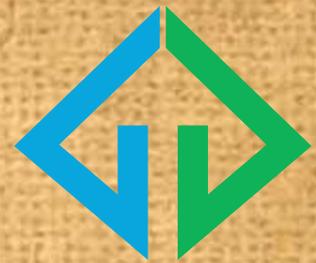


ANNUAL REPORT 2014-15



GLOSTER LIMITED



Immortal
Soul
- "Inevitable Truth"

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The Man with the Midas Touch

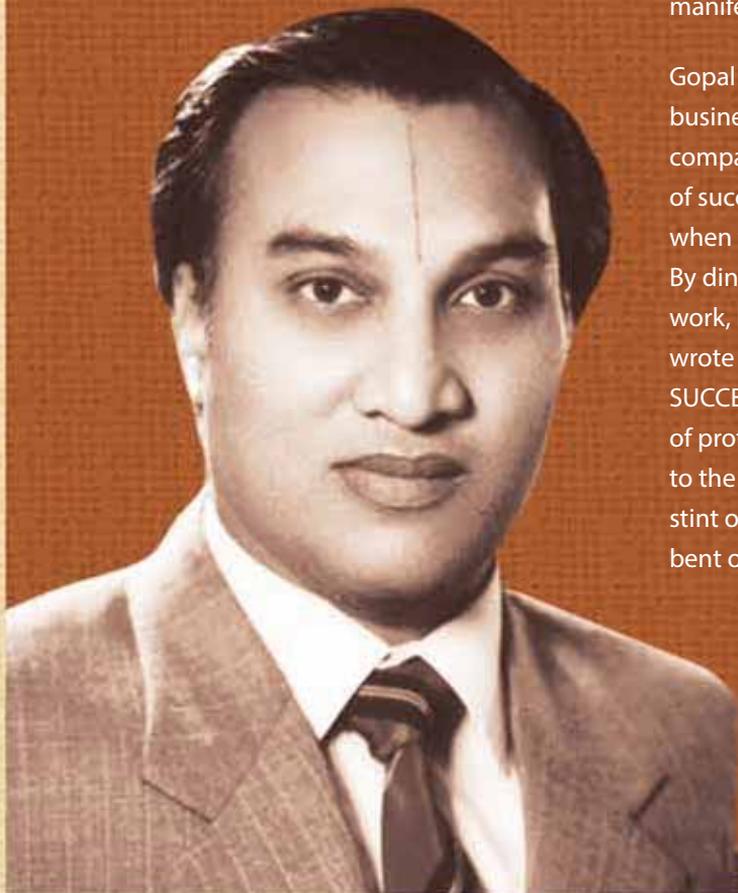
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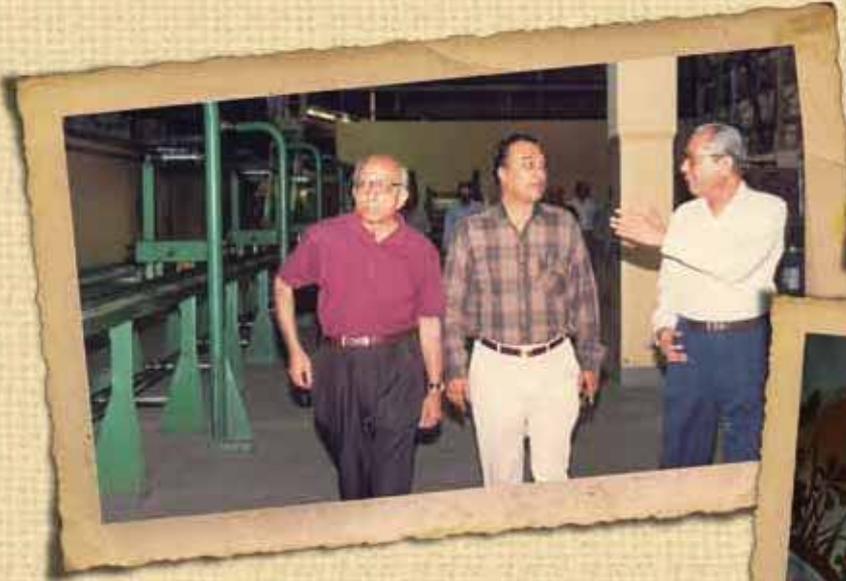


A magnanimous man and an exemplary visionary

Our Executive Chairman, the Late Gopal Das Bangur was born into the illustrious Bangur family. Not only was he blessed with the inborn qualities of his family's business acumen and excellence, he was also bestowed with a philanthropic bent of mind that manifested itself in every aspect of his life.

Gopal babu as he was fondly known in the business and social circles navigated the company to attain unprecedented heights of success having come to the helm at a time when the industry was in a precarious state. By dint of his sincere dedication and hard work, he charted the course of Gloster and wrote its destiny in the golden letters of SUCCESS. While he tasted the dizzying heights of professional achievement, he also gave back to the community in which he operated by dint of his compassion and philanthropic bent of mind.





While Gloster went on to become a formidable business entity and highly flourishing organization, anchored by an extraordinary force of more than 5,000 employees belonging to all castes and religions. Gopal babu also devoted time and resources to aid society in innumerable charitable ways by building social, educational and health infrastructure.

He was a perceptive entrepreneur and his foresight and vision was his greatest asset. He firmly believed that achievements are determined by 3 D's - Desire, Dedication and Devotion.

Gopal babu was the Chairman of Indian Jute Mills Association - the apex body of jute manufacturers- for the periods 1992-93 and 1993-94.

Above and beyond



Gopal babu was beyond the league of ordinary humans and belonged to the league extraordinaire.

Gopal babu was a true philanthropist at the core. He has contributed greatly in the commissioning of social, health and education infrastructure for the downtrodden and underprivileged sections of society. A large percentage of his social work is centred in and around the jute factory and various plantation estates of the group in Assam, Kerala, Karnataka as part of his community outreach programmes.

A born philanthropist, throughout his life he has supported various hospitals, which served the under-privileged. He contributed immensely to the development of educational infrastructure with a special focus on the upliftment of the girl child. His contribution towards the capacity building in communities where the Group operated was exemplary.

Environmental cleanliness, occupational health of the workers working in various factories of the group and a green society were closest to his heart. He felt that only with the inclusive growth of the underprivileged we shall be able to make an egalitarian society.

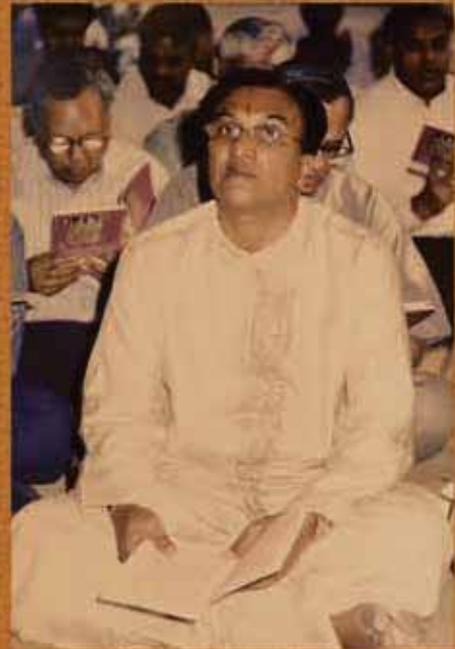
His graciousness and magnanimity will forever remain unparalleled and he will continue to shine like a beacon in the sky of human compassion.



A spiritual mindset



Gopal babu was a peace-loving man at heart. He always propounded that peace of mind was the key nourishment for the human soul and was one factor that ultimately determined quality of the mind as well as life. To him, life was not about material successes or awards and recognition. The essence of life, to him, was in being able to serve society and fellow human beings, especially the downtrodden. The awe-inspiring Hanuman Temple at Bauria was conceptualized and consecrated by him to fulfill the long standing wish of the community at Bauria.



Gopal babu believed in encouraging others to realize and attain their true potential. He always encouraged people to do whatever makes them feel happy. Each day and every moment one lived and breathed in was of paramount importance, according to him. He did not believe in keeping regrets and believed that the most opportune moment was NOW! He always urged everyone to start the journey to fulfill their latent desires and dreams.

"The best efforts of everybody changes from moment to moment; it will be different when we are healthy as opposed to when we are sick. Under any circumstance, we should do our best and avoid self judgment."

-Gopal babu

The genesis



Gloster owes its origin to the inception in 1872 of the Jute Mill at Fort Gloster. With the dawn of independence the Scottish owned and run company was taken over by the Late P.D.Bangur and Late R.N. Bangur, when the Bangurs took over the Managing Agency of Kettlewell Bullen & Co. Ltd.

Gopal babu started looking after the various companies of the Group at an early stage. He was deeply involved in running the Jute Mills of

the diversified conglomerate of the House of the Bangurs namely Fort Gloster, Hastings & Fort William. With the passage of time he took over as Chairman in early 80's and successfully navigated Gloster through a very turbulent phase in the history of Jute Mills in India. His efforts ensured that Gloster has risen like a phoenix from the ruinous period, to be recognized as the most dynamic Jute company in the World.



"If you do not
act upon life,
life has a habit
of acting upon
you."

-Gopal babu

Gloster, established in 1872, is a leading manufacturer and exporter of jute products in India, promoted and managed by the Bangur Group, based in Kolkata, West Bengal.

The company has a rich and diverse product mix and has emerged as the one-stop shop for jute products over the last few years. Products include hessian, double warp cloth, sacking cloth, tarpauline cloth, canvas cloth, scrim cloth, Hessian bags, sacking bags, double warp bags, lifestyle products, yarn, geo textiles, soil savers, non-woven, jute tape, nursery liners and sheets and other specialty downstream products.



Gloster has acquired for itself a reputation that is unrivalled and is a true outcome of its illustrious legacy. Under Gopal babu's Chairmanship Gloster has achieved astronomical heights and is considered the pioneer mill in jute industry worldover.

Gloster has been principally guided by Gopal babu's vision and his able guidance has enabled the Company to successfully mitigate the industry risks and volatile conditions of the unpredictable jute industry, in the past. In the process, Gloster has created an enduring history and become case-study material to be archived as inspiration.

Gopal babu was the key catalyst in paving Gloster's transition from a mere corporate entity to an unwavering establishment and Gloster will remain forever indebted and bound to his principles and legacy.

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

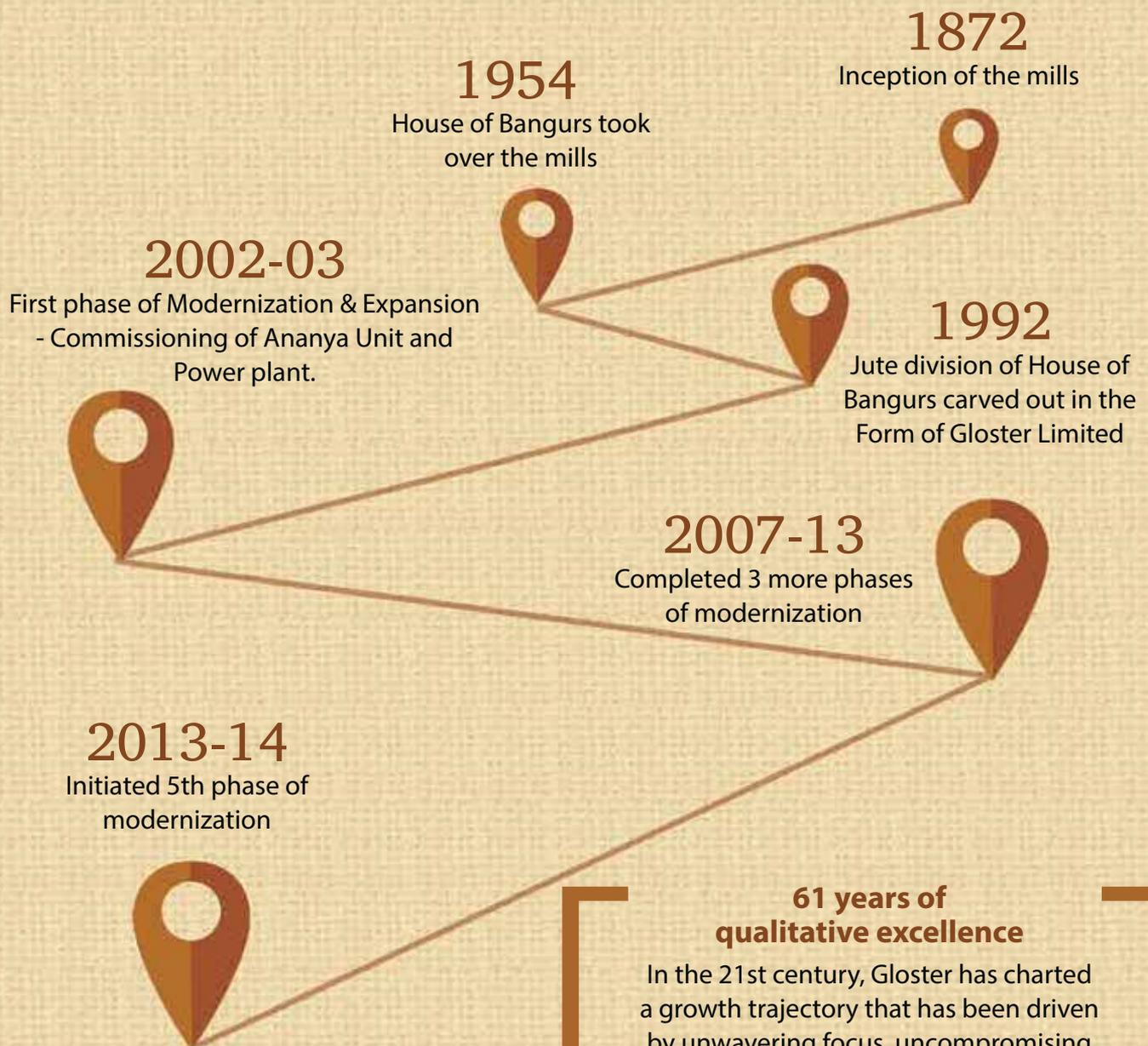
mission

- 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



milestones

The company's journey



61 years of qualitative excellence

In the 21st century, Gloster has charted a growth trajectory that has been driven by unwavering focus, uncompromising quality, enduring values and the highest level of ethical standards and operational excellence. This aptly forms the foundations of the Company's success.

At the heart of Gloster, is a green conscience. The company has evolved beyond a mere manufacturer in becoming a green manufacturer.

- Encourages & supports cultivation of Organic Jute
- Installed effluent treatment plant having re-cycling system for the effluents. The processing system therefore does not release any type of effluents to drains / streams etc
- Installed Electrostatic Precipitator to collect & precipitate dust emissions from the exhaust flue gases of boilers, preventing environment air pollution
- Installed Humidification plant
- Installed dust absorption and dust suppression system
- The installed boilers use "jute process waste" as fuel instead of coal
- Installed overhead conveyor system for drying wet processed fibre "Morahs" by means of wind & solar energy in place of steam drying.
- Installed Voltaic Solar Panel System on roof top to save Electricity
- Kitchen & garden waste used to generate bio-gas





Going global



Gloster has significant international presence with exports to countries such as USA, Australia, New Zealand, Japan, Canada, and major European nations including UK, Netherlands and Germany. With the development of new products the company intends to tap new markets and hopes to create greater waves on foreign shores.

The circle of life

Life and death.
Two inevitable truths.
In the life cycle of human, plant and jute products.



वासांसि जीर्णानि यथा विहाय नवानि गृह्णाति नरोपराणि।
तथा शरीराणि विहाय जीर्णान्यन्यानि संयाति नवानि देहि ॥

*As a person gives up old and worn out garments and accepts new apparel
So does the soul give up old and worn out bodies and accept new bodies*

Bhagvad Gita, Chapter 2, Verse 22



Immortality of soul is the inevitable truth and the only constant; the ability to live forever is celebrated in the Bhagvad Gita. The journey of a soul continues infinitely and only its form changes.

The body depletes on finishing its life journey and becomes one with the five elements, but the soul is immortal and exists eternally and is replenished with the birth of a new life.

We are all of the opinion that the end of the earthly life of Gopal babu is truly not the end of his legacy. He will continue to inspire us with his ideals and vision and be the guiding force for the company to achieve new pinnacles of success.

Jute as a biodegradable product continues its lifecycle in some form or the other. Jute has the 3 R's as the basis of its existence-Reduce, Replenish and Recycle.

Jute springs in all its vitality from the earth, provides precious raw material for superior products, allows multiple use & recycling and finally replenishes and organically enriches the soil. It provides the basis for a benign environment through its bio-degradable properties and paves the foundation of a sustainable community and business future. In short, even at the end of its life cycle, jute, the principal product of Gloster Ltd., continues to enrich the soil to which it returns.



Financial Highlights

Year Ended	Share Capital (` lakhs)	Reserves (` lakhs)	Net Worth (` lakhs)	Income From Operations (` lakhs)	Net Profit (` lakhs)	Cash Profit (` lakhs)	Earnings Per Share (`)	Cash Earnings Per Share (`)	Book Value (`)	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%
31-03-2015	523	35,749	36,272	32,542	1,324	2,237	25	43	693	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.



CORPORATE INFORMATION

Board of Directors	:	G.D. Bangur - Executive Chairman (up to 07-06-2015) Hemant Bangur – Chairman (w.e.f 13-08-2015) D.C. Baheti - Managing Director Nandita Sen S.N. Bhattacharya K. Mahapatra Dr. Prabir Ray
Company Secretary	:	Ajay Kumar Agarwal
Chief Financial Officer	:	Shankar Lal Kedia
Bankers	:	State Bank of India Yes Bank Ltd. Bank of Baroda HDFC Bank ICICI Bank Ltd.
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 E-mail : mdpldc@yahoo.com
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



Distribution of Revenue for the year 2014-15

Cost of Raw Material	50.61%
Mfg. & Other Expenses	39.06%
Depreciation	2.76%
Finance Cost	1.48%
Tax	2.08%
Profit (PAT)	4.01%



Distribution of Revenue for the year 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%





DIRECTORS' REPORT

TO THE MEMBERS

Your Directors take pleasure in presenting the Twenty Third Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2015.

FINANCIAL RESULTS

The highlights of the financial results of the Company for the year ended 31st March, 2015 are as under: (₹ lakhs)

Particulars	Standalone		Consolidated	
	Year Ended 31.3.2015	Year Ended 31.3.2014	Year Ended 31.3.2015	Year Ended 31.3.2014
Revenue from operations	32,542.33	33,601.93	32,927.14	33,601.93
Total Expenses	29,630.99	30,752.25	30,016.75	30,753.38
Operating Profit Before Depreciation & Finance Costs	2,911.34	2,849.68	2,910.39	2,848.55
Finance Costs	488.01	530.14	488.63	530.14
Depreciation/Amortization	912.50	754.93	912.50	754.93
Operating Profit After Depreciation & Finance Costs	1,510.83	1,564.61	1,509.26	1,563.48
Other Income	500.55	455.27	657.84	522.34
Gross Profit before Tax & Exceptional Items	2,011.38	2,019.88	2167.10	2,085.82
Tax Expense (including Deferred Tax)	687.83	611.52	711.57	617.45
Profit for the year	1,323.55	1,408.36	1,455.53	1,468.37
Balance brought forward from previous year	495.55	554.57	617.42	616.43
Amount available for appropriation	1,819.10	1,962.93	2,072.95	2,084.80
Appropriations				
Provision for Proposed Dividend	314.01	314.01	314.01	314.01
Dividend Tax	63.92	53.37	63.92	53.37
Transfer to General Reserve	800.00	1,100.00	800.00	1,100.00
Adjustment on evaluation of useful life of Fixed Assets	217.97	-	217.97	-
Balance carried forward	423.20	495.55	677.05	617.42

DIVIDEND AND RESERVES

Your Directors have recommended for your approval a dividend of 60% i.e. ₹ 6/- per equity share for the year ended 31st March, 2015. The total outflow for dividend will be ₹ 377.93 lakhs including ₹ 63.92 lakhs by way of dividend tax.

During the year under review, a sum of ₹ 800 lakhs was transferred to General Reserve.

OPERATIONS

STATE OF COMPANY'S AFFAIRS

The production & sales during the year under review has been 44,752 MT & 45,151 MT in comparison to 50,547 MT & 50,844 MT respectively in the previous year. Net profit for the year under

review stood at ₹ 1,323.55 lakhs as against ₹ 1,408.36 lakhs for the financial year 2013-14.

There was temporary suspension of work for a period of six days only during the month of September, 2014.

Financial year 2014-15 was a difficult year for the jute industry with continued dilution in the compulsory packing norms for food grains and sugar under Jute Packaging Materials (Compulsory use for Packing Commodities) Act, 1987 (JPMA), to the extent of 90% & 20% of production respectively and sluggish demand from other quarters. Net profit of the Company stood at ₹ 1,323.55 lakhs registering a decline of 6% as compared to last year due to better pricing and operational efficiencies. The current financial year i.e. 2015-16 is also expected to be challenging for the industry.



The year under review witnessed higher raw jute prices due to lower than estimated crop during the jute season.

The initial forecast of raw jute crop in the forthcoming jute season is also not good. Further, there is low carryover of raw jute stock at the beginning of current 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 in value terms stood at ` 8,919.91 lakhs during the year under review as against ` 9,049.50 lakhs in the year 2013-14.

The Company is exploring new products as well as new overseas markets and is taking all possible measures to enhance export sales in foreseeable future.

MODERNIZATION

Your Company believes in sustainable development and continues to maintain its thrust on modernization and diversification. The Company's 5th Phase of modernization at an estimated Project cost of ` 22 Crores is at an advanced stage of completion.

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 ratings for all existing & proposed bank facilities have been reviewed and rated by CRISIL Limited.

CRISIL has reaffirmed its rating for long-term bank facilities to CRISIL A/Stable and for short-term bank facilities to CRISIL A1.

The rating affirmation reflects the consistency in Company's business risk profile marked by sustained scale of operations and profitability.

CHANGE IN NATURE OF BUSINESS, IF ANY

During the year, there was no change in the nature of business of the Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

SUBSIDIARY COMPANIES

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

During the year under review, the Company divested its entire stake in its subsidiary viz Gloster Gujrat Limited. As a result of the sale of shares, Gloster Gujrat Limited ceased to be the subsidiary of the Company with effect from 28th March, 2015.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of subsidiaries in Form AOC 1 is attached with this report.

The Annual accounts of the subsidiary companies and other related detailed information will be kept at the Registered Office of the Company and also at the Registered Office of the subsidiary company and will be available to the investors seeking information at any time during the working hours of the Company except Saturday. Further as per section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of the subsidiaries are available at Company's website at www.glosterjute.com.

PERFORMANCE OF SUBSIDIARY COMPANIES

Gloster Lifestyle Limited

The Gross revenue of the Company stood at ` 269.12 lakhs (Previous Year ` 33.46 lakhs). Profit after tax for the year stood at ` 64.24 lakhs (Previous Year ` 30.20 lakhs).

