

ANNUAL REPORT
2013-2014

jute

-for a healthier
and greener
future



GLOSTER LIMITED

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THE VISION

- Promote the principles of sustainability in our operations and activities
- Be committed to our workforce, consumers, suppliers, shareholders and other stakeholders at large
- Make our business a part of the society and contribute to the welfare of the larger community

THE MISSION

- Cater to the needs of customers all over the world
 - Win recognition as a producer of quality jute and allied products
 - Provide products at a competitive price while delivering value



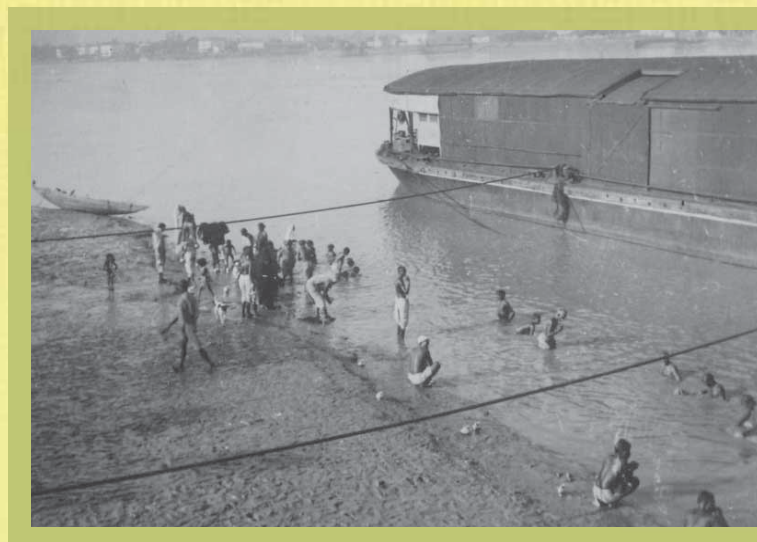
THE STORY OF JUTE

The most economical of all natural fibres, jute forms tough, resilient and versatile fabrics that are also eco friendly. It is widely used for a variety of uses through the centuries.

Jute has been in use since medieval times. In Ain-e-Akbari, Abul Fazal, mentions villagers of the 16th century wearing clothes made of jute. From 18th century people began progressively using jute as a commercial commodity. Initially it was primarily used to make ropes for sea vessels. Later jute weavers started spinning and weaving jute into carpets. By 1838 new technologies made it possible to produce sophisticated yarn, sacking bags and hand bags.

In the nineteenth and twentieth century, jute products have been most widely used as a packing material for food grains, tea, sugar, and other edible items. The last few decades have seen the introduction of many lifestyle

applications. People today use jute for floor coverings, home textiles, shopping bags, lifestyle products, fashion accessories, geo textiles and many more. It is truly a wonderful and versatile fibre.





THE BEGINNING

India and Jute

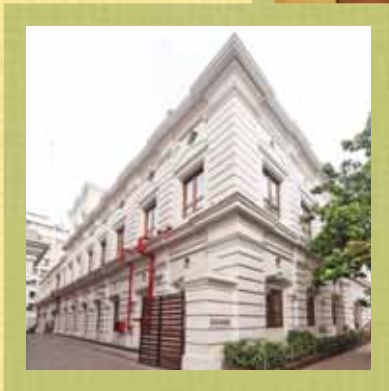
Jute production is concentrated primarily in and around Indian sub continent. India is the second largest jute producing country next only to Bangladesh, with jute being cultivated mostly in the eastern part of the country. The first jute mill started operating in Bengal, in 1856 and the eastern state remains the face of Indian jute industry with agricultural support from the neighboring States of Assam, Bihar and Tripura.

Towards the end of the 19th Century, Sri Mugnee Ram Bangur moved from Rajasthan to Kolkata in search of fortune. One of the founder-members of the Calcutta Stock Exchange, he initiated a number of business ventures including jute. The Gloster Jute Mills were taken over by the Bangur Group in 1954.

The Managing Agency of Kettlewell Bullen & Co. Ltd. was taken over by the House of Bangurs on 21.04.1954 which comprised of jute, cotton, tea and shipping businesses.

This year marks the 60th year of management of Gloster mills by the Bangurs. Presently the Company is headed by Sri Gopal Das Bangur, Executive Chairman.





Exports of
jute products
from India
are expected
to reach
` 28 billion in
coming
2013-14
fiscal year.





LEADERS IN MODERN JUTE



Headquartered at 21, Strand Road, Kolkata, Gloster Ltd. has its mills across the river at Bauria, Howrah, where it has two business units along with a standby power plant . The manufacturing facilities sprawl across more than 175 acres and employ around 4,500 people. It also includes state of the art research facilities with a team of professionals dedicated to jute research



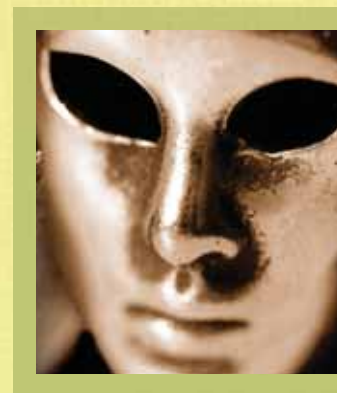
The Indian jute industry provides direct employment to about 0.26 million workers and supports around 4.0 million farm families.





EXPRESSIONS IN JUTE

Gloster is capable of annually producing about 50,000 metric tons of jute textiles and products. Offerings include both conventional and modern products that are known for superior quality and finishing.





60 YEARS OF DELIVERING QUALITY

From 1954 to 2014, it has been a sixty year journey for Gloster. Through the years Gloster has been driven by enduring values and principles that forms the foundation of its success..

GLOSTER'S

- Purpose:** Deliver maximum value to maximum people
- Performance:** Constantly strive to perform better.
- Prescription:** Every problem has a solution. Find it.
- Perfection:** Work hard without making compromises
- Professionalism:** Keep to commitments made to stakeholders.
- Perception:** Create a positive perception with every action



PROMOTING THE ORGANIC WAY



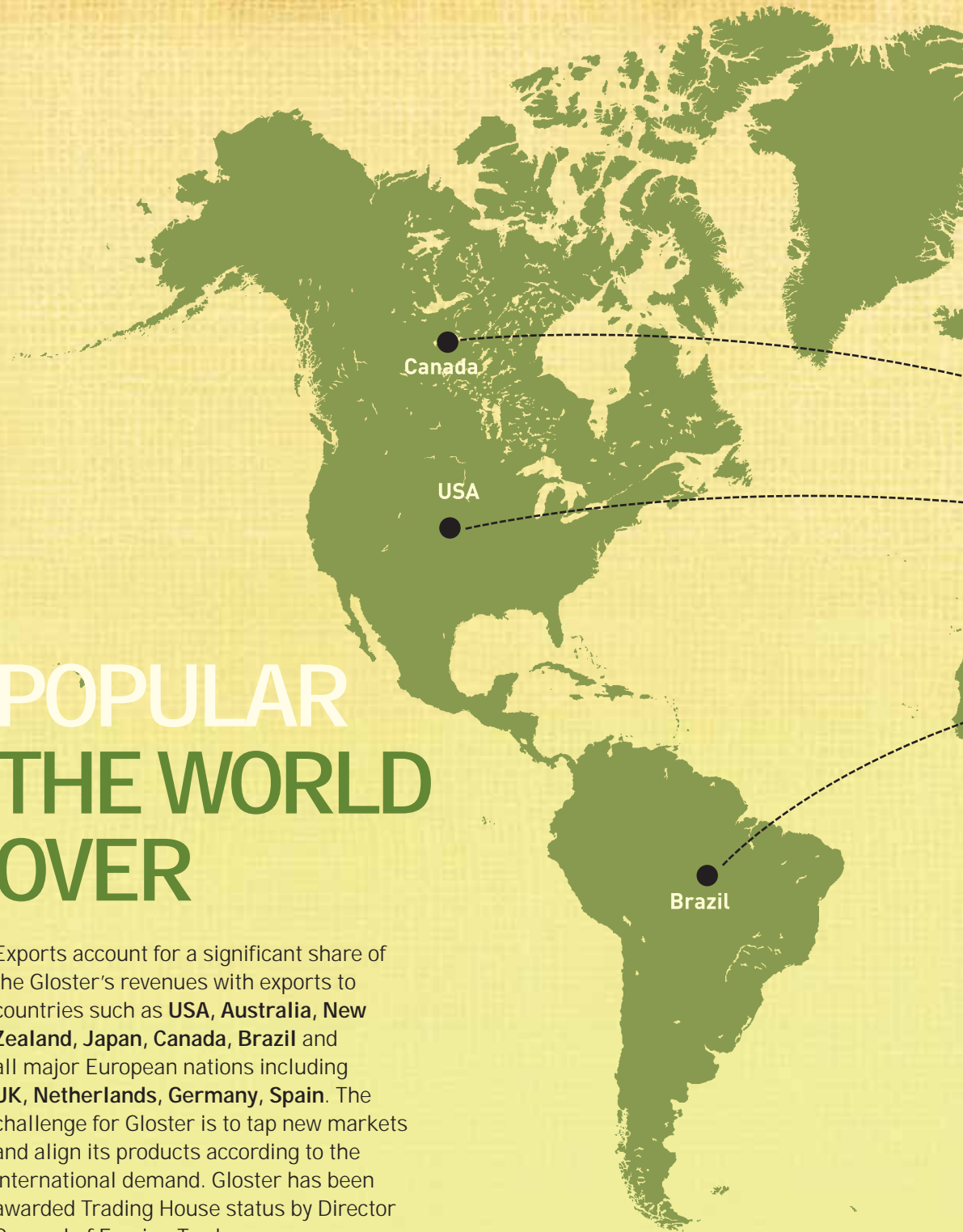
Gloster has always been instrumental in promoting organic farming and encourages local farmers to cultivate jute organically. Gloster has also undertaken & initiated cultivation of organic jute in West Bengal. The

cultivation of organic jute is carried on by the local farmers of the villages which also enhances their existing earning as Gloster pays substantially higher price than for normal jute price apart from funding their inputs in cash.



POPULAR THE WORLD OVER

Exports account for a significant share of the Gloster's revenues with exports to countries such as **USA, Australia, New Zealand, Japan, Canada, Brazil** and all major European nations including **UK, Netherlands, Germany, Spain**. The challenge for Gloster is to tap new markets and align its products according to the international demand. Gloster has been awarded Trading House status by Director General of Foreign Trade.







FOR A SUSTAINABLE WORLD

Living sustainably is about living within the means of our natural systems and ensuring that our lifestyle does not harm other people or the ecology.

The use of natural products is an integral aspect of sustainable living.

Agriculture originally was one of the most natural activities in the world, tuned to the harmonies of nature. However, the ever burgeoning demands of growing populations, new technologies, mechanization, use of chemicals and

government policies -- all seeking to maximize production -- has disrupted the natural harmony. Topsoil depletion, groundwater contamination, depletion of natural resources, and disturbance of ecological balance are some of the long-term consequences. This has led to growing environmental concerns over the past two decades and a shift in focus from the need for development to ensuring its **"Sustainability"**.

With growing environmental concerns over the past two decades there has been awareness about the issues that threatened the balance of ecology and society. The above backdrop has been the key essence for people world over to focus on **"Sustainability"**.

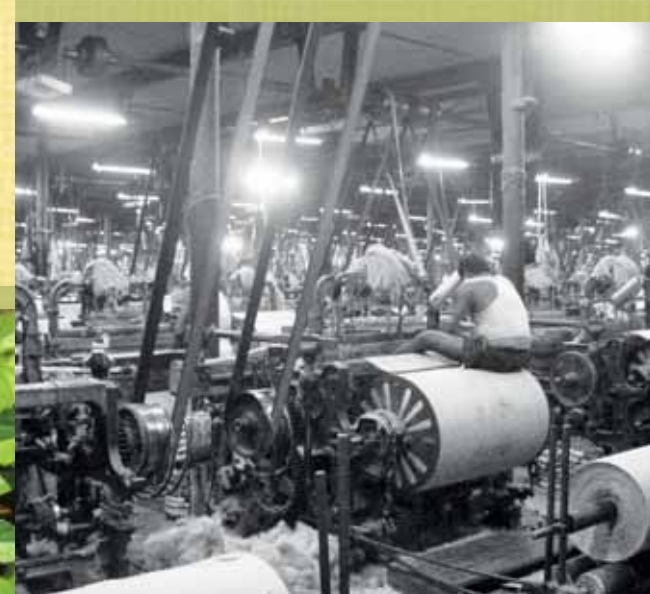




Sustainability is Continuity

Sustainability could be defined as an ability or capacity of something to maintain or to sustain itself. It's about taking what we need to live now, without jeopardizing the potential for people in the future to meet their demands.

The key aspect of sustainability is continuity.



Sustainable Development

Being careful about the natural resources is the first step in sustainability. It has been a factor from ancient times. Natural resources degradation from non-sustainable farming was one of the factors behind the dissolution of ancient civilization in Mesopotamia. Development calls for natural resources to sustain and enhance our way of living. As we become more and more aware of the importance of sustainability, we begin to recognize the fact that the resources available to us are limited and that we need to use them responsibly. Sustainable development combines three things – Ecology, Commercial viability and Socio-economic balance.



WHY DO THEY FORM A WHOLE?

JUTE, GLOSTER AND SUSTAINABILITY



In a highly competitive industry where surviving one day seems an uphill task, the mills of Gloster has completed 60 years with élan. It has been endorsing sustainability since the time “sustainability” was just another term in environmental science. It is no surprise that **Jute, Gloster and Sustainability** have become almost synonymous over the years.

Gloster holds that any business venture, however profit driven it might be, is ultimately a part of the society. Naturally Gloster tries its best to sustain the resources of the society by opting for sustainable development. While producing high quality jute and jute allied products Gloster ensures optimum use of renewable resources and re-cycle able products. Moreover, jute as a crop, and the way in which it is cultivated and used, itself has inherent sustainable elements. Bio-degradable jute products are not only alternative to synthetic packaging materials but can challenge any packaging material. Synthetic materials are terribly slow to

decompose and are menace for the environment.

The Jute industry also occupies an important place in the national economy of India. It is one of the major industries in the eastern region, particularly in West Bengal. Jute, the golden fibre, meets all the standards for ‘safe’ packaging in view of being a natural, renewable, biodegradable and eco-friendly product. Jute industry provides direct employment to workers in organized mills, ancilliary units, farm families including tertiary sector & allied activities and supports the livelihood of millions of families.

A leader becomes a leader not because he is a great performer, but because he has a vision for the future. Well, Gloster always has one. Over half a century Gloster has shown the industry how to match the necessities of the present with the possibilities of future. In fact, this motto of sustainable growth has kept us going through the years. And with that, at 60, we are looking forward towards a bright future.





Financial Highlights

Year Ended	Share Capital (` lakhs)	Reserves (` lakhs)	Networth (` lakhs)	Income from Operations (` lakhs)	Net Profit (` lakhs)	Cash Profit (` lakhs)	Earnings Per Share (`)	Cash Earnings Per Share (`)	Book Value Per Share (`)	Dividend (%)
31.03.1993	22	26	48	3,909	30	65	1	1	1	20%
31.03.1998	65	773	838	6,983	331	390	6	7	16	35%
31.03.2003	131	1,744	1,875	11,052	377	505	7	10	36	35%
31.03.2008	131	4,251	4,382	15,816	1,104	1,616	21	31	84	50%
31.03.2009	262	4,875	5,137	16,794	908	1,419	17	27	98	50%
31.03.2010	262	26,251	26,513	19,529	975	1,515	19	29	507	60%
31.03.2011	262	26,653	26,915	30,686	1,408	2,010	27	38	514	70%
31.03.2012	262	27,254	27,516	30,860	1,894	2,536	36	48	526	200%
31.03.2013	262	39,775	40,037	34,623	2,021	2,732	39	52	765	100%
31.03.2014	523	38,893	39,416	33,602	1,408	2,163	27	41	753	60%

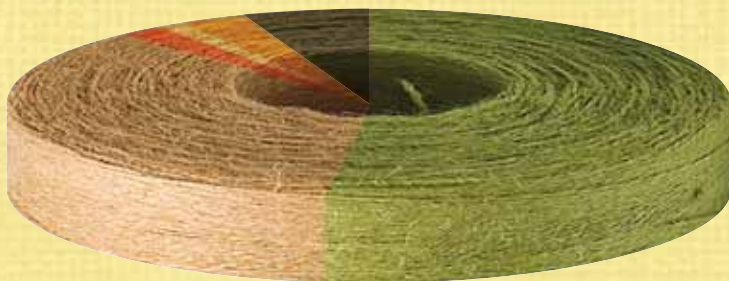
- Reserves, Networth includes Revaluation Reserves arising on revaluation of Fixed Assets.
- Book Value, Earning Per Share & Cash Earning Per Share calculated on expanded Capital for all years .



