹ 10/- each fully paid-up	400.00	400.00
Gloster Specialities Limited 40,00,000 (31.03.2012 - 40,00,000) Equity Shares of ₹ 10/- each fully paid-up	400.00	400.00
Gloster Gujrat Limited 50,000 (31.03.2012 - 50,000) Equity Shares of ₹10/- each fully paid-up	5.00	5.00
Other Investments (valued at cost unless stated otherwise)		
Unquoted Equity instruments		
Fine Worthy Software Solutions Private Limited 39,210 (31.03.2012 - nil) Equity Shares of ₹ 10/- each fully paid-up	3.92	—
Quoted Equity instruments		
The Cochin Malabar Estates & Industries Limited 15,000 (31.03.2012 - 15,000) Equity Shares of ₹ 10/- each fully paid-up [Net of provision for other than temporary diminution aggregating to ₹ 11.73 lakhs (31.3.2012 - 11.73 lakhs)]	15.30	15.30
Joonktollee Tea & Industries Limited # 7,500 (31.03.2012 - nil) Equity Shares of ₹ 10/- each fully paid-Up	—	—
Debentures (Unquoted)		
1,96,070 (31.03.2012 - nil) 8% Optionally Convertible Debentures of ₹ 100/- each fully paid-up in Fine Worthy Software Solutions Private Limited	196.07	—
90 (31.03.2012 - nil) 19% Non-convertible Debentures of ₹ 1,00,000/- each fully paid-up in Sheth Buildwell Private Limited	90.00	—
Mutual Fund (Quoted)		
DWS fixed maturity plan-Regular 10,00,000 Units (31.03.2012-nil)	100.00	—
HDFC FMP-400D March 2013 (I) Series 23 - Regular Growth 20,00,000 Units (31.03.2012-nil)	200.00	—
Others (Unquoted)		
IIFL Income Opportunities Fund 14,66,292 Units (31.03.2012-nil) of ₹ 10/- each fully paid-up	146.63	—
Total	1,556.92	820.30
Aggregate amount of quoted investments	315.30	15.03
Market Value of quoted investments	310.29	8.27
Aggregate amount of unquoted investments	1,241.62	805.00
Aggregate Povision for diminution in value of investments	11.73	11.73

Allotted pursuant to Scheme of demerger of the plantation division of The Cochin Malabar Estates & Industries Limited



Notes to the Financial Statements

16. Long-term loans and advances

Unsecured, considered good (unless otherwise stated)

Capital Advance
Security Deposits

Total

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
4.56	9.27
598.13	585.06
602.69	594.33

17. Current Investments

At Cost: Current portion of Long term investments (Unquoted)

10 (31.03.2012 - nil) 19% Non- Convertible Debentures of
₹ 1,00,000/- each fully paid-up in Sheth Buildwell Private Limited

Investment in Mutual Fund

At cost or fair value, whichever is less

Unquoted

UTI Treasury Advantage Fund - Institutional Plan
Dividend Option nil Units (31.03.2012- 19,995.718 units)

ICICI Prudential Gilt Fund Investment Plan-PF Option-
Regular Plan 11,53,119.586 Units (31.03.2012-nil)

DWS Gilt Fund Regular Plan-Growth
11,51,463.510 Units (31.03.2012-nil)

Birla Sunlife Income Plus-Growth -Regular Plan
5,87,450.495 Units (31.03.2012-nil)

Reliance Income Fund - Growth Plan-Bonus Option
26,64,456.770 Units (31.03.2012-nil)

SBI Ultra Short Term Debt Fund -Regular Plan-Growth
[13,287.281 Units (31.03.2012-nil)]

Total

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
10.00	—
—	200.00
250.00	—
150.00	—
300.00	—
291.26	—
200.00	—
1201.26	200.00

18. Inventories (Valued at lower of cost and net realisable value)

Raw materials
Stock-in-process
Semi Finished Goods
Finished Goods
(includes in transit ₹142.53 lakhs , 31.03. 2012 : ₹ 326.17 lakhs)
Stores and Spares

Total

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
3,440.76	2,163.57
688.43	795.69
227.16	218.89
1,754.24	1,612.89
823.31	760.25
6,933.90	5,551.29



Notes to the Financial Statements

19. Trade receivables

Unsecured, considered good

Outstanding for a period exceeding six months from the date they are due for payment

Others

Total

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
26.23	15.79
1,067.11	1,178.85
1,093.34	1,194.64

20. Cash and Bank balances

Cash and cash equivalents

Cash on hand

Balances with banks:

In current accounts

Other Bank balances

Unpaid dividend account

Margin money deposits [refer note (a) below]

Total

Note:

(a) Includes deposit of ₹.nil (31.03.2012 ₹ 0.21 lakh) with maturity of more than 12 months.

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
10.37	19.35
1,377.21	1,197.17
1,387.58	1,216.52
11.46	12.76
112.88	127.87
1,511.92	1,357.15

21. Short-term loans and advances

Unsecured, considered good (unless otherwise stated)

Security Deposits

Other loans and advances

Advances recoverable in cash or in kind or for value to be received*

Prepaid Expenses

Balances with Government Authorities

Total

* Includes insurance claim receivable ₹ 458.32 lakhs (2011-12 ₹ 546 lakhs)

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
98.45	99.58
912.50	805.26
79.99	76.90
10.13	5.68
1,101.07	987.42

22. Other current assets

Unsecured, considered good

Interest accrued on security deposits

Interest subsidy receivable

Interest accrued on investments

Total

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
13.77	13.07
14.86	14.86
4.22	—
32.85	27.93



Notes to the Financial Statements

23. Revenue from operations

Sale of products

Finished goods	
Traded goods	

Other operating revenues

Export incentive	
Revenue from operations (gross)	
Less : Excise duty and R&D Cess	

Total

Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
34,459.72	30,766.38
15.22	—
34,474.94	30,766.38
417.17	322.64
34,892.11	31,089.02
269.27	228.68
34,622.84	30,860.34

24. Other Income

Interest Income on

- i. Bank deposits
- ii. Other deposits
- iii. Loan-term investments
- iv. Others

Dividend Income on current investments	
Rent	
Net Profit on sale of fixed asset	
Net Gain on sale of current investments	
Liabilities no longer required written back	
Exchange differences (net)	
Provision for Diminution in Value of Investments written back	
Miscellaneous Income	

Total

Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
10.17	14.05
23.02	14.52
15.92	—
23.12	12.52
8.17	2.20
2.98	2.97
—	20.67
5.73	0.01
10.76	2.46
70.06	12.06
—	20.00
40.37	558.36
210.30	659.82

25. Cost of materials consumed

Inventory at the beginning of the year	
Add : Purchases (net) [Refer note (a) below]	

Less: Inventory at the end of the year

Total

Note:

(a) Purchases is net of discount received on prompt payment of supplier's bills amounting to ₹ 198.09 lakhs (2011-12 - ₹ 130.48 lakhs)

Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
2,163.57	4,102.30
19,413.49	15,097.00
21,577.06	19,199.30
3,440.76	2,163.57
18,136.30	17,035.73



Notes to the Financial Statements

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

Inventories at the end of the year

Stock-in-Process

Semi- Finished Goods

Finished Goods

Total (A)

Inventories at the beginning of the year

Stock-in-Process

Semi- Finished Goods

Finished Goods

Total (B)

(Increase)/decrease in inventories (B-A)

	Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
	688.43	795.69
	227.16	218.89
	1,754.24	1,612.89
	2,669.83	2,627.47
	795.69	636.79
	218.89	434.66
	1,612.89	1,669.27
	2,627.47	2,740.72
	(42.36)	113.25

27. Employees benefits expense

Salaries, Wages & Bonus

Contribution to Provident and Other Funds [Refer notes (a) and (b) below]

Workmen and Staff Welfare expenses

Total

Notes:

(a) Defined Contribution Plans

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

Employer's Contribution to Provident Fund

Employer's Contribution to Pension Fund

Employer's Contribution to Superannuation Fund

	Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
	4,702.92	4,194.50
	1,383.27	597.57
	152.20	129.26
	6,238.39	4,921.33

	Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
	89.79	78.92
	239.86	226.69
	51.53	41.76

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



Notes to the Financial Statements

(b) Defined Benefit Plans

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

Sl. No.	Description	Gratuity (Funded)	
		Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
(a)	Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation		
	Present Value of Obligation at the beginning of the year	2,250.98	2,175.07
	Current Service Cost	128.39	127.59
	Interest Cost	191.74	173.90
	Actuarial (Gains)/Losses	726.18	(116.91)
	Benefits Paid	(42.97)	(108.67)
	Present Value of Obligation at the end of the year	3,254.32	2,250.98
(b)	Reconciliation of the Opening and Closing balances of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	2,190.04	2,034.62
	Expected Return on Plan Assets	187.92	164.04
	Actuarial Gains/(Losses)	64.22	(40.40)
	Contributions	360.94	140.45
	Benefits paid	(42.97)	(108.67)
	Fair Value of Plan Assets at the end of the year	2,760.15	2,190.04
(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	3,254.32	2,250.98
	Fair Value of Plan Assets at the end of the year	2,760.15	2,190.04
	Assets/(Liabilities) recognized in the Balance Sheet	(494.17)	(60.94)
(d)	Expense recognised in the Profit and Loss Account		
	Current Service Cost	128.39	127.59
	Interest Cost	191.74	173.90
	Actual Return on Plan Assets	(187.92)	(164.04)
	Actuarial (Gains)/Losses	661.96	(76.51)
	Total Expense recognized	794.17	60.94
(e)	Category of Plan Assets		
	Fund with Birla Sun Life Insurance Co. Limited	2,760.15	2,190.04
	Total	2,760.15	2,190.04



Notes to the Financial Statements

Sl. No.	Description	As at 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
(f)	Actuarial Assumptions		
	Discount Rate (Per annum)	8.10%	8.60%
	Expected Rate of Return on Assets (Per annum)	8.00%	8.00%
	Salary Escalation	7.00%	5.50%
	Mortality Rate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) 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 determined by actuarial valuation. 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.

₹ lakhs

	2012-13	2011-12	2010-11	2009-10	2008-09
Defined benefit obligation	(3,254.32)	(2,250.98)	(2,175.07)	(1,992.46)	(1,605.41)
Plan assets	2,760.15	2,190.04	2,034.62	1,782.29	1,503.60
Surplus/(deficit)	(494.17)	(60.94)	(140.45)	(210.17)	(101.81)
Experience adjustments on plan liabilities	(168.25)	30.95	(18.30)	(270.77)	(165.70)
Experience adjustments on plan assets	64.22	(40.40)	6.37	97.77	(20.54)

28. Finance costs

	Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
Interest expenses	394.51	491.91
Other borrowing costs	31.36	26.47
Total	425.87	518.38

29. Depreciation and amortization expense

	Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
Depreciation on Tangible assets	1,355.22	1,290.58
Amortization of Intangible assets	5.61	3.95
	1,360.83	1,294.53
Less: Recoupment from Revaluation Reserve	649.52	652.48
Total	711.31	642.05



Notes to the Financial Statements

30. Other expenses

Consumption of stores and spare parts (net)	
Power and fuel	
Rent	
Repairs to building	
Repairs to machinery	
Repairs - others	
Insurance	
Rates and Taxes	
Processing Charges	
Freight and Delivery Charges	
Research & Development Cess and Excise Duty [Refer note (a) below]	
Export Dock and Toll Charges	
Brokerage and Commission	
Bad Debts written off	
Investments written off	
Net Loss on sale of fixed asset	
Miscellaneous expenses [Refer note (b) below]	

	Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
	2,290.11	1,873.61
	1,698.29	1,604.27
	46.71	71.61
	53.53	43.64
	5.65	4.03
	45.66	43.44
	158.50	229.63
	47.83	27.83
	403.87	400.49
	451.23	398.05
	94.86	87.98
	89.44	64.54
	242.08	182.30
	–	5.54
	–	20.00
	5.45	–
	683.89	469.19
Total	6,317.10	5,526.15
Notes:		
(a) Includes Research & Development Cess(“ R & D Cess”) and Excise Duty related to the difference between the closing stock and opening stock of finished goods ₹ 4.13 lakhs (31.03. 2012 ₹ 0.46 lakh)		
(b) Miscellaneous expenses includes remuneration to auditors for:		
Audit Fees	11.00	8.00
Other Services	13.00	4.75
Reimbursement of expenses (including service tax)	3.37	1.73
Total	27.37	14.48

31. Earnings per equity share (EPS)

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

Net Profit after tax (₹ lakhs)	A
Weighted average number of shares outstanding	B
Basic and Diluted EPS (₹)	A/B
Face value per share (₹)	

	Year ended 31st March, 2013	Year ended 31st March, 2012
	2,020.76	1,893.53
	26,16,720	26,16,720
	77.22	72.36
	10.00	10.00



Notes to the Financial Statements

32. Contingent liabilities

a) Claims against the Company not acknowledged as debts :

Sales tax matter

ESI matter

b) Export bills discounted with bank

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
368.27	141.05
45.57	45.57
239.36	352.44

33. Commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for tangible assets

Partly Paid investment

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
42.31	100.62
150.00	-

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

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

Particulars	Within India		Outside India		Total	
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Segment revenue by location of customers	24,969.43	22,742.28	9,236.24	7,795.42	34,205.67	30,537.70
Carrying amount of segment assets	775.43	838.14	317.91	356.50	1,093.34	1,194.64
Carrying amount of segment liabilities	102.21	127.17	11.31	58.03	113.52	185.20
Additions to tangible and intangible assets	-	-	-	-	795.45	841.77

35. Related Party Disclosures

Names of Related Parties and nature of relationship

a) Subsidiary Companies

Gloster Lifestyle Limited
Gloster Specialities Limited
Gloster Gujrat Limited

b) Key Management Personnel

Shri G D Bangur
Shri D C Baheti

c) Relatives of Key Management Personnel with whom transactions took place during the year

Shri Hemant Bangur

d) Enterprise over which Key Management Personnel have significant influence

Joonktollee Tea & Industries Limited
Kettlewell Bullen & Company Limited



Notes to the Financial Statements

Transactions with related parties are as follows:

Particulars		Year	Subsidiary Companies	Key Management Personnel	Relative of Key Management Personnel	Enterprise over which Key Management Personnel have significant Influence
			₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
A	Transactions during the year					
1	Remuneration Paid	2012-13	–	266.83	3.81	–
		2011-12	–	217.34	3.72	–
2	Dividend Paid	2012-13	–	18.17	13.67	92.39
		2011-12	–	2.53	1.06	39.70
3	Rent Paid	2012-13	–	–	–	13.48
		2011-12	–	–	–	13.24
4	Loan Given	2012-13	–	–	–	200.00
		2011-12	1,145.00	–	–	–
5	Sales	2012-13	–	–	–	74.29
		2011-12	–	–	–	34.07
6	Interest Received	2012-13	–	–	–	7.72
		2011-12	–	–	–	–
7	Loan Given Received Back	2012-13	–	–	–	200.00
		2011-12	1,145.00	–	–	–
8	Investments made	2012-13	–	–	–	–
		2011-12	805.00	–	–	–
B	Outstanding balance at year end					
1	Investments	2012-13	805.00	–	–	–
		2011-12	805.00	–	–	–
2	Deposits	2012-13	–	–	–	400.00
		2011-12	–	–	–	400.00



Notes to the Financial Statements

36. Derivative instruments and unhedged foreign currency exposure

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

Nature of Exposure

Forward Contracts to sell (in USD)

Forward Contracts to sell (in GBP)

Forward Contracts to sell (in EUR)

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
2.02	3.21
0.47	0.69
0.45	0.29

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

Nature of Exposure

Export Trade receivables (in USD)

Export Trade receivables (in GBP)

Export Trade receivables (in EUR)

Import Trade payables (in USD)

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
1.62	1.79
0.40	0.21
0.24	0.11
1.50	4.49

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

37. Dues to micro and small enterprises

The Company has certain dues to Suppliers registered under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act') are as follows:-

Sl. No.	Particulars	As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
1	The principal amount remaining unpaid to any supplier as at the year end	0.53	2.10
	The interest remaining unpaid to any supplier as at the year end	0.69	0.40
2	Principal amounts paid to suppliers beyond the appointed day during the year	25.92	22.64
	Interest paid under Section 16 of the MSMED Act, to suppliers during the year	—	—
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	—	—
4	The amount of interest accrued and remaining unpaid at the end of the year	0.30	0.24
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	0.69	0.40

* Included in SI No 1 above is ₹ 0.30 lakh (31.03.2012 ₹ 0.24 lakh) being interest on principal amount remaining unpaid as at the beginning of the accounting year.