Gloster Specialities Limited

The Gross revenue of the Company stood at ` 271.86 lakhs (Previous Year ` 33.34 lakhs). Profit after tax for the year stood at ` 66.65 lakhs (Previous Year ` 27.77 lakhs).

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 forms part of the Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

In terms of requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis Report is attached as **Annexure I** and forms part of this Report.

CORPORATE GOVERNANCE

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



the requirements of the Corporate Governance is separately attached forms part of this Annual Report.

SHARE CAPITAL

The Paid-up share capital of the Company as on 31st March, 2015 stood at ` 523.34 lakhs. During the year under review, the Company has not issued any shares with or without differential voting rights nor has granted any stock options or sweat equity. As on 31st March, 2015, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

In accordance with clause 5A of the Listing Agreement which provides the manner of dealing with the shares issued in physical format pursuant to a public issue or any other issue which remains unclaimed with the Company, the Company has transferred 16,964 equity shares to “Gloster Limited Unclaimed Securities Suspense Account” during the year.

NUMBER OF BOARD MEETINGS HELD

During the financial year ended 31st March, 2015, four Board Meetings were held on 03.05.2014, 14.08.2014, 01.11.2014 and 13.02.2015. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

The details of number of meetings of the Board held during the Financial Year 2014-15 forms part of Corporate Governance Report.

MEETINGS OF INDEPENDENT DIRECTORS

During the financial year 2014-15, the Independent Directors met separately on 13th February, 2015, and inter-alia discussed the following:

- Evaluation of performance of Non- Independent Directors and the Board of Directors as a whole.
- Evaluation of performance of the Executive Chairman of the Company, taking into account the views of Executive and Non-Executive Directors.
- Evaluation of the quality, contents and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

BOARD EVALUATION

In terms of the provisions of the Companies Act, 2013 read with Rules issued there under and Clause 49 of the Listing Agreement, the Board of Directors have evaluated its own effectiveness for the financial year 2014-15 along with that of its various committees and details of such evaluation has been mentioned in the Corporate Governance Report.

COMMITTEES OF THE BOARD

Audit Committee

The composition and terms of reference of the Audit Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report. There has been no instance where the Board has not accepted the recommendations of the Audit Committee.

Nomination and Remuneration Committee

The composition and terms of reference of the Nomination and Remuneration Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report.

Stakeholders Relationship Committee

The composition and terms of reference of the Stakeholder Relationship Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report.

The details pertaining to Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee are included in the Corporate Governance Report which forms part of this Annual Report.

DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Company's Articles of Association, Shri Dharam Chand Baheti, Managing Director (DIN 00040953) retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment.

The shareholders in the Annual General Meeting held on 6th September 2014 approved the appointment of existing Independent Directors Smt Nandita Sen (DIN 00278392), Shri Satyendra Nath Bhattacharya (DIN 06758088), Shri Krutibas Mahapatra (DIN 00288099) and Dr. Prabir Ray (DIN 00698779) as Independent Directors of the Company under the Companies Act, 2013, not liable to retirement by rotation, to hold office from the date of the said Annual General Meeting till 31st March, 2019. As per the provisions of Section 149(1) of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement, the Company has one Woman Director on its Board.

The independent Directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

A Formal Letter setting out the terms and conditions of appointment has been issued to all the Independent Directors as per the provisions of Companies Act, 2013 and clause 49(II) (B) of the amended Listing Agreement with the Stock Exchanges. The same has been hosted on the Company's website and can be accessed at <http://www.glosterjute.com/documents/apntdir.pdf>.



None of the Directors of the Company are disqualified for being appointed as Directors, as specified in section 164(2) of the Companies Act, 2013 and rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules 2014.

A brief resume of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting is incorporated in the Notice calling the said meeting.

During the year the Company had four Key Managerial Personnel – Shri Gopal Das Bangur, Executive Chairman, Shri Dharam Chand Baheti, Managing Director, Shri Ajay Kumar Agarwal, Company Secretary and Shri Shankar Lal Kedia, CFO.

No changes in the Key Managerial Personnel position took place during the year under review.

NOMINATION & REMUNERATION POLICY

The Nomination and Remuneration Committee has formulated a policy relating to the remuneration for the Directors, Key Managerial Personnel and Senior Manager Personnel. The philosophy for remuneration is based on the commitment of fostering a culture of leadership with trust. The remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013, and Clause 49 of the Listing Agreement.

The key principles governing the Remuneration policy are as follows:

- Market competitiveness
- Role played by the individual
- Complexity of the sector/ industry/ company's operations and the company's capacity to pay
- Consistent with recognized best practices and
- Aligned to any regulatory requirements

The Managing / Whole-time Directors /Key Managerial Personnel / Senior Manager Personnel are paid salary, benefits, perquisites and allowances in accordance with Remuneration policy.

The details of Remuneration paid to Managing / Whole-time Directors and Non-Executive Directors are stated in the Corporate Governance Report.

The Nomination & Remuneration Policy is attached as **Annexure II** and forms part of this report.

FAMILIARIZATION PROGRAMME

The Independent Directors have been familiarized with the nature of operations of the Company & the industry in which it operates, business model of the Company. The details of familiarization

programme have been posted in the website of the Company and can be accessed at <http://www.glosterjute.com/documents/FPID.pdf>.

WHISTLE BLOWER POLICY

The Company has adopted a Vigil Mechanism / 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. The policy has been uploaded in the website of the Company and can be accessed at <http://www.glosterjute.com/documents/WBPolicy.pdf>.

RELATED PARTY TRASACTIONS

The contracts/arrangements/transactions entered into by the Company with the related parties during the financial year under reporting were in ordinary course of business and were negotiated on an arms' length basis with the intention to further the Company's interest. No material Contracts or arrangement with related parties were entered into during the year under review. There are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. Accordingly, no transactions are being reported in Form No. AOC – 2 in terms of section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval. Where required, prior omnibus approval of the Audit Committee is obtained for transactions which are of a foreseen and repetitive in nature and the corresponding actual transactions become a subject of review at subsequent Audit Committee Meetings.

The policy on Related Party Transactions has been uploaded on the website of the Company and can be accessed at <http://www.glosterjute.com/documents/RPTPolicy.pdf>.

The details of the transactions with related parties during 2014-15 are provided in the accompanying financial statements.

None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a CSR Committee and has simultaneously approved and adopted a CSR policy based on the recommendations of the CSR Committee. The said policy is available on the website of your Company and can be accessed at <http://www.glosterjute.com/documents/CSRPpolicy.pdf>.



As on 31st March, 2015 the Committee consists of four Members, comprising:

Name of the Members	Category
Shri Hemant Bangur	Non Executive Vice Chairman
Shri Dharam Chand Baheti	Managing Director
Smt Nandita Sen	Independent Director
Shri Krutibas Mahapatra	Independent Director

The Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in **Annexure III** and forms part of this Report.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has effective internal controls in place which are constantly reviewed. The Company's internal control system is commensurate with its size, scale and operations. Detailed procedures are in place to ensure that all assets are safeguarded and protected against loss.

The Internal Audit is carried on by M/s. S.S. Kothari & Co. The Internal Audit function gives thrust to test and review controls and systems that are in place. The Audit Committee of the Board also reviews the Internal Audit functions

The Audit Committee of the Board reviews the Internal Audit report and corrective actions taken on the findings are also reported to the Audit Committee.

RISK MANAGEMENT

The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. The Company has been addressing various risks impacting the Company through a Risk Management procedure in place. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

AUDITORS & AUDITOR'S REPORT

The members had at the 22nd Annual General Meeting held on 6th September 2014, approved the appointment of Messrs Lovelock & Lewes, Chartered Accountants, (Firm Registration No.-301056E), as Statutory Auditors of the Company from the conclusion of 22nd Annual General Meeting till the conclusion of the 25th Annual General Meeting of the Company. The said appointment of the Statutory Auditors would be proposed for ratification at the ensuing Annual General Meeting

The Auditor's report on the financial statements for the year 2014-15 does not contain any qualifications, reservations or adverse remarks.

COST AUDITORS

The Board of Directors have appointed M/s D. Radhakrishnan & Co. Cost Accountants as Cost Auditors for conducting the audit of cost records of the Company for the financial year 2015-16.

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 2015-16 would be placed at the ensuing Annual General Meeting for ratification.

SECRETARIAL AUDITOR

Pursuant to provisions of Section 204 of the Companies Act, 2013, and rules made there under, the Board has appointed M/s. M K B & Associates, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended 31st March, 2015 is attached as **Annexure IV** and forms part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

EXTRACT OF THE ANNUAL RETURN

The extracts of Annual return pursuant to Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached as **Annexure V** and forms part of this Report.

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

Information required under section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is attached as **Annexure VI** and forms part of this Report.

PARTICULARS OF EMPLOYEES

The information required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure VIIA** and forms part of this Report.

The details of employees who are in receipt of remuneration exceeding the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure VIIB**, and forms part of this Report.

DEPOSITS

Your company has not accepted deposits from public as envisaged under Section 73 to 76 of Companies Act, 2013 read with Companies (Acceptance of Deposit) Rule, 2014.



PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(3)(c) of the Companies Act, 2013 your Directors confirm that :

- i) In the preparation of Annual Accounts, the applicable Standards have been followed and that there are no material departures;
- ii) 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) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts have been prepared on a going concern basis;
- v) The Directors have laid down internal financial controls for the Company which are adequate and are operating effectively;
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

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.

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 endeavor to build and nurture strong links with trade, based on mutuality, respect and co-operation with each other.

DEPOSITORY SYSTEM

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

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the Rules thereunder for prevention, prohibition and redressal of complaints of sexual harassment at workplace. During the year, no complaint was lodged with the Internal Complaints Committee.

ACKNOWLEDGEMENT

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, support and spirit, your Company's achievements would not have been possible. Your Directors also wish to thank its customers, brokers dealers, agents, suppliers, 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.

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

Hemant Bangur - Vice Chairman

Dharam Chand Baheti - Managing Director

Place: Kolkata

Dated: 16th May, 2015



ANNEXURE-I TO THE DIRECTORS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry structure and developments

By a notification during the year under review the Government of India has maintained the dilution in the compulsory packing norms for food grains and sugar under Jute Packaging Materials (Compulsory use for Packing Commodities) Act, 1987 (JPMA), to the extent of 90% & 20% of production respectively. The said notification is valid upto June 2015.

b) Opportunities and Threats/Risks & Concerns

Opportunities

- Weak rupee may offer better opportunity for export of jute products at competitive prices;
- More & more concerns are being shown for reducing carbon foot prints world over and this opens doors for use of more biodegradable & sustainable products made from natural fibers like jute;
- Demand for promotional bags, lifestyle products & made ups and jute geo textiles are expected to see an upsurge;
- The industry is getting incentives under different schemes as below:
 - (i) The Technology up gradation Fund Scheme (RRTUF Scheme) for modernization / expansion, under the Ministry of Textiles, Government of India has been extended up to 31.03.2017 and specified machineries are eligible for 10% Capital Subsidy over and above 5% interest reimbursement under RRTUFF Scheme.
 - (ii) Incentive Scheme for Acquisition of Plants & Machinery (ISAPM) 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 Crores per jute mill during the period.

- (iii) The Government has introduced a new export incentive scheme named as Merchandise Exports from India Scheme (MEIS) for export of specified goods to specified countries. Incentive under MEIS shall be payable as percentage of realised FOB value in free foreign currency in the form of duty free scrips of 5% on products exported by the Company.

Risk & Concern/ Threat

- Dilution of compulsory Jute Packing Order and lower order from government quarters can adversely affect the market of jute products;
- Moderate monsoon forecast in the current year may affect food grain & sugar cane crop, thereby affecting the requirement of jute packaging materials;
- Ever increasing dearness allowance and related increase in employee cost lead to regular increase in overall cost of production;
- Raw jute, being an agricultural produce, may vary in respect of quality and quantity depending on weather conditions and may adversely affect the performance;
- Dumping of jute goods in India from Bangladesh at significantly lower prices may adversely affect the domestic jute sector / industry;
- More competition from synthetic packaging materials specifically because of falling crude prices;

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	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Segment revenue by location of customers	23,136.11	24,096.36	8,919.91	9,049.50	32,056.02	33,145.86
Carrying amount of segment assets	1,458.73	989.85	309.65	484.87	1,768.38	1,474.72
Additions to tangible and intangible assets	989.79	1,311.70	–	–	989.79	1,311.70



d) Outlook

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

The Company's 5th Phase of modernization at an estimated Project cost of ₹ 22 Crores is under progress and nearly under completion which will result into better product mix and maximizing sale value.

Your management is continuing its efforts to improve the efficiency which should result into better performance.

e) Internal control systems and their adequacy

The Company has adequate internal control system commensurate with the size, scale and complexity of its operations 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.

f) Discussion on financial performance with respect to operational performance

The following are the significant areas of financial performance:

₹ lakhs

Particulars	2014-15	2013-14	Increase/ (Decrease)
Revenue from operations	32,542.33	33,601.93	(1,059.60)
Raw material cost	16,714.41	17,329.21	(614.80)
Finance costs	488.01	530.14	(50.13)
Profit for the year	1,323.55	1,408.36	(84.81)

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 schemes 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 future 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, currency fluctuation and other factors such as litigation.



ANNEXURE-II TO THE DIRECTORS REPORT

NOMINATION & REMUNERATION POLICY

1. Preamble

1.1 The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors, ("Board"), Key Managerial Personnel ("KMP") and Senior Managerial Personnel ("SMP"). The expression 'Senior Management Personnel' means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads. In terms of Section 178 of the Companies Act, 2013 this Policy is being framed and formulated for laying down criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of Executives.

2. Aims & Objectives

The aims and objectives of this nomination & remuneration policy ("Policy") may be summarized as follows:

- 2.1 The Policy aims to enable the company to attract, retain and motivate highly qualified members for the Board, KMP and SMP.
- 2.2 The Policy aims to enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
- 2.3 The Policy seeks to ensure that the interests of Board members, KMP and SMP are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
- 2.4 The policy will ensure that remuneration to Directors involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

3. Principles of remuneration

- 3.1 Support for Strategic Objectives: Remuneration and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.
- 3.2 Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- 3.3 Internal equity: The Company shall remunerate the Board members, KMP and SMP in terms of their roles within the organisation.

3.4 External equity: The Company shall strive to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.

3.5 Flexibility: Remuneration shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.

3.6 Performance-Driven Remuneration: The Company shall entrench a culture of performance driven remuneration.

3.7 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

4 Policy for selection and appointment of the Board Members and determining Directors' independence

4.1 Board membership criteria

4.1.1 The Nomination & Remuneration Committee, along with the Board shall review on an annual basis, appropriate skills, characteristics and experience required of the Board Members for the better management of the Company. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.

4.1.2 In evaluating the suitability of individual Board members, the Committee will take into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements.

4.1.3 The policy seeks to ensure that Directors should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency. The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance.

4.1.4 The Directors must devote sufficient time and energy in carrying out their duties and



responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

4.1.5 The proposed appointee shall also fulfill the following requirements:

4.1.5.1 Shall not be disqualified under the Companies Act, 2013;

4.1.5.2 Shall give his written consent to act as a Director;

4.1.5.3 Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;

4.1.5.4 Shall abide by the Code of Conduct established by the Company for Directors, KMP and SMP;

4.1.5.5 Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals.

4.1.6 The Nomination and Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

4.1.7 The Nomination and Remuneration Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2 **Selection of Board Members/ extending invitation to a potential director to join the Board**

The Nomination & Remuneration Committee will periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Nomination & Remuneration Committee shall also identify suitable candidates in the event of a vacancy

being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member.

5 **Compensation Structure**

5.1 Remuneration to Non-Executive Directors:

The Non-executive Directors of the Company will be paid remuneration by way of sitting fees for attending the meetings of the Board of Directors and its Committees. The said sitting fees paid to the Non-executive Directors for the Board Meetings and Committee meetings will be fixed by the Board and reviewed from time to time in accordance with applicable law. The Non-executive Directors may be paid such commission as the Board may approve from time to time subject to limits prescribed from time to time in the Act or Rules made thereunder.

5.2 Remuneration to Executive Directors, KMPs & SMPs;

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), KMP and SMP. Their remuneration are governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards.

The remuneration determined for Managing Director / Whole Time Directors (MD/WTDs), is approved by the Board of Directors, by the members at the next general meeting of the Company and by the Central Government if required.

6 **Supplementary provisions**

6.1 Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant State laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.

6.2 The right to interpret this Policy vests in the Board of Directors of the Company.



ANNEXURE-III TO THE DIRECTORS REPORT

ANNUAL REPORT ON CSR ACTIVITIES

1. The Company is conscious of its social responsibilities and acts as a responsible corporate citizen. The Company believes that integrating social, environmental and ethical responsibilities into the governance of businesses ensures their long term success, competitiveness and sustainability. In terms of section 135 of the Companies Act, 2013, the Board of Directors of the Company has constituted a CSR Committee.

The CSR Committee has developed a CSR Policy which lays down basic principles and the general framework of action for the Company to fulfill its CSR obligations in accordance with the framework of the Companies Act, 2013. The CSR policy is available on the website of the Company and can be accessed at <http://www.glosterjute.com/documents/CSRPolicy.pdf>.

During the year the CSR activities of the Company focused on Animal Welfare; Training to Promote Nationally Recognized Sport; Eradicating hunger, poverty, malnutrition, promoting health care including preventive health care; and Promoting education, including special education. The Company will continue to give thrust on the activities initiated during the year under review.

2. The Composition of the CSR Committee is as under:

Shri Hemant Bangur	: Chairman
Shri Dharam Chand Baheti	: Member
Smt. Nandita Sen	: Member
Shri K. Mahapatra	: Member

3. Average net profit of the company for last three financial years - ₹ 2,961.92 lakhs

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) – ₹ 59.24 lakhs

5. Details of CSR spent during the financial year:

a) Total amount to be spent for the financial year - ₹ 59.24 lakhs

b) Total Amount spent during the year – ₹ 34.71 lakhs

c) Amount unspent, if any – ₹ 24.53 lakhs

d) Manner in which the amount spent during the financial year is detailed below:

₹ in lakhs

Sl. No.	CSR Project or activity identified	Sector in which the project is covered (vide schedule VII to the Companies Act, 2013)	Projects or programs Local area or other Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
A	Animal Welfare	Item (iv)	Chapar, Rajasthan	11.00	11.00	11.00	Direct
B	Training to Promote Nationally Recognized Sport	Item (vii)	Kolkata, West Bengal	7.00	7.00	7.00	Direct
C	Eradicating hunger, poverty, malnutrition, promoting health care including preventive health care	Item (i)	Bauria, West Bengal	6.13	6.13	6.13	Direct
D	Promoting education, including special education	Item (ii)	Bauria, West Bengal	10.58	10.58	10.58	Direct

6. Financial year 2014-15 was the first year for compliance of section 135 of the Companies Act, 2013 and the Company has been judicious to choose the activities and also to identify the areas. During the year, applications were received from a few organizations activities of which were aligned to the CSR policy of Company. The contributions made to the shortlisted organisations and the amount spent directly by the Company however fell short of the total obligation. The Company is committed to fulfill its CSR obligations during the coming financial years.

7. We hereby declare that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Dharam Chand Baheti

Managing Director

Hemant Bangur

Chairman CSR Committee

ANNEXURE-IV TO THE DIRECTORS REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Gloster Limited
21, Strand Road,
Kolkata - 700001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Gloster Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with provisions of applicable laws and regulations.

Based on the verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015, to the extent applicable according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules

and Regulations made thereunder to the extent of Overseas Direct Investments, Foreign Direct Investments and External Commercial Borrowings;

- v) The following Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act"), to the extent applicable: -
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

vi) As identified by the Management, the following laws are applicable specifically to the Company

- a. Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1987
- b. The Jute Manufactures Cess Act, 1983
- c. The Essential Commodities Act, 1955
- d. The National Jute Board Act, 2008

I have also examined compliance with the applicable clauses of the following:



- a) Secretarial Standards issued by The Institute of Company Secretaries of India (**Not notified during the period under Audit hence not applicable**).
- b) The Listing Agreements entered into by the Company with BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) None of the directors in any meeting dissented on any

resolution and hence there was no instance of recording any dissenting member's view in the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has passed following special resolutions which authorize the Board to exercise powers in relation thereto, but presently do not have a major bearing on the Company's affairs:

- (i) Increase in borrowing limits under section 180(1)(c) of the Companies Act 2013
- (ii) Sell, lease or dispose off, whole or substantially the whole of the undertaking of the Company under section 180(1) (a) of the Companies Act, 2013.