Historical Data

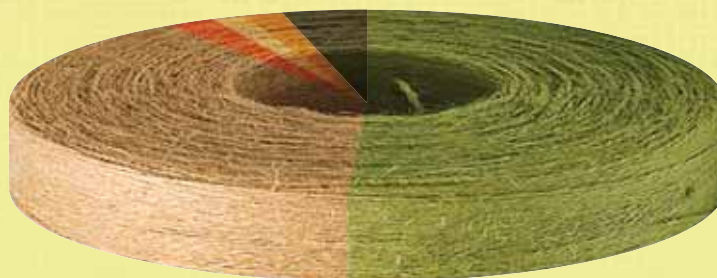
Distribution of revenue 2012-13

■ Cost of Raw Material	52.05%
■ Mfg. & Other Expenses	36.00%
■ Depreciation	2.04%
■ Finance Cost	1.22%
■ Tax	2.90%
■ Profit (PAT)	5.79%



Distribution of revenue 2013-14

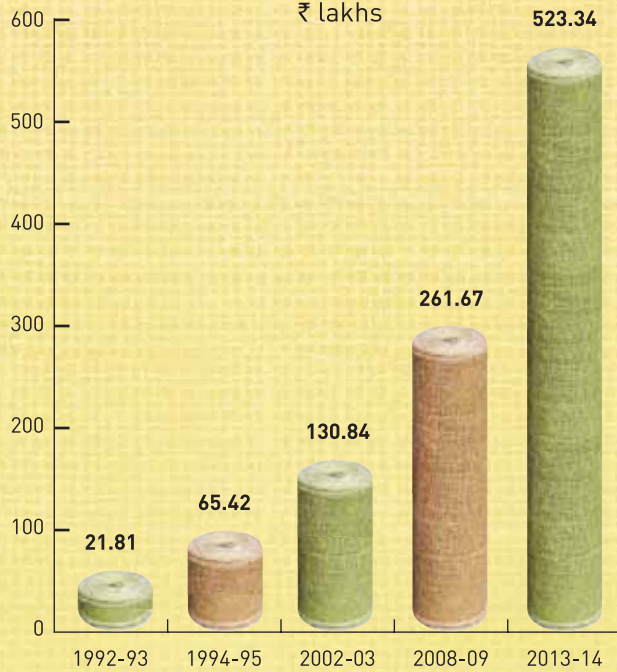
■ Cost of Raw Material	50.93%
■ Mfg. & Other Expenses	39.36%
■ Depreciation	2.21%
■ Finance Cost	1.56%
■ Tax	1.80%
■ Profit (PAT)	4.14%



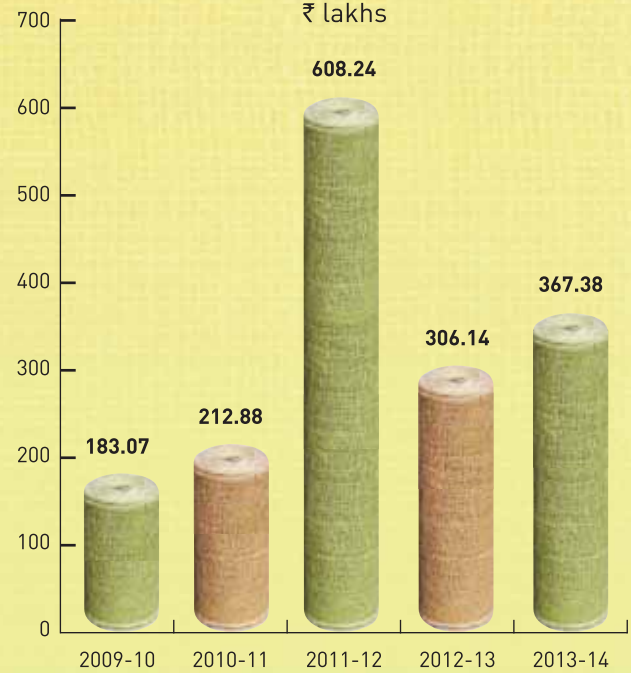




Share capital buildup ₹ lakhs



Dividend payout ₹ lakhs





CORPORATE INFORMATION

Board of Directors	: G.D. Bangur - Executive Chairman Hemant Bangur - Vice Chairman Bhaskar Mitter * Nandita Sen R.R. Dash ** S.N. Bhattacharya *** K. Mahapatra Dr. Prabir Ray D.C. Baheti - Managing Director
Company Secretary	: Ajay Kumar Agarwal
Bankers	: State Bank of India Yes Bank Limited Bank of Baroda ICICI Bank Limited
Auditors	: Lovelock & Lewes Chartered Accountants Kolkata
Registrar & Share Transfer Agents	: Maheshwari Datamatics Pvt.Ltd. 6, Mangoe Lane Kolkata 700 001 Phone : +91 33 2243 5809 Fax : +91 33 2248 4787 Email : mdpl@cal.vsnl.net.in
Registered & Administrative Office	: 21, Strand Road Kolkata 700 001 (India) Corporate Identity No. L17119WB1992PLC054454 Phone : +91 33 2230 9601 (4 lines) Fax : +91 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

* Ceased to be Director with effect from 21.04.2014

** Ceased to be Director with effect from 31.07.2013

*** Appointed with effect from 13.11.2013

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors take pleasure in presenting the Twenty Second Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

The highlights of the financial results of the Company for the year ended 31st March, 2014 are as under :

(` lakhs)

Particulars	Year Ended 31.3.2014	Year Ended 31.3.2013
Revenue from operations	33,601.93	34,622.84
Total Expenses	30,752.25	30,664.39
Operating Profit Before Depreciation & Finance Costs	2,849.68	3,958.45
Finance Costs	530.14	425.87
Depreciation/Amortization	754.93	711.31
Operating Profit After Depreciation & Finance Costs	1,564.61	2,821.27
Other Income	455.27	210.30
Gross Profit before Tax & Exceptional Items	2,019.88	3,031.57
Tax Expense (including Deferred Tax)	611.52	1,010.81
Profit for the year	1,408.36	2,020.76
Balance brought forward from previous year	554.57	539.95
Amount available for appropriation	1,962.93	2,560.71
Appropriations :		
Proposed Dividend	314.01	261.67
Dividend Tax	53.37	44.47
General Reserve	1,100.00	1,700.00
Balance carried to Balance Sheet	495.55	554.57

DIVIDEND

Your Directors have recommended for your approval a dividend of 60% i.e. ` 6/- per equity share for the year ended 31st March, 2014. The total outflow for dividend will be ` 367.38 lakhs including ` 53.37 lakhs by way of dividend tax.

OPERATIONS

The production & sales during the year under review has been 50,547 MT & 50,844 MT in comparison to 54,937 MT & 54,627 MT respectively in the previous year. Net profit for the year under review stood at ` 1,408.36 lakhs as against ` 2,020.76 lakhs for the financial year 2012-13.

Financial year 2013-14 was a difficult year for the jute industry with dilution in packing of sugar up to 80% and food grains up to 10% and reduced demand from Government. The current financial year i.e. 2014-15 is also expected to

be challenging for the industry due to further reduction in Government requirement of jute bags and very low demand from sugar and animal feed industry.

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

The initial forecast of raw jute crop in the forthcoming jute season is not good. Further, there will be low carry over of raw jute stock at the end of the year. Prices of raw jute in the current year are likely to be higher subject to demand of jute goods continuing at the last year's level.

EXPORTS

The Company's export during the year under review stood at 9,992 MT vis-à-vis 11,751 MT in the year 2012-13. The export in value terms was ` 9,049.50 lakhs during the year under review as against ` 9,236.24 lakhs in the year 2012-13.



DIRECTORS' REPORT

The Company is exploring new overseas market and is taking all possible measures to enhance export sales foreseeable future.

MODERNISATION

Your Company believes in sustainable development and continues to maintain its thrust on Modernization and Diversification. The Company has taken up 5th Phase of modernization at an estimated Project cost of ₹ 22 Crore.

SUBSIDIARY COMPANIES

Gloster Lifestyle Limited, Gloster Specialities Limited and Gloster Gujrat Limited are wholly owned subsidiaries of your Company.

In compliance with the requirements of Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India and as per Board resolution dated 3rd May, 2014 a statement showing relevant details for the year ended 31st March, 2014 of the Subsidiaries of the Company have been included in the Consolidated Financial Statements of the Company which forms part of this Annual Report.

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.

A statement pursuant to Section 212(8) of the Companies Act, 1956 regarding extent of interest of the holding company in its subsidiaries, is also attached herewith.

CHANGE IN COMPANIES ACT

The Companies Act, 2013 ('the Act') and the rules made thereunder has come into being replacing the existing Companies Act, 1956 and a large portion of the Act has already become effective. The Company has already formed/renamed various Committees of the Board in accordance with the requirements of the Act. The Terms of reference for various Committees of the Board have also been modified and adopted as per the provisions prescribed in the Act. Your Company is taking necessary steps to ensure compliance with the requirements of the new Act.

The Ministry of Corporate Affairs has vide General Circular 08/2014 No. 1/19/2013-CL-V dated 4th April, 2014 notified that the Financial Statements and documents required to be attached thereto, Directors Report and Auditors Report in respect of the Financial years that commenced earlier than 1st April, 2014 shall be governed by the relevant provisions of the Companies Act, 1956 and the rules made thereunder. Consequently the Financial Statements, Directors Report & Auditors Report for the financial year 2013-14 have been prepared in accordance with the provisions of the

Companies Act, 1956 and appropriate references have been made in respect of the Act wherever required.

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

Section 149(4) of the Companies Act 2013 ('the Act') contains provisions for certain class of companies with regard to composition of the Board of Directors and their appointment/reappointment and your Company being a listed company is required to comply with the said section.

Accordingly the Board has proposed the names of Smt. Nandita Sen, Shri Satyendra Nath Bhattacharya, Shri Krutibas Mahapatra and Dr. Prabir Ray who are existing Independent Directors as per the Listing Agreement and who have confirmed to the Company that they meet the criteria of Independence as specified in section 149(69) of the Act, to be appointed as Independent Directors within the meaning of the Act. The necessary resolutions for appointment of Independent Directors would be proposed in the ensuing Annual General Meeting. After such appointment the Independent Directors would no longer be liable to retire by rotation during their tenure.

The Board recommends the appointment of above directors with a view to avail their valuable advices and wise counsel. A brief profile of the above Directors seeking appointment/re-appointment required under Clause 49 of the Listing Agreement, is given in the Notice of AGM.

Late Rebati Ranjan Dash representing Life Insurance Corporation of India resigned w.e.f. 31st July, 2013. Shri Satyendra Nath Bhattacharya, representing Life Insurance Corporation of India was appointed w.e.f. 13th November, 2013 to fill the casual vacancy caused due to resignation of Late Rebati Ranjan Dash. Subsequent to resignation, Late Rebati Ranjan Dash passed away on 22nd October, 2013.

Shri Bhaskar Mitter Director of the Company resigned from the Board due to his advanced age and ill health. The resignation of Shri Mitter was noted in the Board Meeting held on 3rd May, 2014.

DIRECTORS' REPORT

The Board of Directors wish to place on record their deep sense of appreciation for the invaluable contributions of Shri Bhaskar Mitter and Late Rebati Ranjan Dash towards growth and prosperity of the Company.

AUDITORS

Messrs Lovelock & Lewes, Chartered Accountants, Statutory Auditors of the Company hold office up to the forthcoming Annual General Meeting and are recommended for appointment as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 25th Annual General Meeting of the Company in accordance with requirements of Companies Act, 2013. The Company has received a letter from them to the effect that their reappointment, if made, would be within the limits prescribed under the Companies Act, 2013 and that they are not disqualified for re-appointment.

As per the requirement of Central Government your Company carries out an Audit of cost records every year. The Cost Audit Report for the financial year 2012-2013 has been filed within due date.

In accordance with section 148 of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) rules, 2014, the remuneration payable to the Cost Auditors for the financial year 2014-15 would be placed at the ensuing the Annual General Meeting for ratification.

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.

CRISIL has upgraded its rating for long-term bank facilities from "CRISIL A-/Stable to CRISIL A/Stable and for short-term bank facilities from CRISIL A2+ to CRISIL A1.

The rating upgrade reflects the improvement in Company's business risk profile marked by a substantial and sustained increase in its scale of operations, while maintaining its profitability margins.

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.

KEY MANAGERIAL PERSONNEL

The Board of Directors of your Company has approved continuance of office of Shri Dharam Chand Baheti as the Managing Director, Shri Ajay Kumar Agarwal as the Manager Finance & Company Secretary as 'Key Managerial Personnel' in terms of the requirements of the Companies Act, 2013. Further the Board has appointed Shri Shankar Lal Kedia as the Chief Financial Officer who will also be a 'Key Managerial Personnel' in terms of the requirements of the Companies Act, 2013.

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 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 annual accounts have been prepared 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 is conscious of its social responsibilities and acts as a responsible Corporate Citizen. With constant social engagement and value driven approaches, we are on humble path to reach to our stakeholder groups especially communities in and around our businesses. The Company continues to carry on the CSR activities initiated in the past.



DIRECTORS' REPORT

In terms of the requirements of section 135 of the Companies Act, 2013 and rules made thereunder, the Board of Directors have constituted a CSR Committee and have adopted a CSR policy for the Company.

APPRECIATION

Your Directors wish to place on record their appreciation for the contribution made by the employees at all levels but for whose hard work, solidarity and support, your Company's achievements would not have been possible. Your Directors also wish to thank its customers, dealers, agents, suppliers, joint venture partners, investors and bankers for their continued support and faith reposed in the Company.

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 : 3rd May, 2014

G. D. BANGUR
Executive Chairman

ANNEXURE "A" TO THE DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY.

- 1 Replacing old types of Prime Movers with Super Energy Efficient Motors is continuing.
- 2 Installation of Modern Automatic and energy efficient Process House machines.
- 3 Installation of Turbo Ventilators, Solar Day Light system and Solar Battery units have been further extended.
- 4 Improved waste steam heat recovery system has been installed in this year.

FORM A

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

(I) POWER & FUEL CONSUMPTION	2013-14	2012-13
1. Electricity		
a) Purchased		
Units (KWH) (in lakhs)	233.92	230.38
Total Amount (₹ In lakhs)	1,602.02	1,561.23
Rate/Unit (₹)	6.85	6.78
b) Own Generation		
i) Through Captive Power Plant		
Units (KWH) (in lakhs)	Nil	Nil
Unit per ltr. of Diesel Oil	Nil	Nil
Cost/Unit (₹)	Nil	Nil
ii) Through Diesel Generator		
Units (KWH) (in lakhs)	2.70	4.51
Unit per ltr. of Diesel Oil	3.02	3.03
Cost/Unit (₹)	21.89	16.58
iii) Through Steam Turbine/Generator	Nil	Nil
2. Coal		
Consumption (MT)	197.81	193.86
Total Cost (₹ In lakhs)	16.06	19.52
Average Rate/MT (₹)	8,117.39	10,066.88
3. Furnace Oil for Power Plant		
Consumption (KL)	Nil	Nil
Average Rate/Litre (₹)	Nil	Nil
4. Furnace/Diesel Oil for Boiler		
Consumption (KL)	Nil	15.11
Average Rate/Litre (₹)	Nil	37.86
(II) CONSUMPTION PER MT OF PRODUCTION		
Electricity (Units) (Both purchased & generated)	468.11	427.56
Coal (Kgs.)	3.91	3.53

B. Technology Absorption, Adaptation & Innovation

- 1 Further installation of Dust suppression systems in the Plant.
- 2 Installation of modern Effluent Treatment Plant (ETP) with zero discharge in process house.
- 3 Various types of modern materials handling equipments like Tow Trucks, Scissors Lift, Bale Clamp Trucks have been introduced for facilitating better and safe material handling.

C. Foreign Exchange Earnings & Outgo

- | | |
|----------------------------------|----------------------------------|
| a) Total Foreign Exchange earned | Information contained in Note 41 |
| b) Total Foreign Exchange used | 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, 2014.

Name	Designation / Nature of Duties	Gross Remuneration (₹)	Qualification	Experience	Date of commencement of Employment	Age	Last Employment held Name of Company Designation
Gopal Das Bangur	Executive Chairman	1,23,77,434	B. Com.	43	12.04.2000	67	Joonktollee Tea and Industries Limited President
Dharam Chand Baheti	Managing Director	1,02,60,000	B. Com.	47	01.04.1992	66	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.

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 20% of production, shall be packed in Jute Packaging Material. The said notification is valid upto June 2014.

b) Opportunities and Threats/Risks & Concerns

Opportunities

- Continuing weak rupee may offer lucrative opportunity for export of jute products at attractive prices;
- With the economy projected to grow demand for jute products may upsurge, specially geo-textile;
- Jute being a sustainable product can be used in place of other depleting resources;
- Jute being a natural biodegradable products can offer green solutions;
- In view of rising concern for environment and global warming jute products are still getting preference over other substitutes;
- With world economies starting to pick-up, demand for promotional bags, lifestyle products and jute made ups are likely to increase;
- The industry continues to get incentives for technological upgradation of manufacturing facilities under different schemes as below :
 - (i) The Technology Upgradation Fund Scheme (TUF Scheme) for modernisation/expansion, under the Ministry of Textiles, Government of India has been extended;
 - (ii) Incentive Scheme for acquisition of Plants & Machinery from National Jute Board has been made effective for installation of Plant & Machinery from 1st October, 2013 and will continue upto 31st March, 2017. The incentive shall be 20% of cost of Plant & Machinery with

a ceiling of ₹ 2.50 Crore per jute mill during the period.