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



Notes to the Financial Statements

38. Value of imports calculated on CIF basis

Stores, Spare parts and Components
Capital Goods
Raw Materials

Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
101.85	113.18
86.97	95.45
3,932.54	4,949.43

39. Expenditure in Foreign currency

Interest
Other expenses
Total

Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
–	5.12
41.04	47.49
41.04	52.61

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

Raw materials

Indigenous
Imported

Stores, spare parts and components

Indigenous
Imported

Stores and spare parts consumed includes value of stores written off during the year.

Year ended		Year ended	
31st March, 2013 %	31st March, 2013 ₹ lakhs	31st March, 2012 %	31st March, 2012 ₹ lakhs
83.13	15,076.58	63.61	10,837.25
16.87	3,059.72	36.39	6,198.48
100.00	18,136.30	100.00	17,035.73
90.99	2,083.66	95.04	1,780.62
9.01	206.45	4.96	92.99
100.00	2,290.11	100.00	1,873.61
–	14.53	–	–

41. Earnings in Foreign currency

Export on F.O.B basis

Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
8,870.75	7,516.83

42. 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.



Notes to the Financial Statements

43. Information pursuant to clause 32 of the listing agreement with Stock Exchange:

Loans to wholly owned subsidiary companies are as under:

	Balance as at 31st March, 2013	Balance as at 31st March, 2012	Maximum amount outstanding during the year ended 31st March, 2013	Maximum amount outstanding during the year ended 31st March, 2012
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Interest free:				
(a) Gloster Lifestyle Limited	Nil	Nil	Nil	10.00
(b) Gloster Specialities Limited	Nil	Nil	Nil	1,135.00

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

Place: Kolkata
Dated: 10th May, 2013

For **Lovelock & Lewes**
Firm Registration No. 301056E
Chartered Accountants
Sunit Kumar Basu
Partner
Membership No. 55000

Ajay Kumar Agarwal
Company Secretary

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

Executive Chairman
Vice Chairman

Directors

Managing Director



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Gloster Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Gloster Limited ("the Company") and its subsidiaries; hereinafter referred to as the "Group" (refer Note [1] to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including

the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements notified under Section 211(3C) of the Companies Act, 1956.
7. Based on our audit and on consideration of reports of other auditor(s) on separate financial statements and on the other financial information of the component(s) of the Group as referred to in paragraph 8 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.



Other Matter(s)

8. We did not audit the financial statements of three subsidiaries included in the consolidated financial statements, which constitute total assets of ₹ 868.86 lakhs and net assets of ₹ 866.88 lakhs as at March 31, 2013, total revenue of ₹ 66.81 lakhs, net profit of ₹ 63.99 lakhs and net cash flows

amounting to ₹ 44.52 lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

Place: Kolkata

Dated: May 10, 2013

For **Lovelock & Lewes**

Firm Registration Number: 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership Number 55000



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

	Note	As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	261.67	261.67
Reserves and Surplus	4	39,836.79	27,252.27
		40,098.46	27,513.94
Non-current Liabilities			
Long-term borrowings	5	544.78	589.88
Deferred tax liabilities (net)	6	571.56	606.75
Other long term liability	7	61.81	95.51
Long-term provisions	8	161.56	110.12
		1,339.71	1,402.26
Current Liabilities			
Short-term borrowings	9	5,428.62	4,220.00
Trade Payables	10	350.89	417.98
Other current liabilities	11	2,139.22	1,718.70
Short-term provisions	12	1,118.34	988.97
		9,037.07	7,345.65
Total		50,475.24	36,261.85
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	13	36,281.51	25,178.65
Intangible assets	14	8.61	12.08
Capital work-in-progress		87.33	340.15
Non-current investments	15	1,493.64	757.02
Long-term loans and advances	16	602.69	594.33
		38,473.78	26,882.23
Current assets			
Current investments	17	1,201.26	200.00
Inventories	18	6,933.90	5,551.29
Trade Receivables	19	1,093.34	1,194.64
Cash and Bank balances	20	1,606.46	1,407.18
Short-term loans and advances	21	1,103.33	987.42
Other current assets	22	63.17	39.09
		12,001.46	9,379.62
Total		50,475.24	36,261.85
Corporate Information	1		
Summary of significant accounting policies	2		

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

Place: Kolkata
Dated: 10th May, 2013

For **Lovelock & Lewes**
Firm Registration No. 301056E
Chartered Accountants
Sunit Kumar Basu
Partner
Membership No. 55000

Ajay Kumar Agarwal
Company Secretary

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



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note	Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
INCOME			
Revenue from operations (gross)	23	34,892.11	31,089.02
Less: Excise Duty and R & D Cess		269.27	228.68
Revenue from operations (net)		34,622.84	30,860.34
Other Income	24	277.11	682.32
Total Revenue		34,899.95	31,542.66
EXPENSES			
Cost of materials consumed	25	18,136.30	17,035.73
Purchase of traded goods		14.96	–
Changes in inventories of finished goods, stock-in-process and semi-finished goods	26	(42.36)	113.25
Employee benefits expense	27	6,238.39	4,921.33
Finance costs	28	425.87	531.61
Depreciation and amortization expense	29	711.31	642.05
Other expenses	30	6,318.55	5,536.65
Total Expenses		31,803.02	28,780.62
Profit before tax		3,096.93	2,762.04
Tax expense			
Current tax		1,047.38	932.89
Deferred tax		(35.19)	(62.26)
Total Tax expenses		1,012.19	870.63
Profit for the year		2,084.74	1,891.41
Earnings per equity share [nominal value per share ₹ 10 (31.03.2012 - ₹ 10)]			
Basic & Diluted	31	79.67	72.28
Corporate Information	1		
Summary of significant accounting policies	2		

The notes are an integral part of these financial statements.

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

Place: Kolkata
Dated: 10th May, 2013

For **Lovelock & Lewes**
Firm Registration No. 301056E
Chartered Accountants
Sunit Kumar Basu
Partner
Membership No. 55000

Ajay Kumar Agarwal
Company Secretary

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



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
A. Cash Flow from Operating Activities				
Net profit before tax		3,096.93		2,762.04
Adjustments for:				
Depreciation and Amortisation Expenses	711.31		642.05	
Finance costs	425.87		505.14	
Net (Profit) / Loss on sale of fixed assets	5.45		(20.67)	
Net gain on sale of current investments	(5.73)		(0.01)	
Unrealised (Gain) / Loss on exchange (net)	(0.18)		(17.62)	
Interest Income	(139.04)		(63.59)	
Dividend income on current investments	(8.17)		(2.20)	
Bad Debts written off	–		5.54	
Insurance claim receivable	–		(546.00)	
Liabilities no longer required written back	(10.76)		(2.46)	
Provision for diminution in value of investments written back	–		(20.00)	
Investments written off	–		20.00	
		978.75		500.18
Operating profit before working capital changes		4,075.68		3,262.22
Adjustments for:				
Decrease/(Increase) in Inventories	(1,382.61)		1,910.71	
Decrease/(Increase) in Trade Receivables	101.31		(207.08)	
Decrease/(Increase) in Other Receivables	(76.72)		364.08	
(Decrease)/Increase in Trade and Other Payables	876.84		168.68	
		(481.18)		2,175.89
Cash generated from operations		3,594.50		5,438.11
Income Taxes paid		(1,064.07)		(755.42)
Net Cash from Operating Activities	A	2,530.43		4,282.69
B. Cash Flow from investing activities				
Purchase of Fixed Assets (Net of Capital Subsidiary received)	(758.93)		(670.74)	
Sale of Fixed Assets	6.03		27.16	
Purchase of Current Investments	(9,986.95)		(1,521.72)	
Application Money paid for Current Investments	(50.00)		–	