For **MKB & Associates**
Company Secretaries

Manoj Kumar Banthia
[Proprietor]
FCS no. 11470
COP no. 7596

Date: 16.05.2015
Place: Kolkata

ANNEXURE-V TO THE DIRECTORS REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2015
(Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS

1. CIN	L17119WB1992PLC054454
2. Registration Date	18.02.1992
3. Name of the Company	Gloster Limited
4. Category/Sub-category of the Company	Public Company limited by Shares
5. Address of the Registered Office & contact details	21, Strand Road, Kolkata 700 001 Phone +91 33 22309601 (4lines) Fax +91 33 22106167, +91 33 22314222
6. Whether listed company	Yes
7. Name, Address & contact details of the Registrar & Transfer Agent, if any,	Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, Kolkata 700 001 Phone +91 33 22435809

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Name and Description of main products/services	NIC Code of the products/services	% to total turnover of the Company
Jute Products	131, 139	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of shares Held	Applicable Section
1.	Gloster Lifestyle Limited	U18100WB2011PLC159678	Subsidiary Company	100%	Section2(87)
2.	Gloster Specialities Limited	U18109WB2011PLC159677	Subsidiary Company	100%	Section2(87)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

1. Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2014)				No. of Shares held at the end of the year (As on 31st March, 2015)				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A.	Promoters									
1)	Indian									
a)	Individual/HUF	7,80,344	5,712	7,86,056	15.02	8,38,385	5,712	8,44,097	16.13	1.11
b)	Central Govt.	0	0	0	0	0	0	0	0	0
c)	State Govt(s)	0	0	0	0	0	0	0	0	0
d)	Body Corporate	26,74,963	0	26,74,963	51.11	26,35,305	0	26,35,305	50.36	-0.75
e)	Banks/FI	0	0	0	0	0	0	0	0	0
f)	Any other	0	0	0	0	0	0	0	0	0
	Sub total (A) (1):	34,55,307	5,712	34,61,019	66.13	34,73,690	5,712	34,79,402	66.49	0.36
2)	Foreign									
a)	NRIs Individuals	0	0	0	0	0	0	0	0	0
b)	Other Individuals	0	0	0	0	0	0	0	0	0
c)	Bodies Corporate	0	0	0	0	0	0	0	0	0
d)	Banks/FI	0	0	0	0	0	0	0	0	0
e)	Any other	0	0	0	0	0	0	0	0	0
	Subtotal (A)(2):	0	0	0	0	0	0	0	0	0
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	34,55,307	5,712	34,61,019	66.13	34,73,690	5,712	34,79,402	66.49	0.36
B.	Public Shareholding									
1)	Institutions									
a)	Mutual Funds/UTI	0	0	0	0	0	0	0	0	0
b)	Banks/FI	2,492	6,084	8,576	0.16	2,492	6,042	8,534	0.16	0
c)	Central Govt.	0	0	0	0	0	0	0	0	0
d)	State govt(s)	0	0	0	0	0	0	0	0	0
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f)	Insurance companies	11,67,042	0	11,67,042	22.30	11,51,597	0	11,51,597	22.00	-0.30
g)	FII's	0	0	0	0	0	0	0	0	0
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i)	Others(specify)	0	0	0	0	0	0	0	0	0
	Sub-total(B)(1):	11,69,534	6,084	11,75,618	22.46	11,54,089	6,042	11,60,131	22.16	-0.30



	Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2014)				No. of Shares held at the end of the year (As on 31st March, 2015)				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
2.	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	46,597	10,892	57,489	1.10	77,963	7,884	85,847	1.64	0.54
ii)	Overseas	0	0	0	0	0	0	0	0	0
b)	Individuals									
i)	Individual share holders holding nominal share capital upto ₹ 1 lakh	4,25,188	90,804	5,15,992	9.86	3,91,930	74,047	4,65,977	8.90	-0.96
ii)	Individual share holders holding nominal share capital in excess of ₹ 1 lakh	15,040	0	15,040	0.29	28,112	0	28,112	0.54	0.25
c)	Others (specify)									
	Trusts	20	0	20	0	8,764	0	8,764	0.17	0.17
	Clearing Members	1,039	0	1,039	0.02	402	0	402	0.01	-0.01
	Non Resident Individual	2,183	5,040	7,223	0.14	2,123	2,682	4,805	0.09	-0.05
	Subtotal (B)(2)	4,90,067	1,06,736	5,96,803	11.41	5,09,294	84,613	5,93,907	11.35	-0.06
	Total Public Shareholding (B)=(B)(1) +(B)(2)	16,59,601	1,12,820	17,72,421	33.87	16,63,383	90,655	17,54,038	33.51	-0.36
C.	Share held by Custodian for GDRs & ADRs (C)	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	51,14,908	1,18,532	52,33,440	100.00	51,37,073	96,367	52,33,440	100.00	0



ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	
1	Kettlewell Bullen and Company Limited	9,23,944	17.66	0	8,93,903	17.08	0	(0.58)
2	The Oriental Company Limited	7,55,008	14.43	0	7,55,008	14.43	0	0
3	Madhav Trading Corporation Limited	5,73,181	10.95	0	5,91,564	11.31	0	0.36
4	Credwyn Holdings (India) Pvt Ltd	3,05,190	5.83	0	3,05,190	5.83	0	0
5	Gopal Das Bangur	1,78,570	3.41	0	1,78,570	3.41	0	0
6	Pushpa Devi Bangur	1,37,210	2.62	0	1,70,210	3.25	0	0.63
7	Hemant Kumar Bangur HUF	1,69,912	3.25	0	1,69,912	3.25	0	0
8	Hemant Bangur	1,36,666	2.61	0	1,36,666	2.61	0	0
9	Vinita Bangur	1,08,400	2.07	0	1,33,441	2.55	0	0.48
10	The Cambay Investment Corporation Limited	1,11,192	2.12	0	83,192	1.59	0	(0.53)
11	Gopal Das Bangur HUF	49,186	0.94	0	49,186	0.94	0	0
12	Wind Power Vinimay Pvt. Ltd.	6,448	0.12	0	6,448	0.12	0	0
13	Purushottam Dass Bangur	5,312	0.05	0	5,312	0.05	0	0
14	Pranov Bangur	400	0.01	0	400	0.01	0	0



iii. Change in Promoters' Shareholding

Sr. No.	Particulars	Share holding/ Transaction Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Kettlewell Bullen and Company Limited					
	At the beginning of the year	01.04.2014	9,23,944	17.66	9,23,944	17.66
	Transfer	12.09.2014	(30,041)	(0.58)	8,93,903	17.08
	At the end of the year	31.03.2015	–	–	8,93,903	17.08
2	Madhav Trading Corporation Limited					
	At the beginning of the year	01.04.2014	5,73,181	10.95	5,73,181	10.95
	Acquisition	24.10.2014	263	0.01	5,73,444	10.96
	Acquisition	31.10.2014	240	0.00	5,73,684	10.96
	Acquisition	19.12.2014	222	0.00	5,73,906	10.97
	Acquisition	31.12.2014	185	0.00	5,74,091	10.97
	Acquisition	23.01.2015	3,568	0.07	5,77,659	11.04
	Acquisition	30.01.2015	475	0.01	5,78,134	11.05
	Acquisition	06.02.2015	673	0.01	5,78,807	11.06
	Acquisition	27.02.2015	5,752	0.11	5,84,559	11.17
	Acquisition	13.03.2015	2,000	0.04	5,86,559	11.21
	Acquisition	20.03.2015	2,165	0.04	5,88,724	11.25
	Acquisition	27.03.2015	2,000	0.04	5,90,724	11.29
	Acquisition	31.03.2015	840	0.02	5,91,564	11.31
	At the end of the year	31.03.2015	–	–	5,91,564	11.31
3	Pushpa Devi Bangur					
	At the beginning of the year	01.04.2014	1,37,210	2.62	1,37,210	2.62
	Transfer	12.09.2014	33,000	0.63	1,70,210	3.25
	At the end of the year	31.03.2015	–	–	1,70,210	3.25
4	Vinita Bangur					
	At the beginning of the year	01.04.2014	1,08,400	2.07	1,08,400	2.07
	Transfer	12.09.2014	25,041	0.48	1,33,441	2.55
At the end of the year	31.03.2015	–	–	1,33,441	2.55	
5	The Cambay Investment Corporation Limited					
	At the beginning of the year	01.04.2014	1,11,192	2.12	1,11,192	2.12
	Transfer	12.09.2014	(28,000)	(0.53)	83,192	1.59
	At the end of the year	31.03.2015	–	–	83,192	1.59



iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding/ Transaction Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Life Insurance Corporation of India					
	At the beginning of the year	01.04.2014	11,67,042	22.30	11,67,042	22.30
	Disposal	31.12.2014	(1,350)	(0.03)	11,65,692	22.27
	Disposal	02.01.2015	(1,000)	(0.02)	11,64,692	22.25
	Disposal	09.01.2015	(11,095)	(0.21)	11,53,597	22.04
	Disposal	16.01.2015	(2,000)	(0.04)	11,51,597	22.00
	At the end of the year	31.03.2015	–	–	11,51,597	22.00
2	KB Capital Markets Pvt. Ltd.					
	At the beginning of the year	01.04.2014	24,500	0.47	24,500	0.47
	At the end of the year	31.03.2015	–	–	24,500	0.47
3	Harimohan Bangur					
	At the beginning of the year	01.04.2014	15,040	0.29	15,040	0.29
	At the end of the year	31.03.2015	–	–	15,040	0.29
4	Equanimity Realty Private Limited					
	At the beginning of the year	01.04.2014	–	–	–	–
	Acquisition	27.03.2015	14,459	0.28	14,459	0.28
	At the end of the year	31.03.2015	–	–	14,459	0.28
5	Chetan Dhiresbhai Shah					
	At the beginning of the year	01.04.2014	–	–	–	–
	Acquisition	31.12.2014	6,660	0.13	6,660	0.13
	Acquisition	02.01.2015	550	0.01	7,210	0.14
	Acquisition	09.01.2015	2,505	0.05	9,715	0.19
	Acquisition	16.01.2015	1,993	0.04	11,708	0.23
	Acquisition	23.01.2015	1,385	0.02	13,093	0.25
	Disposal	13.02.2015	(21)	0.00	13,072	0.25
	At the end of the year	31.03.2015	–	–	13,072	0.25
6	Sheth Azam Hazi Aref Bham Wakaf					
	At the beginning of the year	01.04.2014	–	–	–	–
	Acquisition	22.08.2014	8,744	0.17	8,744	0.17
	At the end of the year	31.03.2015	–	–	8,744	0.17



Sr. No.	For Each of the Top 10 Shareholders	Shareholding/ Transaction Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	Benu Gopal Bangur					
	At the beginning of the year	01.04.2014	7,808	0.15	7,808	0.15
	At the end of the year	31.03.2015	–	–	7,808	0.15
8	Sanjiv Dhiresbhai Shah					
	At the beginning of the year	01.04.2014	–	–	–	–
	Acquisition	28.11.2014	2,894	0.06	2,894	0.06
	Acquisition	05.12.2014	674	0.01	3,568	0.07
	Acquisition	12.12.2014	2,122	0.04	5,690	0.11
	Acquisition	19.12.2014	437	0.00	6,127	0.11
	At the end of the year	31.03.2015	–	–	6,127	0.11
9	Vijay Kumar Agarwala					
	At the beginning of the year	01.04.2014	2,800	0.05	2,800	0.05
	Acquisition	13.06.2014	3,000	0.06	5,800	0.11
	Acquisition	20.06.2014	458	0.01	6,258	0.12
	Acquisition	30.06.2014	442	0.00	6,700	0.12
	Acquisition	04.07.2014	100	0.00	6,800	0.12
	Acquisition	11.07.2014	800	0.02	7,600	0.14
	Acquisition	18.07.2014	50	0.00	7,650	0.14
	Acquisition	08.08.2014	50	0.00	7,700	0.14
	Acquisition	14.08.2014	250	0.00	7,950	0.14
	Acquisition	30.09.2014	150	0.00	8,100	0.14
	Disposal	06.03.2015	(700)	(0.01)	7,400	0.13
	Disposal	13.03.2015	(1,700)	(0.03)	5,700	0.10
	Disposal	20.03.2015	(400)	(0.00)	5,300	0.10
At the end of the year	31.03.2015	–	–	5,300	0.10	
10	Bharti Shroff					
	At the beginning of the year	01.04.2014	5,208	0.10	5,208	0.10
	At the end of the year	31.03.2015	–	–	5,208	0.10
11	Keshav Kumar Kothari					
	At the beginning of the year	01.04.2014	5,200	0.10	5,200	0.10
	At the end of the year	31.03.2015	–	–	5,200	0.10



Sr. No.	For Each of the Top 10 Shareholders	Shareholding/ Transaction Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12	Madan Gopal Bangur					
	At the beginning of the year	01.04.2014	4,800	0.92	4,800	0.92
	At the end of the year	31.03.2015	–	–	4,800	0.92
13	Kusum Mohta					
	At the beginning of the year	01.04.2014	4,800	0.92	4,800	0.92
	At the end of the year	31.03.2015	–	–	4,800	0.92
14	United Commercial Bank					
	At the beginning of the year	01.04.2014	4,800	0.92	4,800	0.92
	At the end of the year	31.03.2015	–	–	4,800	0.92
15	Pratik Shailesh Shah					
	At the beginning of the year	01.04.2014	6,000	0.11	6,000	0.11
	Disposal	06.06.2014	250	0.00	5,750	0.11
	Disposal	13.06.2014	627	0.01	5,123	0.10
	Disposal	20.06.2014	555	0.01	4,568	0.09
	Disposal	30.06.2014	690	0.02	3,878	0.07
	Disposal	04.07.2014	278	0.00	3,600	0.07
	Disposal	08.08.2014	237	0.01	3,363	0.06
	Disposal	14.08.2014	363	0.00	3,000	0.06
	Disposal	29.08.2014	401	0.01	2,599	0.05
	Disposal	05.09.2014	99	0.00	2,500	0.05
	Disposal	23.01.2015	2,500	0.05	–	–
	At the end of the year	31.03.2015	–	–	–	–
16	Champa Devi					
	At the beginning of the year	01.04.2014	7,088	0.15	7,088	0.15
	Disposal	29.08.2014	7,088	0.15	–	–
	At the end of the year	31.03.2015	–	–	–	–
17	Shoeb Ismail Jeewa					
	At the beginning of the year	01.04.2014	8,744	0.17	8,744	0.17
	Disposal	29.08.2014	8,744	0.17	–	–
	At the end of the year	31.03.2015	–	–	–	–



v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding/ Transaction Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Gopal Das Bangur – Executive Chairman					
	At the beginning of the year	01.04.2014	1,78,570	3.41	1,78,570	3.41
	At the end of the year	31.03.2015	–	–	1,78,570	3.41
2	Hemant Bangur – Vice Chairman					
	At the beginning of the year	01.04.2014	1,36,666	2.61	1,36,666	2.61
	At the end of the year	31.03.2015	–	–	1,36,666	2.61
3	Dharam Chand Baheti- Managing Director					
	At the beginning of the year	01.04.2014	3,160	0.06	3,160	0.06
	At the end of the year	31.03.2015	–	–	3,160	0.06
4	Ajay Kumar Agarwal – Company Secretary					
	At the beginning of the year	01.04.2014	600	0.01	600	0.01
	Disposal	04.04.2014	(25)	(0.00)	575	0.01
	Disposal	11.04.2014	(50)	(0.00)	525	0.01
	Disposal	18.04.2014	(125)	(0.00)	400	0.01
	Disposal	25.04.2014	(175)	(0.00)	225	0.01
	Disposal	16.05.2014	(225)	(0.00)	–	–
	At the end of the year	31.03.2015	–	–	–	–
5	Shankar Lal Kedia -CFO					
	At the beginning of the year	01.04.2014	600	0.01	600	0.01
	At the end of the year	31.03.2015	–	–	600	0.01



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(` In lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
i) Principal amount	5,456.79	188.55	–	5,645.34
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	17.32	–	–	17.32
Total (i+ii+iii)	5,474.11	188.55	–	5,662.66
Change in Indebtedness during the financial year				
Addition	–	–	–	–
Reduction	1,483.91	188.55	–	1,672.46
Net Change	(1,483.91)	(188.55)	–	(1,672.46)
Indebtedness at the end of the financial year				
i) Principal amount	3,979.68	–	–	3,979.68
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	10.52	–	–	10.52
Total (i+ii+iii)	3,990.20	–	–	3,990.20

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time-Director and/or Manager

(` In lakhs)

Sr. No.	Particulars of Remuneration	Shri Gopal Das Bangur Executive Chairman	Shri Dharam Chand Baheti Managing Director	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	75.49	67.97	143.46
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	8.30	9.80	18.10
	(c) Profit in lieu of salary u/s 17(3) of the Income Tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission			
	- as % of profit	–	–	–
	- others, specify	35.00	40.00	75.00
5	Others, please specify	–	–	–
	Total (A)	118.79	117.77	236.56
	Ceiling as per the Act (Being 10% of Net profits of the Company as calculated under section 198 of the Companies Act 2013)			240.49



B. Remuneration to other Directors

(` In lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Shri Hemant Bangur	Shri Bhaskar Mitter	Smt Nandita Sen	Shri Krutibas Mahapatra	Shri S N Bhattacharya	Dr. Prabir Ray	
1	Independent Directors							
	Fee for attending Board/Committee	–	–	0.80	1.00	0.30	0.30	2.40
	Commission	–	0.22	3.96	3.96	3.96	3.96	16.06
	Others, please specify	–	–	–	–	–	–	–
	Total B (1)	–	0.22	4.76	4.96	4.26	4.26	18.46
2	Other Non-Executive Directors							
	Fee for attending Board/Committee	1.00	–	–	–	–	–	–
	Commission	3.96	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–	–
	Total B (2)	4.96	–	–	–	–	–	4.96
	Total B = (B1+B2)	–	–	–	–	–	–	23.42

	Total Managerial Remuneration = (A+B)							259.98
	Overall Ceiling as per Act (Being 11% of Net profits of the Company as calculated under section 198 of the Companies Act)							264.54

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(` In lakhs)

Sr. No.	Particulars of Remuneration	Shri Ajay Kumar Agarwal Company Secretary	Shri Shankar Lal Kedia CFO	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	21.38	14.25	35.63
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	4.67	3.12	7.79
	(c) Profit in lieu of salary u/s 17(3) of the Income Tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission	–	–	–
	- as % of profit	–	–	–
	- others, specify	–	–	–
5	Others, please specify	–	–	–
	Total	26.05	17.37	43.42

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences for the year ending 31st March, 2015.



ANNEXURE-VI TO THE DIRECTORS REPORT

Information under Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014:

A. Conservation of Energy

The steps taken towards Conservation of Energy are enumerated below:

- I. Retrofitting and replacement of old motors, pumps, air compressor etc. with modern energy efficient identical
- II. Installation of automated lighting controls & sensors and changing over to more efficient lighting solutions such as Light Emitting Diodes (LED)
- III. Installation of new cable line directly from CESC 33KVA Power Station, replacement of old transformer, control panel of 6.6 KVA with modern ones and construction of new Power House with modern facilities to reduce transmission power loss and better quality of power.

The steps taken by the Company for utilizing alternate sources of energy:

- I. Installation of Turbo Ventilators and Solar Day Light system
- II. Installation of additional solar energy based thermal and photovoltaic systems.

The capital investment on energy conservation equipment

- I. Capital expenditure incurred ` 407.53 lakhs.

B. Technology Absorption

Efforts made towards technology absorption

- I. Replacement of old Looms with modern Shuttleless Rapier Looms
- II. Installation of Dust suppression systems in the plant.
- III. Modern Automatic Effluent Treatment Plant (ETP) have been installed and is in operation.
- IV. Use of modern materials handling equipments for facilitating better and safe material handling.

Benefits derived

- I. Improved productivity & efficiency
- II. Improved product quality
- III. Cost Reduction

C. Foreign exchange earnings and outgo:

- (i) Foreign exchange earned in terms of actual inflow :
` 8,627.23 lakhs
- (ii) Foreign exchange outgo in terms of actual outflow :
` 829.93 lakhs

ANNEXURE-VIIA TO THE DIRECTORS REPORT

PARTICULARS OF EMPLOYEES

The information required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- (a) **The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year:**

Executive Directors	Ratio to median remuneration*
Shri Gopal Das Bangur – Executive Chairman	62.62
Shri Dharam Chand Baheti – Managing Director	62.08
Non-Executive Directors	Ratio to median remuneration*
Shri Hemant Bangur	2.61
Smt Nandita Sen	2.51
Shri Satyendra Nath Bhattacharya	1.71
Shri Krutibas Mahapatra	2.61
Dr. Prabir Ray	2.24

*Median salary computation is based on a total employee head count of 4,369 employees out of which approximately 4,094 employees are within collective bargaining process.

- (b) **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

Name	% increase in remuneration in the financial year 2014-15
Shri Gopal Das Bangur – Executive Chairman	(4.03)
Shri Dharam Chand Baheti – Managing Director	14.79
Shri Hemant Bangur – Non-Executive Director	22.35
Smt Nandita Sen – Independent Director	17.42
Shri Satyendra Nath Bhattacharya – Independent Director	32.44

Shri Krutibas Mahapatra – Independent Director	22.35
Dr. Prabir Ray – Independent Director	23.34
Shri Ajay Kumar Agarwal – Company Secretary	24.77
Shri Shankar Lal Kedia – CFO	13.10

- (c) **The percentage increase in the median remuneration of employees in the financial year**

3.60%

- (d) **The number of permanent employees on the rolls of company as on 31st March, 2015 is**

4,369

- (e) **The explanation on the relationship between average increase in remuneration and company performance**

Profit before Interest, Depreciation & taxation has increased by 3.24%, the average increase in remuneration of employees was 6.12% and the increase in median remuneration was 3.60%. The increase in remuneration is based on market trends and performance criteria.

- (f) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company -**

Name	% increase in remuneration in the financial year 2014-15	Comparison of remuneration against the performance of the Company
Shri Gopal Das Bangur – Executive Chairman	(4.03)	The market capitalization & PE Ratio of the Company as on 31st March, 2015, increased by 28.66% & 36.90% respectively as compared to that of 31st March, 2014. Profit before Interest, Depreciation & taxation has increased by 3.24%
Shri Dharam Chand Baheti – Managing Director	14.79	
Shri Ajay Kumar Agarwal – Company Secretary	24.77	
Shri Shankar Lal Kedia – CFO	13.10	

- (g) **Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the**



shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year

The market capitalization & PE Ratio of the Company as on 31st March, 2015, increased by 28.66% & 36.90% respectively as compared to that of 31st March, 2014. The Company has not made any public offer in the recent past and accordingly comparison of Public Offer Price and the current market price of shares will not be relevant.

(h) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; percentile may be read as percentage

Average percentage increase for other than managerial personnel works to around 4.93%; average percentage increase for managerial personnel works out to around 11.29%; average percentage increase for all employees works out to 6.12%.

Percentage increase for different categories / grades are made based on market trends and performance criteria

(i) Comparison of the each remuneration of Key Managerial Personnel against the performance of the company

Refer point (f) above

(j) The key parameters for any variable component of remuneration availed by the Directors

The variable pay for the directors is recommended by the Nomination & remuneration Committee based on the performance of the Company.

(k) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year

Not Applicable

(l) Affirmation that the remuneration is as per the remuneration policy of the company

The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

ANNEXURE-VIIB TO THE DIRECTORS REPORT

Information pursuant to Rule5(2) of Chapter XIII of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The following persons were employed during the financial year and were in receipt of remuneration for that year which, in the aggregate was not less than sixty lakh rupees :-

Name	Designation	Remuneration Received (₹)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age (Years)	Last employment held	% of equity shares held	Relationship with other Directors
Shri Gopal Das Bangur	Executive Chairman	1,18,78,656	Whole time employee	B.Com, 44 years	12.04.2000	68	Joonktolee Tea & Industries Limited, President	3.41%	Father of Shri Hemant Bangur
Shri Dharam Chand Baheti	Managing Director	1,17,77,000	Whole time employee	B.Com, 47 years	01.04.1992	67	Fort Gloster Industries Limited, Works manager	0.06%	None

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Your Company's philosophy on Corporate Governance envisages accountability, responsibility and transparency in the conduct of the Company's business and affairs. The Company firmly believes that Corporate Governance is a powerful tool to serve the long term growth of the Company and it continues to give priority to the principles and practice of Corporate Governance. The Company continues to lay great emphasis on the broad principles of Corporate Governance and 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 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

The names and category of the Directors on the Board, the number of Directorships and Committee memberships held by them in other Companies are given below:

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	7	Nil	1
Shri Bhaskar Mitter*	Independent Non-Executive	Nil	Nil	Nil
Smt. Nandita Sen	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	3	Nil	Nil

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

(#) Other Directorships do not include Directorships of private limited companies, section 8 companies and foreign companies and Alternate Directorships.