Risk & Concern/ Threat

- Further dilution of compulsory Jute Packing Order will adversely affect the market of jute products;
- Moderate monsoon forecast in the current year may affect food grain & sugar crop, thereby affecting the requirement of jute packaging materials;
- Use of jute packing materials are by and large limited to traditional packing of food grains and other edible products;
- Markets for other diversified jute products are increasing at a very low pace. Ever increasing dearness allowance and related increase in employee cost will lead to regular increase in overall cost of production;
- High inflation and fiscal deficit may lead to increase in prices of inputs and thereby will affect demand;
- Availability of Raw jute, being an agricultural produce, may vary as per weather conditions and hence may adversely affect the performance;
- Availability of skilled labour in the local area is a huge challenge;
- Disadvantage to Indian jute goods in comparison of Bangladesh due to their low wage structure & cheaper power and higher export subsidy by Government of Bangladesh;
- Competition from cheaper substitute synthetic packaging material;

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	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Segment revenue by location of customers	24,096.36	24,969.43	9,049.50	9,236.24	33,145.86	34,205.67
Carrying amount of segment assets	989.85	775.43	484.87	317.91	1,474.72	1,093.34
Additions to tangible and intangible assets	1,311.70	795.45	-	-	1,311.70	795.45



MANAGEMENT DISCUSSION AND ANALYSIS

d) Outlook

The initial forecast of raw jute crop for current season is not good. Further there will be low carry over of raw jute stock at the end of the year. Prices of raw jute in the current year are likely to be higher. Your company, however, has a system of building and maintaining adequate raw jute stock at appropriate time during the season.

The Company has taken up 5th Phase of modernization at an estimated Project cost of ₹ 22 Crore.

Your management will continue to make all efforts to improve the efficiency of the available manufacturing process of the factory which should result into better performance.

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 Internal Audit observations and Action Taken Reports are placed before the Audit Committee on a periodical basis, for review.

The Company is in the process of installation of SAP an integrated software system connecting its registered office and plant for providing improved MIS system and optimization of resources.

f) Discussion on financial performance with respect to operational performance

The following are the significant areas of financial performance :

₹ lakhs

Particulars	2013-14	2012-13	Increase/ (Decrease)
Revenue from operations	33,601.93	34,622.84	(1,020.91)
Raw material cost	17,329.21	18,136.30	(807.09)
Finance costs	530.14	425.87	104.27
Profit for the year	1,408.36	2,020.76	(612.40)
Inventories	6,761.17	6,933.90	(172.73)
Capital investment	1,311.70	795.45	516.25

g) Human Resources & Industrial Relations

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

h) Cautionary statement

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

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Your Company continues to lay great emphasis on the broad principles of Corporate Governance. The Company views corporate governance in its widest sense, almost like trusteeship. The Company's philosophy on corporate governance is to enhance the long-term economic value of the company, sustainable return to its stakeholders i.e. the society at large, by adopting best corporate practices in fair and transparent manner and by aligning interest of the company with that of its shareholders/ other key stakeholders. Corporate governance is not merely compliance and not simply creating checks and balances, it is an ongoing measure of superior delivery of company's objects with a view to translate opportunities into reality.

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. 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 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 keeping with the commitment of the management for the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of executive and independent directors to maintain the independence of the Board, and to separate the Board functions of governance and management.

The Board consists of distinguished persons having requisite knowledge and expertise in business & industry, corporate finance, taxation, legal matters, risk management and marketing. The number of Independent Directors is more than one-half of the total number of Directors.

The strength of the Board of Directors during the financial year 2013-14 was eight (except during the period 31st July, 2013 to 12th November, 2013), whose composition is given below :

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

Subsequent to resignation of Shri Bhaskar Mitter, an Independent Director, on 21st April, 2014, the present strength of the Board of Directors is seven, whose composition is given below :

- one Promoter, Executive Director
- one Promoter, Non-Executive Director
- one Non-Promoter, Managing Director
- four Independent, Non-Executive Directors

The names and category of the Directors on the Board, the number of Directorships and Committee memberships held by them in other companies 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 Rebati 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 Satyendra Nath Bhattacharya***	Independent Non-Executive	Nil	Nil	Nil
Shri Dharam Chand Baheti	Non-Promoter Managing Director	4	Nil	Nil

* Ceased to be a Director w.e.f. 21st April, 2014



CORPORATE GOVERNANCE REPORT

- ** Ceased to be a Director w.e.f. 31st July, 2013
- *** Appointed Director w.e.f. 13th November, 2013
- (#) 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.

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.

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 finalised 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 I A to the 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, 2014, four Board Meetings were held on 10th May, 2013, 25th July, 2013, 13th November, 2013, and 28th January, 2014. 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 25th July, 2013
Shri Gopal Das Bangur	4	Yes
Shri Hemant Bangur	4	Yes
Shri Bhaskar Mitter*	3	Yes
Smt. Nandita Sen	4	Yes
Shri Rebati Ranjan Dash**	1	No
Shri Krutibas Mahapatra	4	Yes
Dr Prabir Ray	3	Yes
Shri Satyendra Nath Bhattacharya ***	1	NA
Shri Dharam Chand Baheti	4	Yes

* Ceased to be a Director w.e.f. 21st April, 2014

**Ceased to be a Director w.e.f. 31st July, 2013

***Appointed Director w.e.f 13th November, 2013

3. AUDIT COMMITTEE

COMPOSITION

As on 31st March, 2014, the Audit Committee comprises of four Non-Executive Directors, three of whom are Independent Directors and one of whom is Non-Independent Director. All the members of the committee are well versed with finance & accounts, legal matters, company law, corporate affairs and general business practices.

The composition of the 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

* Ceased to be a Director w.e.f. 21st April, 2014

CORPORATE GOVERNANCE REPORT

The Chairman of the Audit Committee is an Independent Director and the Company Secretary acts as the Secretary to the Committee. The Chairman of the Audit Committee attended the previous Annual General Meeting held on 25th July, 2013.

The Committee's composition and its terms of reference meet the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Committee is empowered, pursuant to its terms of reference, inter-alia to:

- investigate any activity within its terms of reference or referred to it by the Board
- seek information from any employee
- obtain outside legal or other professional advice
- secure attendance of outsiders with relevant expertise, if it considers necessary
- Have full access to information contained in the records of the Company

The Minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meetings.

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 and inter alia performs the following functions :

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board the appointment, remuneration, and terms of appointment of auditors of the company.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to :
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - Changes if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgement by management.
 - Significant adjustments made in the financial statements arising out of audit findings.

- Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
 - f) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - h) Approval or any subsequent modification of transactions of the Company with related parties;
 - i) Scrutiny of inter-corporate loans and investments;
 - j) Valuation of undertakings or assets of the Company, wherever it is necessary;
 - k) Evaluation of internal financial controls and risk management systems;
 - l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - n) Discussion with internal auditors of any significant findings and follow up there on;
 - o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - r) To review the function of the Whistle Blower mechanism;



CORPORATE GOVERNANCE REPORT

- s) Approval of appointment of CFO (i.e. the Wholetime Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- t) To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

The Audit Committee also reviews the following –

- Management discussion and analysis of financial condition and result of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee.

MEETINGS AND ATTENDANCE

During the financial year ended 31st March, 2014, four Audit Committee Meetings were held on 10th May, 2013, 25th July, 2013, 13th November, 2013, and 28th January, 2014. The Audit Committee also met prior to the finalization of accounts for the year ended 31st March, 2014.

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*	3
Shri Krutibas Mahapatra	4

* Ceased to be a Director w.e.f. 21st April, 2014

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. NOMINATION AND REMUNERATION COMMITTEE:

COMPOSITION

As on 31st March, 2014, the Nomination and Remuneration Committee comprises of four Directors, of whom, three are independent, Non-Executive

Directors and one Promoter, Non-Executive Director.

The composition of the 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

* Ceased to be a Director w.e.f. 21st April, 2014

The Committee was re-named as Nomination and Remuneration Committee on 3rd May, 2014 to align with the requirements of Section 178 of the Companies Act, 2013. The composition and the terms of reference of the Committee meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013. The Company Secretary acts as a Secretary to the Committee.

BROAD TERMS OF REFERENCE

The Terms of Reference of Nomination & Remuneration Committee inter-alia includes following:

- i. Reviewing the overall compensation policy, service agreements and other employment conditions including Annual increments and Commission of Whole-time Directors & Managing Directors
- ii. Approving the minimum remuneration payable to Whole-time Directors & Managing Directors in accordance with Schedule V of the Companies Act, 2013, in the event of loss or inadequacy of profits
- iii. Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board their appointment, removal & a policy, relating to the remuneration of the Directors, key managerial personnel and other employees and evaluating every Director's performance
- iv. Formulating the criteria for evaluation of Independent Directors and the Board
- v. Identifying persons who can be appointed as Directors, Key/Senior Managerial personnel & recommend to the Board their appointment & removal
- vi. Devising a policy for Board diversity
- vii. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable

CORPORATE GOVERNANCE REPORT

MEETINGS AND ATTENDANCE

During the financial year ended 31st March, 2014, two Remuneration Committee Meetings were held on 10th May, 2013 and 13th November, 2013.

The attendance at the Remuneration Committee Meetings is as under :

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

* Ceased to be a Director w.e.f. 21st April, 2014

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. Non-Executive Directors are also paid sitting fees - ₹ 10,000 for each meeting of the Board and ₹ 5,000 for any Committee meeting thereof.

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, 2014

NON-EXECUTIVE DIRECTORS

Name of the Director	Commission *`	Sitting Fees`
Shri Hemant Bangur	3,15,108	90,000
Shri Bhaskar Mitter	3,15,108	70,000
Smt Nandita Sen	3,15,108	90,000
Late Rebati Ranjan Dash/ Shri Satyendra Nath Bhattacharya	2,24,460 #	20,000 #
Shri Krutibas Mahapatra	3,15,108	90,000
Dr Prabir Ray	3,15,108	30,000

* Payable in 2014 -15 for 2013-14

Amount paid /payable to LIC of India

WHOLE-TIME DIRECTORS

Name of the Director	Salary`	Benefits`	Commis- sion*`	Service Contract	Notice Period	Severance Fees
Shri Gopal Das Bangur, Executive Chairman	67,27,084	26,50,350	30,00,000	3 Years w.e.f. 12th April 2013	3 months	Not Specified
Shri Dharam Chand Baheti, Managing Director	39,60,000	38,00,000	25,00,000	5 Years w.e.f. 27th July, 2012	3 months	Not Specified

* Payable in 2014 -15 for 2013-14

5. STAKEHOLDERS RELATIONSHIP COMMITTEE COMPOSITION

As on 31st March, 2014, the Stakeholders Relationship Committee comprises of four Directors, of whom, three are independent, Non-Executive Directors and one Promoter, Non-Executive Director.

The composition of the Committee is as follows :

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

* Ceased to be a Director w.e.f. 21st April, 2014

The Committee was re-named as Stakeholders Relationship Committee on 3rd May, 2014 to align with the requirements of Section 178 of the Companies Act, 2013. The composition



CORPORATE GOVERNANCE REPORT

and the terms of reference of the Committee meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013. The Company Secretary acts as a Secretary to the Committee.

BROAD TERMS OF REFERENCE

The terms of reference of the Stakeholders Relationship Committee inter alia includes following:

- i. transfer/transmission/transposition of shares;
- ii. consolidation/splitting of folios;
- iii. issue of share certificates for lost, sub-divided, consolidated, rematerialised, defaced, etc;
- iv. review of shares dematerialised and all other related matters;
- v. investors' grievances and redressal mechanism and recommend measures to improve the level of investor services.
- vi. over seeing performance of the Company's Registrar and Share Transfer Agents.
- vii. carrying out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

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

MEETING AND ATTENDANCE

During the financial year ended 31st March, 2014, four Shareholders'/Investors' Grievances Committee meetings were held on 10th May, 2013, 25th July, 2013, 13th November, 2013, and 28th January, 2014.

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*	3
Smt. Nandita Sen	4
Shri Krutibas Mahapatra	4

* Ceased to be a Director w.e.f. 21st April, 2014

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

The total number of complaints received during the year ended 31st March, 2014 was 1 and the same was replied to the satisfaction of the shareholder. There were no complaints outstanding as on 31st March, 2014. The number of share transfers and requests for dematerialization pending as on 31st March, 2014 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. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility (CSR) Committee was constituted by the Board of Directors in their meeting held on 3rd May, 2014 pursuant to the requirements of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014.

The Committee comprises of :

Name of the Director	Position	Category
Shri Hemant Bangur	Chairman	Non-Executive
Smt. Nandita Sen	Member	Independent, Non-Executive
Shri Krutibas Mahapatra	Member	Independent, Non-Executive
Shri Dharam Chand Baheti	Member	Managing Director

The composition and the terms of reference of the Committee meet with the requirements of the

CORPORATE GOVERNANCE REPORT

Companies Act, 2013. The Company Secretary acts as Secretary to the Committee.

Terms of Reference of the Committee, inter alia, includes the following :

- To formulate and recommend to the Board, a Corporate Social Responsibility ("CSR") Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule-VII of the Act;
- To recommend the amount of expenditure to be incurred on the CSR activities in a financial year;
- To monitor the CSR Policy of the Company from time to time;
- To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company;
- Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company;

9. GENERAL BODY MEETINGS

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

Financial Year	Day, Date & Time	Location of the Meeting	Special resolution passed
2010-11	Saturday, 6th August, 2011, at 11.00 A.M	Shripati Singhania Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata 700 020	Commencement of business u/s 149(2A)
2011-12	Thursday, 9th August, 2012, at 11.00 A.M.	Shripati Singhania Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata 700 020	NIL
2012-13	Thursday, 25th July, 2013, at 11.00 A.M.	Shripati Singhania Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata 700 020	NIL

B. Passing of Resolutions by Postal Ballot

During the year under review 1 (One) Ordinary Resolution was passed through postal ballot process. Details of voting conducted through Postal Ballot for the business stated in the Notice dated 10th May, 2013 of the Company was in respect of the following Resolution :

Sr. No.	Resolution - Description	Valid Postal Ballot forms received	Votes in favour of the Resolution	Votes against the Resolution	Invalid Postal Ballot forms received	Results
1.	Ordinary Resolution for issue of Bonus Shares in the ratio of 1:1 by way of capitalization of reserves	54	17,09,138	Nil	Nil	Approved

A) No extra-ordinary general meeting of the shareholders was held during the year.

B) None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing a resolution through postal ballot.

No special resolution was proposed through postal ballot process during the year under review.

- To carry any other function as is mandated by Board from time to time and/or enforced by any statutory notification, amendment or modification as may be necessary or appropriate for performance of its duties.

7. 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.

8. 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 3rd May, 2014.

10. 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



CORPORATE GOVERNANCE REPORT

compliance with the Code for the year ended 31st March, 2014 and a declaration to this effect signed by Shri Dharam Chand Baheti, Managing Director is forming part of this report.

11. 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.

12. DISCLOSURES

a. 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. 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. The Company has adopted a Whistle Blower Policy and has established the necessary mechanism, for employees to report concerns about unethical behavior or suspected fraud in violation of Company's Code of Conduct or any other point of concern.

d. The Company has adopted sexual harassment policy and has established necessary mechanism for protection of women from sexual harassment at work place.

- e. The Institute of Company Secretaries of India (ICSI), one of India's premier professional bodies, has issued Secretarial Standards on important aspects like Board meetings, General meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings, Transmission of Shares and Debentures, Passing of Resolutions by Circulation, Affixing of Common Seal and Board's Report. Although these standards, as of now, are recommendatory in nature, the Company substantially adheres to these standards voluntarily.
- f. 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 business dailies in Bengali. Presently the same are not sent to the shareholders separately.
- (iii) The Company's Annual Reports, 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, 2014.

Place : Kolkata
Date : 3rd May, 2014

For Gloster Limited
Dharam Chand Baheti
Managing Director

CORPORATE GOVERNANCE REPORT

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, 2014 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 : 3rd May, 2014

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



SHAREHOLDER INFORMATION

REGISTERED OFFICE

21, Strand Road
Kolkata – 700 001
CIN – L17119WB1992PLC054454
Telephone no : +91 33-2230-9601(4 lines)

ANNUAL GENERAL MEETING

Date and Time : 6th September, 2014 at 11.00 A.M
Venue : Kala Kunj
48, Shakespeare Sarani, Kolkata 700 017

FINANCIAL YEAR

1st April to 31st March

FINANCIAL CALENDAR

Financial reporting for the quarter ending
June 30, 2014 : By 14th August, 2014

Financial reporting for the half year ending
September 30, 2014 : By 14th November, 2014

Financial reporting for the quarter ending
December 31, 2014 : By 14th February, 2015

Financial reporting for the year ending
March 31, 2015 : By 30th May, 2015

DATE OF BOOK CLOSURE

30th August, 2014 to 6th September, 2014 (both days inclusive).

DIVIDEND

The dividend as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, will be paid at par on or after 8th September, 2014 to the eligible members.

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 2014-2015.

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 Ltd., hence

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

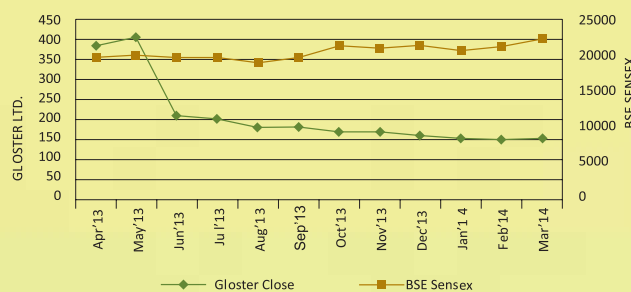
MONTH	BSE		
	HIGH* (₹)	LOW* (₹)	VOLUME (NO OF SHARES)
APRIL, 2013	409.00	355.25	5,618
MAY, 2013	453.00	361.00	16,498
JUNE, 2013	444.00	200.10	12,079
JULY, 2013	218.90	180.00	13,747
AUGUST, 2013	194.80	170.00	20,684
SEPTEMBER, 2013	183.00	167.50	6,077
OCTOBER, 2013	175.00	153.00	7,245
NOVEMBER, 2013	170.00	154.00 </td <td>10,341</td>	10,341
DECEMBER, 2013	164.50	147.30	9,044
JANUARY, 2014	162.00	145.00	11,348
FEBRUARY, 2014	152.00	139.05	22,805
MARCH, 2014	152.80	140.00	1,63,488

PERFORMANCE AT BSE DURING THE FINANCIAL YEAR 2013-14

No. of Shares traded	2,98,974
Highest Share Price (₹)*	453.00
Lowest Share Price (₹)*	139.05
Closing share price as on 31st March, 2014 (₹)	149.00
Market Capitalisation as on 31st March, 2014 (₹ in lakhs)	7,797.83

*Note – The Company had issued & allotted Bonus Shares in the ratio of 1: 1 on 29th June, 2013. The share price of the Company for periods subsequent to the mentioned Bonus issue are adjusted on the enhanced Share Capital.