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Purchase of Non-current Investments	(746.62)		—	
Sale of Current Investments	9,001.42		580.01	
Interest received	114.96		51.76	
Dividend received	8.17		2.20	
Net Cash used in Investing activities		(2,411.72)		(1,531.33)
C. Cash Flow from Financing Activities				
Net proceeds / repayment of Short term Borrowings	1,208.62		(1,048.09)	
Proceeds from Long-term Borrowings	208.18		304.96	
Repayment of Long-term Bank Borrowings	(317.77)		(594.73)	
Finance Costs paid	(408.92)		(521.55)	
Dividend paid	(524.64)		(179.40)	
Dividend Taxes paid	(84.90)		(29.71)	
Net Cash from/(used) in Financing Activities		80.57		(2,068.52)
Net Increase in Cash and Cash Equivalents (A+B+C)		199.28		1082.84
Cash and Cash Equivalents (Opening Balance)	1,407.18		324.34	
Cash and Cash Equivalents (Closing Balance)	1,606.46		1,407.18	

Notes

- The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard-3, on Cash Flow Statement as per Companies Accounting Standard Rules, 2006.
- Closing balance of Cash and Cash equivalents represent "Cash and Bank balances" and includes ₹ 11.46 lakhs (31.03.2012 ₹ 12.76 lakhs) lying in designated accounts with banks on account of unclaimed dividends and ₹ 112.88 lakhs (31.03.2012 ₹ 127.87 lakhs) on account of margin money deposits which are not available for use by the Company.
- Previous year's figures have been regrouped/ rearranged wherever necessary.

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

Place: Kolkata Dated: 10th May, 2013	For Lovelock & Lewes Firm Registration No. 301056E Chartered Accountants Sunit Kumar Basu Partner Membership No. 55000	Ajay Kumar Agarwal Company Secretary	G. D. Bangur Hemant Bangur Bhaskar Mitter Nandita Sen R. R. Dash K. Mahapatra Prabir Ray D. C. Baheti	Executive Chairman Vice Chairman Directors Managing Director
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Notes to the Consolidated Financial Statements

1. Corporate Information

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

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

Name of the company	Country of Incorporation	% of Holding as at 31st March, 2013
Gloster Lifestyle Limited	India	100%
Gloster Specialities Limited	India	100%
Gloster Gujrat Limited	India	100%

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statement comprises of financial statements of Gloster Limited (the Parent) and its subsidiary companies. The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention, except for certain tangible assets which are carried at revalued amounts. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211 (3C) [Companies (Accounting Standards) Rules,2006, as amended] and other relevant provisions of the Companies Act , 1956.

The Financial statements of the Parent Company and its subsidiaries as described in note no. 1 have been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses. All significant intra group balances and transactions have been eliminated on consolidation.

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

All assets and liabilities have been classified as current or non-current as per group normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the group has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

2.2 Use of estimates

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

2.3 Tangible assets and Depreciation

a) All items of land, building and plant and machinery at Parent Company's factory at Bauria, Howrah are revalued and restated at valuation by an approved valuer at current replacement cost as at 31st March, 2013 (an earlier revaluation at current replacement cost was carried out as at 31st March, 2010). The appreciation in the net book value of these



Notes to the Consolidated Financial Statements

assets over their book value has been credited to Revaluation Reserve.

- b) Other tangible assets are stated at cost of acquisition including inward freight, duties, taxes and expenses incidental to acquisition and installation.
- c) Depreciation is provided at Straight line method at rates specified in Schedule XIV of the Companies Act, 1956. No depreciation is provided on Freehold Land.
- d) Profit and Loss on disposal of tangible assets is recognised in the Statement of consolidated Profit and Loss
- e) An impairment loss is recognized where applicable when the carrying value of tangible asset exceeds its market value or value in use whichever is higher.

2.4 Intangible assets and Amortization

- a) Intangible assets are stated at cost of acquisition including duties, taxes and expenses incidental to acquisition and installation.
- b) Intangible assets comprising of computer software is depreciated on straight line method over a period of five years.
- c) Profit and Loss on disposal of Intangible assets is recognised in the Statement of consolidated Profit and Loss.
- d) An impairment loss is recognized where applicable when the carrying value of Intangible asset exceeds its market value or value in use whichever is higher.

2.5 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.

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

2.6 Subsidy and Export incentive

Subsidy and export incentive 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 Statement of consolidated Profit and Loss. 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.

2.7 Inventories

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

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

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

2.8 Employee Benefit

a) Defined Contribution Plans

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

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



Notes to the Consolidated Financial Statements

b) Defined Benefit Plans

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

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

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

c) Compensated absences

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

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

Accumulated compensated absences, which are expected to be availed or encashed within 12 month from the end of the year are treated as short term employee benefits and the balance are treated as other long term employee benefits.

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

d) Other Short Term Employee Benefits

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

2.9 Research & Development Cess and Excise duty

Research & Development Cess and Excise Duty (wherever applicable) on manufactured goods are accounted for at the time of their clearance from the factory. Research and Development Cess and Excise Duty (wherever applicable) in respect of

manufactured goods lying at the year end are included in inventory after creating suitable provision for the same.

2.10 Sales

Sales is stated net of sales tax. Sale is recognised on transfer of substantial risks and rewards of ownership in the goods to the buyer.

2.11 Interest Income

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

2.12 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 Statement of Profit and Loss .

2.13 Derivative Instruments

The group uses derivative financial instruments such as forward exchange contracts, to hedge its risks associated with foreign currency fluctuations. 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 loss arising on cancellation of derivative instruments are recognised as income or expense for the period.

2.14 Taxation

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

Deferred tax is recognized, on timing differences, being the difference between taxable 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



Notes to the Consolidated Financial Statements

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.

2.15 Borrowing Cost

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

2.16 Provisions and Contingent Liabilities

The group 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.



Modern Sacking Weaving Machines.



Notes to the Consolidated Financial Statements

3. Share capital

Authorised

2,50,00,000 (31.03. 2012 - 2,50,00,000)
Equity Shares of ₹ 10/- each

Issued, Subscribed and Fully Paid-up

26,16,720 (31.03. 2012 - 26,16,720)
Equity Shares of ₹ 10/- each

Total

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
2,500.00	2,500.00
261.67	261.67
261.67	261.67

(a) Reconciliation of number of equity shares

Balance as at the beginning and end of the year

As at 31st March, 2013		As at 31st March, 2012	
No. of Shares	₹ lakhs	No. of Shares	₹ lakhs
26,16,720	261.67	26,16,720	261.67

(b) Rights attached to equity shares

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

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

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

Equity shares allotted as fully paid-up pursuant contract(s) without payment being received in cash 1993-94

Equity shares allotted as fully paid-up bonus share by way of capitalisation of General Reserve in 2002-03

Equity shares allotted as fully paid-up bonus share by way of capitalisation of General Reserve in 2008-09

As at 31st March, 2013 No. of Shares	As at 31st March, 2012 No. of Shares
2,17,360	2,17,360
6,54,180	6,54,180
13,08,360	13,08,360

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

Life Insurance Corporation of India
Kettlewell Bullen & Company Limited
The Oriental Company Limited
Madhav Trading Corporation Limited
Credwyn Holdings (India) Pvt. Limited