(@) Member includes Chairman/Chairperson

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 prerequisites 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 Board of Directors as on 31st March, 2015, comprised of Seven Directors whose composition is given below:

- one Promoter, Executive Director
- one Promoter, Non-Executive Director
- one Non-Promoter, Managing Director
- four Independent, Non-Executive Directors
- Shri Bhaskar Mitter an Independent Director resigned from the Board w.e.f. 21st April, 2014.



CORPORATE GOVERNANCE REPORT

Only membership of Audit Committee and Stakeholders Relationship 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.

INDEPENDENT DIRECTORS

The Company has received declarations from the Independent Directors that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. A formal letter of appointment to Independent Director as provided in the Companies Act, 2013 and the Listing Agreement has been issued and disclosed on the website of the Company and can be accessed at <http://www.glosterjute.com/documents/appntdir.pdf>.

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 X 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, 2015, four Board Meetings were held on 3rd May, 2014, 14th August, 2014, 1st November, 2014, and 13th February, 2015. 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 6th September, 2014
Shri Gopal Das Bangur	2	Yes
Shri Hemant Bangur	4	Yes
Shri Bhaskar Mitter*	Nil	NA
Smt. Nandita Sen	3	Yes
Shri Krutibas Mahapatra	4	Yes
Dr Prabir Ray	3	Yes
Shri Satyendra Nath Bhattacharya	3	No
Shri Dharam Chand Baheti	4	No

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

FAMILIARISATION PROGRAMME

The Independent Directors have been familiarized with the nature of operations of the Company & the industry in which it operates, business model of the Company. The details of familiarization programme have been posted in the website of the Company and can be accessed at <http://www.glosterjute.com/documents/FPID.pdf>.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the financial year 2014-15, the Independent Directors met separately on 13th February, 2015, and inter-alia discussed the following:

- Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole.
- Evaluation of performance of the Executive Chairman of the Company, taking into account the views of Executive and Non-Executive Directors.
- Evaluation of the quality, contents and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

CORPORATE GOVERNANCE REPORT

3. AUDIT COMMITTEE

COMPOSITION

As on 31st March 2015, the Audit Committee comprises of three Non-Executive Directors, two 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

The Chairperson of the Audit Committee is an Independent Director and the Company Secretary acts as the Secretary to the Committee. The Chairperson of the Audit Committee attended the previous Annual General Meeting held on 6th September, 2014.

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;



CORPORATE GOVERNANCE REPORT

- 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;
- 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, 2015, five Audit Committee Meetings were held on 3rd May, 2014, 14th August, 2014, 18th October, 2014, 31st October, 2014, and 13th February, 2015. The Audit Committee also met prior to the finalization of accounts for the year ended 31st March, 2015.

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	5
Shri Bhaskar Mitter*	Nil
Shri Krutibas Mahapatra	5

* 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 2015, the Nomination and Remuneration Committee comprises of three Directors, of whom, two 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



CORPORATE GOVERNANCE REPORT

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.

The chairman of the Nomination and Remuneration Committee attended the previous Annual General Meeting held on 6th September 2014.

BROAD TERMS OF REFERENCE

The Terms of Reference of Nomination and 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

MEETINGS AND ATTENDANCE

During the financial year ended 31st March, 2015, three Nomination and Remuneration Committee Meetings were held on 3rd May, 2014, 14th August, 2014 and 1st November, 2014.

The attendance at the Nomination and Remuneration Committee Meetings is as under:

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

* 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 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 Whole-time Directors & Managing Directors are appointed by the Board at such remuneration as recommended by Nomination and Remuneration Committee and approved by the Board subject to approval of the Shareholders in a General Meeting. 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 Nomination and 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, 2015

NON-EXECUTIVE DIRECTORS

Name of the Director	Commission* `	Sitting Fees `
Shri Hemant Bangur	3,95,664	1,00,000
Shri Bhaskar Mitter**	21,680	NIL
Smt Nandita Sen	3,95,664	80,000
Shri Satyendra Nath Bhattacharya	3,95,664#	30,000#
Shri Krutibas Mahapatra	3,95,664	1,00,000
Dr Prabir Ray	3,95,664	30,000

* Payable in 2015-16 for 2014-15

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

Amount paid /payable to LIC of India



CORPORATE GOVERNANCE REPORT

WHOLE-TIME DIRECTORS

Name of the Director	Salary	Benefits	Commission*	Service Contract	Notice Period	Severance Fees
Shri Gopal Das Bangur, Executive Chairman	67,50,000	16,28,656	35,00,000	3 Years w.e.f. 12.04.2013	3 months	Not Specified
Shri Dharam Chand Baheti, Managing Director	46,20,000	31,57,000	40,00,000	5 Years w.e.f. 27.07.2012	3 months	Not Specified

* Payable in 2015-16 for 2014-15

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing agreement, the Board has carried out a formal process of performance evaluation of the Board, Committees and individual Directors. The performance was evaluated based on parameters such as Composition and Quality of Board Members, Effectiveness of Board/Committee process and functioning, contribution of the Members, Board Culture and Dynamics, Fulfillment of key responsibilities, Ethics and Compliance etc. A structured questionnaire was prepared covering the above areas of competencies. All the responses were evaluated by the Nomination and Remuneration Committee as well as the Board of Directors and the results reflected high satisfactory performance.

RELATIONSHIP OF NON-EXECUTIVE DIRECTORS WITH THE COMPANY AND INTER-SE

There is no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the company inter-se themselves except for the sitting fees paid to them for attending the Board and Committee meetings.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

COMPOSITION

As on 31st March, 2015, the Stakeholders Relationship Committee comprises of three Directors, of whom, two 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 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:

- transfer/transmission/transposition of shares;
- consolidation/splitting of folios;
- issue of share certificates for lost, sub-divided, consolidated, rematerialised, defaced, etc;
- review of shares dematerialised and all other related matters;
- investors' grievances and redressal mechanism and recommend measures to improve the level of investor services.
- over seeing performance of the Company's Registrars & Share Transfer Agents.
- 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: -

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

Share transfer formalities 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 & Share Transfer Agents, M/s. Maheshwari Datamatics Pvt. Ltd.



CORPORATE GOVERNANCE REPORT

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 Stakeholders Relationship 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 2015, four Stakeholders Relationship Committee were held on 3rd May, 2014, 14th August, 2014, 1st November, 2014, and 13th February, 2015.

The attendance at the Stakeholders Relationship Committee is as under:

Name of the Director	No. of meetings attended
Shri Hemant Bangur	4
Shri Bhaskar Mitter*	Nil
Smt. Nandita Sen	3
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, 2015 was 1 and the same was replied to the satisfaction of the shareholder. There were no complaints outstanding as on 31st March, 2015. The number of share transfers and requests for dematerialization pending as on 31st March, 2015 were Nil.

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

6. SUBSIDIARY COMPANIES

The Company does not have any material subsidiary Company as defined under clause 49 of the Listing Agreement.

However, the Company has formulated the Policy for determining material subsidiaries which is uploaded on the website of the Company and can be accessed at <http://www.glosterjute.com/documents/PDMS.pdf>.

7. CEO/CFO CERTIFICATION

As required by Clause 49 IX of the Listing Agreement, the CEO/CFO Certificate signed by Shri Dharam Chand Baheti, CEO and Shri Shankar Lal Kedia, CFO was placed before the Board of Directors at their meeting held on 16th May, 2015.

8. 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
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
2013-14	Saturday, 6th September, 2014 at 11.00 A.M	Kala Kunj, 48 Shakespeare Sarani, Kolkata 700 017	1. Amendment in Article 125 of Articles of Association of the Company 2. Consent under Section 180(1) (a) of the Companies Act, 2013 to create mortgage/charges/hypothecation for amount not exceeding ` 250 crore. 3. Consent under Section 180(1) (c) of the Companies Act, 2013 for borrowing not exceeding ` 250 crore

B. **Passing of Resolutions by Postal Ballot** – No special resolution was passed through Postal Ballot during the year under review. However during the year under review the Company had initiated the process for passing of a Special Resolution for amendment of its "Articles of Association" through postal ballot process. The Postal ballot process was completed in the financial year 2015-16 and resolution was passed with requisite majority.

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

9. CODE OF CONDUCT

The Board of Directors has adopted the Code of Conduct and Ethics for Directors and Senior Management. The said Code has been communicated to the Directors and the members of the Senior Management. The Code has also been displayed on the Company's website-www.glosterjute.com. All the members of the Board and the senior management personnel have affirmed compliance with the Code for the year ended 31st March, 2015



CORPORATE GOVERNANCE REPORT

and a declaration to this effect signed by Shri Dharam Chand Baheti, Managing Director is forming part of this report.

10. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In compliance with the Securities & Exchange Board of India (Prevention of Insider Trading) Regulations, 2015, the Company has adopted a “Code of Practices for Fair Disclosure” and “Code of Conduct for Insider Trading” for prevention of Insider Trading by Company insiders.

11. 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.

The policy on related parties transaction has been uploaded on the website of the Company and can be accessed at <http://www.glosterjute.com/documentRPTpolicy.pdf>

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 Vigil Mechanism / 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. The policy has been uploaded in the website of the Company and can be accessed at <http://www.glosterjute.com/documents/WBPolicy.pdf>.

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 have been published in ‘The Economic Times’ and one of the prominent business dailies in Bengali “El Samay”. 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 ‘Share holder 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 , 2015.

Place : Kolkata
Date: 16th May, 2015

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, 2015 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 : 16th May, 2015

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 : 26th September, 2015 at 11.00 A.M
Venue : Shripati Singhania Hall, Rotary Sadan,
94/2, Chowringhee Road, Kolkata 700 020

FINANCIAL YEAR

1st April to 31st March

TENTATIVE FINANCIAL CALENDAR

Financial reporting for the quarter ending
June 30, 2015 : By 14th August, 2015

Financial reporting for the half year ending
September 30, 2015 : By 14th November, 2015

Financial reporting for the quarter ending
December 31, 2015 : By 14th February, 2016

Financial reporting for the year ending
March 31, 2016 : By 30th May, 2016

DATE OF BOOK CLOSURE

19th September, 2015 to 26th September, 2015 (both days inclusive)

DIVIDEND

The dividend as recommended by the Board of Directors, if approved by the members at the ensuing Annual General Meeting, will be dispatched / remitted on or after 28th September, 2015 to the eligible members.

LISTING ON STOCK EXCHANGE

The Equity shares of the Company are listed on BSE Ltd. and The Calcutta Stock Exchange Ltd.

Annual Listing Fees as prescribed have been paid to BSE Ltd. and The Calcutta Stock Exchange Ltd. for the year 2015-2016.

STOCK CODE

CSE – 10017076

BSE – 538595

Demat ISIN No. For NSDL and CDSL - INE652C01016

STOCK MARKET DATA

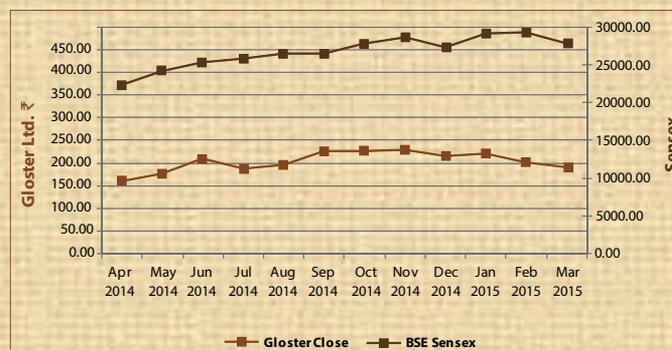
There were no transactions in the equity shares of the Company listed at the Calcutta Stock Exchange Ltd., hence monthly high and low quotations and volume of shares traded on the BSE Ltd. during the year are only given.

MONTH	BSE		
	HIGH* (₹)	LOW* (₹)	VOLUME (NO OF SHARES)
APRIL, 2014	180.70	148.00	14,086
MAY, 2014	200.25	151.10	20,396
JUNE, 2014	224.90	182.00	31,382
JULY, 2014	221.50	175.00	30,093
AUGUST, 2014	213.35	177.25	36,812
SEPTEMBER, 2014	259.90	190.15	99,388
OCTOBER, 2014	257.75	202.05	9,224
NOVEMBER, 2014	238.50	211.70	11,872
DECEMBER, 2014	264.00	206.60	18,123
JANUARY, 2015	279.00	203.00	36,500
FEBRUARY, 2015	230.00	194.00	17,345
MARCH, 2015	220.30	182.00	14,852

PERFORMANCE AT BSE DURING THE FINANCIAL YEAR 2014-15

No. of Shares traded	3,40,073
Highest Share Price (₹)*	279.00
Lowest Share Price (₹)*	148.00
Closing share price as on 31st March, 2015 (₹)	191.70
Market Capitalisation as on 31st March, 2015 (₹)	10,032.50 lakhs

GLOSTER VS SENSEX



DEPOSITORY CONNECTIVITY

National Securities Depository Limited
Central Depository Serries (India) Limited

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 : mdpldc@yahoo.com

SHAREHOLDER INFORMATION

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.

INVESTOR GRIEVANCE REDRESSAL SYSTEM

The Investor grievances / shareholders complaints are handled by the Company's Registrars & Share Transfer Agent M/s Maheshwari Datamatics Pvt. Ltd. Kolkata, in consultation with the Secretarial department of the Company.

Periodical review meetings are held between the officials of the Registrar & Share Transfer Agent and the Company to discuss the various issues relating to share transfer and other allied matters, dematerialization of shares, investor complaints etc.

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2015

NO. OF EQUITY SHARES HELD	NO. OF SHARE HOLDERS	% OF SHARE HOLDERS	NO. OF SHARES HELD	% OF SHARE HOLDING
Upto 500	2,155	89.27	1,79,814	3.44
501 to 1000	138	5.72	1,00,360	1.92
1001 to 2000	54	2.24	77,508	1.48
2001 to 3000	24	0.99	58,548	1.12
3001 to 4000	15	0.62	52,571	1.00
4001 to 5000	5	0.21	22,630	0.43
5001 to 10000	6	0.25	39,535	0.76
10001 and above	17	0.70	47,02,474	89.85
GRAND TOTAL	2,414	100.00	52,33,440	100.00

RECONCILIATION OF SHARE CAPITAL AUDIT

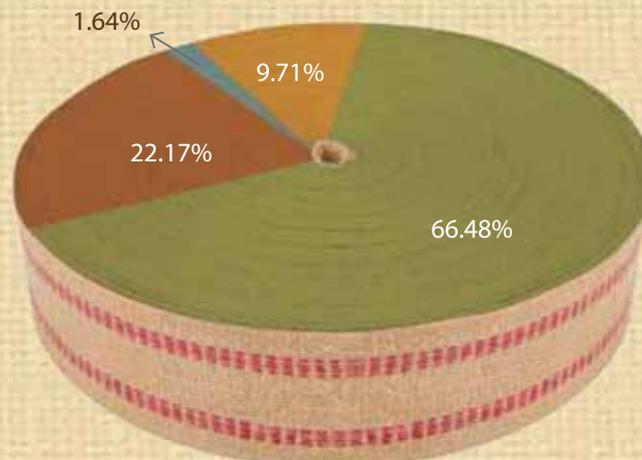
As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. 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.

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2015

CATEGORY	NO. OF SHARES HELD	% OF SHARE CAPITAL
A. PROMOTER'S HOLDING		
Promoters		
a. Indian Promoters	34,79,402	66.48
b. Foreign Promoters	-	-
Sub-total	34,79,402	66.48
B. NON-PROMOTER'S HOLDING		
1. Institutional Investors		
a. Mutual Funds and UTI	-	-
b. Banks, Financial Institutions, Insurance Companies	11,60,131	22.17
c. FIs	-	-
Sub-total	11,60,131	22.17
2. OTHERS		
a. Bodies Corporate	85,847	1.64
b. Indian Public	4,94,089	9.44
c. Others	13,971	0.27
Sub-total	5,93,907	11.35
GRAND TOTAL	52,33,440	100.00

SHAREHOLDING PATTERN

Promoters	66.48%
Banks, Financial Institutions and Insurance Companies	22.17%
Bodies Corporate	1.64%
General Public and Others	9.71%



DEMATERIALISATION OF SHARES AND LIQUIDITY

98.16% of the equity shares of the Company have been dematerialised as on 31st March, 2015. 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.



SHAREHOLDER INFORMATION

STATUS OF DEMATERIALISATION AS ON 31ST MARCH, 2015

PARTICULARS	NO. OF SHARES	% TO TOTAL CAPITAL	NO. OF ACCOUNTS
National Securities Depository Limited	41,88,008	80.02	1,284
Central Depository Services (India) Limited	9,49,065	18.14	630
Total Dematerialised	51,37,073	98.16	1,914
Physical	96,367	1.84	500
Grand Total	52,33,440	100.00	2,414

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

- NOT APPLICABLE

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 & Share Transfer Agents.

UNCLAIMED DIVIDENDS / SHARE CERTIFICATES

UNCLAIMED DIVIDENDS

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
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
2013-2014	6th September, 2014	12th October, 2021

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

UNCLAIMED SHARE CERTIFICATES

Clause 5A of the Listing Agreement provides the manner of dealing with the shares issued in physical format pursuant to a public issue or any other issue which remains unclaimed with the

Company. In Compliance with the provisions of the clause the Company has sent three reminders to the shareholders whose shares are lying unclaimed. Disclosure pursuant to Clause 5A of the Listing Agreement is given below:

Aggregate Number of Shareholders and the Outstanding Shares in the Unclaimed Suspense Account lying as at 1st April, 2014	Number of Shareholders who approached the Company for transfer of shares from Unclaimed Suspense Account during the year	Number of Shareholders to whom shares were transferred from Unclaimed Suspense Account during the year	Aggregate Number of Shareholders and the Outstanding Shares in the Unclaimed Suspense Account lying as at 31st March, 2015
Nil	Nil	Nil	114 shareholders holding 16,964 shares

Note: During the year, the Company has transferred 16,964 shares to the Unclaimed Securities Suspense Account.

The voting rights on the shares outstanding in Unclaimed Suspense Account as on 31st March, 2015 shall remain for the rightful owner claims these shares.

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 : mdpldc@yahoo.com

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



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF Gloster Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Gloster Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the

auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of subsection (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



INDEPENDENT AUDITOR'S REPORT

- (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2015 on its financial position in its standalone financial statements – Refer Note 32;
- ii) The Company has made provision at March 31, 2015 as required under the applicable law or accounting standards, for materials foreseeable losses if any, on derivative contracts-Refer Note 36 to the financial statements and there are no on term contracts outstanding as at March 31, 2015.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

Place: Kolkata
Date: May 16, 2015

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 9 of the Independent Auditors' Report of even date to the members of Gloster Limited on the standalone financial statements as of and for the year ended March 31, 2015

- 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.
- 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. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 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.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess 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, duty of customs and excise duty, which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, value added tax, cess as at March 31, 2015 which have not been deposited on account of a dispute, are as follows

Name of the statute	Nature of dues	Amount (`)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	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



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

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	22,26,350	2010-11	Additional Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	38,83,904	2010-11	Additional Commissioner
West Bengal VAT Act, 2003	West Bengal VAT	36,53,617	2011-12	Senior Joint Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	1,03,78,370	2011-12	Senior Joint Commissioner

- c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. 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.
- ix. 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.
- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company
- xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Place: Kolkata
Date: May 16, 2015

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

Sunit Kumar Basu
Partner
Membership Number 55000



BALANCE SHEET AS AT 31ST MARCH, 2015

(` in lakhs)

	Note	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	523.34	523.34
Reserves and Surplus	4	35,748.82	38,893.17
		36,272.16	39,416.51
Non-current Liabilities			
Long-term borrowings	5	711.48	299.70
Deferred tax liabilities (net)	6	71.68	307.08
Other long term liability	7	–	28.09
Long-term provisions	8	236.68	183.76
		1,019.84	818.63
Current Liabilities			
Short-term borrowings	9	3,001.45	5,100.56
Trade Payables	10	457.54	238.61
Other current liabilities	11	1,997.76	2,038.04
Short-term provisions	12	1,063.52	1,196.41
		6,520.27	8,573.62
Total		43,812.27	48,808.76
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	13	30,580.10	34,552.10
Intangible assets	14	10.69	9.71
Capital work-in-progress		127.63	414.68
Non-current investments	15	2,397.61	1,848.61
Long-term loans and advances	16	560.63	698.35
		33,676.66	37,523.45
Current assets			
Current investments	17	664.00	1,612.53
Inventories	18	6,806.96	6,761.17
Trade receivables	19	1,768.38	1,474.72
Cash and Bank balances	20	488.10	347.07
Short-term loans and advances	21	408.17	1,056.22
Other current assets	22	–	33.60
		10,135.61	11,285.31
Total		43,812.27	48,808.76
Corporate Information	1		
Summary of significant accounting policies	2		

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

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

Place: Kolkata
Date: 16th May, 2015

Sunit Kumar Basu
Partner
Membership No. 55000

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

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



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015 (` in lakhs)

	Note	Year ended 31st March, 2015	Year ended 31st March, 2014
INCOME			
Revenue from operations (gross)	23	32,774.59	33,855.50
Less: Excise Duty and R & D Cess		232.26	253.57
Revenue from operations (net)		32,542.33	33,601.93
Other Income	24	500.55	455.27
Total Revenue		33,042.88	34,057.20
EXPENSES			
Cost of materials consumed	25	16,717.41	17,329.21
Changes in inventories of finished goods, stock-in-process and semi - finished goods	26	11.22	28.78
Employee benefits expense	27	6,466.56	6,526.49
Finance costs	28	488.01	530.14
Depreciation and amortization expense	29	912.50	754.93
Other expenses	30	6,435.80	6,867.77
Total Expenses		31,031.50	32,037.32
Profit before exceptional items and tax		2,011.38	2,019.88
Exceptional items		-	-
Profit before tax		2,011.38	2,019.88
Tax expense			
Current tax		811.00	876.00
Deferred tax		(123.17)	(264.48)
Total Tax expenses		687.83	611.52
Profit for the year		1,323.55	1,408.36
Earnings per equity share [Nominal Value per Share ` 10 (31.03.2014 - ` 10)]			
Basic & Diluted	31	25.29	26.91
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

Shankar Lal Kedia

Chief Financial Officer

Ajay Kumar Agarwal

Company Secretary

Hemant Bangur

Vice Chairman

Nandita Sen

Director

D. C. Baheti

Managing Director

Place: Kolkata

Date: 16th May, 2015



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lakhs)

Particulars	Year ended	
	31st March, 2015	31st March, 2014
A. Cash Flow from Operating Activities		
Net profit before tax	2,011.38	2,019.88
Adjustments for:		
Depreciation and Amortisation Expenses	912.50	754.93
Finance Costs	488.01	530.14
Bad Debts Written Off	7.60	5.14
Net (Profit) / Loss on sale of fixed assets	(4.34)	(10.76)
Net gain on sale of current investments	(89.04)	(16.68)
Net gain on sale of long term Investments	(30.02)	–
Unrealised (Gain) / Loss on exchange (net)	(4.05)	(4.68)
(Gain)/ Loss on Mark to Market adjustment for Derivative Instrument	1.74	2.13
Export Incentive received under SHIS Scheme	(43.27)	(82.31)
Interest Income	(93.48)	(111.43)
Dividend income on current investments	–	(0.68)
Dividend income on long term investments	(2.42)	(0.41)
Liabilities no longer required written back	(36.53)	(49.48)
Provision for Impairment of Power Plant	84.33	194.89
Provision for Doubtful Advances	–	148.17
Advance Written Off	39.19	–
	1,230.22	1,358.97
Operating profit before working capital changes	3,241.60	3,378.85
Adjustments for:		
Decrease/(Increase) in Inventories	(45.79)	172.73
Decrease/(Increase) in Trade and Other Receivables	578.80	(500.20)
(Decrease)/Increase in Trade and Other Payables	(3.62)	(381.62)
	529.39	(709.09)
Cash generated from operations	3,770.99	2,669.76
Income Taxes paid	(705.11)	(730.53)
Net Cash from Operating Activities	3,065.88	1,939.23
B. Cash Flow from investing activities		
Purchase of Fixed Assets	(1,095.79)	(1,209.29)
Grant/ Capital Subsidy Received against Specific Fixed Assets	41.48	101.62
Sale of Fixed Assets	11.69	10.91
Purchase of Current investments	(1,350.00)	(3,468.00)
Purchase of Non-current investments	(504.00)	(577.38)
Sale/ Redemption of Investments	2,372.60	3,359.10
Interest received	128.82	110.67
Dividend received	2.42	1.09
Short term loans given to Subsidiaries	–	(365.00)
Short term loans repaid by Subsidiaries	–	365.00
(Increase)/Decrease in margin March Deposits	0.77	111.90
Net Cash used in Investing activities	(392.01)	(1,559.38)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lakhs)

Particulars	Year ended		Year ended	
	31st March, 2015		31st March, 2014	
C. Cash Flow from Financing Activities				
Net proceeds / (repayment) of Short term Borrowings	(2,105.59)		(328.06)	
Proceeds from Long-term Borrowings	790.00		–	
Repayment of Long-term Bank Borrowings	(356.55)		(253.29)	
Finance costs paid	(494.81)		(547.34)	
Dividend paid	(311.75)		(259.64)	
Dividend Taxes paid	(53.37)		(44.47)	
(Increase)/Decrease in Unpaid Dividend Account	(2.26)		(2.03)	
Net Cash from / (used) in Financing Activities	C	(2,534.33)		(1,434.83)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		139.54		(1,054.98)
D. Cash and Cash Equivalents				
Net Increase/ (Decrease) in Cash and Cash Equivalents		139.54		(1,054.98)
Cash and Cash Equivalents as on 1 April		332.60		1,387.58
Cash and Cash Equivalents as on 31 March		472.14		332.60

- a 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.
- b 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

Place: Kolkata	Sunit Kumar Basu Partner	Shankar Lal Kedia Chief Financial Officer	Ajay Kumar Agarwal Company Secretary	Hemant Bangur Vice Chairman	Nandita Sen Director
Date: 16th May, 2015	Membership No. 55000			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 BSE Ltd. & The Calcutta Stock Exchange Ltd.