Gloster vs Sensex



SHAREHOLDER INFORMATION

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 Pvt. Ltd. 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, 2014

NO. OF EQUITY SHARES HELD	NO. OF SHARE HOLDERS	% OF SHARE HOLDING	NO. OF SHARES HELD	% OF SHARE HOLDING
Upto 500	2,092	88.05	1,90,592	3.64
501 to 1000	159	6.69	1,18,414	2.26
1001 to 2000	61	2.57	89,590	1.71
2001 to 3000	22	0.93	54,031	1.04
3001 to 4000	15	0.63	51,994	0.99
4001 to 5000	6	0.25	27,282	0.52
5001 to 10000	7	0.29	46,496	0.89
10001 and above	14	0.59	46,55,041	88.95
GRAND TOTAL	2,376	100.00	52,33,440	100.00

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2014

CATEGORY	NO. OF SHARES HELD	% OF SHARE CAPITAL
A. PROMOTER'S HOLDING		
Promoters		
a. Indian Promoters	34,61,019	66.13
b. Foreign Promoters	--	--
Sub-total	34,61,019	66.13
B. NON-PROMOTER'S HOLDING		
1. Institutional Investors		
a. Mutual Funds and UTI	--	--
b. Banks, Financial Institutions, Insurance Companies	11,75,618	22.46
c. FIs	--	--
Sub-total	11,75,618	22.46
2. OTHERS		
a. Bodies Corporate	57,489	1.10
b. Indian Public	5,31,032	10.15
c. Others	8,282	0.16
Sub-total	5,96,803	11.41
GRAND TOTAL	52,33,440	100.00

Shareholding Pattern

■ Promoters	66.13%
■ Banks, Financial Institutions and Insurance Companies	22.46%
■ Bodies Corporate	1.10%
■ General Public and others	10.31%





SHAREHOLDER INFORMATION

DEMATERIALISATION OF SHARES AND LIQUIDITY

97.74% of the equity shares of the Company have been dematerialised as on 31st March, 2014. 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, 2014

PARTICULARS	NO. OF SHARES	% TO TOTAL CAPITAL	NO. OF ACCOUNTS
National Securities Depository Limited	42,40,576	81.03	1,317
Central Depository Services (India) Limited	8,74,332	16.71	551
Total Dematerialised	51,14,908	97.74	1,868
Physical	1,18,532	2.26	508
Grand Total	52,33,440	100.00	2,376

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
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
2012-2013	25th July, 2013	30th August, 2020

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

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

Registered Office

21, Strand Road, Kolkata-700 001
Tel :- +91 33 2230 9601 (4 lines)
Fax : -+91 33 2210 6167, 2231 4222
E-mail : - info@glosterjute.com
shares@glosterjute.com

RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by SEBI, a qualified 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, 2014 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 notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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 and other applicable authoritative pronouncements 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2014;
 - (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;



INDEPENDENT AUDITORS' REPORT

- (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 notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

Kolkata
May 3, 2014

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, 2014

- 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. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- 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 ₹ 300 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 one company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the yearend balance of such loans aggregated to ₹ 265.63 lakhs and ₹ 188.55 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. 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

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

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 wealth-tax, service-tax, customs duty, and excise duty which have not been deposited on account of any dispute. The particulars of dues of income tax and sales tax as at March 31, 2014 which have not been deposited on account of a dispute, are as follows :
- 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.

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 VAT Act, 2003	West Bengal VAT	1,70,63,698	2005-06	Appellate & Revisional Board
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	17,34,219	2009-10	Appellate & Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	15,54,342	2009-10	Appellate & Revisional Board
West Bengal VAT Act, 2003	West Bengal VAT	36,72,210	2010-11	Additional Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	85,81,880	2010-11	Additional Commissioner
Income Tax Act, 1961	Income Tax	40,02,808	2011-12	Commissioner of Income Tax (Appeals)

- 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. In our opinion, and according to the information and

explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.

- xiii. 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



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

on short-term basis have been used for long-term investment.

xiv. 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.

xv. Matters specified in clauses (xii), (xiii), (xiv), (xv), (xviii), (xix) and (xx) of paragraph 4 of the CARO, 2003 do not apply to the Company.

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

Sunit Kumar Basu
Partner
Membership Number : 55000

Kolkata
May 3, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

(` in lakhs)

	Note	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	523.34	261.67
Reserves and Surplus	4	38,893.17	39,774.93
		39,416.51	40,036.60
Non-current Liabilities			
Long-term borrowings	5	299.70	544.78
Deferred tax liabilities (net)	6	307.08	571.56
Other long term liability	7	28.09	61.81
Long-term provisions	8	183.76	161.56
		818.63	1,339.71
Current Liabilities			
Short-term borrowings	9	5,100.56	5,428.62
Trade Payables	10	238.61	352.60
Other current liabilities	11	2,038.04	2,194.21
Short-term provisions	12	1,196.41	1,116.58
		8,573.62	9,092.01
Total		48,808.76	50,468.32
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	13	34,552.10	36,281.51
Intangible assets	14	9.71	8.61
Capital work-in-progress		414.68	87.33
Non-current investments	15	1,848.61	1,556.92
Long-term loans and advances	16	698.35	659.61
		37,523.45	38,593.98
Current assets			
Current investments	17	1,612.53	1,201.26
Inventories	18	6,761.17	6,933.90
Trade receivables	19	1,474.72	1,093.34
Cash and Bank balances	20	347.07	1,511.92
Short-term loans and advances	21	1,056.22	1,101.07
Other current assets	22	33.60	32.85
		11,285.31	11,874.34
Total		48,808.76	50,468.32
Corporate Information			
Summary of significant accounting policies	1		
	2		

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

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

Sunit Kumar Basu
Partner
Membership No. 55000
Place : Kolkata
Dated : 3rd May, 2014

Ajay Kumar Agarwal
Company Secretary

G. D Bangur Executive Chairman
Hemant Bangur Vice Chairman
Nandita Sen Director
D. C. Baheti Managing Director



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(` in lakhs)

	Note	Year ended 31st March, 2014	Year ended 31st March, 2013
INCOME			
Revenue from operations (gross)	23	33,855.50	34,892.11
Less : Excise Duty and R & D Cess		253.57	269.27
Revenue from operations (net)		33,601.93	34,622.84
Other Income	24	455.27	210.30
Total Revenue		34,057.20	34,833.14
EXPENSES			
Cost of materials consumed	25	17,329.21	18,136.30
Purchase of traded goods		–	14.96
Changes in inventories of finished goods, stock-in-process and semi-finished goods	26	28.78	(42.36)
Employee benefits expense	27	6,526.49	6,238.39
Finance costs	28	530.14	425.87
Depreciation and amortization expense	29	754.93	711.31
Other expenses	30	6,867.77	6,317.10
Total Expenses		32,037.32	31,801.57
Profit before exceptional items and tax		2,019.88	3,031.57
Exceptional items		–	–
Profit before tax		2,019.88	3,031.57
Tax expense			
Current tax		876.00	1,046.00
Deferred tax		(264.48)	(35.19)
Total Tax expenses		611.52	1,010.81
Profit for the year		1,408.36	2,020.76
Earnings per equity share [nominal value per share ` 10 (31.03.2013 - ` 10)]			
Basic & Diluted	31	26.91	38.61
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 and Loss referred to in our report of even date.

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

Sunit Kumar Basu
Partner
Membership No. 55000
Place : Kolkata
Dated : 3rd May, 2014

Ajay Kumar Agarwal
Company Secretary

G. D Bangur Executive Chairman
Hemant Bangur Vice Chairman
Nandita Sen Director
D. C. Baheti Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(` in lakhs)

Particulars	Year ended	
	31st March, 2014	31st March, 2013
A. Cash Flow from Operating Activities		
Net profit before tax	2,019.88	3,031.57
Adjustments for :		
Depreciation and Amortisation Expenses	754.93	711.31
Finance Costs	530.14	425.87
Bad Debts Written Off	5.14	-
Net (Profit)/Loss on sale of fixed assets	(10.76)	5.45
Net gain on sale of current investments	(16.68)	(5.73)
Unrealised (Gain)/Loss on exchange (net)	(4.68)	(0.18)
(Gain)/Loss on Mark to Market adjustment for Derivative Instrument	2.13	12.91
Export Incentive received under SHIS Scheme	(82.31)	-
Interest Income	(111.43)	(72.23)
Dividend income on current investments	(0.68)	(8.17)
Dividend income on long term investments	(0.41)	-
Liabilities no longer required written back	(49.48)	(10.76)
Provision for Impairment of Fixed Assets	194.89	-
Provision for Doubtful Advances	148.17	-
	1,358.97	1,058.47
Operating profit before working capital changes	3,378.85	4,090.04
Adjustments for :		
Decrease/(Increase) in Inventories	172.73	(1,382.61)
Decrease/(Increase) in Trade and Other Receivables	(500.20)	(32.33)
(Decrease)/Increase in Trade and Other Payables	(381.62)	920.89
	(709.09)	(494.05)
Cash generated from operations	2,669.76	3,595.99
Income Taxes paid	(730.53)	(1,062.42)
Net Cash from Operating Activities	1,939.23	2,533.57
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,209.30)	(790.73)
Grant/Capital Subsidy Received against Specific Fixed Assets	101.62	32.00
Sale of Fixed Assets	10.91	6.03
Purchase of Current investments	(3,468.00)	(9,986.95)
Application Money paid for Current Investment	-	(50.00)
Purchase of Non-current investments	(577.38)	(746.62)
Sale/Redemption of Investments	3,359.10	9,001.42
Interest received	110.67	67.31
Dividend received	1.09	8.17
Short term loans given to Subsidiaries	(365.00)	-
Short term loans repaid by Subsidiaries	365.00	-
Net Cash used in Investing Activities	(1,671.28)	(2,459.37)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(` in lakhs)

Particulars	Year ended		Year ended	
	31st March, 2014		31st March, 2013	
C. Cash Flow from Financing Activities				
Net proceeds/(repayment) of Short term Borrowings	(328.06)		1,208.62	
Proceeds from Long-term Borrowings	–		208.18	
Repayment of Long-term Bank Borrowings	(253.29)		(317.77)	
Finance costs paid	(547.34)		(408.92)	
Dividend paid	(259.64)		(524.64)	
Dividend Taxes paid	(44.47)		(84.90)	
Net Cash from/(used) in Financing Activities		(1,432.80)		80.57
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		(1,164.85)		154.77
D. Cash and Cash Equivalents				
Net Increase/(Decrease) in Cash and Cash Equivalents		(1,164.85)		154.77
Opening Balance of Cash and Cash Equivalents		1,511.92		1,357.15
Closing Balance of Cash and Cash Equivalents		347.07		1,511.92

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 ` 13.49 lakhs (31.03.2013 ` 11.46 lakhs) lying in designated accounts with banks on account of unclaimed dividends.
- Previous year's figures have been regrouped/rearranged wherever necessary.

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

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

Sunit Kumar Basu
Partner
Membership No. 55000
Place : Kolkata
Dated : 3rd May, 2014

Ajay Kumar Agarwal
Company Secretary

G. D Bangur Executive Chairman
Hemant Bangur Vice Chairman
Nandita Sen Director
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. Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently the 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 the 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 realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

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

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

2.3 Tangible assets and Depreciation

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



NOTES TO THE FINANCIAL STATEMENTS

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 recognized 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 recognized as an expense as per the Company's 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 recognized on transfer of substantial risks and rewards of ownership in goods to the buyer.

2.11 Interest Income

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

NOTES TO THE FINANCIAL STATEMENTS

2.12 Foreign Currency Transaction

(i) Initial Recognition

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

(ii) Subsequent Recognition

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

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

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

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

2.13 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.

2.14 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.

2.15 Provisions and Contingent Liabilities

The Company recognizes 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.

2.16 Earnings per Share

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



(` in lakhs)

NOTES TO THE FINANCIAL STATEMENTS

3 Share Capital

Authorised

2,50,00,000 (31.03. 2013 - 2,50,00,000) Equity Shares of ` 10/- each

Issued, Subscribed and Fully Paid-up

52,33,440 (31.03.2013 - 26,16,720) Equity Shares of ` 10/- each

Total

	As at 31st March, 2014	As at 31st March, 2013
Authorised	2,500.00	2,500.00
Issued, Subscribed and Fully Paid-up	523.34	261.67
Total	523.34	261.67

(a) Reconciliation of number of equity shares

Balance as at the beginning of the year
Add: Bonus Shares Issued during the period
Balance as at the end of the year

As at 31st March, 2014		As at 31st March, 2013	
No. of Shares	(` In lakhs)	No. of Shares	(` In lakhs)
26,16,720	261.67	26,16,720	261.67
26,16,720	261.67	-	-
52,33,440	523.34	26,16,720	261.67

(b) Rights, preferences & restrictions 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 to 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
Equity shares allotted as fully paid-up bonus share by way of capitalisation of Securities Premium Account and General Reserve in 2013-14

	As at 31st March, 2014	As at 31st March, 2013
No. of Shares	No. of Shares	No. of Shares
Equity shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash 1993-94	2,17,360	2,17,360
Equity shares allotted as fully paid-up bonus share by way of capitalisation of General Reserve in 2002-03	6,54,180	6,54,180
Equity shares allotted as fully paid-up bonus share by way of capitalisation of General Reserve in 2008-09	13,08,360	13,08,360
Equity shares allotted as fully paid-up bonus share by way of capitalisation of Securities Premium Account and General Reserve in 2013-14	26,16,720	-

(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) Private Limited

As at 31st March, 2014		As at 31st March, 2013	
No. of Shares	% holding	No. of Shares	% holding
11,67,042	22.30	5,83,521	22.30
9,23,944	17.65	4,61,972	17.65
7,55,008	14.43	3,77,504	14.43
5,73,181	10.95	2,58,028	9.86
3,05,190	5.83	2,27,870	8.71

NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

4 Reserves and Surplus	As at 31st March, 2014		As at 31st March, 2013	
Capital Reserve		150.00		150.00
Securities Premium Reserve				
Balance as at the beginning of the year		174.45		174.45
Deduct : Capitalised by Issue of Bonus Share		(174.45)		-
Balance as at the end of the year		-		174.45
Revaluation Reserve				
Balance as at the beginning of the year		29,913.03		19,107.11
Add :				
Amount added on revaluation of land, building and plant and machinery during the year [Refer Note 13(a)]		-		11,464.10
Deduct :				
i) Amount transferred to the Statement of Profit and Loss as reduction from depreciation and amortization expense [Refer Note 29]		(840.57)		(649.52)
ii) Reversal of revaluation reserve due to Impairment [Refer Note 13(c)]		(795.79)		-
iii) Adjustment on account of disposal of Tangible Assets	37.09		11.07	
Deduct : Depreciation on account of disposal of Tangible Assets	(12.38)	(24.71)	(2.41)	(8.66)
Balance as at the end of the year		28,251.96		29,913.03
General Reserve				
Balance as at the beginning of the year		8,982.88		7,282.88
Deduct :				
Capitalised by Issue of Bonus Share		(87.22)		-
Add :				
Transferred from Surplus in the Statement of Profit and Loss during the year		1,100.00		1,700.00
Balance as at the end of the year		9,995.66		8,982.88
Surplus in the Statement of Profit and Loss				
Balance as at the beginning of the year		554.57		539.95
Profit for the year		1,408.36		2,020.76
Deduct : Appropriations				
i) Proposed dividend on equity shares for the year- ` 6/- per share (2012-13 ` 10/- per share)		(314.01)		(261.67)
ii) Dividend distribution tax on proposed dividend on equity shares		(53.37)		(44.47)
iii) Transfer to General Reserve		(1,100.00)		(1,700.00)
Balance as at the end of the year		495.55		554.57
Total		38,893.17		39,774.93



NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

5 Long-term borrowings	As at 31st March, 2014	As at 31st March, 2013
Secured		
Term loans		
From Banks [Refer note (a) below]	188.23	356.23
Unsecured		
Term loans		
Other Parties [Refer note (b) below]	111.47	188.55
Total	299.70	544.78

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 ` 356.23 lakhs (31.03.2013 - ` 524.23 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 covered by Corporate Guarantee of Kettlewell Bullen & Company Limited.	Repayable in 25 equal quarterly instalments beginning from March 2011 along with interest of 12.70% p.a.
Term loan from banks amounting to ` nil (31.03.2013 - ` 8.21 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	
Nature of Security	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.