As at 31st March, 2013		As at 31st March, 2012	
No. of Shares	% holding	No. of Shares	% holding
5,83,521	22.30	5,88,890	22.50
4,61,972	17.65	4,61,972	17.65
3,77,504	14.43	3,77,504	14.43
2,58,028	9.86	2,52,117	9.63
2,27,870	8.71	1,79,465	6.86



Notes to the Consolidated Financial Statements

4. Reserves and Surplus

	As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
Capital Reserve	150.00	150.00
Securities Premium Account	174.45	174.45
Revaluation Reserve		
Balance as at the beginning of the year	19,107.11	19,790.54
Add:		
Amount added on revaluation of land, building and plant and machinery during the year	11,464.10	—
Less:		
i) Amount transferred to the Statement of Profit and Loss as reduction from depreciation and amortization expense	649.52	652.47
ii) Adjustment on account of disposal of Tangible Assets	11.07	37.55
Less: Depreciation on account of disposal of Tangible Assets	2.41 8.66	6.59 30.96
Balance as at the end of the year	29,913.03	19,107.11
General Reserve		
Balance as at the beginning of the year	7,282.88	6,182.88
Add:		
Transferred from Surplus in the Statement of Profit and Loss during the year	1,700.00	1,100.00
Balance as at the end of the year	8,982.88	7,282.88
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	537.83	354.66
Profit for the year	2,084.74	1,891.41
Less : Appropriations		
i) Proposed dividend on equity shares for the year ₹ 10/- per share (2011-12 ₹ 10/- per share)	261.67	261.67
ii) Proposed as Special dividend- "20 years of Gloster Operations" on equity shares for the year 2011-12- ₹ 10/- per share	—	261.67
Total Dividend	261.67	523.34
Dividend distribution tax on proposed dividend on equity shares	44.47	84.90
Transfer to General Reserve	1,700.00	1,100.00
Balance as at the end of the year	616.43	537.83
Total	39,836.79	27,252.27



Notes to the Consolidated Financial Statements

5. Long-term borrowings

Secured

Term loans

From Banks [Refer note (a) below]

Unsecured

Term loans

Other Loan [Refer note (b) below]

Total

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
356.23	532.44
188.55	57.44
544.78	589.88

Notes:

(a) Nature of security and terms of repayment for secured borrowings (including current maturities of Long term borrowings in note-11)

Nature of Security	Terms of repayment
Term loan from banks amounting to ₹ nil. lakhs (31.03.2012: ₹ 79.63 lakhs) are secured by equitable mortgage of factory land and building, hypothecation of all plant & machinery and all other fixed assets of the Company and also guaranteed by Kettlewell Bullen & Company Limited.	Repayable in 23 equal quarterly instalments beginning from 2nd May 2007 along with interest of 13.75% p.a.
Term loan from banks amounting to ₹ 524.23 lakhs (31.03.2012: ₹ 700.90 lakhs) are secured by equitable mortgage of factory land and building, hypothecation of all plant & machinery and all other fixed assets of the Company and also guaranteed by Kettlewell Bullen & Company Limited.	Repayable in 25 equal quarterly instalments beginning from March 2011 along with interest of 11.75% p.a.
Term loan from banks amounting to ₹ 8.21 lakhs (31.03.2012: ₹ 41.43 lakhs) are secured by hypothecation of the assets acquired under the loan.	Repayable in 36 equal monthly instalments from the date of the loan along with interest of 8.40 % p.a.
(b) Term of re-payment for Unsecured Borrowing	Terms of repayment
Other Loan	Repayable in 26 equal quarterly instalments beginning from third quarter of 2012-13 along with interest of 16.00 % p.a.



Notes to the Consolidated Financial Statements

6. Deferred tax liabilities (net)

Deferred tax liabilities

Depreciation

Deferred tax assets

Provision for leave encashment

Other timing differences

Total [Refer note (a) below]

Note:

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

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
609.46	628.46
27.16	10.97
10.74	10.74
37.90	21.71
571.56	606.75

7. Other long term liability

Other long term liability

Total

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
61.81	95.51
61.81	95.51

8. Long-term provisions

Provision for compensated absences of employees

Total

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
161.56	110.12
161.56	110.12

9. Short-term borrowings

Secured

Loans from banks [refer note (a) and (b) below]

Loans from Life Insurance Corporation of India
[refer note (c) below]

Total

Notes:

(a) Loan repayable on demand amounting to ₹ 4,978.38 lakhs (31.03.2012 ₹ 3,278.99 lakhs) are secured by hypothecation of stock of raw material, stock-in-process, finished goods, stores & consumables, book debts and other current assets of the Company.

(b) Loans repayable on demand to bank amounting to ₹ 4,978.38 lakhs (31.03.2012 ₹ 2,778.99 lakhs) is also guaranteed by Kettlewell Bullen & Company Limited.

(c) Loan from Life Insurance Corporation of India amounting to ₹ 450.24 lakhs (31.03. 2012- ₹ 491.01 lakhs) secured against Keyman insurance policies.

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
4,978.38	3,728.99
450.24	491.01
5,428.62	4,220.00



Notes to the Consolidated Financial Statements

10. Trade payables

Trade payables (refer note 37 for details of dues to Micro, Small and Medium Enterprises)

Total

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
350.89	417.98
350.89	417.98

11. Other current liabilities

Current maturities of long-term debt (also refer note 5)

Advances received from customers

Interest accrued and due on borrowings

Interest accrued but not due on borrowings

Unpaid Dividends [refer note (a) below]

Statutory dues

Directors' commission

Electricity dues

Others

Total

Note:

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

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
253.29	317.77
113.52	185.20
24.89	10.28
9.62	7.28
11.46	12.76
50.79	35.91
133.00	123.00
175.05	167.08
1,367.60	859.42
2,139.22	1,718.70

12. Short-term provisions

Provision for Employee Benefits (also refer note 27)

Provision for Gratuity

Provision for compensated absences of employees

Other Provisions

Proposed Dividend

Provision for Dividend Distribution Tax

Provision for Taxation (Net)

Total

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
494.17	60.94
54.67	42.01
261.67	523.34
44.47	84.90
263.36	277.78
1,118.34	988.97



Notes to the Consolidated Financial Statements

13. Tangible Assets

Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	Cost/ Valuation as at 1st April, 2012 [note (a)]	Additions during the year	Amount Added on Revalua- tion [note (a)]	Sale/ Adjustment during the year [note (b)]	Cost/ Valuation as at 31st March, 2013	As at 1st April, 2012	For the Year	Sale/ Adjustment during the year	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Freehold Land	10,521.53	–	8,571.65	–	19,093.18	–	–	–	–	19,093.18	10,521.53
Buildings	7,703.12	459.68	1,292.33	20.00	9,435.13	840.88	248.23	–	1,089.11	8,346.02	68,862.24
Tubewells	5.60	–	–	–	5.60	3.65	0.18	–	3.83	1.77	1.95
Plant & Equipment	11,863.63	539.70	1,600.12	33.32	13,970.13	4,899.08	1,045.17	12.66	5,931.59	8,038.54	6,964.55
Electric Installation	330.83	–	–	–	330.83	91.04	15.71	–	106.75	224.08	239.79
Furniture & Fixtures	358.43	5.73	–	–	364.16	17.21	22.19	–	39.40	324.76	341.22
Office Equipment	131.05	16.03	–	–	147.08	22.71	6.07	–	28.78	118.30	108.34
Launches	0.04	–	–	–	0.04	0.03	–	–	0.03	0.01	0.01
Vehicles	180.54	24.98	–	19.18	186.34	41.52	17.67	7.70	51.49	134.85	139.02
Total	31,094.77	1,046.12	11,464.10	72.50	43,532.49	5,916.12	1,355.22	20.36	7,250.98	36,281.51	25,178.65
Previous Year	30,294.93	1,025.32	–	225.48	31,094.77	4,647.90	1,290.58	22.36	5,916.12	25,178.65	–