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 section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by the Central Government in consultation with and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently 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 the other relevant provisions of the Companies Act, 2013.

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 III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current, non-current classification of assets and liabilities.

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 were revalued and restated at valuation by an approved valuer at current replacement cost as at 31st March, 2013 (an earlier revaluation 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 on Straight line method over the estimated useful lives of the assets. Pursuant to Notification of Schedule II of the Companies Act, 2013 becoming effective, the Company has adopted the useful lives on the basis of internal technical evaluation. The lives adopted by the Company are as per the lives specified for the respective fixed assets in the Schedule II of the Companies Act, 2013. 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 amount of tangible asset exceeds its recoverable amount.

2.4 Intangible assets and Amortization

- a) Intangible assets are stated at cost of acquisition including duties, taxes and expenses incidental to acquisition and installation.
- 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 amount of intangible asset exceeds its recoverable amount.

2.5 Impairment of Assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible & intangible)



NOTES TO THE FINANCIAL STATEMENTS

may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased / increased.

2.6 Investments

Long term investments are carried at cost net off provision, if any, for decline in value considered to be other than temporary in nature.

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

2.7 Subsidy / Government Grant

Subsidy / Government grant and export incentive are accounted for when no significant uncertainty exists regarding its collectibility. Subsidy / Government grant that relate to specific fixed assets are deducted from the cost of the relevant fixed asset. Subsidy / Government grant receivable against any expenditure is recognized in the statement of profit and loss. Subsidy / Government grant 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.

2.8 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.

2.9 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

(i) Gratuity

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 in the Statement of Profit and Loss every year.

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

(ii) 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 in the Statement of Profit and Loss 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.

Accumulated Compensated Absences and Gratuity liability, which are expected to be availed or encashed or contributed within the 12 months from the end of the year are treated as short term employee benefits and the balance expected to be availed or encashed or contributed beyond 12 months from the year end are treated as long term liability.

d) Other Short Term Employee Benefits

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

2.10 Research & Development Cess and Excise duty

Research & Development Cess and Excise Duty (wherever applicable) on manufactured goods are accounted for at



NOTES TO THE FINANCIAL STATEMENTS

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.

2.11 Sale of Goods

Sale of goods is stated net of sales tax. Sale is recognized on transfer of significant risks and rewards of ownership in goods to the buyer as per the terms of contract

2.12 Other Income

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

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

Export incentive are accounted as income in the Statement of Profit and Loss when no significant uncertainty exists regarding the collectability.

2.13 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 and are recognized in the Statement of Profit and Loss. 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 recognized in the Statement of Profit and Loss and gains are ignored. Any profit or loss arising on cancellation of derivative instruments is recognized as income or expense for the period.

2.14 Taxation

Current tax is determined as the amount of tax payable in

respect of taxable income for the year based on 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.

Deferred Tax Assets and Liabilities are measured using the existing tax rates and tax as on the Balance Sheet date. At each Balance Sheet date the Company re-assesses unrecognized Deferred Tax Assets, if any.

2.15 Borrowing Cost

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

2.16 Provisions and Contingent Liabilities

The Company 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.

2.17 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 FINANCIAL STATEMENTS

(` in lakhs)

3. Share capital	As at 31st March, 2015	As at 1st March, 2014
Authorised		
2,50,00,000 (31.03. 2014 - 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. 2014 - 52,33,440) Equity Shares of ` 10/- each	523.34	523.34
Total	523.34	523.34

(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, 2015		As at 31st March, 2014	
No. of Shares	` In lakhs	No. of Shares	` In lakhs
52,33,440	523.34	26,16,720	261.67
-	-	26,16,720	261.67
52,33,440	523.34	52,33,440	523.34

(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, 2015	As at 31st March, 2014
No. of Shares	No. of Shares
2,17,360	2,17,360
6,54,180	6,54,180
13,08,360	13,08,360
26,16,720	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) Pvt. Ltd.

As at 31st March, 2015		As at 31st March, 2014	
No. of Shares	% holding	No. of Shares	% holding
11,51,597	22.05	11,67,042	22.30
8,93,903	17.08	9,23,944	17.65
7,55,008	14.43	7,55,008	14.43
5,91,564	11.30	5,73,181	10.95
3,05,190	5.83	3,05,190	5.83



NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

4. Reserves and Surplus	As at		As at	
	31st March, 2015		31st March, 2014	
Capital Reserve		150.00		150.00
Securities Premium Reserve				
Balance as at the beginning of the year		–		174.45
Deduct: Capitalised by Issue of Bonus Share		–		174.45
Balance as at the end of the year		–		–
Revaluation Reserve				
Balance as at the beginning of the year		28,251.96		29,913.03
Deduct:				
i) Depreciation Adjustment pursuant to Schedule II of Companies Act, 2013 [Refer Note 13(d) and Note 29]		2,501.87		–
ii) Reduction of revaluation reserve due to Impairment [Refer Note 13(c)]		221.03		795.79
iii) Amount transferred to the Statement of Profit and Loss as reduction from depreciation on Tangible Assets [Refer Note 29]		1,146.46		840.57
iv) Adjustment on account of disposal of Tangible Assets	4.32		37.09	
Deduct: Depreciation on account of disposal of Tangible Assets	1.68	2.64	12.38	24.71
Balance as at the end of the year		24,379.96		28,251.96
General Reserve				
Balance as at the beginning of the year		9,995.66		8,982.88
Deduct: Capitalised by Issue of Bonus Share		–		87.22
Add: Transferred from Surplus in the Statement of Profit and Loss during the year		800.00		1,100.00
Balance as at the end of the year		10,795.66		9,995.66
Surplus in the Statement of Profit and Loss				
Balance as at the beginning of the year		495.55		554.57
Less: Depreciation Adjustment Pursuant Schedule II of Companies Act, 2013 (Net of Deferred Tax ` 112.24 lakhs) [Refer Note 13(d) and Note 29]		217.97		–
Add: Profit for the year		1,323.55		1,408.36
Deduct: Appropriations				
i) Proposed dividend on equity shares for the year- ` 6/- per share (2013-14 ` 6/- per share)		314.01		314.01
ii) Dividend distribution tax on proposed dividend on equity shares		63.92		53.37
iii) Transfer to General Reserve		800.00		1,100.00
Balance as at the end of the year		423.20		495.55
Total		35,748.82		38,893.17



NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

5. Long-term borrowings		As at 31st March, 2015	As at 31st March, 2014
Secured			
Term Loans			
From Banks [Refer Note (a) below]		978.23	356.23
Unsecured			
Term loans			
Other Parties		–	188.55
		978.23	544.78
Less: Amount disclosed under the head “Other current liabilities” [Refer Note 11]		266.75	245.08
Total		711.48	299.70

(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 ` 188.23 lakhs (31.03.2014: ` 356.23 lakhs) are secured by equitable mortgage of factory land and building, hypothecation of all plant & machinery and all other movable 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 rate linked to Bank base rate + 3% spread.
Term loan from banks amounting to ` 790 lakhs (31.03.2014: ` Nil) are secured by equitable mortgage of factory land and building, hypothecation of all plant & machinery and all other movable fixed assets of the Company.	Repayable in 24 equal quarterly instalments beginning from August 2015 along with interest rate linked to Bank base rate + 1.40% spread.

6. Deferred tax liabilities (net)		As at 31st March, 2015	As at 31st March, 2014
Deferred tax liabilities			
Depreciation	(A)	429.60	601.33
Deferred tax assets			
Provision for leave encashment		73.67	88.30
Provision for doubtful advances		50.36	50.36
Provision for Impairment		94.91	66.24
Others		138.98	89.35
	(B)	357.92	294.25
Total [Refer Note (a) below]	(A-B)	71.68	307.08

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

7. Other long-term liability		As at 31st March, 2015	As at 31st March, 2014
Others - Differential tariff for electric bill		–	28.09
Total		–	28.09

8. Long-term provisions		As at 31st March, 2015	As at 31st March, 2014
Provision for compensated absences of employees		236.68	183.76
Total		236.68	183.76



NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

9. Short-term borrowings	As at 31st March, 2015	As at 31st March, 2014
Secured		
Loans from banks [Refer Note (a) and (b) below]	3,001.45	5,100.56
Total	3,001.45	5,100.56

- (a) Loan repayable on demand amounting to ` 3,001.45 lakhs (31.03.2014: ` 5,100.56 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) Further, loans repayable on demand to bank amounting to ` 2,748.65 lakhs (31.03.2014: ` 4,293.52 lakhs) is also secured by Corporate Guarantee of Kettlewell Bullen & Company Limited.

10. Trade payables	As at 31st March, 2015	As at 31st March, 2014
Trade payables (Refer Note 37 for details of dues to Micro, Small and Medium Enterprises)	457.54	238.61
Total	457.54	238.61

11. Other current liabilities	As at 31st March, 2015	As at 31st March, 2014
Current maturities of long-term debt (also refer Note 5)	266.75	245.08
Advances received from customers	122.94	222.37
Interest accrued and due on borrowings	10.52	17.32
Unpaid Dividends [Refer Note (a) below]	15.75	13.49
Statutory dues	127.31	51.62
Capital Creditors	28.10	47.22
Other payables [Refer Note (b) below]	1,426.39	1,440.94
Total	1,997.76	2,038.04

- (a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the end of the year. Section 125 of the Companies Act, 2013 which corresponds to Section 205C of the Companies Act, 1956 has not yet been enforced.
- (b) Other payables include Buyers Credit of ` 12.83 lakhs (31.03.2014: ` 200.21 lakhs) and Employee Cost liability of ` 404.99 lakhs (31.03.2014: ` 416.12 lakhs).

12. Short-term provisions	As at 31st March, 2015	As at 31st March, 2014
Provision for Employee Benefits (also refer Note 27)		
Provision for Gratuity	96.88	344.19
Provision for compensated absences of employees	75.75	77.77
Other Provisions		
Proposed Dividend {on equity share of ` 10/-each @ ` 6/-per share (2013-14 ` 6/- per share)} [Refer Note 4]	314.01	314.01
Provision for Dividend Distribution Tax	63.92	53.37
Provision for Taxation [Net of Advance Tax ` 6,509.96 lakhs (2013-14: ` 5,804.85 lakhs)]	512.96	407.07
Total	1,063.52	1,196.41



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, 2014 [Note (a)]	Additions during the year	Sale/Adjustment during the year [Note (b) and (c)]	Cost/Valuation as at 31st March, 2015 [Note (c)]	As at 1st April, 2014	For the year	Sale/Adjustment during the year [Note (c)]	As at 31st March, 2015	As at 1st April, 2014	Impairment Loss For the year [Note (c)]	As at 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
Freehold Land	19,093.18	-	-	19,093.18	-	-	-	-	-	-	-	19,093.18	19,093.18
Buildings	9,428.62	371.30	261.22	9,538.70	1,355.21	472.04	40.19	1,787.06	-	57.94	57.94	7,693.70	8,073.41
Roads	276.47	34.02	-	310.49	47.02	203.90	-	250.92	-	-	-	59.57	229.45
Plant & Equipment	13,533.23	586.21	60.95	14,058.49	6,960.61	3,985.39	11.10	10,934.90	185.23	26.39	211.62	2,911.97	6,387.39
Furniture & Fixtures	389.30	0.72	-	390.02	67.26	44.62	-	111.88	-	-	-	278.14	322.03
Motor Vehicles	199.62	23.72	17.80	205.54	69.40	28.49	16.17	81.72	-	-	-	123.82	130.22
Launches	0.04	-	-	0.04	0.03	0.00	-	0.03	-	-	-	0.01	0.01
Office Equipment	150.02	6.76	-	156.78	32.31	44.29	-	76.60	0.71	-	0.71	79.47	117.00
Electrical Installations	330.83	250.18	-	581.01	122.47	109.35	-	231.82	8.95	-	8.95	340.24	199.41
Total	43,401.31	1,272.91	339.97	44,334.25	8,654.31	4,888.08	67.46	13,474.93	194.89	84.33	279.22	30,580.10	34,552.10
Previous Year	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	

- a) The Company had revalued all of its 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. Further Standby fossil fuel Power Plant was tested for impairment as at 31st March 2014 and the net revalued component of such assets was written off. The resultant restatements of the aforesaid fixed assets arising out of such revaluation are as set out below:

Particulars	31st March, 2010		31st March, 2013		31st March, 2014
	Original Cost	Amount added on revaluation	Original Cost	Amount further added on revaluation	Net Revalued amount written off
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	(759.79)

- b) Adjustment to Plant & Machinery includes Subsidy received ` 41.48 lakhs (2013-14: ` 64.33 lakhs)
- c) The Company's Standby fossil fuel Power Plant as mentioned in (a) above is being used sparingly and is not expected to be operational and generate any revenue in foreseeable future. Accordingly the Company made an impairment provision of ` 194.89 lakhs in the previous year and further re-assessing the carrying value of the said Power Plant as at year end, impairment provision of ` 84.33 lakhs has been made on such assets. Revalued component of the Power Plant Building is thereby written off, in relation to which adjustment in gross block and depreciation includes ` 261.22 lakhs (2013-14: ` Nil) and ` 40.19 lakhs (2013-14: ` Nil) respectively.
- d) Pursuant to notification of Schedule II of the Companies Act, 2013 (the Act), with effect from April 1, 2014, the Company has reviewed and revised the useful lives of its Fixed Assets. In respect of assets whose useful life are exhausted as at April 1, 2014, the related carrying amount aggregating to ` 217.97 lakhs (Net of Deferred Tax of ` 112.24 lakhs) and revalued amount of such exhausted assets of ` 2501.87 lakhs has been adjusted against the opening balance of Surplus and Revaluation Reserve respectively [Refer Note 4 and Note 29]. Further revision of useful life has resulted in additional depreciation of ` 145.33 lakhs in current year charged to the Statement of Profit and Loss.



NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

14. Intangible assets

Particulars	GROSS BLOCK				AMORTISATION			NET BLOCK		
	Cost/ Valuation as at 1st April, 2014	Additions during the year	Sale/ Adjustment during the year	Cost/ Valuation as at 31st March, 2015	As at 1st April, 2014	For the year	Sale/ Adjustment during the year	As at 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
Computer - Software	36.85	3.94	-	40.79	27.14	2.96	-	30.10	10.69	9.71
Total	36.85	3.94	-	40.79	27.14	2.96	-	30.10	10.69	9.71
Previous Year	29.28	7.57	-	36.85	20.67	6.47	-	27.14	9.71	

15. Non-current investments

	As at 31st March, 2015	As at 31st March, 2014
Long Term Investments		
Trade Investments (valued at cost unless stated otherwise)		
Unquoted Equity Instruments		
Investment in Subsidiaries		
Gloster Lifestyle Limited 40,00,000 (31.03.2014 - 40,00,000) Equity Shares of ` 10/- each fully paid-up	400.00	400.00
Gloster Specialities Limited 40,00,000 (31.03.2014 - 40,00,000) Equity Shares of ` 10/- each fully paid-up	400.00	400.00
Gloster Gujrat Limited Nil (31.03.2014 - 50,000) Equity Shares of ` 10/- each fully paid-up	-	5.00
Other Investments (valued at cost unless stated otherwise)		
Unquoted Equity Instruments		
Fine Worthy Software Solutions Private Limited 91,411 (31.03.2014 - 91,411) Equity Shares of ` 10/- each fully paid-up	213.68	213.68
Quoted Equity Instruments		
The Cochin Malabar Estates & Industries Limited 15,000 (31.03.2014 - 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 (31.3.2014 - ` 11.73 lakhs)]		
Joonktollee Tea & Industries Limited # 7,500 (31.03.2014 - 7,500) Equity Shares of ` 10/- each fully paid-up	-	-
Debentures (Quoted)		
99 (31.03.2014 - Nil) Debt Market Linked Non Convertible Debentures of ` 1,00,000/- each fully paid -up in Edelweiss Finance & Investments Limited	99.00	-
10 (31.03.2014 - Nil) Principal Protected Secured Redeemable Non Convertible Market Linked Debentures of ` 10,00,000/- each fully paid-up in India Infoline Finance Limited	100.00	-
Debentures (Unquoted)		
Nil (31.03.2014 - 50) 19% Non-Convertible Debentures of ` 1,00,000/- each fully paid -up in Sheth Buildwell Private Limited	-	50.00



NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

Mutual Fund (Quoted)

Reliance Fixed Horizon Fund XXVIII Series 14 - Growth 25,00,000 units (31.03.2014 Nil units)	250.00	–
Kotak Mahindra FMP Series -172 Mutual Fund 5,00,000 units (31.03.2014 Nil units)	50.00	–
DSP BlackRock FMP- Series 150-13 M - Regular Growth Nil units (31.03.2014 -5,00,000 units) Now disclosed under Current Portion of Long Term Investments	–	50.00
L&T FMP - Series 10 - Plan M - Growth Nil units (31.03.2014 - 5,00,000 units) Now disclosed under Current Portion of Long Term Investments	–	50.00
LIC Nomura MF FMP Series 77 Nil units (31.03.2014 - 5,00,000 units) Now disclosed under Current Portion of Long Term Investments	–	50.00
Reliance Fixed Horizon Fund -XXV - Series 31 Growth Plan Nil units (31.03.2014 - 5,00,000 units) Now disclosed under Current Portion of Long Term Investments	–	50.00

Others (Unquoted)

IIFL Income Opportunities Fund 29,44,328.379 units (31.03.2014-29,44,328.379 units) of ` 10/- each fully paid-up	296.63	296.63
IIFL Assets Revival Fund 19,32,853.225 units (31.03.2014- 19,32,853.225 units) of ` 10/- each fully paid-up	200.00	200.00
Peninsula Brookfield India Real Estate Fund 66 units (31.03.2014- 66 units) of ` 1,00,000/- each fully paid-up	68.00	68.00
IIFL National Development Agenda Fund 19,68,813.881 units (31.03.2014-nil units) of ` 10/- each fully paid-up	200.00	–
IIFL Real Estate Fund (Domestic) - Series 2 2,77,528 units (31.03.2014-nil units) of ` 10/- each fully paid-up	30.00	–
Indiareit Apartment Fund 24.1452 units (31.03.2014-nil units) of ` 1,00,000/- each fully paid-up	25.00	–
Orios Venture Partners Fund 50,000 units (31.03.2014-nil units) of ` 100/- each fully paid-up	50.00	–

Total

Aggregate amount of Quoted Investments	514.30	215.30
Aggregate Market Value of Quoted Investments	517.85	223.00
Aggregate amount of Unquoted Investments	1,883.31	1,633.31
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.