6 Deferred tax liabilities (Net)	As at 31st March, 2014	As at 31st March, 2013
Deferred tax liabilities		
Depreciation	601.33	609.46
Deferred tax assets		
Provision for leave encashment	88.30	27.16
Other timing differences	89.35	10.74
Provision for doubtful advances	50.36	-
Provision for Impairment	66.24	-
	294.25	37.90
Total [Refer note (a) below]	307.08	571.56

Note :

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

NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

7 Other long term liability	As at 31st March, 2014	As at 31st March, 2013
Others - Differential tariff for electric bill	28.09	61.81
Total	28.09	61.81

8 Long-term provisions	As at 31st March, 2014	As at 31st March, 2013
Provision for compensated absences of employees	183.76	161.56
Total	183.76	161.56

9 Short-term borrowings	As at 31st March, 2014	As at 31st March, 2013
Secured		
Loans from banks [Refer note (a) and (b) below]	5,100.56	4,978.38
Loans from Life Insurance Corporation of India [Refer note (c) below]	-	450.24
Total	5,100.56	5,428.62

Notes :

- (a) Loan repayable on demand amounting to ` 5,100.56 lakhs (31.03.2013 ` 4,978.38 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 ` 4,293.52 lakhs (31.03.2013 ` 4,978.38 lakhs) is also covered by Corporate Guarantee of Kettlewell Bullen & Company Limited.
- (c) Loan from Life Insurance Corporation of India amounting to ` nil lakhs (31.03. 2013- ` 450.24 lakhs) secured against Keyman insurance policies.



NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

10 Trade Payables	As at 31st March, 2014	As at 31st March, 2013
Trade payables (Refer note 37 for details of dues to Micro, Small and Medium Enterprises)	238.61	352.60
Total	238.61	352.60

11 Other current liabilities	As at 31st March, 2014	As at 31st March, 2013
Current maturities of long-term debt (also refer note 5)	245.08	253.29
Advances received from customers	222.37	113.52
Interest accrued and due on borrowings	17.32	24.89
Interest accrued but not due on borrowings	–	9.62
Unpaid Dividends [Refer note (a) below]	13.49	11.46
Statutory dues	51.62	77.77
Capital Creditors	47.22	3.44
Other payables [Refer note (b) below]	1440.94	1,700.22
Total	2,038.04	2,194.21

Notes :

- (a) There are no amounts due for payment for the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the end of the year.
- (b) Other payables include Buyers Credit and Employee Cost liability.

12 Short-term provisions	As at 31st March, 2014	As at 31st March, 2013
Provision for Employee Benefits (also refer note 27)		
Provision for Gratuity	344.19	494.17
Provision for compensated absences of employees	77.77	54.67
Other Provisions		
Proposed Dividend	314.01	261.67
Provision for Dividend Distribution Tax	53.37	44.47
Provision for Taxation [Net of Advance Tax ` 5,804.85 lakhs (2012-13 ` 5,074.33 lakhs)]	407.07	261.60
Total	1,196.41	1,116.58

NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

13 Tangible assets

Particulars	GROSS BLOCK				DEPRECIATION				IMPAIRMENT		NET BLOCK AFTER IMPAIRMENT		
	Cost/Valuation as at 1st April, 2013 [Note (a)]	Additions during the year	Sale/Adjustment during the Year [Note (b) and (c)]	Cost/Valuation as at 31st March, 2014	As at 1st April, 2013	For the Year	Sale/Adjustment during the Year [Note (c)]	As at 31st March, 2014	As at 1st April, 2013	Impairment Loss For the Year Note (c)	As at 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
Freehold Land	19,093.18	-	-	19,093.18	-	-	-	-	-	-	19,093.18	19,093.18	
Buildings	9,435.13	301.67	37.29	9,699.51	1,089.11	309.11	-	1,398.22	-	-	8,301.29	8,346.01	
Tubewells	5.60	-	-	5.60	3.83	0.18	-	4.01	-	-	1.58	1.77	
Plant & Equipment	13,970.13	637.27	1,070.68	13,536.72	5,931.59	1,216.36	185.70	6,962.25	-	185.94	185.94	6,388.53	8,038.54
Electric Installation	330.83	-	-	330.83	106.75	15.71	-	122.47	-	8.95	8.95	199.41	224.08
Furniture & Fixtures	364.16	6.53	-	370.69	39.40	22.70	-	62.10	-	-	308.60	324.76	
Office Equipment	147.08	18.04	-	165.12	28.78	7.06	-	35.83	-	-	129.29	118.30	
Launches	0.04	-	-	0.04	0.03	-	-	0.03	-	-	0.01	0.01	
Vehicles	186.34	13.27	-	199.61	51.49	17.91	-	69.40	-	-	130.21	134.85	
Total	43,532.49	976.78	1,107.97	43,401.31	7,250.98	1,589.03	185.70	8,654.32	-	194.89	194.89	34,552.10	36,281.51
Previous Year	31,094.77	1,046.12	72.50	43,532.49	5,916.12	1,355.22	20.36	7,250.98	-	-	-	36,281.51	

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
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 and Building includes Subsidy received ` 64.33 lakhs (2012-13 ` 12 lakhs) and ` 37.29 lakhs (2012-13 ` 20 lakhs) respectively.
- c) The Company's Standby fossil fuel Power Plant is being used sparingly and is not expected to be operational and generate any revenue in foreseeable future. Accordingly the Company has made an impairment provision of ` 194.89 lakhs in the accounts and the carrying amount of the said assets has been written down to its estimated realizable value based on a valuation done by an Independent Valuer. Adjustment in gross block and depreciation of Plant & Machinery and Electric installation includes ` 943.18 lakhs (2012-13 ` nil) and ` 147.39 lakhs (2012-13 ` nil) respectively, towards the adjustments of impairment.

14 Intangible assets

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	
	Cost/Valuation as at 1st April, 2013	Additions during the year	Sale/Adjustment during the Year	Cost/Valuation as at 31st March, 2014	As at 1st April, 2013	For the Year	Sale/Adjustment during the Year	As at 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
Computer - Software	29.28	7.57	-	36.85	20.67	6.47	-	27.14	9.71	8.61
Total	29.28	7.57	-	36.85	20.67	6.47	-	27.14	9.71	8.61
Previous Year	27.14	2.14	-	29.28	15.06	5.61	-	20.67	8.61	



NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

15 Non-current investments

Long Term Investments

Trade Investments (valued at cost unless stated otherwise)

Unquoted Equity instruments

Investment in Subsidiaries

Gloster Lifestyle Limited

40,00,000 (31.03.2013 - 40,00,000) Equity Shares of ` 10/- each fully paid-up

Gloster Specialities Limited

40,00,000 (31.03.2013 - 40,00,000) Equity Shares of ` 10/- each fully paid-up

Gloster Gujrat Limited

50,000 (31.03.2013 - 50,000) Equity Shares of ` 10/- each fully paid-up

Other Investments (valued at cost unless stated otherwise)

Unquoted Equity instruments

Fine Worthy Software Solutions Private Limited

91,411 (31.03.2013 - 39,210) Equity Shares of ` 10/- each fully paid-up

Quoted Equity instruments

The Cochin Malabar Estates & Industries Limited

15,000 (31.03.2013 - 15,000) Equity Shares of ` 10/- each fully paid-up

[Net of provision for other than temporary diminution aggregating to ` 11.73 lakhs (31.3.2013 - 11.73 lakhs)]

Joonktollee Tea & Industries Limited #

7,500 (31.03.2013 - 7,500) Equity Shares of ` 10/- each fully paid-up

Debentures (Unquoted)

Nil (31.03.2013-1,96,070) 8% Optionally Convertible Debentures of ` 100/- each fully paid-up in Fine Worthy Software Solutions Private Limited

50 (31.03.2013-90) 19% Non-Convertible Debentures of ` 1,00,000/- each fully paid-up in Sheth Buildwell Private Limited

Mutual Fund (Quoted)

DWS fixed maturity plan-Regular

Nil (31.03.2013 - 10,00,000 units)

HDFC FMP-400D March 2013 (I) Series 23 - Regular Growth

Nil (31.03.2013- 20,00,000 units)

DSP BlackRock FMP- Series 150-13 M - Regular Growth

5,00,000 units (31.03.2013 - nil)

L&T FMP - Series 10 - Plan M - Growth

5,00,000 units (31.03.2013 - nil)

LIC Nomura MF FMP Series 77

5,00,000 units (31.03.2013 - nil)

Reliance Fixed Horizon Fund -XXV - Series 31 Growth Plan

5,00,000 units (31.03.2013 - nil)

Other (Unquoted)

IIFL Income Opportunities Fund

29,66,292 units (31.03.2013-14,66,292 units) of ` 10/- each fully paid-up

IIFL Assets Revival Fund

20,00,000 units (31.03.2013- nil) of ` 10/- each fully paid-up

Peninsula Brookfield India Real Estate Fund

66 units (31.03.2013- nil) of ` 1,00,000/- each fully paid-up

Total

Aggregate amount of quoted investments

Market Value of quoted investments

Aggregate amount of unquoted investments

Aggregate Provision for diminution in value of Investments

	As at 31st March, 2014	As at 31st March, 2013
Long Term Investments		
Trade Investments (valued at cost unless stated otherwise)		
Unquoted Equity instruments		
Investment in Subsidiaries		
Gloster Lifestyle Limited	400.00	400.00
40,00,000 (31.03.2013 - 40,00,000) Equity Shares of ` 10/- each fully paid-up		
Gloster Specialities Limited	400.00	400.00
40,00,000 (31.03.2013 - 40,00,000) Equity Shares of ` 10/- each fully paid-up		
Gloster Gujrat Limited	5.00	5.00
50,000 (31.03.2013 - 50,000) Equity Shares of ` 10/- each fully paid-up		
Other Investments (valued at cost unless stated otherwise)		
Unquoted Equity instruments		
Fine Worthy Software Solutions Private Limited	213.68	3.92
91,411 (31.03.2013 - 39,210) Equity Shares of ` 10/- each fully paid-up		
Quoted Equity instruments		
The Cochin Malabar Estates & Industries Limited		
15,000 (31.03.2013 - 15,000) Equity Shares of ` 10/- each fully paid-up	15.30	15.30
[Net of provision for other than temporary diminution aggregating to ` 11.73 lakhs (31.3.2013 - 11.73 lakhs)]		
Joonktollee Tea & Industries Limited #	-	-
7,500 (31.03.2013 - 7,500) Equity Shares of ` 10/- each fully paid-up		
Debentures (Unquoted)		
Nil (31.03.2013-1,96,070) 8% Optionally Convertible Debentures of ` 100/- each fully paid-up in Fine Worthy Software Solutions Private Limited	-	196.07
50 (31.03.2013-90) 19% Non-Convertible Debentures of ` 1,00,000/- each fully paid-up in Sheth Buildwell Private Limited	50.00	90.00
Mutual Fund (Quoted)		
DWS fixed maturity plan-Regular	-	100.00
Nil (31.03.2013 - 10,00,000 units)		
HDFC FMP-400D March 2013 (I) Series 23 - Regular Growth	-	200.00
Nil (31.03.2013- 20,00,000 units)		
DSP BlackRock FMP- Series 150-13 M - Regular Growth	50.00	-
5,00,000 units (31.03.2013 - nil)		
L&T FMP - Series 10 - Plan M - Growth	50.00	-
5,00,000 units (31.03.2013 - nil)		
LIC Nomura MF FMP Series 77	50.00	-
5,00,000 units (31.03.2013 - nil)		
Reliance Fixed Horizon Fund -XXV - Series 31 Growth Plan	50.00	-
5,00,000 units (31.03.2013 - nil)		
Other (Unquoted)		
IIFL Income Opportunities Fund	296.63	146.63
29,66,292 units (31.03.2013-14,66,292 units) of ` 10/- each fully paid-up		
IIFL Assets Revival Fund	200.00	-
20,00,000 units (31.03.2013- nil) of ` 10/- each fully paid-up		
Peninsula Brookfield India Real Estate Fund	68.00	-
66 units (31.03.2013- nil) of ` 1,00,000/- each fully paid-up		
Total	1,848.61	1,556.92
Aggregate amount of quoted investments	215.30	315.30
Market Value of quoted investments	223.00	310.29
Aggregate amount of unquoted investments	1,633.31	1,241.62
Aggregate Provision 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

(` in lakhs)

16 Long-term loans and advances	As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good (unless otherwise stated)		
Capital Advance	28.26	4.56
Security Deposits	670.09	655.05
Total	698.35	659.61

17 Current investments	As at 31st March, 2014	As at 31st March, 2013
At Cost : Current portion of Long term investments (Unquoted)		
50 (31.03.2013 - 10) 19% Non- Convertible Debentures of ` 1,00,000/- each fully paid -up in Sheth Buildwell Private Limited	50.00	10.00
Current portion of Long term investments (Quoted)		
DWS fixed maturity plan - series 26 - Regular Plan Growth 10,00,000 units (31.03.2013 - 10,00,000 units)	100.00	-
HDFC FMP-400D March 2013 (I) Series 23 - Regular Growth 20,00,000 units (31.03.2013- 20,00,000 units)	200.00	-
Investment in Mutual fund		
At cost or fair value, whichever is less		
Unquoted		
ICICI Prudential Gilt Fund Investment Plan- PF Option-Regular Plan 11,53,119.586 units (31.03.2013-11,53,119.586 units)	250.00	250.00
DWS Gilt Fund Regular Plan -Growth Nil (31.03.2013-11,51,463.510 units)	-	150.00
Birla Sunlife Income Plus- Growth -Regular Plan 5,87,450.495 units (31.03.2013-5,87,450.495 units)	300.00	300.00
Reliance Income Fund - Growth Plan-Bonus Option 10,29,456.770 units (31.03.2013-26,64,456.770 units)	112.53	291.26
SBI Ultra Short Term Debt Fund -Regular Plan-Growth Nil (31.03.2013- 13,287.281 units)	-	200.00
Birla Sunlife Dynamic Bond Fund - Growth Regular Plan 2,50,930.954 units (31.03.2013- nil)	50.00	-
HDFC High Interest Fund Dynamic Plan - Growth 5,52,675.941 units (31.03.2013- nil)	225.00	-
ICICI Prudential Income Opportunities Fund - Regular Plan Growth 3,09,543.856 units (31.03.2013- nil)	50.00	-
Reliance Dynamic Bond Fund - Growth Plan 10,86,320.669 units (31.03.2013- nil)	175.00	-
SBI Dynamic Bond Fund - Regular Plan Growth 6,77,722.581 units (31.03.2013- nil)	100.00	-
Total	1,612.53	1,201.26
Aggregate amount of quoted investments	300.00	-
Market Value of quoted investments	329.00	-
Aggregate amount of unquoted investments	1,312.53	1,201.26



NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

18 Inventories (Valued at lower of cost and net realisable value)		As at 31st March, 2014	As at 31st March, 2013
Raw materials		3,183.57	3,440.76
Stock-in-Process		771.80	688.43
Semi Finished Goods		217.66	227.16
Finished Goods (includes in transit ` 252.03 lakhs, 31.03.2013 : ` 142.53 lakhs)		1,651.59	1,754.24
Stores and Spares		936.55	823.31
Total		6,761.17	6,933.90
19 Trade receivables		As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good			
Outstanding for a period exceeding six months from the date they are due for payment		12.09	26.23
Others		1,462.63	1,067.11
Total		1,474.72	1,093.34
20 Cash and Bank balances		As at 31st March, 2014	As at 31st March, 2013
Cash and cash equivalents			
Cash on hand		10.61	10.37
Balances with banks			
In current accounts		321.99	1,377.21
		332.60	1,387.58
Other Bank balances			
Unpaid dividend account		13.49	11.46
Margin money deposits		0.98	112.88
Total		347.07	1,511.92
21 Short-term loans and advances		As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good (unless otherwise stated)			
Security Deposits		96.59	98.45
Prepaid Expenses		85.37	79.99
Balances with Government Authorities		5.62	10.13
Other loans and advances			
Advances for goods and services - Considered Good		316.42	235.46
Other Advances *			
Considered Good		552.22	677.01
Doubtful		148.17	-
Less : Provision for Doubtful Advance		(148.17)	-
Total		1,056.22	1,101.04

* Other Advances includes claims receivable etc.

NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

22 Other current assets		As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good			
Interest accrued on security deposits		14.52	13.77
Interest subsidy receivable		14.86	14.86
Interest accrued on investments		4.22	4.22
Total		33.60	32.85
23 Revenue from operations		Year ended 31st March, 2014	Year ended 31st March, 2013
Sale of products			
Finished goods		33,399.43	34,459.72
Traded goods		-	15.22
		33,399.43	34,474.94
Other operating revenues			
Export incentive		456.07	417.17
Revenue from operations (gross)		33,855.50	34,892.11
Less : Excise duty and R&D Cess		253.57	269.27
Total		33,601.93	34,622.84
24 Other Income		Year ended 31st March, 2014	Year ended 31st March, 2013
Interest Income on			
Bank deposits		14.54	10.17
Other deposits		20.34	23.02
Long - term investments		54.54	15.92
Others		22.01	23.12
Dividend Income on current investments		0.68	8.17
Dividend on long term investment		0.41	-
Rent		3.52	2.98
Net Profit on sale of fixed asset		10.76	-
Net Gain on sale of current investments		16.68	5.73
Liabilities no longer required written back		49.48	10.76
Exchange differences (net)		-	70.06
Miscellaneous Income		57.13	40.37
Keyman Insurance Realised		205.18	-
Total		455.27	210.30
25 Cost of materials consumed		Year ended 31st March, 2014	Year ended 31st March, 2013
Inventory at the beginning of the year		3,440.76	2,163.57
Add : Purchases (net) [Refer note (a) below]		17,072.02	19,413.49
		20,512.78	21,577.06
Less : Inventory at the end of the year		3,183.57	3,440.76
Total		17,329.21	18,136.30

Note : (a) Purchases is net of discount received on prompt payment of supplier's bills amounting to ` 235.27 lakhs (2012-13 - ` 198.09 lakhs)



NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

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, 2014	Year ended 31st March, 2013
771.80	688.43
217.66	227.16
1,651.59	1,754.24
2,641.05	2,669.83
688.43	795.69
227.16	218.89
1,754.24	1,612.89
2,669.83	2,627.47
28.78	(42.36)

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

Year ended 31st March, 2014	Year ended 31st March, 2013
5,369.98	4,702.92
996.73	1,383.27
159.78	152.20
6,526.49	6,238.39

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, 2014	Year ended 31st March, 2013
100.84	89.79
255.50	239.86
61.57	51.53

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

(b) Defined Benefit Plans

- (i) Gratuity : The employees' gratuity fund scheme is managed under a Trust and is a defined benefit plan. The funds of the Trust is managed by an approved life insurance company. 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

NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

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, 2014	Year ended 31st March, 2013
(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	3,254.32	2,250.98
	Current Service Cost	194.16	128.39
	Interest Cost	257.47	191.74
	Actuarial (Gains)/Losses	129.98	726.18
	Benefits Paid	(151.25)	(42.97)
	Present Value of Obligation at the end of the year	3,684.68	3,254.32
(b)	Reconciliation of the Opening and Closing balances of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	2,760.15	2,190.04
	Expected Return on Plan Assets	234.53	187.92
	Actuarial Gains/(Losses)	2.89	64.22
	Contributions	494.17	360.94
	Benefits paid	(151.25)	(42.97)
	Fair Value of Plan Assets at the end of the year	3,340.49	2,760.15
(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	3,684.68	3,254.32
	Fair Value of Plan Assets at the end of the year	3,340.49	2,760.15
	Assets/(Liabilities) recognized in the Balance Sheet	(344.19)	(494.17)
(d)	Expense recognised in the Profit and Loss Account		
	Current Service Cost	194.16	128.39
	Interest Cost	257.47	191.74
	Actual Return on Plan Assets	(234.53)	(187.92)
	Actuarial (Gains)/Losses	127.09	661.96
	Total Expense recognized	344.19	794.17
(e)	Category of Plan Assets :		
	Fund with Birla Sun Life Insurance Company Limited	3,340.49	2,760.15
	Total	3,340.49	2,760.15
(f)	Actuarial Assumptions		
	Discount Rate (Per annum)	9.00%	8.10%
	Expected Rate of Return on Assets (Per annum)	8.00%	8.00%
	Salary Escalation	8.00%	7.00%
	Mortality Rate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate

Notes :

- 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.
- 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.



NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

- 3) The table below illustrates experience adjustment disclosure as per para 120 (n) (ii) of Accounting Standard 15 - Employee Benefits.

	2013-14	2012-13	2011-12	2010-11	2009-10
Defined benefit obligation	(3,684.68)	(3,254.32)	(2,250.98)	(2,175.07)	(1,992.46)
Plan assets	3,340.49	2,760.15	2,190.04	2,034.62	1,782.29
Surplus / (deficit)	(344.19)	(494.17)	(60.94)	(140.45)	(210.17)
Experience adjustments on plan liabilities	(90.60)	(168.25)	30.95	(18.30)	(270.77)
Experience adjustments on plan assets	2.89	64.22	(40.40)	6.37	97.77

28 Finance costs

	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest expenses	493.30	394.51
Other borrowing costs	36.84	31.36
Total	530.14	425.87

29 Depreciation and amortization expense

	Year ended 31st March, 2014	Year ended 31st March, 2013
Depreciation on Tangible assets	1,589.03	1,355.22
Amortization of Intangible assets	6.47	5.61
	1,595.50	1,360.83
Less : Recoupment from Revaluation Reserve [Refer Note-4]	840.57	649.52
Total	754.93	711.31

30 Other expenses

	Year ended 31st March, 2014	Year ended 31st March, 2013
Consumption of stores and spare parts (net)	2,455.46	2,290.11
Power and fuel	1,720.51	1,698.29
Rent	66.82	46.71
Repairs to building	82.27	53.53
Repairs to machinery	6.58	5.65
Repairs - others	53.13	45.66
Insurance	114.48	158.50
Rates and Taxes	28.07	47.83
Processing Charges	480.00	403.87
Freight and Delivery Charges	411.53	451.23
Research & Development Cess and Excise Duty [Refer note (a) below]	86.35	94.86
Export Dock and Toll Charges	88.36	89.44
Brokerage and Commission	187.17	242.08
Bad Debts Written Off	5.14	-
Exchange differences (net)	93.17	-
Net Loss on sale of fixed asset	-	5.45
Miscellaneous expenses [Refer note (b) below]	645.67	683.89
Provision For Doubtful Advances	148.17	-
Provision For Impairment of Fixed Assets	194.89	-
Total	6,867.77	6,317.10

NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

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 ` 5.60 lakhs (31.03. 2013 ` 4.13 lakhs)
- (b) Miscellaneous expenses includes remuneration to auditors for :

	Year ended 31st March, 2014	Year ended 31st March, 2013
Audit Fees	11.00	11.00
Other Services	7.75	13.00
Reimbursement of expenses (including service tax)	2.91	3.37
Total	21.66	27.37

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

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
(I) Basic		
a. Net Profit after tax (` in lakhs)	1,408.36	2,020.76
b. (i) Number of Equity Shares at the beginning of the year	26,16,720	26,16,720
(ii) Number of Equity Shares at the end of the year	52,33,440	26,16,720
(iii) Weighted average number of Equity Shares outstanding during the year	52,33,440	26,16,720
(iv) Face Value of Equity Share (`)	10	10
c. Basic Earning/(Loss) per share [a/b (iii)] (`)*	26.91	38.61
(II) Diluted		
a. Dilutive Potential Equity Shares	-	-
b. Weighted average number of Equity Shares for computing diluted earnings per shares [(I)b(iii)+(II)a]	52,33,440	26,16,720
c. Diluted Earning/(Loss) per Share [(I)(a)/(II)(b)] (`)*	26.91	38.61

*Consequent to approval of the shareholders through Postal Ballot on 17.06.2013 the Company has allotted Bonus Shares in the ratio of 1:1 i.e. one new equity share for every one existing equity share to the eligible shareholders of the Company. The earnings per share for all periods presented are based on current capital after issue of Bonus Shares.

32 Contingent liabilities

	As at 31st March, 2014	As at 31st March, 2013
a) Claims against the Company not acknowledged as debts		
Sales tax matter	407.12	368.27
ESI matter	45.57	45.57
b) Export bills discounted with bank	89.80	239.36



(` in lakhs)

NOTES TO THE FINANCIAL STATEMENTS

33 Commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for tangible assets
Other Commitment - towards investments

Year ended 31st March, 2014	Year ended 31st March, 2013
84.17	42.31
134.00	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, 2014	31st March, 2013	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
Segment revenue by location of customers	24,096.36	24,969.43	9,049.50	9,236.24	33,145.86	34,205.67
Carrying amount of segment assets	989.85	775.43	484.87	317.91	1,474.72	1,093.34
Additions to tangible and intangible assets	1,311.70	795.45	-	-	1,311.70	795.45

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 & relatives of Key Management Personnel have significant influence

Joonktollee Tea & Industries Limited

Kettlewell Bullen & Company Limited

The Cochin Malabar Estates & Industries Limited (upto 6th October 2013)

NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

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 & relatives of Key Management Personnel have significant Influence
A Transactions during the year					
1 Remuneration Paid	2013-14	-	226.37	4.05	-
	2012-13	-	266.83	3.81	-
2 Dividend Paid	2013-14	-	9.09	6.83	46.20
	2012-13	-	18.17	13.67	92.39
3 Rent Paid	2013-14	-	-	-	33.71
	2012-13	-	-	-	13.48
4 Loan Given	2013-14	365.00	-	-	300.00
	2012-13	-	-	-	200.00
5 Sales	2013-14	-	-	-	62.40
	2012-13	-	-	-	74.29
6 Interest Received	2013-14	-	-	-	1.45
	2012-13	-	-	-	7.72
7 Loan Given Received Back	2013-14	365.00	-	-	300.00
	2012-13	-	-	-	200.00
B Outstanding balance at year end					
1 Investments	2013-14	805.00	-	-	-
	2012-13	805.00	-	-	-
2 Deposits	2013-14	-	-	-	400.00
	2012-13	-	-	-	400.00

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	As at 31st March, 2014	As at 31st March, 2013
Forward Contracts to sell (in USD)	3.97	2.02
Forward Contracts to sell (in GBP)	1.03	0.47
Forward Contracts to sell (in EURO)	0.88	0.45
Forward Contracts to buy (in USD)	3.21	8.10



NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

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

Nature of Exposure	As at 31st March, 2014	As at 31st March, 2013
Export Trade receivables (in USD)	0.82	1.62
Export Trade receivables (in GBP)	0.07	0.40
Export Trade receivables (in EURO)	0.17	0.24
Trade & other payables (in USD)	0.02	1.52

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

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

Nature of Exposure	As at 31st March, 2014	As at 31st March, 2013
Provision for Mark to Market	2.13	12.91

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, 2014	As at 31st March, 2013
1	The principal amount remaining unpaid to any supplier as at the year end	–	0.53
	The interest remaining unpaid to any supplier as at the year end	1.03	0.69
2	Principal amounts paid to suppliers beyond the appointed day during the year.	26.30	25.92
	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	0.34	0.30
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	1.03	0.69

* Included in Sl No 1 above is ` nil (31.03.2013- ` 0.30 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.

38 Value of Imports calculated on CIF basis

	Year ended 31st March, 2014	Year ended 31st March, 2013
Stores, Spare parts and Components	203.29	101.85
Capital Goods	127.94	86.97
Raw Materials	1,287.33	3,932.54

NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

39 Expenditure in Foreign currency

	Year ended 31st March, 2014	Year ended 31st March, 2013
Other expenses	51.21	41.04
Total	51.21	41.04

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

	Year ended		Year ended	
	31st March, 2014	31st March, 2014	31st March, 2013	31st March, 2013
	%	` in lakhs	%	` in lakhs
Raw materials				
Indigenous	86.44	14,979.94	83.13	15,076.58
Imported	13.56	2,349.27	16.87	3,059.72
	100.00	17,329.21	100.00	18,136.30
Stores, spare parts and components				
Indigenous	94.60	2,322.75	90.99	2,083.66
Imported	5.40	132.71	9.01	206.45
	100.00	2,455.46	100.00	2,290.11
Stores and spare parts consumed includes value of stores written off during the year.				
	–	–	–	14.53

41 Earnings in Foreign currency

	Year ended 31st March, 2014	Year ended 31st March, 2013
Export on F.O.B basis	8,742.54	8,870.75

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.



(` in lakhs)

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, 2014	Balance as at 31st March, 2013	Maximum amount outstanding during the year ended 31st March, 2014	Maximum amount outstanding during the year ended 31st March, 2013
Interest free :				
(a) Gloster Lifestyle Limited	Nil	Nil	190	Nil
(b) Gloster Specialities Limited	Nil	Nil	175	Nil

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

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

Sunit Kumar Basu
Partner
Membership No. 55000
Place : Kolkata
Dated : 3rd May, 2014

Ajay Kumar Agarwal
Company Secretary

G. D Bangur *Executive Chairman*
Hemant Bangur *Vice Chairman*
Nandita Sen *Director*
D. C. Baheti *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, 2014, 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 the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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 and other applicable authoritative pronouncements 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
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 2014;
 - (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.



INDEPENDENT AUDITORS' REPORT

Other Matter

8. We did not audit the financial statements of three subsidiaries included in the consolidated financial statements, which constitute total assets of ` 927 lakhs and net assets of ` 926.87 lakhs as at 31 March 2014, total revenue of ` 67.07 lakhs, net profit of ` 59.99 lakhs and net cash flows amounting to ` (42.07) 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.

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

Sunit Kumar Basu
Partner
Membership Number : 55000

Kolkata
May 3, 2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in lakhs)

	Note	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	523.34	261.67
Reserves and Surplus	4	39,015.04	39,836.79
		39,538.38	40,098.46
Non-current Liabilities			
Long-term borrowings	5	299.70	544.78
Deferred tax liabilities (net)	6	307.08	571.56
Other long term liability	7	28.09	61.81
Long-term provisions	8	183.76	161.56
		818.63	1,339.71
Current Liabilities			
Short-term borrowings	9	5,100.56	5,428.62
Trade Payables	10	238.61	352.61
Other current liabilities	11	2,038.25	2,194.43
Short-term provisions	12	1,196.33	1,116.07
		8,573.75	9,091.73
Total		48,930.76	50,529.90
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	13	34,552.10	36,281.51
Intangible assets	14	9.71	8.61
Capital work-in-progress		414.68	87.33
Non-current investments	15	1,900.94	1,493.64
Long-term loans and advances	16	698.35	659.61
		37,575.78	38,530.70
Current assets			
Current investments	17	1,612.53	1,201.26
Inventories	18	6,761.17	6,933.90
Trade receivables	19	1,474.72	1,093.34
Cash and Bank balances	20	399.55	1,606.46
Short-term loans and advances	21	1,056.22	1,101.07
Other current assets	22	50.79	63.17
		11,354.98	11,999.20
Total		48,930.76	50,529.90
Corporate Information	1		
Summary of significant accounting policies	2		

The notes are an integral part of these Financial Statements.

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

For Lovelock & Lewes

Firm Registration No. 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership No. 55000

Place : Kolkata

Dated : 3rd May, 2014

Ajay Kumar Agarwal

Company Secretary

G. D Bangur

Hemant Bangur

Nandita Sen

D. C. Baheti

Executive Chairman

Vice Chairman

Director

Managing Director



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(` in lakhs)

	Note	Year ended 31st March, 2014	Year ended 31st March, 2013
INCOME			
Revenue from operations (gross)	23	33,855.50	34,892.11
Less : Excise Duty and R & D Cess		253.57	269.27
Revenue from operations (net)		33,601.93	34,622.84
Other Income	24	522.34	277.11
Total Revenue		34,124.27	34,899.95
EXPENSES			
Cost of materials consumed	25	17,329.21	18,136.30
Purchase of traded goods		–	14.96
Changes in inventories of finished goods, stock-in-process and semi-finished goods	26	28.78	(42.36)
Employee benefits expense	27	6,526.49	6,238.39
Finance costs	28	530.14	425.87
Depreciation and amortization expense	29	754.93	711.31
Other expenses	30	6,868.90	6318.55
Total Expenses		32,038.45	31,803.02
Profit before exceptional items and tax		2,085.82	3,096.93
Exceptional items	31	–	–
Profit before tax		2,085.82	3,096.93
Tax expense			
Current tax		880.98	1047.38
Deferred tax		(264.48)	(35.19)
Tax for earlier year		0.95	–
Total Tax expenses		617.45	1,012.19
Profit for the year		1,468.37	2,084.74
Earnings per equity share [nominal value per share ` 10 (31.03.2013 – ` 10)]			
Basic & Diluted	31	28.06	39.83
Corporate Information	1		
Summary of significant accounting policies	2		

The notes are an integral part of these financial statements.

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

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

Sunit Kumar Basu
Partner
Membership No. 55000
Place : Kolkata
Dated : 3rd May, 2014

Ajay Kumar Agarwal
Company Secretary

G. D Bangur *Executive Chairman*
Hemant Bangur *Vice Chairman*
Nandita Sen *Director*
D. C. Baheti *Managing Director*

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakhs)

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
A. Cash Flow from Operating Activities				
Net profit before tax		2,085.82		3,096.93
Adjustments for :				
Depreciation and Amortisation Expenses	754.93		711.31	
Finance Costs	530.14		425.87	
Bad Debts Written Off	5.14		-	
Net (Profit)/Loss on sale of fixed assets	(10.76)		5.45	
Net gain on sale of current investments	(16.68)		(5.73)	
Net gain on sale of long term investments	(24.12)		-	
Unrealised (Gain)/Loss on exchange (net)	(4.68)		(0.18)	
(Gain)/Loss on Mark to Market adjustment for Derivative Instrument	2.13		12.91	
Export Incentive received under SHIS Scheme	(82.31)		-	
Interest Income	(154.38)		(139.04)	
Dividend income on current investments	(0.68)		(8.17)	
Dividend income on long term investments	(0.41)		-	
Liabilities no longer required written back	(49.48)		(10.76)	
Provision for Impairment of Fixed Assets	194.89		-	
Provision for Doubtful Advances	148.17		-	
		1,291.90		991.66
Operating profit before working capital changes		3,377.72		4,088.59
Adjustments for :				
Decrease/(Increase) in Inventories	172.73		(1,382.61)	
Decrease/(Increase) in Trade and Other Receivables	(500.20)		(32.33)	
(Decrease)/Increase in Trade and Other Payables	(381.64)		920.85	
		(709.11)		(494.09)
Cash generated from operations		2,668.61		3,594.50
Income Taxes paid		(736.04)		(1,064.07)
Net Cash from Operating Activities	A	1,932.57		2,530.43
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(1,209.28)		(790.73)	
Grant Received against Specific Assets	101.62		32.00	
Sale of Fixed Assets	10.91		6.03	
Purchase of Current investments	(3,468.00)		(9,986.95)	
Application Money paid for Current investment	-		(50.00)	
Purchase of Long Term investments	(1,013.99)		(746.62)	
Sale/Redemption of investments	3,704.22		9,001.42	
Interest received	166.75		114.96	
Dividend received	1.09		8.17	
Net Cash used in Investing Activities	B	(1,706.68)		(2,411.72)



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(` in lakhs)

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	C. Cash Flow from Financing Activities			
Net proceeds/(repayment) of Short term Borrowings	(328.06)		1,208.62	
Proceeds from Long-term Borrowings	-		208.18	
Repayment of Long-term Bank Borrowings	(253.29)		(317.77)	
Finance costs paid	(547.34)		(408.92)	
Dividend paid	(259.64)		(524.64)	
Dividend Taxes paid	(44.47)		(84.90)	
Net Cash from/(used) in Financing Activities		(1,432.80)		80.57
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		(1,206.91)		199.28
D. Cash and Cash Equivalents				
Net Increase/(Decrease) in Cash and Cash Equivalents		(1,206.91)		199.28
Opening Balance of Cash and Cash Equivalents		1,606.46		1,407.18
Closing Balance of Cash and Cash Equivalents		399.55		1,606.46

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 ` 13.49 lakhs (31.03.2013 ` 11.46 lakhs) lying in designated accounts with banks on account of unclaimed dividends.
- 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.