Notes: a) The Company has revalued Land, Buildings, Plant & Machinery at its factory at Bauria, Howrah at current replacement value as at 31st March, 2010 and as at 31st March, 2013 as per valuation report of an approved valuer. The resultant restatement of the aforesaid Fixed Assets arising out of such revaluation are as set out below:-

Particulars	31st March, 2010		31st March, 2013	
	Original Cost	Amount added on revaluation	Original Cost	Amount further added on revaluation
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Freehold Land	112.50	10,409.03	112.50	8,571.65
Buildings	2,507.18	4,772.03	3,370.76	1,292.33
Plant & Equipment	5,867.29	5,403.38	6,966.54	1,600.12

b) Adjustment to Plant & Machinery includes Subsidy received ₹ 12 lakhs (2011-12 ₹ 145.69 lakhs) and Building ₹ 20 lakhs (2011-12 ₹ 20 lakhs)

14. Intangible Assets

Particulars	GROSS BLOCK					AMORTIZATION				NET BLOCK	
	Cost/ Valuation as at 1st April, 2012	Additions during the year	Amount Added on Revalua- tion	Sale/ Adjustment during the year	Cost/ Valuation as at 31st March, 2013	As at 1st April, 2012	For the Year	Sale/ Adjustment during the year	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Computer - Software	27.14	2.14	–	–	29.28	15.06	5.61	–	20.67	8.61	12.08
Total	27.14	2.14	–	–	29.28	15.06	5.61	–	20.67	8.61	12.08
Previous Year	19.34	7.80	–	–	27.14	11.11	3.95	–	15.06	12.08	–



Notes to the Consolidated Financial Statements

15. Non-current Investments

Investments (valued at cost unless stated otherwise)

Unquoted Equity instruments

Fine Worthy Software Solutions Private Limited
39,210 (31.03.2012 - nil) Equity Shares of ₹ 10/- each fully paid-up

3.92

—

Quoted Equity instruments

The Cochin Malabar Estates & Industries Limited
15,000 (31.03.2012 - 15,000) Equity Shares of ₹ 10/- each fully Paid-Up
[Net of provision for other than temporary diminution aggregating to
₹ 11.73 lakhs (31.03.2012 - 11.73 lakhs)]

15.30

15.30

Joonktolee Tea & Industries Limited #
7,500 (31.03.2012 - nil) Equity Shares of ₹ 10/- each fully paid-up

—

—

Quoted Bonds

National Highways Authority of India
74,172 Secured Redeemable Non-Convertible Tax free Bonds of
₹ 1,000/- each fully paid up

741.72

741.72

Debentures (Unquoted)

1,96,070 (31.03.2012 - nil) 8% Optionally Convertible Debentures of
₹ 100/- each fully paid-up in Fine Worthy Software Solutions Private Limited

196.07

—

90 (31.03.2012 - nil) 19% Non-Convertible Debentures of
₹ 1,00,000/- each fully paid-up in Sheth Buildwell Private Limited

90.00

—

Mutual Fund (Quoted)

DWS fixed maturity plan-Regular 10,00,000 Units (31.03.2012-nil)

100.00

—

HDFC FMP-400D March 2013 (I) Series 23 - Regular Growth
20,00,000 Units (31.03.2012-nil)

200.00

—

Others (Unquoted)

IIFL Income Opportunities Fund 14,66,292 Units (31.03.2012-nil)
of ₹ 10/- each fully paid-up

146.63

—

Total

1,493.64

757.02

Aggregate amount of quoted investments

1,057.02

757.62

Market Value of quoted investments

1,120.25

767.32

Aggregate amount of unquoted investments

436.62

—

Aggregate Povision for diminution in value of Investments

11.73

11.73

Allotted pursuant to scheme of demerger of the plantation division of the Cochin Malabar Estates & Industries Limited



Notes to the Consolidated Financial Statements

16. Long-term loans and advances

Unsecured, considered good (unless otherwise stated)

Capital Advance
Security Deposits
Total

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
4.56	9.27
598.13	585.06
602.69	594.33

17. Current Investments

At Cost:

Current portion of Long-term investments (Unquoted)

10 (31.03.2012 - nil) 19% Non- Convertible Debentures of ₹ 1,00,000/- each fully paid -up in Sheth Buildwell Private Limited

Investment in Mutual fund

At cost or fair value, whichever is less

Unquoted

UTI Treasury Advantage Fund - Institutional Plan Dividend Option nil Units (31.03.2012- 19995.718 Units)

ICICI Prudential Gilt Fund Investment Plan- PF Option Regular Plan 11,53,119.586 Units (31.03.2012-nil)

DWS Gilt Fund Regular Plan -Growth 11,51,463.510 Units (31.03.2012-nil)

Birla Sunlife Income Plus- Growth -Regular Plan 5,87,450.495 Units (31.03.2012-nil)

Reliance Income Fund - Growth Plan-Bonus Option 26,64,456.770 Units (31.03.2012-nil)

SBI Ultra Short Term Debt Fund -Regular Plan-Growth [13,287.281 Units (31.03.2012-nil)]

Total

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
10.00	—
—	200.00
250.00	—
150.00	—
300.00	—
291.26	—
200.00	—
1201.26	200.00

18. Inventories

(Valued at lower of cost and net realisable value)

Raw materials
Stock-in-process
Semi Finished Goods
Finished Goods (includes in transit ₹142.53 lakhs, 31.03. 2012 : ₹ 326.17 lakhs)
Stores and Spares
Total

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
3,440.76	2,163.57
688.43	795.69
227.16	218.89
1,754.24	1,612.89
823.31	760.25
6,933.90	5,551.29



Notes to the Consolidated Financial Statements

19. Trade receivables

Unsecured, considered good

Outstanding for a period exceeding six months from the date they are due for payment

Others

Total

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
26.23	15.79
1,067.11	1,178.85
1,093.34	1,194.64

20. Cash and Bank balances

Cash and cash equivalents

Cash on hand

Balances with banks:

In current accounts

Other Bank balances

Unpaid dividend account

Margin money deposits [refer note (a) below]

Total

Note:

(a) Includes deposit of ₹ nil (31.03.2012 ₹ 0.21 lakh) with maturity of more than 12 months.

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
10.37	19.35
1,471.75	1,247.20
1,482.12	1,394.42
11.46	12.76
112.88	127.87
1,606.46	1,407.18

21. Short-term loans and advances

Unsecured, considered good (unless otherwise stated)

Security Deposits

Other loans and advances

Advances recoverable in cash or in kind or for value to be received*

Prepaid Expenses

Balances with Government Authorities

Total

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
98.45	99.58
914.76	805.26
79.99	76.90
10.13	5.68
1,103.33	987.42

* Includes insurance claim receivable ₹ 458.32 lakhs (2011-12 ₹ 546 lakhs)

22. Other current assets

Unsecured, considered good

Interest accrued on security deposits

Interest subsidy receivable

Interest accrued on bonds

Total

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
13.77	13.07
14.86	14.86
34.54	11.16
63.17	39.09



Notes to the Consolidated Financial Statements

23. Revenue from operations

Sale of products

Finished goods		
Traded goods		

Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
34,459.72	30,766.38
15.22	—
34,474.94	30,766.38

Other operating revenues

Export incentive		
Revenue from operations (gross)		
Less : Excise duty and R&D Cess		

417.17	322.64
34,892.11	31,089.02
269.27	228.68
34,622.84	30,860.34

Total

24. Other Income

Interest Income on

Bank deposits		
Other deposits		
Long-term investments		
Others		

Dividend Income on current investments		
Rent		
Net Profit on sale of fixed asset		
Net Gain on sale of current investments		
Liabilities no longer required written back		
Exchange differences (net)		
Provision for Diminution in Value of Investments written back		
Miscellaneous Income		

Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
16.27	15.03
23.02	14.52
76.63	21.52
23.12	12.52
8.17	2.20
2.98	2.97
—	20.67
5.73	0.01
10.76	2.46
70.06	12.06
—	20.00
40.37	558.36
277.11	682.32

Total

25. Cost of materials consumed

Inventory at the beginning of the year		
Add : Purchases (net) [Refer note (a) below]		

Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
2,163.57	4,102.30
19,413.49	15,097.00
21,577.06	19,199.30

Less: Inventory at the end of the year

Total

3,440.76	2,163.57
18,136.30	17,035.73

Note:

(a) Purchases is net of discount received on prompt payment of supplier's bills amounting to ₹ 198.09 lakhs (2011-12 - ₹ 130.48 lakhs)



Notes to the Consolidated Financial Statements

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

Inventories at the end of the year

Stock-in-Process

Semi- Finished Goods

Finished Goods

Total (A)

Inventories at the beginning of the year

Stock-in-Process

Semi- Finished Goods

Finished Goods

Total (B)

(Increase)/decrease in inventories (B-A)

	Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
	688.43	795.69
	227.16	218.89
	1,754.24	1,612.89
	2,669.83	2,627.47
	795.69	636.79
	218.89	434.66
	1,612.89	1,669.27
	2,627.47	2,740.72
	(42.36)	113.25

27. Employees benefits expense

Salaries, Wages & Bonus

Contribution to Provident and Other Funds [Refer notes (a) and (b) below]

Workmen and Staff Welfare expenses

Total

Notes:

(a) Defined Contribution Plans

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

Employer's Contribution to Provident Fund

Employer's Contribution to Pension Fund

Employer's Contribution to Superannuation Fund

	Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
	4,702.92	4,194.50
	1,383.27	597.57
	152.20	129.26
	6,238.39	4,921.33
	89.79	78.92
	239.86	226.69
	51.53	41.76

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



Notes to the Consolidated Financial Statements

(b) Defined Benefit Plans

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

Sl. No.	Description	Gratuity (Funded)	
		Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
(a)	Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation		
	Present Value of Obligation at the beginning of the year	2,250.98	2,175.07
	Current Service Cost	128.39	127.59
	Interest Cost	191.74	173.90
	Actuarial (Gains)/Losses	726.18	(116.91)
	Benefits paid	(42.97)	(108.67)
	Present Value of Obligation at the end of the year	3,254.32	2,250.98
(b)	Reconciliation of the Opening and Closing balances of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	2,190.04	2,034.62
	Expected Return on Plan Assets	187.92	164.04
	Actuarial Gains/(Losses)	64.22	(40.40)
	Contributions	360.94	140.45
	Benefits paid	(42.97)	(108.67)
	Fair Value of Plan Assets at the end of the year	2,760.15	2,190.04
(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	3,254.32	2,250.98
	Fair Value of Plan Assets at the end of the year	2,760.15	2,190.04
	Assets/(Liabilities) recognized in the Balance Sheet	(494.17)	(60.94)
(d)	Expense recognised in the Profit and Loss Account		
	Current Service Cost	128.39	127.59
	Interest Cost	191.74	173.90
	Actual Return on Plan Assets	(187.92)	(164.04)
	Actuarial (Gains)/Losses	661.96	(76.51)
	Total Expense recognized	794.17	60.94
(e)	Category of Plan Assets :		
	Fund with Birla Sun Life Insurance Co. Limited	2,760.15	2,190.04
	Total	2,760.15	2,190.04



Notes to the Consolidated Financial Statements

Sl. No.	Description	Gratuity (Funded)	
		Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
(f)	Actuarial Assumptions Discount Rate (Per annum) Expected Rate of Return on Assets (Per annum) Salary Escalation Mortality Rate	8.10% 8.00% 7.00%	8.60% 8.00% 5.50%
		In accordance with Indian Assured Lives Mortality (2006-08) (modified) 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 determined by actuarial valuation. 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.

	2012-13 ₹ lakhs	2011-12 ₹ lakhs
Defined benefit obligation	(3,254.32)	(2,250.98)
Plan assets	2,760.15	2,190.04
Surplus/(deficit)	(494.17)	(60.94)
Experience adjustments on plan liabilities	(168.25)	30.95
Experience adjustments on plan assets	64.22	(40.40)

28. Finance costs

	Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
Interest expenses	394.51	505.14
Other borrowing costs	31.36	26.47
Total	425.87	531.61

29. Depreciation and amortization expense

	Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
Depreciation on Tangible assets	1,355.22	1,290.58
Amortization of Intangible assets	5.61	3.95
	1,360.83	1,294.53
Less: Recoupment from Revaluation Reserve	649.52	652.48
Total	711.31	642.05



Notes to the Consolidated Financial Statements

30. Other expenses

	Year ended 31st March, 2013 ₹ lakhs	Year ended 31st March, 2012 ₹ lakhs
Consumption of stores and spare parts (net)	2,290.11	1,873.61
Power and fuel	1,698.29	1,604.27
Rent	46.71	71.61
Repairs to building	53.53	43.64
Repairs to machinery	5.65	4.03
Repairs - others	45.66	43.44
Insurance	158.50	229.63
Rates and Taxes	47.97	27.92
Processing Charges	403.87	400.49
Freight and Delivery Charges	451.23	398.05
Research & Development Cess and Excise Duty [Refer note (a) below]	94.86	87.98
Export Dock and Toll Charges	89.44	64.54
Brokerage and Commission	242.08	182.30
Bad Debts written off	–	5.54
Investments written off	–	20.00
Net Loss on sale of fixed asset	5.45	–
Miscellaneous expenses	685.20	479.60
Total	6,318.55	5,536.65

Note:

(a) Includes Research & Development Cess ("R & D Cess") and Excise Duty related to the difference between the closing stock and opening stock of finished goods ₹ 4.13 lakhs (31.03. 2012 ₹ 0.46 lakh)

31. Earnings per equity share (EPS)

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

		Year ended 31st March, 2013	Year ended 31st March, 2012
Net Profit after tax (₹ lakhs)	A	2,084.74	1,891.41
Weighted average number of shares outstanding	B	26,16,720	26,16,720
Basic and Diluted EPS (₹)	A/B	79.67	72.28
Face value per share (₹)		10.00	10.00



Notes to the Consolidated Financial Statements

32. Contingent liabilities

a) Claims against the Company not acknowledged as debts :

Sales tax matter

ESI matter

b) Export bills discounted with bank

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
368.27	141.05
45.57	45.57
239.36	352.44

33. Commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for tangible assets

Partly Paid investment

As at 31st March, 2013 ₹ lakhs	As at 31st March, 2012 ₹ lakhs
42.31	100.62
150.00	—

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

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

Particulars	Within India		Outside India		Total	
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Segment revenue by location of customers	24,969.43	22,742.28	9,236.24	7,795.42	34,205.67	30,537.70
Carrying amount of segment assets	775.43	838.14	317.91	356.50	1,093.34	1,194.64
Carrying amount of segment liabilities	102.21	127.17	11.31	58.03	113.52	185.20
Additions to tangible and intangible assets	—	—	—	—	795.44	841.77

35. Related Party Disclosures :

Names of Related Parties and nature of relationship

a) **Key Management Personnel**

Shri G D Bangur

Shri D C Baheti

b) **Relatives of Key Management Personnel with whom transactions took place during the year**

Shri Hemant Bangur

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

Joonktollee Tea & Industries Limited

Kettlewell Bullen & Company Limited



Notes to the Consolidated Financial Statements

Transactions with related parties are as follows:

Particulars		Year	Key Management Personnel	Relative of Key Management Personnel	Enterprise over which Key Management Personnel have significant Influence
			₹ lakhs	₹ lakhs	₹ lakhs
A	Transactions during the year				
1	Remuneration Paid	2012-13 2011-12	266.83 217.34	3.81 3.72	– –
2	Dividend Paid	2012-13 2011-12	18.17 2.53	13.67 1.06	92.39 39.70
3	Rent Paid	2012-13 2011-12	– –	– –	13.48 13.24
4	Loan Given	2012-13 2011-12	– –	– –	200.00 –
5	Sales	2012-13 2011-12	– –	– –	74.29 34.07
6	Interest Received	2012-13 2011-12	– –	– –	7.72 –
7	Loan Given Received Back	2012-13 2011-12	– –	– –	200.00 –
B	Outstanding balance at year end				
1	Deposits	2012-13 2011-12	– –	– –	400.00 400.00



Notes to the Consolidated Financial Statements

36 The Parent 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.

Place: Kolkata
Dated: 10th May, 2013

For **Lovelock & Lewes**
Firm Registration No. 301056E
Chartered Accountants
Sunit Kumar Basu
Partner
Membership No. 55000

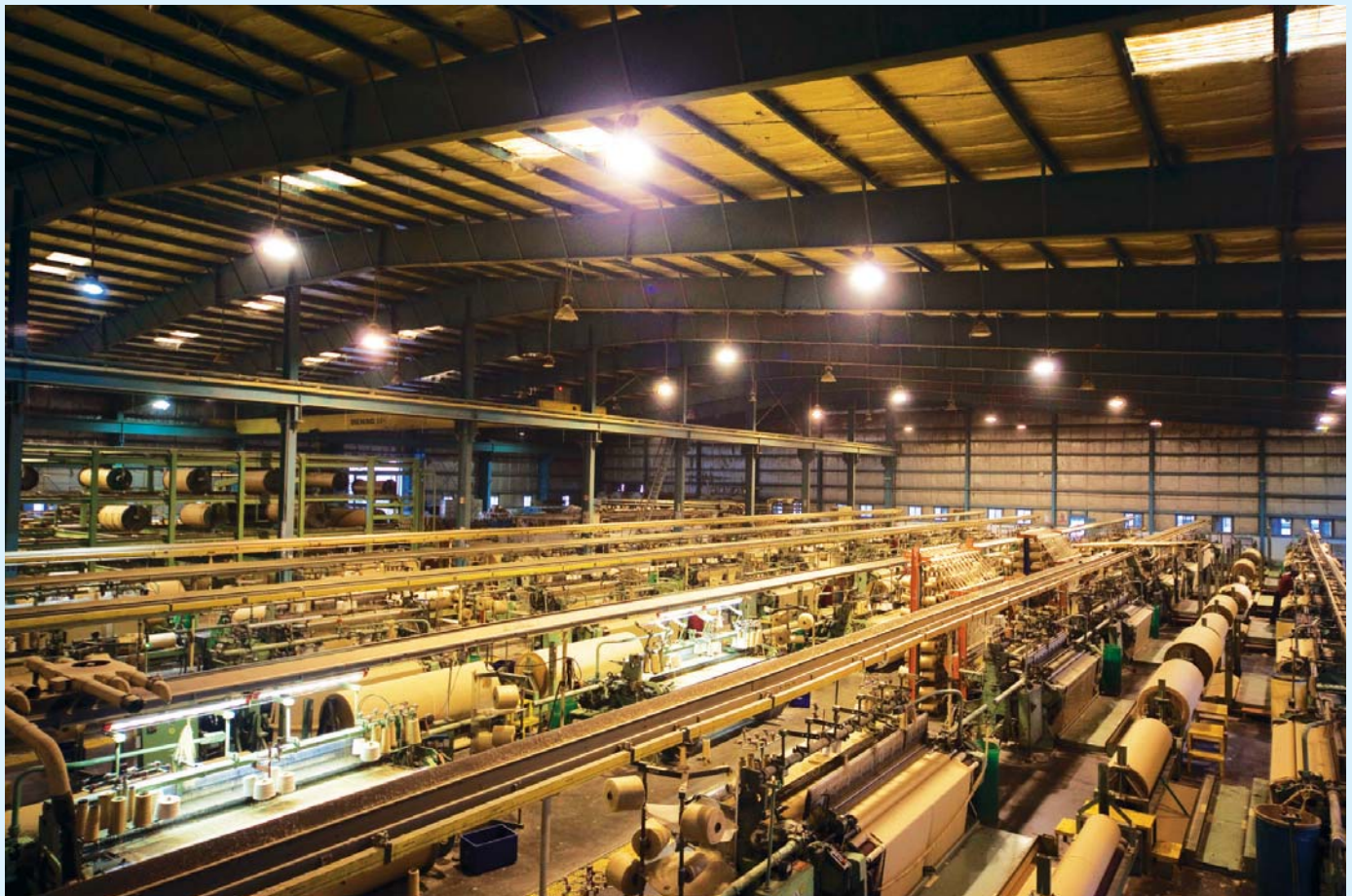
Ajay Kumar Agarwal
Company Secretary

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

Executive Chairman
Vice Chairman

Directors

Managing Director



Modern Weaving Machines



The details of subsidiaries in terms of General Circular No. 02/2011 dated 8th February,2011 issued by Government of India, Ministry of Corporate Affairs under Section 212(8) of the Companies Act,1956 is as under:

₹ lakhs

	Gloster Lifestyle Limited	Gloster Specialities Limited	Gloster Gujrat Limited
Share Capital	400.00	400.00	5.00
Reserves and Surplus	24.80	38.19	(1.11)
Total Assets	424.88	440.03	3.95
Total Liabilities	424.88	440.03	3.95
Long Term Investments	370.86	370.86	-
Turnover	-	-	-
Profit / (Loss) before Taxation	32.15	33.29	(0.06)
Provision for Taxation	0.52	0.87	-
Profit/(Loss) after Taxation	31.63	32.42	(0.06)
Proposed Dividend	-	-	-
Reporting Currency	INDIAN RUPEES	INDIAN RUPEES	INDIAN RUPEES

Note:

The Company shall provide to any member on request the Annual Accounts of the subsidiaries and other related information at any point of time. Copies of the Annual Accounts of the subsidiaries shall be available for inspection by any member at the Registered Office of the Company and its subsidiaries on working day during normal business hours.





NECS MANDATE FORM

Maheshwari Datamatics Pvt. Ltd.

Unit : Gloster Limited
6, Mangoe Lane
2nd Floor, Kolkata - 700 001

For Shares held in Physical Mode
please complete the form and mail to
Maheshwari Datamatics Pvt. Ltd.

Shares held in Electronic Mode should
inform respective Depository Participant

Dear Sirs,

Change in mode of payment to NECS

I/We hereby consent to have the amount of dividend on my/our equity shares credited through the National Electronic Clearing Service (NECS).

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.....

5. Particulars of the Bank

- Bank Name
- Branch Name and Address
- 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 blank cheque issued by your bank for verifying the accuracy of the code number.)

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

6. Date from which the mandate should be effective

I/We 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 NECS facility with Company's banks at my/our place / city.

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

Signature of the first / sole shareholder.

(** To be deleted if not applicable)

Signature :

Name :

Address :

Date :

Signature :

Name :

Address :

Date :

Signature of the two witnesses

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 Share Certificates and in that event the name and address of the Guardian shall, be given by the holder.
3. The nominee shall not be Trust, Society, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family, or a Power of Attorney holder.



GLOSTER LIMITED

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

ATTENDANCE SLIP

I hereby record my presence at the Twenty First 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 Thursday, the 25th July, 2013.

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 the meeting should bring his copy of the Annual Report for reference at the meeting.

GLOSTER LIMITED

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

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 Twenty First Annual General Meeting of the Company to be held on Thursday, the 25th July, 2013 and at any adjournment thereof.

Signed this day of2013

Signature _____

NOTE : The Proxy in order to be effective should be duly stamped, completed and 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.

Affix One
₹
Revenue
Stamp





Unit Ananya



Gloster Limited

21 Strand Road, Kolkata 700 001, West Bengal (India)
Phone +91 33 2230 9601 Fax +91 33 2210 6167, 2231 4222
Email info@glosterjute.com Web www.glosterjute.com