16. Long-term loans and advances

Unsecured, considered good (unless otherwise stated)

Capital Advance	159.25	28.26
Security Deposits	401.38	670.09

Total

560.63 698.35



NOTES TO THE FINANCIAL STATEMENTS

17. Current investments	As at 31st March, 2015	As at 31st March, 2014
At Cost		
Current portion of Long term investments (Unquoted) - Debenture		
Nil (31.03.2014 - 50) 19% Non-Convertible Debentures of ` 1,00,000/- each fully paid-up in Sheth Buildwell Private Limited	-	50.00
Current portion of Long term investments (Quoted) - Mutual Fund		
DSP BlackRock FMP- Series 150-13 M - Regular Growth 5,00,000 units (31.03.2014 - nil units)	50.00	-
L&T FMP - Series 10 - Plan M - Growth 5,00,000 units (31.03.2014 - nil units)	50.00	-
LIC Nomura MF FMP Series 77 5,00,000 units (31.03.2014 - nil units)	50.00	-
Reliance Fixed Horizon Fund -XXV - Series 31 Growth Plan 5,00,000 units (31.03.2013 - nil)	50.00	-
DWS fixed maturity plan - series 26 - Regular Plan Growth Nil units (31.03.2014 - 10,00,000 units)	-	100.00
HDFC FMP-400D March 2013 (I) Series 23 - Regular Growth Nil units (31.03.2014- 20,00,000 units)	-	200.00
Investment in Mutual fund		
At cost or fair value, whichever is less		
Unquoted		
J. M. Arbitrage Advantage Fund, Bonus Option 11,42,111.230 units (31.03.2014-nil units)	114.00	-
ICICI Prudential Gilt Fund Investment Plan- PF Option-Regular Plan 11,53,119.586 units (31.03.2014-11,53,119.586 units)	250.00	250.00
Birla Sunlife Income Plus- Growth -Regular Plan Nil units (31.03.2014-5,87,450.495 units)	-	300.00
Reliance Income Fund - Growth Plan-Bonus Option Nil units (31.03.2014-10,29,456.770 units)	-	112.53
Birla Sunlife Dynamic Bond Fund - Growth Regular Plan Nil units (31.03.2014- 2,50,930.954 units)	-	50.00
HDFC High Interest Fund Dynamic Plan - Growth Nil units (31.03.2014- 5,52,675.941 units)	-	225.00
ICICI Prudential Income Opportunities Fund - Regular Plan Growth Nil units (31.03.2014- 3,09,543.856 units)	-	50.00
Reliance Dynamic Bond Fund - Growth Plan Nil units (31.03.2014- 10,86,320.669 units)	-	175.00
SBI Dynamic Bond Fund - Regular Plan Growth Nil units (31.03.2014 - 6,77,722.581 units)	-	100.00
Others (Unquoted)		
Forefront Alternative Equity Scheme 7,04,112.943 units (31.03.2014 - Nil units) of ` 10/- each fully paid-up	100.00	-
Total	664.00	1,612.53
Aggregate amount of quoted investments	200.00	300.00
Aggregate Market Value of quoted investments	220.33	329.00
Aggregate amount of unquoted investments	464.00	1,312.53



NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

18. Inventories (Refer Note 2.8)	As at 31st March, 2015	As at 31st March, 2014
Raw materials	3,289.49	3,183.57
Stock-in-process	747.88	771.80
Semi Finished Goods	378.00	217.66
Finished Goods (includes in transit ` 321.53 lakhs, {31.03. 2014: ` 252.03 lakhs})	1,503.95	1,651.59
Stores and Spares	887.64	936.55
Total	6,806.96	6,761.17

19. Trade receivables	As at 31st March, 2015	As at 31st March, 2014
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	52.61	12.09
Others	1,715.77	1,462.63
Total	1,768.38	1,474.72

20. Cash and Bank balances	As at 31st March, 2015	As at 31st March, 2014
Cash and cash equivalents		
Cash on hand	14.18	10.61
Balances with banks		
In current accounts	457.96	321.99
	472.14	332.60
Other Bank balances		
Unpaid dividend account	15.75	13.49
Margin money deposits	0.21	0.98
Total	488.10	347.07

21. Short-term loans and advances	As at 31st March, 2015	As at 31st March, 2014
Unsecured, considered good (unless otherwise stated)		
Security Deposits	96.59	96.59
Prepaid Expenses	61.28	85.37
Balances with Government Authorities	-	5.62
Advances for goods and services - Considered Good	41.47	316.42
Employee Advances	207.83	159.82
Other Advances		
Considered Good	1.00	392.40
Doubtful	148.17	148.17
Less : Provision for Doubtful Advance	(148.17)	(148.17)
Total	408.17	1,056.22



NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

22. Other current assets	As at 31st March, 2015	As at 31st March, 2014
Unsecured, considered good		
Interest accrued on security deposits	-	14.52
Interest subsidy receivable	-	14.86
Interest accrued on investments	-	4.22
Total	-	33.60

23. Revenue from operations	Year ended 31st March, 2015	Year ended 31st March, 2014
Sale of products		
Finished goods	32,288.28	33,399.43
	32,288.28	33,399.43
Other operating revenues		
Export incentive	486.31	456.07
Revenue from operations (gross)	32,774.59	33,855.50
Less : Excise Duty and R&D Cess	232.26	253.57
Total	32,542.33	33,601.93

24. Other Income	Year ended 31st March, 2015	Year ended 31st March, 2014
Interest Income on		
Bank deposits	0.01	14.54
Other deposits	25.38	20.34
Long - term investments	38.99	54.54
Others	29.10	22.01
Dividend Income on current investments	-	0.68
Dividend on long term investment	2.42	0.41
Rent	3.42	3.52
Profit on sale of fixed asset	4.34	10.76
Profit on sale of current investments (Net)	89.04	16.68
Profit on Sale of long term Investment	30.02	-
Liabilities no longer required written back	36.53	49.48
Net Gain on foreign currency transaction and translation	190.05	-
Miscellaneous Income	51.25	57.13
Keyman Insurance Realised	-	205.18
Total	500.55	455.27

25. Cost of materials consumed	Year ended 31st March, 2015	Year ended 31st March, 2014
Inventory at the beginning of the year	3,183.57	3,440.76
Add: Purchases (net) [Refer Note (a) below]	16,823.33	17,072.02
	20,006.90	20,512.78
Less: Inventory at the end of the year	3,289.49	3,183.57
Total	16,717.41	17,329.21

(a) Purchases is net of discount received on prompt payment of supplier's bills amounting to ` 290.37 lakhs (2013-14: ` 235.27 lakhs)



NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

26. Changes in inventories of finished goods, stock-in-process and semi-finished goods	Year ended 31st March, 2015	Year ended 31st March, 2014
Inventories at the end of the year		
Stock-in-process	747.88	771.80
Semi-Finished Goods	378.00	217.66
Finished Goods	1,503.95	1,651.59
Total (A)	2,629.83	2,641.05
Inventories at the beginning 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 (B)	2,641.05	2,669.83
(Increase)/decrease in inventories (B-A)	11.22	28.78

27. Employees benefits expense	Year ended 31st March, 2015	Year ended 31st March, 2014
Salaries, Wages & Bonus	5,577.24	5,453.38
Contribution to Provident and Other Funds [Refer Notes (a) and (b) below]	831.00	996.73
Workmen and Staff Welfare expenses	58.32	76.38
Total	6,466.56	6,526.49

(a) Defined Contribution Plans

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

	Year ended 31st March, 2015	Year ended 31st March, 2014
Employer's Contribution to Provident Fund	111.19	100.84
Employer's Contribution to Pension Fund	307.46	255.50
Employer's Contribution to Superannuation Fund	69.70	61.57

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 managed by a Trust and is a defined benefit plan. The funds of the trust is managed by approved insurance companies. 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 FINANCIAL STATEMENTS

(` in lakhs)

Sl. No.	Description	"Gratuity (Funded)"	
		Year ended 31st March, 2015	Year ended 31st March, 2014
(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	3,684.68	3,254.32
	Current Service Cost	217.26	194.16
	Interest Cost	324.56	257.47
	Actuarial (Gains)/Losses	288.90	129.98
	Benefits Paid	(156.81)	(151.25)
	Present Value of Obligation at the end of the year	4,358.59	3,684.68
(b)	Reconciliation of the Opening and Closing balances of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	3,340.49	2,760.15
	Expected Return on Plan Assets	274.73	234.53
	Actuarial Gains/(Losses)	459.11	2.89
	Contributions	344.19	494.17
	Benefits paid	(156.81)	(151.25)
	Fair Value of Plan Assets at the end of the year	4,261.71	3,340.49
(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	4,358.59	3,684.68
	Fair Value of Plan Assets at the end of the year	4,261.71	3,340.49
	Assets/(Liabilities) recognized in the Balance Sheet	(96.88)	(344.19)
(d)	Expense recognised in the Profit and Loss Account		
	Current Service Cost	217.26	194.16
	Interest Cost	324.56	257.47
	Actual Return on Plan Assets	(274.73)	(234.53)
	Actuarial (Gains)/Losses	(170.21)	127.09
	Total Expense recognized	96.88	344.19
(e)	Category of Plan Assets : [Refer note (b) below]		
	Fund with Birla Sun Life Insurance Company Limited	4,234.11	3,340.49
	Fund with HDFC Life	27.60	-
	Total	4,261.71	3,340.49
(f)	Actuarial Assumptions		
	Discount Rate (Per annum)	7.80%	9.00%
	Expected Rate of Return on Assets (Per annum)	8.00%	8.00%
	Salary Escalation	8.00%	8.00%
	Mortality Rate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate	In accordance with Indian Assured Lives Mortality (2006-08) (modified) ultimate

- a) 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.
- b) 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)

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

	2014-15	2013-14	2012-13	2011-12	2010-11
Defined benefit obligation	(4,358.59)	(3,684.68)	(3,254.32)	(2,250.98)	(2,175.07)
Plan assets	4,261.71	3,340.49	2,760.15	2,190.04	2,034.62
Surplus / (deficit)	(96.88)	(344.19)	(494.17)	(60.94)	(140.45)
Experience adjustments on plan liabilities	203.74	(90.60)	(168.25)	30.95	(18.30)
Experience adjustments on plan assets	459.11	2.89	64.22	(40.40)	6.37

28. Finance costs

	Year ended 31st March, 2015	Year ended 31st March, 2014
Interest expenses	460.17	493.30
Other borrowing costs	27.84	36.84
Total	488.01	530.14

29. Depreciation and amortization expense

	Year ended 31st March, 2015	Year ended 31st March, 2014
Depreciation on Tangible assets	4,888.08	1,589.03
Less: Adjustments pursuant to implementation of Schedule II to the Companies Act, 2013, for assets whose useful life is exhausted as at 1st April, 2014 [Refer Note 13 (d) and Note 4]		
(a) Net Revalued Component of Assets adjusted against Opening Balance of Revaluation Reserve	2,501.87	–
(b) Original Cost of Assets adjusted against the Opening Balance of Surplus in the Statement of Profit & Loss	330.21	–
Less : Recoupment from Revaluation Reserve [Refer Note 4]	1,146.46	840.57
	909.54	748.46
Amortization of Intangible assets	2.96	6.47
Total	912.50	754.93

30. Other expenses

	Year ended 31st March, 2015	Year ended 31st March, 2014
Consumption of stores and spare parts (net)	2,277.81	2,455.46
Power and fuel	1,826.55	1,720.51
Rent	73.56	66.82
Repairs to building	48.60	82.27
Repairs to machinery	4.18	6.58
Repairs - others	41.11	53.13
Insurance	118.01	114.48
Rates and Taxes	44.86	28.07
Processing Charges	466.82	480.00
Freight and Delivery Charges	357.64	411.53
Research & Development Cess and Excise Duty [Refer Note (a) below]	85.91	86.35
Export Dock and Toll Charges	100.98	88.36
Brokerage and Commission	166.73	187.17
Advance Written Off	39.19	–
Bad Debts Written Off	7.60	5.14
Net Loss on foreign currency transaction and translation	–	93.17
CSR Expenses [Refer Note (c) below]	34.71	–
Miscellaneous expenses [Refer Note (b) below]	657.21	645.67
Provision For Doubtful Advances	–	148.17
Provision For Impairment of Fixed Assets	84.33	194.89
Total	6,435.80	6,867.77



NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

(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 ` 1.78 lakhs (31.03. 2014: ` 5.60 lakhs)

(b) Miscellaneous expenses includes remuneration to auditors for:

Audit Fees

Other Services

Reimbursement of expenses (including service tax)

Total

	Year ended 31st March, 2015	Year ended 31st March, 2014
Audit Fees	12.50	11.00
Other Services	8.00	7.75
Reimbursement of expenses (including service tax)	4.02	2.91
Total	24.52	21.66

(c) Corporate Social Responsibility (CSR)

As per the provisions of Companies Act, 2013, the Company is required to spend at least 2 % of its average net profits of immediately three preceding years on CSR activities eligible under the Act. Further pursuant to the requirement of the Companies Act, 2013 the Company has constituted a CSR committee which has approved the CSR policy.

The details regarding CSR expenditure for the year is given below:

Gross Amount required to be spent by the Company during the year: ` 59.24 lakhs

Further, the amount spent during the year under various heads is mentioned below:

Amount spent during the year under various heads

(i) Construction / acquisition of any asset

(ii) On purposes other than (i) above

In Cash	Yet to be paid in cash	Total
Nil	Nil	Nil
34.71	Nil	34.71

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, 2015	Year ended 31st March, 2014
(I) Basic		
a. Net Profit after tax (` in lakhs)	1,323.55	1,408.36
b. (i) Number of Equity Shares at the beginning of the year	52,33,440	26,16,720
(ii) Number of Equity Shares at the end of the year	52,33,440	52,33,440
(iii) Weighted average number of Equity Shares outstanding during the year	52,33,440	52,33,440
(iv) Face Value of Equity Share (`)	10	10
c. Basic Earning / (Loss) per share [a/b (iii)] (`)	25.29	26.91
(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	52,33,440
c. Diluted Earning / (Loss) per Share [(I)(a) / (II)(b)] (`)	25.29	26.91



NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

32. Contingent liabilities	As at 31st March, 2015	As at 31st March, 2014
a) Claims against the Company not acknowledged as debts:		
Sales tax matter	248.63	407.12
ESI matter	45.57	45.57
b) Export bills discounted with bank	28.56	89.80

33. Commitments	As at 31st March, 2015	As at 31st March, 2014
Estimated amounts of contracts remaining to be executed on capital account and not provided for tangible assets	136.12	84.17
Other Commitment - towards investments	529.00	134.00

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, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Segment revenue by location of customers	23,136.11	24,096.36	8,919.91	9,049.50	32,056.02	33,145.86
Carrying amount of segment assets	1,458.73	989.85	309.65	484.87	1,768.38	1,474.72
Additions to tangible and intangible assets	989.79	1,311.70	-	-	989.79	1,311.70

35. Related Party Disclosures pursuant to requirements of Accounting Standard 18

Names of Related Parties and nature of relationship:

a) Subsidiary Companies

- Gloster Lifestyle Limited
- Gloster Specialities Limited
- Gloster Gujrat Limited (upto 27th March, 2015)

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

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	2014-15	–	236.56	4.96	–
	2013-14	–	226.37	4.05	–
2 Dividend Paid	2014-15	–	10.90	8.20	55.44
	2013-14	–	9.09	6.83	46.20
3 Rent Paid	2014-15	–	–	–	40.45
	2013-14	–	–	–	33.71
4 Loan Given	2014-15	–	–	–	–
	2013-14	365.00	–	–	300.00
5 Sales	2014-15	–	–	–	75.42
	2013-14	–	–	–	62.40
6 Dividend Received	2014-15	–	–	–	0.45
	2013-14	–	–	–	0.41
7 Interest Received	2014-15	–	–	–	–
	2013-14	–	–	–	1.45
8 Loan Given Received Back	2014-15	–	–	–	–
	2013-14	365.00	–	–	300.00
B Outstanding balance at year end					
1 Commission Payable	2014-15	–	75.00	3.96	–
	2013-14	–	55.00	3.15	–
2 Deposits	2014-15	–	–	–	400.00
	2013-14	–	–	–	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, 2015	As at 31st March, 2014
Forward Contracts to sell (in USD)	4.02	3.97
Forward Contracts to sell (in GBP)	0.63	1.03
Forward Contracts to sell (in EUR)	–	0.88
Forward Contracts to buy (in USD)	0.21	3.21



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, 2015	As at 31st March, 2014
Export Trade receivables (in USD)	–	0.82
Export Trade receivables (in GBP)	–	0.07
Export Trade receivables (in EUR)	–	0.17
Advance from Customers (in USD)	0.50	1.03
Advance from Customers (in EUR)	0.03	1.14
Short Term Borrowings (in USD)	13.58	–
Trade & other payables (in USD)	–	0.02

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

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

Nature of Exposure	As at 31st March, 2015	As at 31st March, 2014
Provision for Resultant Mark to Market Loss	1.74	2.13

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, 2015	As at 31st March, 2014
1	The principal amount remaining unpaid to any supplier as at the year end	–	–
	The interest remaining unpaid to any supplier as at the year end	1.20	1.03
2	Principal amounts paid to suppliers beyond the appointed day during the year.	14.75	26.30
	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	0.16	0.34
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.	1.20	1.03

*Included in SI No. 1 above is ` Nil (31.03.2014 : ` Nil) being interest on principal amount remaining unpaid as at the beginning of the accounting year.

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, 2015	Year ended 31st March, 2014
Stores, Spare parts and Components	150.27	203.29
Capital Goods	305.74	127.94
Raw Materials	336.81	1,287.33
Total	792.82	1,618.56



NOTES TO THE FINANCIAL STATEMENTS

(` in lakhs)

39. Expenditure in Foreign currency	Year ended	
	31st March, 2015	31st March, 2014
Interest	3.36	–
Other expenses	33.75	51.21
Total	37.11	51.21

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

	Year ended 31st March, 2015		Year ended 31st March, 2014	
	%	` in lakhs	%	` in lakhs
Raw materials				
Indigenous	95.26	15,924.42	86.44	14,979.94
Imported	4.74	792.99	13.56	2,349.27
	100.00	16,717.41	100.00	17,329.21
Stores, spare parts and components				
Indigenous	85.56	1,948.80	94.60	2,322.75
Imported	14.44	329.01	5.40	132.71
	100.00	2,277.81	100.00	2,455.46
		28.53		–

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

41. Earnings in Foreign currency	Year ended	
	31st March, 2015	31st March, 2014
Export on F.O.B basis	8,627.23	8,742.54

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

Loans to wholly owned subsidiary companies are as under

Particulars	Balance as at 31st March, 2015	Balance as at 31st March, 2014	Maximum amount outstanding during the year ended 31st March, 2015	Maximum amount outstanding during the year ended 31st March, 2014
Interest free:				
(a) Gloster Lifestyle Limited	Nil	Nil	Nil	190
(b) Gloster Specialities Limited	Nil	Nil	Nil	175

43. 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

Place: Kolkata
Date: 16th May, 2015

Sunit Kumar Basu
Partner
Membership No. 55000

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

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



INDEPENDENT AUDITOR'S REPORT

To the Members of Gloster Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Gloster Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"); (refer Note 1 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March, 31, 2015, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ` 2081.87 lakhs and net assets of ` 1053.85 lakhs as at March 31, 2015, total revenue of ` 540.98 lakhs, net profit of ` 130.84 lakhs and net cash flows amounting to ` 1483.96 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated



INDEPENDENT AUDITOR'S REPORT

financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies, (Refer Note 1 to the consolidated financial statements), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiaries included in the Group including relevant records relating to the preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact, if any, of pending litigations as at 31st March, 2015 on the consolidated financial position of the Group Refer Note 32 to the consolidated financial statements.
 - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on derivative contracts as at 31st March, 2015 Refer Note 36 to the consolidated financial statements in respect of such items as it relates to the Group. There are no long-term contracts outstanding as at March 31, 2015,
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies during the year ended March 31, 2015.

For Lovelock & Lewes

Firm Registration Number: 301056E
Chartered Accountants

Sunit Kumar Basu

Partner
Membership Number 55000

Place: Kolkata
Date: May 16, 2015



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Gloster Limited on the consolidated financial statements as of and for the year ended March 31, 2015

- i. (a) The Holding Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets. Based on the reports of the other Auditors of the subsidiary Companies of the Holding Company, the said subsidiaries does not hold any fixed assets during the year ended March 31, 2015.
- (b) The fixed assets of the Holding Company are physically verified by the Management of the Holding Company 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 of the Holding Company during the year and no material discrepancies have been noticed on such verification.
- ii. (a) The inventory of the Holding Company has been physically verified by its Management during the year. In our opinion, the frequency of verification is reasonable. Based on the reports of the other Auditors of the subsidiaries of the Holding Company, the said subsidiaries does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to them.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management of the Holding Company 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 Holding Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Holding Company and its subsidiaries have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Holding Company and its subsidiaries.
- iv. In our opinion, and according to the information and explanations given to us and based on the reports of the other Auditors of the subsidiary Companies of the Holding Company, there is an adequate internal control system commensurate with the size of the Holding Company and its subsidiaries and the nature of their respective businesses for the purchase of inventory and fixed assets and for the sale of goods (as applicable). Further, on the basis of our examination of the books and records of the aforesaid Holding Company and the reports of other Auditors of subsidiaries as furnished to us, 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. The Holding Company and its subsidiaries have not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Holding Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 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. Based on the reports of the other Auditors of the subsidiary Companies of the Holding Company as furnished to us, the Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the subsidiaries.
- vii. (a) In our opinion, and according to the information and explanations given to us and the records of the Holding Company examined by us, and based on the reports of the other auditors of the Holding company's subsidiaries, the Holding Company and its subsidiaries are regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess 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 Holding Company examined by us, there are no dues of wealth-tax, service-tax, duty of customs and excise duty, which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, value added tax, cess as at March 31, 2015 which have not been deposited on account of a dispute, are as follows



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

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	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	22,26,350	2010-11	Additional Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	38,83,904	2010-11	Additional Commissioner
West Bengal VAT Act, 2003	West Bengal VAT	36,53,617	2011-12	Senior Joint Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	1,03,78,370	2011-12	Senior Joint Commissioner

Based on the reports of the other auditors of the subsidiary companies, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, duty of customs, and duty of excise or value added tax or cess which have not been deposited on account of any dispute.

- c) The amount required to be transferred to Investor Education and Protection Fund by the Holding Company has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder. Based on the reports of the other Auditors of the subsidiary Companies of the Holding Company as furnished to us, there are no amount required to be transferred by the said subsidiary companies to the Investor Education and Protection Fund in accordance with the provision of the Companies Act, 1956 and the Rules made thereunder.
- viii. The Holding 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. Based on the reports of the other auditors of the subsidiary companies furnished to us, as they are registered for a period of less than five

years, the provision of Clause 3 (viii) of the Order are not applicable to them.

- ix. According to the records of the Holding Company examined by us and the information and explanation given to us and based on the reports of the other auditors of the subsidiary companies furnished to us, the Holding Company and its subsidiaries have not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- x. In our opinion, and according to the information and explanations given to us and based on the reports of the other auditors of the subsidiary companies furnished to us, the Holding Company and its subsidiaries have not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Holding Company and its subsidiaries.
- xi. In our opinion, and according to the information and explanations given to us, the term loans obtained by Holding Company have been applied for the purposes for which they were obtained. Based on the reports of the other auditors of the subsidiary companies furnished



to us, the subsidiaries have not raised any Term loans. Accordingly, the provision of Clause 3(xi) of the Order are not applicable to them.