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

Sunit Kumar Basu
Partner
Membership No. 55000
Place : Kolkata
Dated : 3rd May, 2014

Ajay Kumar Agarwal
Company Secretary

G. D Bangur *Executive Chairman*
Hemant Bangur *Vice Chairman*
Nandita Sen *Director*
D. C. Baheti *Managing Director*

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, 2014
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 manner 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

- 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 assets over their book value has been credited to Revaluation Reserve.
- Other tangible assets are stated at cost of acquisition including inward freight, duties, taxes and expenses incidental to acquisition and installation.
- 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.
- Profit and Loss on disposal of tangible assets is recognized in the Consolidated Statement of Profit and Loss.
- 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

- Intangible assets are stated at cost of acquisition including duties, taxes and expenses incidental to acquisition and installation.
- Intangible assets comprising of computer software is depreciated on straight line method over a period of five years.
- Profit and Loss on disposal of Intangible assets is recognized in the Consolidated Statement of Profit and Loss.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

made good by the Parent Company.

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

b) Defined Benefit Plans

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 Consolidated 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 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 Consolidated statement of Profit and Loss.

d) Other Short Term Employee Benefits

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

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 are recognized on transfer of substantial risks and rewards of ownership in the goods to the buyer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.11 Interest Income

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

2.12 Foreign Currency Transaction

(i) Initial Recognition

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

(ii) Subsequent Recognition

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

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

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

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

2.13 Taxation

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

Deferred tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized unless there

is reasonable certainty and virtual certainty in case of unabsorbed loss and depreciation, that sufficient future taxable income will be available against which such deferred tax assets will be realized. Deferred tax Assets is reviewed at each Balance Sheet date to reassess its realization.

2.14 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.

2.15 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.

2.16 Earnings per Share

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

3 Share Capital	As at	As at
	31st March, 2014	31st March, 2013
Authorised 2,50,00,000 (31.03. 2013 - 2,50,00,000) Equity Shares of ` 10/- each	2,500.00	2,500.00
Issued, Subscribed and Fully Paid-up 52,33,440 (31.03.2013 - 26,16,720) Equity Shares of ` 10/- each	523.34	261.67
Total	523.34	261.67

(a) Reconciliation of number of equity shares

	As at		As at	
	31st March, 2014		31st March, 2013	
	No. of Shares	(` in lakhs)	No. of Shares	(` in lakhs)
Balance as at the beginning of the year	26,16,720	261.67	26,16,720	261.67
Add: Bonus Shares Issued during the period	26,16,720	261.67	–	–
Balance as at the end of the year	52,33,440	523.34	26,16,720	261.67

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

The Parent 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

	As at	As at
	31st March, 2014	31st March, 2013
Equity shares allotted as fully paid-up pursuant contract(s) without payment being received in cash 1993-94	2,17,360	2,17,360
Equity shares allotted as fully paid up bonus share by way of capitalisation of General Reserve in 2002-03	6,54,180	6,54,180
Equity shares allotted as fully paid up bonus share by way of capitalisation of General Reserve in 2008-09	13,08,360	13,08,360
Equity shares allotted as fully paid-up bonus share by way of capitalisation of Securities Premium Account and General Reserve in 2013-14	26,16,720	–

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

	As at		As at	
	31st March, 2014		31st March, 2013	
	No. of Shares	% holding	No. of Shares	% holding
Life Insurance Corporation of India	11,67,042	22.30	5,83,521	22.30
Kettlewell Bullen & Company Limited	9,23,944	17.65	4,61,972	17.65
The Oriental Company Limited	7,55,008	14.43	3,77,504	14.43
Madhav Trading Corporation Limited	5,73,181	10.95	2,58,028	9.86
Credwyn Holdings (India) Private Limited	3,05,190	5.83	2,27,870	8.71

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

4 Reserves and Surplus	As at 31st March, 2014		As at 31st March, 2013	
Capital Reserve		150.00		150.00
Securities Premium Reserve				
Balance as at the beginning of the year		174.45		174.45
Deduct : Capitalised by Issue of Bonus Share		(174.45)		-
Balance as at the end of the year		-		174.45
Revaluation Reserve				
Balance as at the beginning of the year		29,913.03		19,107.11
Add:				
Amount added on revaluation of land, building and plant and machinery during the year [Refer Note 13(a)]		-		11,464.10
Deduct :				
i) Amount transferred to the Statement of Profit and Loss as reduction from depreciation and amortization expense [Refer Note 29]		(840.57)		(649.52)
ii) Reversal of revaluation reserve due to Impairment [Refer Note 13(c)]		(795.79)		-
iii) Adjustment on account of disposal of Tangible Assets	37.09		11.07	
Deduct : Depreciation on account of disposal of Tangible Assets	(12.38)	(24.71)	(2.41)	(8.66)
Balance as at the end of the year		28,251.96		29,913.03
General Reserve				
Balance as at the beginning of the year		8,982.88		7,282.88
Deduct:				
Capitalised by Issue of Bonus Share		(87.22)		-
Add:				
Transferred from Surplus in the Statement of Profit and Loss during the year		1,100.00		1,700.00
Balance as at the end of the year		9,995.66		8,982.88
Surplus in the Statement of Profit and Loss				
Balance as at the beginning of the year		616.43		537.83
Profit for the year		1,468.37		2,084.74
Deduct : Appropriations				
i) Proposed dividend on equity shares for the year - ` 6/- per share (2012-13) ` 10/- per share)		(314.01)		(261.67)
ii) Dividend distribution tax on proposed dividend on equity shares		(53.37)		(44.47)
iii) Transfer to General Reserve		(1,100.00)		(1,700.00)
Balance as at the end of the year		617.42		616.43
Total		39,015.04		39,836.79



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

5 Long-term borrowings	As at 31st March, 2014	As at 31st March, 2013
Secured		
Term loans		
From Banks [Refer note (a) below]	188.23	356.23
Unsecured		
Term loans		
Other Parties [Refer note (b) below]	111.47	188.55
Total	299.70	544.78

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 ` 356.23 lakhs (31.03.2013: ` 524.23 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 covered by Corporate Guarantee of Kettlewell Bullen & Company Limited.	Repayable in 25 equal quarterly instalments beginning from March 2011 along with interest of 12.70% p.a.
Term loan from banks amounting to ` nil (31.03.2013: ` 8.21 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	
Nature of Security	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.

6 Deferred tax liabilities (net)	As at 31st March, 2014	As at 31st March, 2013
Deferred tax liabilities		
Depreciation	601.33	609.46
Deferred tax assets		
Provision for leave encashment	88.30	27.16
Other timing differences	89.35	10.74
Provision for doubtful advances	50.36	-
Provision for Impairment	66.24	-
	294.25	37.90
Total [Refer note (a) below]	307.08	571.56

Note :

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

7 Other long term liability	As at 31st March, 2014	As at 31st March, 2013
Others - Differential tariff for electric bill	28.09	61.81
Total	28.09	61.81

8 Long-term provisions	As at 31st March, 2014	As at 31st March, 2013
Provision for compensated absences of employees	183.76	161.56
Total	183.76	161.56

9 Short-term borrowings	As at 31st March, 2014	As at 31st March, 2013
Secured		
Loans from banks [Refer note (a) and (b) below]	5,100.56	4,978.38
Loans from Life Insurance Corporation of India [Refer note (c) below]	-	450.24
Total	5,100.56	5,428.62

Notes :

- (a) Loan repayable on demand amounting to ` 5,100.56 lakhs (31.03.2013 ` 4,978.38 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 ` 4,293.52 lakhs (31.03.2013 ` 4,978.38 lakhs) is also guaranteed of Kettlewell Bullen & Company Limited.
- (c) Loan from Life Insurance Corporation of India amounting to ` nil (31.03. 2013- ` 450.24 lakhs) secured against Keyman insurance policies.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

10 Trade Payables	As at 31st March, 2014	As at 31st March, 2013
Trade payables	238.61	352.61
Total	238.61	352.61

11 Other current liabilities	As at 31st March, 2014	As at 31st March, 2013
Current maturities of long-term debt (also refer note 5)	245.08	253.29
Advances received from customers	222.37	113.52
Interest accrued and due on borrowings	17.32	24.89
Interest accrued but not due on borrowings	–	9.62
Unpaid Dividends [Refer note (a) below]	13.49	11.46
Statutory dues	51.62	77.77
Capital Creditors	47.22	3.44
Other payables [Refer note (b) below]	1,441.15	1,700.44
Total	2,038.25	2,194.43

Notes :

- (a) There are no amounts due for payment for the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the end of the year.
- (b) Other payables include Buyers Credit and Employee Cost liability.

12 Short-term provisions	As at 31st March, 2014	As at 31st March, 2013
Provision for Employee Benefits (also refer note 27)		
Provision for Gratuity	344.19	494.17
Provision for compensated absences of employees	77.77	54.67
Other Provisions		
Proposed Dividend	314.01	261.67
Provision for Dividend Distribution Tax	53.37	44.47
Provision for Taxation [Net of Advance Tax ` 5,811.29 lakhs (2012-13 ` 5,077.11 lakhs)]	406.99	261.09
Total	1,196.33	1,116.07

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

13 Tangible assets

Particulars	GROSS BLOCK				DEPRECIATION				IMPAIRMENT			NET BLOCK AFTER IMPAIRMENT	
	Cost/Valuation as at 1st April, 2013 [Note (a)]	Additions during the year	Sale/Adjustment during the Year [Note (b) and (c)]	Cost/Valuation as at 31st March, 2014	As at 1st April, 2013	For the Year	Sale/Adjustment during the Year [Note (c)]	As at 31st March, 2014	As at 1st April, 2013	Impairment Loss For the Year Note (c)	As at 31st March, 2014	As at 31st March, 2013	
Freehold Land	19,093.18	-	-	19,093.18	-	-	-	-	-	-	19,093.18	19,093.18	
Buildings	9,435.13	301.67	37.29	9,699.51	1,089.11	309.11	-	1,398.22	-	-	8,301.29	8,346.01	
Tubewells	5.60	-	-	5.60	3.83	0.18	-	4.01	-	-	1.58	1.77	
Plant & Equipment	13,970.13	637.27	1,070.68	13,536.72	5,931.59	1,216.36	185.70	6,962.25	-	185.94	185.94	6,388.53	8,038.54
Electric Installation	330.83	-	-	330.83	106.75	15.71	-	122.47	-	8.95	8.95	199.41	224.08
Furniture & Fixtures	364.16	6.53	-	370.69	39.40	22.70	-	62.10	-	-	-	308.60	324.76
Office Equipment	147.08	18.04	-	165.12	28.78	7.06	-	35.83	-	-	-	129.29	118.30
Launches	0.04	-	-	0.04	0.03	0.00	-	0.03	-	-	-	0.01	0.01
Vehicles	186.34	13.27	-	199.61	51.49	17.91	-	69.40	-	-	-	130.21	134.85
Total	43,532.49	976.78	1,107.97	43,401.31	7,250.98	1,589.03	185.70	8,654.32	-	194.89	194.89	34,552.10	36,281.51
Previous Year	31,094.77	1,046.12	72.50	43,532.49	5,916.12	1,355.22	20.36	7,250.98	-	-	-	36,281.51	

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
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 and Building includes Subsidy received ` 64.33 lakhs (2012-13 ` 12 lakhs) and ` 37.29 lakhs (2012-13 ` 20 lakhs) respectively.
- c) The Company's Standby fossil fuel Power Plant is being used sparingly and is not expected to be operational and generate any revenue in foreseeable future. Accordingly the Company has made an impairment provision of ` 194.89 lakhs in the accounts and the carrying amount of the said assets has been written down to its estimated realizable value based on a valuation done by an Independent Valuer. Adjustment in gross block and depreciation of Plant & Machinery and Electric installation includes ` 943.18 lakhs (2012-13 ` nil) and ` 147.39 lakhs (2012-13 ` nil) respectively, towards the adjustments of impairment.

14 Intangible assets

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	
	Cost/Valuation as at 1st April, 2013	Additions during the year	Sale/Adjustment during the Year	Cost/Valuation as at 31st March, 2014	As at 1st April, 2013	For the Year	Sale/Adjustment during the Year	As at 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
Computer - Software	29.28	7.57	-	36.85	20.67	6.47	-	27.14	9.71	8.61
Total	29.28	7.57	-	36.85	20.67	6.47	-	27.14	9.71	8.61
Previous Year	27.14	2.14	-	29.28	15.06	5.61	-	20.67	8.61	



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

15 Non-Current Investments

Long Term Investments

Trade Investments (valued at cost unless stated otherwise)

Unquoted Equity instruments

Fine Worthy Software Solutions Private Limited

91,411 (31.03.2013 - 39,210) Equity Shares of ` 10/- each fully paid-up

213.68

3.92

Godrej Buildwell Private Limited

784 (31.03.13 - nil) Class A Equity Shares of ` 10/- each fully paid up

436.59

-

64 (31.03.13 - nil) Class B Equity Shares of ` 10/- each fully paid up

0.01

-

64 (31.03.13 - nil) Class C Equity Shares of ` 10/- each fully paid up

0.01

-

Quoted Equity instruments

The Cochin Malabar Estates & Industries Limited

15,000 (31.03.2013 - 15,000) Equity Shares of ` 10/- each fully paid-up

15.30

15.30

[Net of provision for other than temporary diminution aggregating to ` 11.73 lakhs (31.3.2013 - 11.73 lakhs)]

Joonktollie Tea & Industries Limited #

-

-

7,500 (31.03.2013 - 7,500) Equity Shares of ` 10/- each fully paid-up

Quoted Bonds

National Highways Authority of India

42,072 (31.03.2013 - 74,172) Secured Redeemable Non Convertible Tax free Bonds of ` 1,000/- each fully paid up

420.72

741.72

Debentures (Unquoted)

Nil (31.03.2013 - 1,96,070) 8% Optionally Convertible Debentures of ` 100/- each fully paid-up in Fine Worthy Software Solutions Private Limited

-

196.07

50 (31.03.2013 - 90) 19% Non-Convertible Debentures of ` 1,00,000/- each fully paid-up in Sheth Buildwell Private Limited

50.00

90.00

Mutual Fund (Quoted)

DWS fixed maturity plan-Regular

Nil (31.03.2013 - 10,00,000 units)

-

100.00

HDFC FMP-400D March 2013 (I) Series 23 - Regular Growth

Nil (31.03.2013 - 20,00,000 units)

-

200.00

DSP BlackRock FMP- Series 150-13 M - Regular Growth

5,00,000 units (31.03.2013 - nil)

50.00

-

L&T FMP - Series 10 - Plan M - Growth

5,00,000 units (31.03.2013 - nil)

50.00

-

LIC Nomura MF FMP Series 77

5,00,000 units (31.03.2013 - nil)

50.00

-

Reliance Fixed Horizon Fund -XXV - Series 31 Growth Plan

5,00,000 units (31.03.2013 - nil)

50.00

-

Others (Unquoted)

IIFL Income Opportunities Fund

29,66,292 units (31.03.2013 - 14,66,292 units) of ` 10/- each fully paid-up

296.63

146.63

IIFL Assets Revival Fund

20,00,000 units (31.03.2013 - nil) of ` 10/- each fully paid-up

200.00

-

Peninsula Brookfield India Real Estate Fund

66 units (31.03.2013 - nil) of ` 1,00,000/- each fully paid-up

68.00

-

Total

1,900.94

1,493.64

Aggregate amount of quoted investments

636.02

1,057.02

Market Value of quoted investments

658.76

1,120.25

Aggregate amount of unquoted investments

1,264.92

436.62

Aggregate Provision 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 Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