- xii. During the course of our examination of the books and records of the Holding Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and based on the reports of the other auditors of the subsidiary companies furnished to us, we / the other

Auditors have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we / the other Auditors been informed of any such case by the Management of the aforesaid Holding Company and its subsidiaries.

Place: Kolkata
Date: May 16, 2015

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

Sunit Kumar Basu
Partner
Membership Number 55000



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

(` in lakhs)

	Note	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	523.34	523.34
Reserves and Surplus	4	36,002.67	39,015.04
		36,526.01	39,538.38
Non-current Liabilities			
Long-term borrowings	5	711.48	299.70
Deferred tax liabilities (net)	6	71.68	307.08
Other long-term liability	7	–	28.09
Long-term provisions	8	236.68	183.76
		1,019.84	818.63
Current Liabilities			
Short-term borrowings	9	3,999.23	5,100.56
Trade payables	10	457.54	238.61
Other current liabilities	11	1,997.91	2,038.25
Short-term provisions	12	1,063.49	1,196.33
		7,518.17	8,573.75
Total		45,064.02	48,930.76
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	13	30,580.10	34,552.10
Intangible assets	14	10.69	9.71
Capital work-in-progress		127.63	414.68
Non-current Investments	15	2,018.33	1,900.94
Long-term loans and advances	16	560.63	698.35
		33,297.38	37,575.78
Current assets			
Current Investments	17	744.06	1,612.53
Inventories	18	6,806.96	6,761.17
Trade receivables	19	1,768.38	1,474.72
Cash and Bank balances	20	2,020.62	399.55
Short-term loans and advances	21	408.20	1,056.22
Other current assets	22	18.42	50.79
		11,766.64	11,354.98
Total		45,064.02	48,930.76
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

Place: Kolkata
Date: 16th May, 2015

Sunit Kumar Basu
Partner
Membership No. 55000

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

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



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015 (₹ in lakhs)

	Note	Year ended 31st March, 2015	Year ended 31st March, 2014
INCOME			
Revenue from operations (gross)	23	33,159.40	33,855.50
Less: Excise Duty and R & D Cess		232.26	253.57
Revenue from operations (net)		32,927.14	33,601.93
Other Income	24	657.84	522.34
Total Revenue		33,584.98	34,124.27
EXPENSES			
Cost of materials consumed	25	16,717.41	17,329.21
Purchase of traded goods		384.48	–
Changes in inventories of finished goods, stock-in-process and semi-finished goods	26	11.22	28.78
Employee benefits expense	27	6,466.56	6,526.49
Finance costs	28	488.63	530.14
Depreciation and amortization expense	29	912.50	754.93
Other expenses	30	6,437.08	6,868.90
Total Expenses		31,417.88	32,038.45
Profit before exceptional items and tax		2,167.10	2,085.82
Exceptional items		–	–
Profit before tax		2,167.10	2,085.82
Tax expense			
Current tax		834.74	880.98
Deferred tax		(123.17)	(264.48)
Tax for earlier year		–	0.95
Total Tax expenses		711.57	617.45
Profit for the year		1,455.53	1,468.37
Earnings per equity share [nominal value per share ₹ 10 (31.03.2014 - ₹ 10)]			
Basic & Diluted	31	27.81	28.06
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

Shankar Lal Kedia

Chief Financial Officer

Ajay Kumar Agarwal

Company Secretary

Hemant Bangur

Vice Chairman

Nandita Sen

Director

D. C. Baheti

Managing Director

Place: Kolkata

Date: 16th May, 2015



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lakhs)

Particulars	Year ended	
	31st March, 2015	31st March, 2014
A. Cash Flow from Operating Activities		
Net profit before tax	2,167.10	2,085.82
Adjustments for:		
Depreciation and Amortisation Expenses	912.50	754.93
Finance Costs	488.63	530.14
Bad Debts Written Off	7.60	5.14
Net (Profit) / Loss on sale of fixed assets	(4.34)	(10.76)
Net gain on sale of current investments	(89.45)	(16.68)
Net gain on sale of long term Investments	(135.31)	(24.12)
Unrealised (Gain) / Loss on exchange (net)	(4.05)	(4.68)
(Gain)/ Loss on Mark to Market adjustment for Derivative Instrument	1.74	2.13
Export Incentive received under SHIS Scheme	(43.27)	(82.31)
Interest Income	(145.07)	(154.38)
Dividend income on current investments	—	(0.68)
Dividend income on long term investments	(2.42)	(0.41)
Liabilities no longer required written back	(36.53)	(49.48)
Provision for Impairment of Power Plant	84.33	194.89
Provision for Doubtful Advances	—	148.17
Advance Written Off	39.19	—
	1,073.55	1,291.90
Operating profit before working capital changes	3,240.65	3,377.72
Adjustments for:		
Decrease/(Increase) in Inventories	(45.79)	172.73
Decrease/(Increase) in Trade and Other Receivables	578.77	(500.20)
(Decrease)/Increase in Trade and Other Payables	(4.22)	(381.64)
	528.76	(709.11)
Cash generated from operations	3,769.41	2,668.61
Income Taxes paid	(728.85)	(736.04)
Net Cash from Operating Activities	3,040.56	1,932.57
B. Cash Flow from investing activities		
Purchase of Fixed Assets	(1,095.79)	(1,209.28)
Grant Received against Specific Assets	41.48	101.62
Sale of Fixed Assets	11.69	10.91
Purchase of Current investments	(2,010.29)	(3,468.00)
Purchase of long term investments	(504.00)	(1,013.99)
Sale/ Redemption of Investments	3,490.07	3,704.22
Interest received	179.22	166.75
Dividend received	2.42	1.09
(Increase) / Decrease in Margin Money Deposits	0.77	111.90
Net Cash used in Investing activities	115.57	(1,594.78)



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(` in lakhs)

Particulars	Year ended		Year ended	
	31st March, 2015		31st March, 2014	
C. Cash Flow from Financing Activities				
Net proceeds / (repayment) of Short term Borrowings	(1,107.81)		(328.06)	
Proceeds from Long-term Borrowings	790.00		–	
Repayment of Long-term Bank Borrowings	(356.55)		(253.29)	
Finance costs paid	(494.81)		(547.34)	
Dividend paid	(311.75)		(259.64)	
Dividend Taxes paid	(53.37)		(44.47)	
(Increase) / Decrease in Unpaid Dividend Account	(2.26)		(2.03)	
Net Cash from / (used) in Financing Activities		(1,536.55)		(1,434.83)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		1,619.58		(1,097.04)
D. Cash and Cash Equivalents				
Net Increase/ (Decrease) in Cash and Cash Equivalents		1,619.58		(1,097.04)
Cash and Cash Equivalents as on 1 April		385.08		1,482.12
Cash and Cash Equivalents as on 31 March		2,004.66		385.08

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.
- 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

Place: Kolkata
Date: 16th May, 2015

Partner
Membership No. 55000

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

Hemant Bangur

Nandita Sen
D. C. Baheti

Vice Chairman
Director
Managing Director



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Gloster Limited (the "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 BSE Ltd. & the Calcutta Stock Exchange Ltd.

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, 2015
Gloster Lifestyle Limited	India	100%
Gloster Specialities Limited	India	100%
Gloster Gujrat Limited*	India	Nil

*During the current year the Parent Company had disposed off its total holding in Gloster Gujrat Limited. As on 31st March, 2015 it does not form part of the Group.

2. Summary of significant accounting policies

2.1 Basis of preparation

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. Pursuant to section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by the Central Government in consultation with and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently 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 the other relevant provisions of the Companies Act, 2013.

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 III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current, non-current classification of assets and liabilities.

2.2 Basis of Consolidation

The consolidated financial statement comprises of financial statements of Gloster Limited (the "Parent Company") and its subsidiary companies (hereinafter referred to as the "Group") as described in Note no. 1. The Consolidated Financial Statements are prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements". The Financial statements of the Parent Company and its subsidiaries have been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances, transactions and unrealized profits or losses thereon have been fully 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.

2.3 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.

2.4 Tangible assets and Depreciation

- All items of land, building and plant and machinery at Parent Company's factory at Bauria, Howrah were revalued and restated at valuation by an approved valuer at current replacement cost as at 31st March, 2013 (an earlier revaluation 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 on Straight line method over the estimated useful lives of the assets. Pursuant to Notification of Schedule II of the Companies Act, 2013 becoming effective, the Company has adopted the useful lives on the basis of internal technical evaluation. The lives adopted by the Company are as per the lives specified for the respective fixed assets in the Schedule II of the Companies Act, 2013. 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- e) An impairment loss is recognized where applicable when the carrying amount of tangible asset exceeds its recoverable amount.

2.5 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 Consolidated Statement of Profit and Loss.
- d) An impairment loss is recognized where applicable when the carrying amount of Intangible asset exceeds its recoverable amount.

2.6 Impairment of Assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible & intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased / increased.

2.7 Investments

Long term investments are carried at cost net off provision, if any, for decline in value considered to be other than temporary in nature.

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

2.8 Subsidy / Government Grant

Subsidy / Government Grant and export incentive are accounted for when no significant uncertainty exists regarding its collectibility. Subsidy / Government Grant that relate to specific fixed assets are deducted from the cost of the relevant fixed asset. Subsidy / Government Grant receivable against any expenditure is recognized in the Consolidated Statement of Profit and Loss. Subsidy / Government Grant 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.

2.9 Inventories

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

Semi-finished goods and stock-in-process are valued at raw materials cost plus labour and overheads apportioned on an

estimated basis depending upon the stages of completion or at net realizable value whichever is lower.

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

2.10 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

(i) Gratuity

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 in the Consolidated Statement of Profit and Loss every year.

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

(ii) 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 Consolidated Statement of Profit and Loss.

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.

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

Accumulated Compensated Absences and Gratuity liability, which are expected to be availed or encashed or contributed within the 12 months from the end of the year are treated as short term employee benefits



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

and the balance expected to be availed or encashed or contributed beyond 12 months from the year end are treated as long term liability.

d) Other Short Term Employee Benefits

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

2.11 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.

2.12 Sale of goods

Sale of goods is stated net of sales tax. Sale is recognized on transfer of significant risks and rewards of ownership in goods to the buyer as per the terms of contract

2.13 Other Income

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

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

Export incentive are accounted as income in the Statement of Profit and Loss when no significant uncertainty exists regarding the collectability.

2.14 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 and are recognized in the Statement of Profit and Loss. 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

recognized in the Statement of Profit and Loss and gains are ignored. Any profit or loss arising on cancellation of derivative instruments is recognized as income or expense for the period.

2.15 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.

Deferred Tax Assets and Liabilities are measured using the existing tax rates and tax as on the Balance Sheet date. At each Balance Sheet date the Company re-assesses unrecognized Deferred Tax Assets, if any.

2.16 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.

2.17 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.

2.18 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 31st March, 2015	As at 31st March, 2014
Authorised		
2,50,00,000 (31.03.2014 - 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. 2014 - 52,33,440) Equity Shares of ` 10/- each	523.34	523.34
Total	523.34	523.34

(a) Reconciliation of number of equity shares

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

As at 31st March, 2015		As at 31st March, 2014	
No. of Shares	` in lakhs	No. of Shares	` in lakhs
52,33,440	523.34	26,16,720	261.67
-	-	26,16,720	261.67
52,33,440	523.34	52,33,440	523.34

(b) Rights 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

Equity shares allotted as fully paid-up pursuant contract(s) without payment being received in cash 1993-94
 Equity shares allotted as fully paid up bonus share by way of capitalisation of General Reserve in 2002-03
 Equity shares allotted as fully paid up bonus share by way of capitalisation of General Reserve in 2008-09
 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, 2015	As at 31st March, 2014
No. of Shares	No. of Shares
2,17,360	2,17,360
6,54,180	6,54,180
13,08,360	13,08,360
26,16,720	26,16,720

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

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

As at 31st March, 2015		As at 31st March, 2014	
No. of Shares	% holding	No. of Shares	% holding
11,51,597	22.05	11,67,042	22.30
8,93,903	17.08	9,23,944	17.65
7,55,008	14.43	7,55,008	14.43
5,91,564	11.30	5,73,181	10.95
3,05,190	5.83	3,05,190	5.83



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

4. Reserves and Surplus	As at 31st March, 2015		As at 31st March, 2014	
Capital Reserve		150.00		150.00
Revaluation Reserve				
Balance as at the beginning of the year		28,251.96		29,913.03
Deduct:				
i) Depreciation Adjustment pursuant to Schedule II of Companies Act, 2013 [Refer Note 13(d) and Note 29]		2,501.87		–
ii) Reduction of revaluation reserve due to Impairment [Refer Note 13(c)]		221.03		795.79
iii) Amount transferred to the Statement of Profit and Loss as reduction from depreciation on Tangible Assets [Refer Note 29]		1,146.46		840.57
iv) Adjustment on account of disposal of Tangible Assets	4.32		37.09	
Deduct:				
Depreciation on account of disposal of Tangible Assets	1.68	2.64	12.38	24.71
Balance as at the end of the year		24,379.96		28,251.96
General Reserve				
Balance as at the beginning of the year		9,995.66		8,982.88
Deduct:				
Capitalised by Issue of Bonus Share		–		87.22
Add:				
Transferred from Surplus in the Statement of Profit and Loss during the year		800.00		1,100.00
Balance as at the end of the year		10,795.66		9,995.66
Surplus in the Statement of Profit and Loss				
Balance as at the beginning of the year		617.42		616.43
Less:				
Depreciation Adjustment Pursuant Schedule II of Companies Act, 2013 (Net of Deferred Tax ` 112.24 lakhs) [Refer Note 13(d) and Note 29]		217.97		–
Add: Profit for the year		1,455.53		1,468.37
Less: Appropriations				
i) Proposed dividend on equity shares for the year- ` 6/- per share (2013-14 ` 6/- per share)		314.01		314.01
ii) Dividend distribution tax on proposed dividend on equity shares		63.92		53.37
iii) Transfer to General Reserve		800.00		1,100.00
Balance as at the end of the year		677.05		617.42
Total		36,002.67		39,015.04



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

5. Long-term borrowings	As at 31st March, 2015	As at 31st March, 2014
Secured		
Term Loans		
From Banks [Refer Note (a) below]	978.23	356.23
Unsecured		
Term Loans		
Other Loan	–	188.55
	978.23	544.78
Less: Amount disclosed under the head “Other current liabilities” [Refer Note 11]	266.75	245.08
Total	711.48	299.70

(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 ` 188.23 lakhs (31.03.2014: ` 356.23 lakhs) are secured by equitable mortgage of factory land and building, hypothecation of all plant & machinery and all other movable 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 rate linked to Bank base rate + 3% spread.
Term loan from banks amounting to ` 790 lakhs (31.03.2014: ` Nil) are secured by equitable mortgage of factory land and building, hypothecation of all plant & machinery and all other movable fixed assets of the Company.	Repayable in 24 equal quarterly instalments beginning from August 2015 along with interest rate linked to Bank base rate + 1.40% spread.

6. Deferred tax liabilities (net)	As at 31st March, 2015	As at 31st March, 2014
Deferred tax liabilities		
Depreciation (A)	429.60	601.33
Deferred tax assets		
Provision for leave encashment	73.67	88.30
Provision for doubtful advances	50.36	50.36
Provision for impairment of assets	94.91	66.24
Others	138.98	89.35
	(B)	294.25
Total [Refer Note (a) below] (A-B)	71.68	307.08

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

7. Other long -term liability	As at 31st March, 2015	As at 31st March, 2014
Others - Differential tariff for electric bill	–	28.09
Total	–	28.09

8. Long-term provisions	As at 31st March, 2015	As at 31st March, 2014
Provision for Compensated absences of employees	236.68	183.76
Total	236.68	183.76



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

9. Short-term borrowings	As at 31st March, 2015	As at 31st March, 2014
Secured		
Loans from banks (Refer Note (a) and (b) below]	3,999.23	5,100.56
Total	3,999.23	5,100.56

(a) For Parent Company:

- (i) Loan repayable on demand amounting to ` 3,001.45 lakhs (31.03.2014: ` 5,100.56 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.
- (ii) Further, loans repayable on demand to bank amounting to ` 2,748.65 lakhs (31.03.2014: ` 4,293.52 lakhs) is also secured by Corporate Guarantee of Kettlewell Bullen & Company Limited.

(b) For Subsidiaries:

Loan Repayable on Demand amounting to ` 997.78 lakhs (31.03.2014: ` Nil) are secured against Fixed Deposit

10. Trade payables	As at 31st March, 2015	As at 31st March, 2014
Trade payables	457.54	238.61
Total	457.54	238.61

11. Other current liabilities	As at 31st March, 2015	As at 31st March, 2014
Current maturities of long-term debt (also refer Note 5)	266.75	245.08
Advances received from customers	122.94	222.37
Interest accrued and due on borrowings	10.52	17.32
Unpaid Dividends [Refer Note (a) below]	15.75	13.49
Statutory dues	127.31	51.62
Capital Creditors	28.10	47.22
Others	1,426.54	1,441.15
Total	1,997.91	2,038.25

- (a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the end of the year. Section 125 of the Companies Act, 2013 which corresponds to Section 205C of the Companies Act, 1956 has not yet been enforced.
- (b) Other payables include Buyers Credit of ` 12.83 lakhs (31.03.2014: ` 200.21 lakhs) and Employee Cost liability of ` 404.99 lakhs (31.03.2014: ` 416.12 lakhs).

12. Short-term provisions	As at 31st March, 2015	As at 31st March, 2014
Provision for Employee Benefits (also refer Note 27)		
Provision for Gratuity	96.88	344.19
Provision for compensated absences of employees	75.75	77.77
Other Provisions		
Proposed Dividend	314.01	314.01
Provision for Dividend Distribution Tax	63.92	53.37
Provision for Taxation [Net of Advance Tax ` 6,540.10 lakhs (2013-14 ` 5,811.29 lakhs)]	512.93	406.99
Total	1,063.49	1,196.33



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, 2014 [Note (a)]	Additions during the year	Sale/Adjustment during the year [Note (b) and (c)]	Cost/Valuation as at 31st March, 2015 [Note (c)]	As at 1st April, 2014	For the year	Sale/Adjustment during the year [Note (c)]	As at 31st March, 2015	As at 1st April, 2014	Impairment Loss For the year	As at 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
Freehold Land	19,093.18	-	-	19,093.18	-	-	-	-	-	-	-	19,093.18	19,093.18
Buildings	9,428.62	371.30	261.22	9,538.70	1,355.21	472.04	40.19	1,787.06	-	57.94	57.94	7,693.70	8,073.41
Roads	276.47	34.02	-	310.49	47.02	203.90	-	250.92	-	-	-	59.57	229.45
Plant & Equipment	13,533.23	586.21	60.95	14,058.49	6,960.61	3,985.39	11.10	10,934.90	185.23	26.39	211.62	2,911.97	6,387.39
Furniture & Fixtures	389.30	0.72	-	390.02	67.26	44.62	-	111.88	-	-	-	278.14	322.03
Motor Vehicles	199.62	23.72	17.80	205.54	69.40	28.49	16.17	81.72	-	-	-	123.82	130.22
Launches	0.04	-	-	0.04	0.03	-	-	0.03	-	-	-	0.01	0.01
Office Equipment	150.02	6.76	-	156.78	32.31	44.29	-	76.60	0.71	-	0.71	79.47	117.00
Electrical Installations	330.83	250.18	-	581.01	122.47	109.35	-	231.82	8.95	-	8.95	340.24	199.41
Total	43,401.31	1,272.91	339.97	44,334.25	8,654.31	4,888.08	67.46	13,474.93	194.89	84.33	279.22	30,580.10	34,552.10
Previous Year	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	

- a) The Company had revalued all of its 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. Further Standby fossil fuel Power Plant was tested for impairment as at 31 March 2014 and the net revalued component of such assets was written off. The resultant restatements of the aforesaid fixed assets arising out of such revaluation are as set out below :

Particulars	31st March, 2010		31st March, 2013		31st March, 2014
	Original Cost	Amount added on revaluation	Original Cost	Amount further added on revaluation	Net Revalued amount written off
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	(759.79)

- b) Adjustment to Plant & Machinery includes Subsidy received ` 41.48 lakhs (2013-14: ` 64.33 lakhs)
- c) The Company's Standby fossil fuel Power Plant as mentioned in (a) above is being used sparingly and is not expected to be operational and generate any revenue in foreseeable future. Accordingly the Company made an impairment provision of ` 194.89 lakhs in the previous year and further re-assessing the carrying value of the said Power Plant as at year end, impairment provision of ` 84.33 lakhs has been made on such assets. Revalued component of the Power Plant Building is thereby written off, in relation to which adjustment in gross block and depreciation includes ` 261.22 lakhs (2013-14: ` Nil) and ` 40.19 lakhs (2013-14: ` Nil) respectively.
- d) Pursuant to notification of Schedule II of the Companies Act, 2013 (the Act), with effect from April 1, 2014, the Company has reviewed and revised the useful lives of its Fixed Assets. In respect of assets whose useful life are exhausted as at April 1, 2014, the related carrying amount aggregating to ` 217.97 lakhs (Net of Deferred Tax of ` 112.24 lakhs) and revalued amount of such exhausted assets of ` 2501.87 Lakhs has been adjusted against the opening balance of Surplus and Revaluation Reserve respectively [Refer Note 4 and Note 29]. Further revision of useful life has resulted in additional depreciation of ` 145.33 lakhs in current year charged to the Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

14. Intangible assets

Particulars	GROSS BLOCK				AMORTISATION			NET BLOCK		
	Cost/ Valuation as at 1st April, 2014	Additions during the year	Sale/ Adjustment during the year	Cost/ Valuation as at 31st March, 2015	As at 1st April, 2014	For the year	Sale/ Adjustment during the year	As at 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
Computer - Software	36.85	3.94	-	40.79	27.14	2.96	-	30.10	10.69	9.71
Total	36.85	3.94	-	40.79	27.14	2.96	-	30.10	10.69	9.71
Previous Year	29.28	7.57	-	36.85	20.67	6.47	-	27.14	9.71	

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 (31.03.2014 - 91,411) Equity Shares of ` 10/- each fully paid-up

213.68

213.68

Godrej Buildwell Pvt. Limited

784 (31.03.14 - 784) Class A Equity Shares of ` 10/- each fully paid up

-

436.59

64 (31.03.14 - 64) Class B Equity Shares of ` 10/- each fully paid up

-

0.01

64 (31.03.14 - 64) Class C Equity Shares of ` 10/- each fully paid up

-

0.01

Quoted Equity instruments

The Cochin Malabar Estates & Industries Limited

15,000 (31.03.2014 - 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
(31.3.2014 - ` 11.73 lakhs)]

Joonktollee Tea & Industries Limited #

7,500 (31.03.2014 - 7500) Equity Shares of ` 10/- each fully paid-up

-

-

Quoted Bonds

National Highways Authority of India

42,072 (31.03.2014 - 42,072) Secured

420.72

420.72

Redeemable Non Convertible Tax free Bonds of ` 1,000/- each fully paid up

Debentures (Quoted)

(31.03.2014- nil) Debt Market Linked Non Convertible Debentures of

` 1,00,000/- each fully paid-up in Edelweiss Finance & Investments Limited

99.00

-

10 (31.03.2014 - Nil) Principal Protected Secured Redeemable

Non Convertible Market Linked Debentures of ` 10,00,000/- each fully paid -up
in India Infoline Finance Limited

100.00

-

Debentures (Unquoted)

Nil (31.03.2014 - 50) 19% Non-Convertible Debentures of ` 1,00,000/- each fully
paid -up in Sheth Buildwell Private Limited

-

50.00

Mutual Fund (Quoted)

Reliance Fixed Horizon Fund XXVIII Series 14 - Growth

25,00,000 Units (31.03.2014 Nil Units)

250.00

-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

	As at 31st March, 2015	As at 31st March, 2014
Kotak Mahindra FMP Series -172 Mutual Fund	50.00	–
DSP BlackRock FMP- Series 150-13 M - Regular Growth Nil units (31.03.2014 -5,00,000 Units) Now disclosed under Current Portion of Long Term Investments	–	50.00
L&T FMP - Series 10 - Plan M - Growth Nil units (31.03.2014 - 5,00,000 Units) Now disclosed under Current Portion of Long Term Investments	–	50.00
LIC Nomura MF FMP Series 77 Nil units (31.03.2014 - 5,00,000 Units) Now disclosed under Current Portion of Long Term Investments	–	50.00
Reliance Fixed Horizon Fund -XXV - Series 31 Growth Plan Nil units (31.03.2014 - 5,00,000 Units) Now disclosed under Current Portion of Long Term Investments	–	50.00
Others (Unquoted)		
IIFL Income Opportunities Fund 29,44,238.379 units (31.03.2014-29,44,328.379 units) of ` 10/- each fully paid-up	296.63	296.63
IIFL Assets Revival Fund 19,32,853.225 units (31.03.2014- 19,32,853.225 units) of ` 10/- each fully paid-up	200.00	200.00
Peninsula Brookfield India Real Estate Fund 66 units (31.03.2014- 66 units) of ` 1,00,000/- each fully paid-up	68.00	68.00
IIFL National Development Agenda Fund 19,68,813.881 units (31.03.2014-nil units) of ` 10/- each fully paid-up	200.00	–
IIFL Real Estate Fund (Domestic) - Series 2 2,77,528 units (31.03.2014-nil units) of ` 10/- each fully paid-up	30.00	–
Indiareit Apartment Fund 24.1452 units (31.03.2014-nil units) of ` 1,00,000/- each fully paid-up	25.00	–
Orios Venture Partners Fund 50,000 units (31.03.2014-nil units) of ` 100/- each fully paid-up	50.00	–
Total	2,018.33	1,900.94
Aggregate amount of Quoted Investments	935.02	636.02
Aggregate Market Value of Quoted Investments	965.21	658.76
Aggregate amount of Unquoted Investments	1,083.31	1,264.92
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.

16. Long-term loans and advances

	As at 31st March, 2015	As at 31st March, 2014
Unsecured, considered good (unless otherwise stated)		
Capital Advance	159.25	28.26
Security Deposits	401.38	670.09
Total	560.63	698.35



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

17. Current Investments	As at 31st March, 2015	As at 31st March, 2014
At Cost		
Current portion of Long - term investments (Unquoted)		
Nil (31.03.2014 - 50) 19% Non- Convertible Debentures of ` 1,00,000/- each fully paid-up in Sheth Buildwell Private Limited	-	50.00
Current portion of Long term investments (Quoted)		
DSP BlackRock FMP- Series 150-13 M - Regular Growth 5,00,000 units (31.03.2014 - nil units)	50.00	-
L&T FMP - Series 10 - Plan M - Growth 5,00,000 units (31.03.2014 - nil units)	50.00	-
LIC Nomura MF FMP Series 77 5,00,000 units (31.03.2014 - nil units)	50.00	-
Reliance Fixed Horizon Fund -XXV - Series 31 Growth Plan 5,00,000 units (31.03.2014 - nil)	50.00	-
DWS fixed maturity plan - series 26 - Regular Plan Growth Nil units (31.03.2014 - 10,00,000 units)	-	100.00
HDFC FMP-400D March 2013 (I) Series 23 - Regular Growth Nil units (31.03.2014- 20,00,000 units)	-	200.00
Quoted Equity instruments		
Infosys Limited 1850 (31.03.14-nil) Equity Shares of ` 5/- each fully paid-up	80.06	-
Investment in Mutual fund		
At cost or fair value, whichever is less		
Unquoted		
J. M. Arbitrage Advantage Fund, Bonus Option 11,42,111.230 units (31.03.2014-nil units)	114.00	-
ICICI Prudential Gilt Fund Investment Plan- PF Option-Regular Plan 11,53,119.586 units (31.03.2014-11,53,119.586 units)	250.00	250.00
Birla Sunlife Income Plus - Growth -Regular Plan Nil units (31.03.2014-5,87,450.495 units)	-	300.00
Reliance Income Fund - Growth Plan-Bonus Option Nil units (31.03.2014-10,29,456.770 units)	-	112.53
Birla Sunlife Dynamic Bond Fund - Growth Regular Plan Nil units (31.03.2014- 2,50,930.954 units)	-	50.00
HDFC High Interest Fund Dynamic Plan - Growth Nil units (31.03.2014- 5,52,675.941 units)	-	225.00
ICICI Prudential Income Opportunities Fund - Regular Plan Growth Nil units (31.03.2014- 3,09,543.856 units)	-	50.00
Reliance Dynamic Bond Fund - Growth Plan Nil units (31.03.2014- 10,86,320.669 units)	-	175.00
SBI Dynamic Bond Fund - Regular Plan Growth Nil units (31.03.2014 - 6,77,722.581 units)	-	100.00
Alternative Investment Fund (Unquoted)		
Forefront Alternative Equity Scheme 7,04,112.943 units (31.03.2014 - Nil units) of ` 10/- each fully paid-up	100.00	-
Total	744.06	1,612.53
Aggregate amount of quoted investments	280.06	300.00
Aggregate Market Value of quoted investments	261.34	329.00
Aggregate amount of unquoted investments	464.00	1,312.53



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

18. Inventories (Refer Note No 2.9)	As at 31st March, 2015	As at 31st March, 2014
Raw materials	3,289.49	3,183.57
Stock-in-process	747.88	771.80
Semi-Finished Goods	378.00	217.66
Finished Goods (includes in transit ` 321.53 lakhs, 31.03.2014 : ` 252.03 lakhs)	1,503.95	1,651.59
Stores and Spares	887.64	936.55
Total	6,806.96	6,761.17

19. Trade receivables	As at 31st March, 2015	As at 31st March, 2014
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	52.61	12.09
Others	1,715.77	1,462.63
Total	1,768.38	1,474.72

20. Cash and Bank balances	As at 31st March, 2015	As at 31st March, 2014
Cash and cash equivalents		
Cash on hand	14.19	10.64
Balances with Banks		
In current accounts	457.96	374.44
In Fixed Deposit	1,532.51	-
	2,004.66	385.0
Other Bank Balances		
Unpaid dividend account	15.75	13.49
Margin money deposits	0.21	0.98
Total	2,020.62	399.55

21. Short-term loans and advances	As at 31st March, 2015	As at 31st March, 2014
Unsecured, considered good (unless otherwise stated)		
Security Deposits	96.59	96.59
Prepaid Expenses	61.28	85.37
Balances with Government Authorities	-	5.62
Advances for goods and services - Considered Good	41.47	316.42
Employee Advances	207.83	159.82
Other Advances		
Considered Good	1.03	392.40
Doubtful	148.17	148.17
Less : Provision for Doubtful Advance	(148.17)	(148.17)
Total	408.20	1,056.22

22. Other current assets	As at 31st March, 2015	As at 31st March, 2014
Unsecured, considered good		
Interest accrued on security deposits	-	14.52
Interest accrued on Bonds	17.20	-
Interest accrued on Fixed Deposits	1.22	-
Interest subsidy receivable	-	14.86
Interest accrued on investments	-	21.41
Total	18.42	50.79



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

23. Revenue from operations	Year ended 31st March, 2015	Year ended 31st March, 2014
Sale of products		
Finished goods	32,288.28	33,399.43
Traded goods	384.81	-
	32,673.09	33,399.43
Other operating revenues		
Export incentive	486.31	456.07
Revenue from operations (gross)	33,159.40	33,855.50
Less : Excise Duty and R&D Cess	232.26	253.57
Total	32,927.14	33,601.93

24. Other Income	Year ended 31st March, 2015	Year ended 31st March, 2014
Interest Income on		
Bank deposits	17.10	17.15
Other deposits	25.38	20.34
Long - term investments	38.99	54.54
Others	63.60	62.35
Dividend Income on current investments	-	0.68
Dividend on long term investment	2.42	0.41
Rent	3.42	3.52
Net Profit on sale of fixed asset	4.34	10.76
Net Gain on sale of current investments	89.45	16.68
Net Gain on sale of long term investment	135.31	24.12
Liabilities no longer required written back	36.53	49.48
Net Gain on foreign currency transaction and translation	190.05	-
Miscellaneous Income	51.25	57.13
Keyman Insurance Realised	-	205.18
Total	657.84	522.34

25. Cost of materials consumed	Year ended 31st March, 2015	Year ended 31st March, 2014
Inventory at the beginning of the year	3,183.57	3,440.76
Add : Purchases (net) [Refer Note (a) below]	16,823.33	17,072.02
	20,006.90	20,512.78
Less : Inventory at the end of the year	3,289.49	3,183.57
Total	16,717.41	17,329.21

(a) Purchases is net of discount received on prompt payment of supplier's bills amounting to ` 290.37 lakhs (2013-14 - ` 235.27 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, 2015	Year ended 31st March, 2014
Inventories at the end of the year		
Stock-in-Process	747.88	771.80
Semi-Finished Goods	378.00	217.66
Finished Goods	1,503.95	1,651.59
Total (A)	2,629.83	2,641.05
Inventories at the beginning 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 (B)	2,641.05	2,669.83
(Increase)/decrease in inventories (B-A)	11.22	28.78

27. Employees benefits expense	Year ended 31st March, 2015	Year ended 31st March, 2014
Salaries, Wages & Bonus	5,577.24	5,453.38
Contribution to Provident and Other Funds [Refer Notes (a) and (b) below]	831.00	996.73
Workmen and Staff Welfare expenses	58.32	76.38
Total	6,466.56	6,526.49

(a) Defined Contribution Plans

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

	Year ended 31st March, 2015	Year ended 31st March, 2014
Employer's Contribution to Provident Fund	111.19	100.84
Employer's Contribution to Pension Fund	307.46	255.50
Employer's Contribution to Superannuation Fund	69.70	61.57

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 managed by a Trust and is a defined benefit plan. The funds of the trust is managed by approved insurance companies. 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, 2015	Year ended 31st March, 2014
(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	3,684.68	3,254.32
	Current Service Cost	217.26	194.16
	Interest Cost	324.56	257.47
	Actuarial (Gains)/Losses	288.90	129.98
	Benefits Paid	(156.81)	(151.25)
	Present Value of Obligation at the end of the year	4,358.59	3,684.68
(b)	Reconciliation of the Opening and Closing balances of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	3,340.49	2,760.15
	Expected Return on Plan Assets	274.73	234.53
	Actuarial Gains/(Losses)	459.11	2.89
	Contributions	344.19	494.17
	Benefits paid	(156.81)	(151.25)
	Fair Value of Plan Assets at the end of the year	4,261.71	3,340.49
(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	4,358.59	3,684.68
	Fair Value of Plan Assets at the end of the year	4,261.71	3,340.49
	Assets/(Liabilities) recognized in the Balance Sheet	(96.88)	(344.19)
(d)	Expense recognised in the Profit and Loss Account		
	Current Service Cost	217.26	194.16
	Interest Cost	324.56	257.47
	Actual Return on Plan Assets	(274.73)	(234.53)
	Actuarial (Gains)/Losses	(170.21)	127.09
	Total Expense recognized	96.88	344.19
(e)	Category of Plan Assets : [Refer note (b) below]		
	Fund with Birla Sun Life Insurance Company Limited	4,234.11	3,340.49
	Fund with HDFC Life	27.60	-
	Total	4,261.71	3,340.49
(f)	Actuarial Assumptions		
	Discount Rate (Per annum)	7.80%	9.00%
	Expected Rate of Return on Assets (Per annum)	8.00%	8.00%
	Salary Escalation	8.00%	8.00%
	Mortality Rate		
		In accordance with Indian Assured Lives Mortality (2006 - 08) (modified) ultimate	In accordance with Indian Assured Lives Mortality (2006 - 08) (modified) ultimate

- a) 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.
- b) 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)

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

	2014-15	2013-14	2012-13	2011-12	2010-11
Defined benefit obligation	(4,358.59)	(3,684.68)	(3,254.32)	(2,250.98)	(2,175.07)
Plan assets	4,261.71	3,340.49	2,760.15	2,190.04	2,034.62
Surplus / (deficit)	(96.88)	(344.19)	(494.17)	(60.94)	(140.45)
Experience adjustments on plan liabilities	203.74	(90.60)	(168.25)	30.95	(18.30)
Experience adjustments on plan assets	459.11	2.89	64.22	(40.40)	6.37

28. Finance costs	Year ended	Year ended
	31st March, 2015	31st March, 2014
Interest expenses	460.79	493.30
Other borrowing costs	27.84	36.84
Total	488.63	530.14

29. Depreciation and amortization expense	Year ended	Year ended
	31st March, 2015	31st March, 2014
Depreciation on Tangible assets	4,888.08	1,589.03
Less: Adjustments pursuant to implementation of Schedule II to the Companies Act, 2013, for assets whose useful life is exhausted as at 1st April, 2014 [Refer Note 13 (d) and Note 4]		
(a) Net Revalued Component of Assets adjusted against Opening Balance of Revaluation Reserve	2,501.87	–
(b) Original Cost of Assets adjusted against the Opening Balance of Surplus in the Statement of Profit & Loss	330.21	–
Less : Recoupment from Revaluation Reserve [Refer Note 4]	1,146.46	840.57
	909.54	748.46
Amortization of Intangible assets	2.96	6.47
Total	912.50	754.93

30. Other expenses	Year ended	Year ended
	31st March, 2015	31st March, 2014
Consumption of stores and spare parts (net)	2,277.81	2,455.46
Power and fuel	1,826.55	1,720.51
Rent	73.56	66.82
Repairs to building	48.60	82.27
Repairs to machinery	4.18	6.58
Repairs - others	41.11	53.13
Insurance	118.01	114.48
Rates and Taxes	44.95	28.20
Processing Charges	466.82	480.00
Freight and Delivery Charges	357.64	411.53
Research & Development Cess and Excise Duty [Refer Note (a) below]	85.91	86.35
Export Dock and Toll Charges	100.98	88.36
Brokerage and Commission	166.73	187.17
Advance Written Off	39.19	–
Bad Debts Written Off	7.60	5.14
Net Loss on foreign currency transaction and translation	–	93.17
CSR Expenses [Refer Note (b) below]	34.71	–
Miscellaneous Expenses	658.40	646.67
Provision For Doubtful Advances	–	148.17
Provision For Impairment of Power Plant	84.33	194.89
Total	6,437.08	6,868.90



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

(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 ` 1.78 lakhs (31.03. 2014 ` 5.60 lakhs)

(b) Corporate Social Responsibility (CSR)

"As per the provisions of Companies Act, 2013, the Company is required to spend at least 2 % of its average net profits of immediately three preceding years on CSR activities eligible under the Act. Further pursuant to the requirement of the Companies Act, 2013 the Company has constituted a CSR committee which has approved the CSR policy.

The details regarding CSR expenditure for the year is given below:

Gross Amount required to be spent by the Company during the year : ` 59.24 lakhs

Further, the amount spent during the year under various heads is mentioned below: (` in lakhs)

Amount spent during the year under various heads

(i) Construction / acquisition of any asset

(ii) On purposes other than (i) above

In Cash	Yet to be paid in cash	Total
Nil	Nil	Nil
34.71	Nil	34.71

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

Particular	Year ended 31st March, 2015	Year ended 31st March, 2014
(I) Basic		
a. Net Profit after tax (` in lakhs)	1,455.53	1,468.37
b. (i) Number of Equity Shares at the beginning of the year	52,33,440	26,16,720
(ii) Number of Equity Shares at the end of the year	52,33,440	52,33,440
(iii) Weighted average number of Equity Shares outstanding during the year	52,33,440	52,33,440
(iv) Face Value of Equity Share (`)	10	10
c. Basic Earning / (Loss) per share [a/b (iii)] (`)	27.81	28.06
(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	52,33,440
c. Diluted Earning / (Loss) per Share [(I)(a) / (II)(b)] (`)	27.81	28.06

32. Contingent liabilities

	As at 31st March, 2015	As at 31st March, 2014
a) Claims against the Company not acknowledged as debts :		
Sales tax matter	248.63	407.12
ESI matter	45.57	45.57
b) Export bills discounted with bank	28.56	89.80

33. Commitments

	As at 31st March, 2015	As at 31st March, 2014
Estimated amounts of contracts remaining to be executed on capital account and not provided for tangible assets	136.12	84.17
Other Commitment - towards investments	529.00	134.00



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

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, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Segment revenue by location of customers	23,136.11	24,096.36	8,919.91	9,049.50	32,056.02	33,145.86
Carrying amount of segment assets	1,458.73	989.85	309.65	484.87	1,768.38	1,474.72
Additions to tangible and intangible assets	989.79	1,311.70	–	–	989.79	1,311.70

35. Related Party Disclosures pursuant to requirements of Accounting Standard 18

Names of Related Parties and nature of relationship

a) Key Management Personnel

Shri G D Bangur

Shri D C Baheti

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

Shri Hemant Bangur

c) Enterprise over which Key Management Personnel have significant influence

Joonktollee Tea & Industries Limited

Kettlewell Bullen & Company Limited

Transactions with related parties are as follows:

Particulars	Year	Key Management Personnel	Relative of Key Management Personnel	Enterprise over which key Management Personnel have significant Influence
A Transactions during the year				
1 Remuneration Paid	2014-15	236.56	4.96	–
	2013-14	226.37	4.05	–
2 Dividend Paid	2014-15	10.90	8.20	55.44
	2013-14	9.09	6.83	46.20
3 Rent Paid	2014-15	–	–	40.45
	2013-14	–	–	33.71
4 Loan Given	2014-15	–	–	–
	2013-14	–	–	300.00
5 Sales	2014-15	–	–	75.42
	2013-14	–	–	62.40
6 Dividend Received	2014-15	–	–	0.45
	2013-14	–	–	0.41
7 Interest Received	2014-15	–	–	–
	2013-14	–	–	1.45
8 Loan Given Received Back	2014-15	–	–	–
	2013-14	–	–	300.00
B Outstanding balance at year end				
1 Commission Payable	2014-15	75.00	3.96	–
	2013-14	55.00	3.15	–
2 Deposits	2014-15	–	–	400.00
	2013-14	–	–	400.00



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

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, 2015	As at 31st March, 2014
Forward Contracts to sell (in USD)	4.02	3.97
Forward Contracts to sell (in GBP)	0.63	1.03
Forward Contracts to sell (in EUR)	–	0.88
Forward Contracts to sell (in JPY)	–	–
Forward Contracts to buy (in USD)	0.21	3.21

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

Nature of Exposure	As at 31st March, 2015	As at 31st March, 2014
Export Trade receivables (in USD)	–	0.82
Export Trade receivables (in GBP)	–	0.07
Export Trade receivables (in EUR)	–	0.17
Advance from Customers (in USD)	0.50	1.03
Advance from Customers (in EUR)	0.03	1.14
Short Term Borrowings (in USD)	13.58	–
Trade & other payables (in USD)	–	0.02

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

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

Nature of Exposure	As at 31st March, 2015	As at 31st March, 2014
Provision for Resultant Mark to Market Loss	1.74	2.13



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(` in lakhs)

37. Statement providing additional information, as required under Schedule III to the Companies Act, 2013, of enterprises considered for preparation of the Consolidated Financial Statements

Name of the Entity [Refer Note (a) below]	As at 31st March, 2015		Year Ended 31st March, 2015	
	Net Assets	As a % of Consolidated Net Assets	Net Profit	As a % of Consolidated Profit /(Loss)
Parent				
Gloster Limited	35,472.16	97.12%	1,324.69	91.01%
Subsidiaries				
Gloster Gujrat Limited [Refer Note (b) below]	–	–	(0.05)	–
Gloster Lifestyle Limited	519.24	1.42%	64.24	4.41%
Gloster Specialities Limited	534.61	1.46%	66.65	4.58%
	36,526.01	100.00%	1,455.53	100.00%

- (a) All entities specified above have been incorporated in India.
- (b) The parent company (Gloster Limited) sold 100% of its holding on 27th March 2015 and net loss till date has been considered in the preparation of the Consolidated Statement of Profit and Loss .
- (c) The Net Asset position / Net Profit of the Company considered above is after considering elimination if any, for determining the Profit for the Year in the Consolidated Statement of Profit and Loss.

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

Sunit Kumar Basu
Partner
Membership No. 55000
Place: Kolkata
Date:16th May,2015

Shankar Lal Kedia
Chief Financial Officer
Ajay Kumar Agarwal
Company Secretary

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



Form AOC -1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A" : Subsidiaries

in lakhs

Sl. No.		1	2
1.	Name of the subsidiary	Gloster Lifestyle Limited	Gloster Specialities Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Uniform reporting period	Uniform reporting period
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable
4.	Share Capital	400.00	400.00
5.	Reserves and Surplus	119.24	134.61
6.	Total Assets	1,032.91	1,048.96
7.	Total Liabilities	1,032.91	1,048.96
8.	Investments	243.89	256.89
9.	Turnover	192.41	192.40
10.	Profit before Taxation	75.95	78.69
11.	Provision for Taxation	11.71	12.04
12.	Profit after Taxation	64.24	66.65
13.	Proposed Dividend	Nil	Nil
14.	% of shareholding	100%	100%

1. Names of subsidiaries which are yet to commence operations : Nil
2. Names of subsidiaries which have been liquidated or sold during the year : Gloster Gujrat Limited

Part "B" : Associates and Joint Ventures

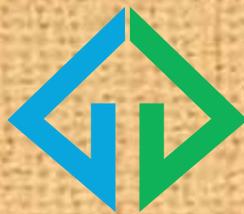
: Not Applicable

Place: Kolkata
Date:16th May,2015

Shankar Lal Kedia
Chief Financial Officer

Ajay Kumar Agarwal
Company Secretary

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



GLOSTER LIMITED

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