16 Long-term loans and advances	As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good (unless otherwise stated)		
Capital Advance	28.26	4.56
Security Deposits	670.09	655.05
Total	698.35	659.61
17 Current investments	As at 31st March, 2014	As at 31st March, 2013
At Cost : Current portion of Long-term investments (Unquoted)		
50 (31.03.2013 - 10) 19% Non-Convertible Debentures of ₹ 1,00,000/- each fully paid-up in Sheth Buildwell Private Limited	50.00	10.00
Current portion of Long term investments (Quoted)		
DWS fixed maturity plan - series 26 - Regular Plan Growth 10,00,000 units (31.03.2013 - 10,00,000 units)	100.00	-
HDFC FMP-400D March 2013 (I) Series 23 - Regular Growth 20,00,000 units (31.03.2013 - 20,00,000 units)	200.00	-
Investment in Mutual fund		
At cost or fair value, whichever is less		
Unquoted		
ICICI Prudential Gilt Fund Investment Plan - PF Option - Regular Plan 11,53,119.586 units (31.03.2013 - 11,53,119.586 units)	250.00	250.00
DWS Gilt Fund Regular Plan - Growth Nil (31.03.2013 - 11,51,463.510 units)	-	150.00
Birla Sunlife Income Plus - Growth - Regular Plan 5,87,450.495 units (31.03.2013 - 5,87,450.495 units)	300.00	300.00
Reliance Income Fund - Growth Plan - Bonus Option 10,29,456.770 units (31.03.2013 - 26,64,456.770 units)	112.53	291.26
SBI Ultra Short Term Debt Fund - Regular Plan-Growth Nil (31.03.2013- 13,287.281 units)	-	200.00
Birla Sunlife Dynamic Bond Fund - Growth Regular Plan 2,50,930.954 units (31.03.2013 - nil)	50.00	-
HDFC High Interest Fund Dynamic Plan - Growth 5,52,675.941 units (31.03.2013 - nil)	225.00	-
ICICI Prudential Income Opportunities Fund - Regular Plan Growth 3,09,543.856 units (31.03.2013 - nil)	50.00	-
Reliance Dynamic Bond Fund - Growth Plan 10,86,320.669 units (31.03.2013 - nil)	175.00	-
SBI Dynamic Bond Fund - Regular Plan Growth 6,77,722.581 units (31.03.2013 - nil)	100.00	-
Total	1,612.53	1,201.26
Aggregate amount of quoted investments	300.00	-
Market Value of quoted investments	329.00	-
Aggregate amount of unquoted investments	1,312.53	1,201.26



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

18 Inventories (Valued at lower of cost and net realisable value)		As at 31st March, 2014	As at 31st March, 2013
Raw materials		3,183.57	3,440.76
Stock-in-process		771.80	688.43
Semi Finished Goods		217.66	227.16
Finished Goods (includes in transit ` 252.03 lakhs, 31.03. 2013 : ` 142.53 lakhs)		1,651.59	1,754.24
Stores and Spares		936.55	823.31
Total		6,761.17	6,933.90
19 Trade receivables		As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good			
Outstanding for a period exceeding six months from the date they are due for payment		12.09	26.23
Others		1,462.63	1,067.11
Total		1,474.72	1,093.34
20 Cash and Bank balances		As at 31st March, 2014	As at 31st March, 2013
Cash and cash equivalents			
Cash on hand		10.64	10.37
Balances with banks			
In current accounts		374.44	1,471.75
		385.08	1,482.12
Other Bank balances			
Unpaid dividend account		13.49	11.46
Margin money deposits		0.98	112.88
Total		399.55	1,606.46
21 Short-term loans and advances		As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good (unless otherwise stated)			
Security Deposits		96.59	98.45
Prepaid Expenses		85.37	79.99
Balances with Government Authorities		5.62	10.13
Other loans and advances			
Advances for goods and services - Considered Good		316.42	235.46
Other Advances*			
Considered Good		552.22	677.04
Doubtful		148.17	-
Less : Provision for Doubtful Advance		(148.17)	-
Total		1,056.22	1,101.07
*Other Advances includes claims receivable etc.			
22 Other current assets		As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good			
Interest accrued on security deposits		14.52	13.77
Interest subsidy receivable		14.86	14.86
Interest accrued on investments		21.41	34.54
Total		50.79	63.17

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

23 Revenue from operations		Year ended 31st March, 2014	Year ended 31st March, 2013
Sale of products			
Finished goods		33,399.43	34,459.72
Traded goods		-	15.22
		33,399.43	34,474.94
Other operating revenues			
Export incentive		456.07	417.17
Revenue from operations (gross)		33,855.50	34,892.11
Less : Excise duty and R&D Cess		253.57	269.27
Total		33,601.93	34,622.84
24 Other Income		Year ended 31st March, 2014	Year ended 31st March, 2013
Interest Income on			
Bank deposits		17.15	16.27
Other deposits		20.34	23.02
Long-term investments		54.54	76.63
Others		62.35	23.12
Dividend Income on current investments		0.68	8.17
Dividend on long-term investment		0.41	-
Rent		3.52	2.98
Net Profit on sale of fixed asset		10.76	-
Net Gain on sale of current investments		16.68	5.73
Net Gain on sale of long-term investments		24.12	-
Liabilities no longer required written back		49.48	10.76
Exchange differences (net)		-	70.06
Miscellaneous Income		57.13	40.37
Keyman Insurance Realised		205.18	-
Total		522.34	277.11
25 Cost of materials consumed		Year ended 31st March, 2014	Year ended 31st March, 2013
Inventory at the beginning of the year		3,440.76	2,163.57
Add : Purchases (net) [Refer note (a) below]		17,072.02	19,413.49
		20,512.78	21,577.06
Less : Inventory at the end of the year		3,183.57	3,440.76
Total		17,329.21	18,136.30

Note :

- (a) Purchases is net of discount received on prompt payment of supplier's bills amounting to ` 235.27 lakhs (2012-13 - ` 198.09 lakhs)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

26 Changes in inventories of finished goods, stock-in-process and semi-finished goods	Year ended 31st March, 2014	Year ended 31st March, 2013
Inventories at the end of the year		
Stock-in-process	771.80	688.43
Semi-Finished Goods	217.66	227.16
Finished Goods	1,651.59	1,754.24
Total (A)	2,641.05	2,669.83
Inventories at the beginning of the year		
Stock-in-process	688.43	795.69
Semi-Finished Goods	227.16	218.89
Finished Goods	1,754.24	1,612.89
Total (B)	2,669.83	2,627.47
(Increase)/decrease in inventories (B-A)	28.78	(42.36)

27 Employees benefits expense	Year ended 31st March, 2014	Year ended 31st March, 2013
Salaries, Wages & Bonus	5,369.98	4,702.92
Contribution to Provident and Other Funds [Refer notes (a) and (b) below]	996.73	1,383.27
Workmen and Staff Welfare expenses	159.78	152.20
Total	6,526.49	6,238.39

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, 2014	Year ended 31st March, 2013
100.84	89.79
255.50	239.86
61.57	51.53

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

(b) Defined Benefit Plans

- (i) **Gratuity** : The employees' gratuity fund scheme is managed under a Trust and is a defined benefit plan. The funds of the Trust is managed by an approved life insurance company. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

Sl. No.	Description	Gratuity (Funded)	
		Year ended 31st March, 2014	Year ended 31st March, 2013
(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	3,254.32	2,250.98
	Current Service Cost	194.16	128.39
	Interest Cost	257.47	191.74
	Actuarial (Gains)/Losses	129.98	726.18
	Benefits Paid	(151.25)	(42.97)
	Present Value of Obligation at the end of the year	3,684.68	3,254.32
(b)	Reconciliation of the Opening and Closing balances of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	2,760.15	2,190.04
	Expected Return on Plan Assets	234.53	187.92
	Actuarial Gains/(Losses)	2.89	64.22
	Contributions	494.17	360.94
	Benefits paid	(151.25)	(42.97)
	Fair Value of Plan Assets at the end of the year	3,340.49	2,760.15
(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	3,684.68	3,254.32
	Fair Value of Plan Assets at the end of the year	3,340.49	2,760.15
	Assets/(Liabilities) recognized in the Balance Sheet	(344.19)	(494.17)
(d)	Expense recognised in the Profit and Loss Account		
	Current Service Cost	194.16	128.39
	Interest Cost	257.47	191.74
	Actual Return on Plan Assets	(234.53)	(187.92)
	Actuarial (Gains)/Losses	127.09	661.96
	Total Expense recognized	344.19	794.17
(e)	Category of Plan Assets		
	Fund with Birla Sun Life Insurance Company Limited	3,340.49	2,760.15
	Total	3,340.49	2,760.15
(f)	Actuarial Assumptions		
	Discount Rate (Per annum)	9.00%	8.10%
	Expected Rate of Return on Assets (Per annum)	8.00%	8.00%
	Salary Escalation	8.00%	7.00%
	Mortality Rate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate

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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

- 3) The table below illustrates experience adjustment disclosure as per para 120 (n) (ii) of Accounting Standard 15 – Employee Benefits.

	2013-14	2012-13	2011-12	2010-11	2009-10
Defined benefit obligation	(3,684.68)	(3,254.32)	(2,250.98)	(2,175.07)	(1,992.46)
Plan assets	3,340.49	2,760.15	2,190.04	2,034.62	1,782.29
Surplus / (deficit)	(344.19)	(494.17)	(60.94)	(140.45)	(210.17)
Experience adjustments on plan liabilities	(90.60)	(168.25)	30.95	(18.30)	(270.77)
Experience adjustments on plan assets	2.89	64.22	(40.40)	6.37	97.77

28 Finance costs

	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest expenses	493.30	394.51
Other borrowing costs	36.84	31.36
Total	530.14	425.87

29 Depreciation and amortization expense

	Year ended 31st March, 2014	Year ended 31st March, 2013
Depreciation on Tangible assets	1,589.03	1,355.22
Amortization of Intangible assets	6.47	5.61
	1,595.50	1,360.83
Less : Recoupment from Revaluation Reserve [Refer Note-4]	840.57	649.52
Total	754.93	711.31

30 Other expenses

	Year ended 31st March, 2014	Year ended 31st March, 2013
Consumption of stores and spare parts (net)	2,455.46	2,290.11
Power and fuel	1,720.51	1,698.29
Rent	66.82	46.71
Repairs to building	82.27	53.53
Repairs to machinery	6.58	5.65
Repairs - others	53.13	45.66
Insurance	114.48	158.50
Rates and Taxes	28.20	47.97
Processing Charges	480.00	403.87
Freight and Delivery Charges	411.53	451.23
Research & Development Cess and Excise Duty [Refer note (a) below]	86.35	94.86
Export Dock and Toll Charges	88.36	89.44
Brokerage and Commission	187.17	242.08
Bad Debts Written Off	5.14	–
Exchange differences (net)	93.17	–
Net Loss on sale of fixed asset	–	5.45
Miscellaneous expenses	646.67	685.20
Provision For Doubtful Advances	148.17	–
Provision For Impairment of Fixed Assets	194.89	–
Total	6,868.90	6,318.55

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 ` 5.60 lakhs (31.03. 2013 ` 4.13 lakhs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

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

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
(I) Basic		
a. Net Profit after tax (` in lakhs)	1,468.37	2,087.74
b. (i) Number of Equity Shares at the beginning of the year	26,16,720	26,16,720
(ii) Number of Equity Shares at the end of the year	52,33,440	26,16,720
(iii) Weighted average number of Equity Shares outstanding during the year	52,33,440	26,16,720
(iv) Face Value of Equity Share (`)	10	10
c. Basic Earning / (Loss) per share [a/b (iii)] (`)*	28.06	39.83
(II) Diluted		
a. Dilutive Potential Equity Shares	-	-
b. Weighted average number of Equity Shares for computing diluted earnings per shares [(I)b(iii)+(II)a]	52,33,440	26,16,720
c. Diluted Earning / (Loss) per Share [(I)(a) / (II)(b)] (`)*	28.06	39.83

*Consequent to approval of the shareholders through Postal Ballot on 17.06.2013 the Company has allotted Bonus Shares in the ratio of 1:1 i.e. one new equity share for every one existing equity share to the eligible shareholders of the Company. The earnings per share for all periods presented are based on current capital after issue of Bonus Shares.

32 Contingent liabilities

	As at 31st March, 2014	As at 31st March, 2013
a) Claims against the Company not acknowledged as debts		
Sales tax matter	407.12	368.27
ESI matter	45.57	45.57
b) Export bills discounted with bank	89.80	239.36

33 Commitments

	As at 31st March, 2014	As at 31st March, 2013
Estimated amounts of contracts remaining to be executed on capital account and not provided for tangible assets	84.17	42.31
Other Commitment - towards investments	134.00	150.00



(` in lakhs)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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, 2014	31st March, 2013	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
Segment revenue by location of customers	24,096.36	24,969.43	9,049.50	9,236.24	33,145.86	34,205.67
Carrying amount of segment assets	989.85	775.43	484.87	317.91	1,474.72	1,093.34
Additions to tangible and intangible assets	1,311.70	795.45	–	–	1,311.70	795.45

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 & relatives of Key Management Personnel have significant influence

Joonktollee Tea & Industries Limited

Kettlewell Bullen & Company Limited

The Cochin Malabar Estates & Industries Limited (upto 6th October 2013)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

([₹] in lakhs)

Transactions with related parties are as follows					
Particulars	Year	Key Management Personnel	Relative of Key Management Personnel	Enterprise over which Key Management Personnel & relatives of Key Management Personnel have significant Influence	
A	Transactions during the year				
1	Remuneration Paid	2013-14	226.37	4.05	–
		2012-13	266.83	3.81	–
2	Dividend Paid	2013-14	9.09	6.83	46.20
		2012-13	18.17	13.67	92.39
3	Rent Paid	2013-14	–	–	33.71
		2012-13	–	–	13.48
4	Loan Given	2013-14	–	–	300.00
		2012-13	–	–	200.00
5	Sales	2013-14	–	–	62.40
		2012-13	–	–	74.29
6	Interest Received	2013-14	–	–	1.45
		2012-13	–	–	7.72
7	Loan Given Received Back	2013-14	–	–	300.00
		2012-13	–	–	200.00
B	Outstanding balance at year end				
1	Deposits	2013-14	–	–	400.00
		2012-13	–	–	400.00

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.

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

Sunit Kumar Basu
Partner
Membership No. 55000
Place : Kolkata
Dated : 3rd May, 2014

Ajay Kumar Agarwal
Company Secretary

G. D Bangur *Executive Chairman*
Hemant Bangur *Vice Chairman*
Nandita Sen *Director*
D. C. Baheti *Managing Director*



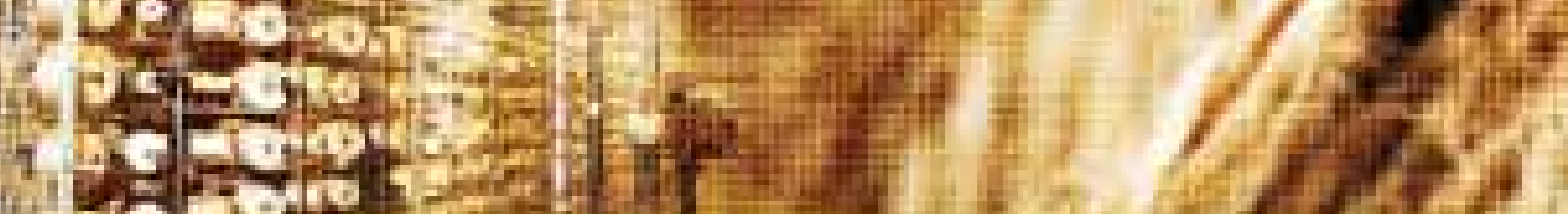
(₹ in lakhs)

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 :

	Gloster Lifestyle Limited	Gloster Specialities Limited	Gloster Gujrat Limited
Share Capital	400.00	400.00	5.00
Reserves and Surplus	55.00	67.96	(1.09)
Total Assets	458.17	471.31	3.96
Total Liabilities	458.17	471.31	3.96
Long Term Investments	422.95	434.38	-
Turnover	-	-	-
Profit / (Loss) before Taxation	33.01	32.89	(0.02)
Provision for Taxation	2.81	3.13	-
Profit/(Loss) after Taxation	30.20	29.76	(0.02)
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.



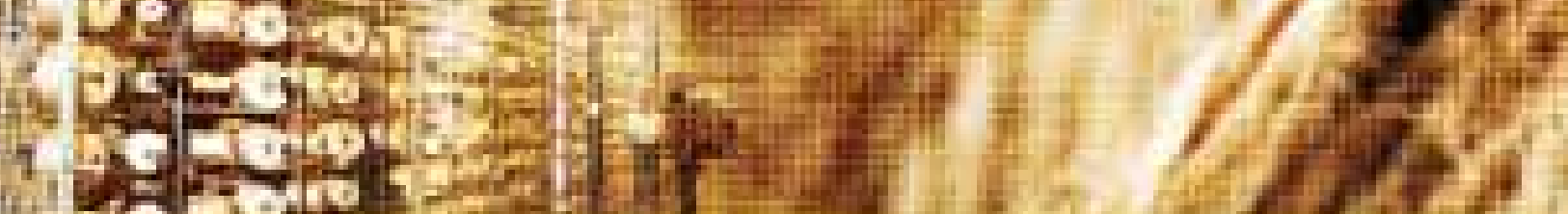
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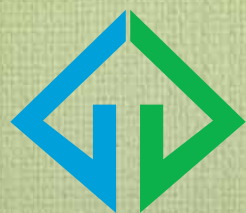


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Gloster Limited

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FORM A

1.	Name of the company	Gloster Limited
2.	Annual financial statements for the year ended	31 March ,2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signatures of CEO/Managing Director, CFO, Auditor of the Company and Audit Committee Chairperson	Refer below
<i>Name/ Designation</i>		<i>Signature</i>
D.C. Baheti Managing Director		For GLOSTER LIMITED  Managing Director
Ajay Kumar Agarwal CFO		For GLOSTER LIMITED  Manager Finance & Company Secretary
Lovelock & Lewes Auditor		For Lovelock & Lewes Firm Registration No-301056E Chartered Accountants  Sunit Kumar Basu Partner Membership No: 55000
Nandita Sen Audit Committee, Chairperson		For GLOSTER LIMITED  Chairperson-Audit Committee

Place : Kolkata

Date :3rd May, 2014