

GLOSTER SPECIALITIES LIMITED

**2nd ANNUAL REPORT
2012- 2013**

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Board of Directors : Dharam Chand Baheti Chairman
Ajay Kumar Agarwal Director
Shankar Lal Kedia Director

Banker : Yes Bank Limited

Auditors : Messrs Priyanka Jalan & Co.
Chartered Accountants
Kolkata

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

**NOTICE
TO THE MEMBERS**

NOTICE is hereby given that the 2nd Annual General Meeting of the Members of Gloster Specialities Limited will be held on Friday, the 19th July , 2013 at 4.00 P.M. at the Registered Office of the Company at 21, Strand Road, Kolkata - 700 001 to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Dharam Chand Baheti who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s Priyanka Jalan & Company, Chartered Accountants having Firm Registration No 324908E as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board

Place: Kolkata
Dated: 27th April, 2013

Ajay Kumar Agarwal
Director

NOTE :

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

DIRECTORS' REPORT**DEAR MEMBERS**

Your Directors have pleasure in presenting the 2nd Annual Report of the Company together with the Audited Accounts for year ended 31st March, 2013.

FINANCIAL RESULTS

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

(₹ in lakhs)

PARTICULARS	For the period ended 31st March, 2013	For the period ended 31st March, 2012
Total Income	33.82	11.29
Less: Total Expenses	0.53	4.63
Profit before Tax	33.29	6.66
Provision for Taxation	0.87	0.89
Net Profit for the Period	32.42	5.77
Balance brought forward from previous year	5.77	-
Balance carried to the Balance Sheet	38.19	5.77

DIVIDEND

Your Directors do not recommend payment of dividend for the period ended 31st March, 2013.

DIRECTORS

In accordance with Articles of Association of the Company Shri Dharam Chand Baheti retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Shri Hemant Bangur, resigned from the Board with effect from 24th September, 2012. The Board of Directors of your Company wish to place on record their sincere appreciation for the valuable contributions made by him during his tenure as Director of the Company.

AUDITORS

The Statutory Auditors of the Company Messrs Priyanka Jalan & Company, Chartered Accountants, retire at the ensuing Annual General Meeting of the Company and have given their consent for re-appointment. Your Company has also received their Certificate pursuant to Section 224 (1B) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed:

1. that in the preparation of the Annual Accounts, the applicable accounting standards had been followed and no material departures had been made from the same;
2. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period under review;
3. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the Directors had prepared the annual accounts on a going concern basis.

COMPLIANCE CERTIFICATE

In accordance with the provisions of Section 383A of the Companies Act, 1956, Compliance Certificate from M/s. Sweety Kapoor practicing Company Secretary has been obtained and forms part of this Report.

PARTICULARS OF EMPLOYEES

There was no employee in the Company on its payroll on 31st March, 2013. Hence information pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended are not applicable.

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

The particulars relating to conservation of energy and technology absorption are not been given, as there has been no manufacturing activity in the Company. However, efforts are being made to conserve and optimize the use of energy, wherever possible.

During the period under review, your Company has neither earned nor spent any foreign exchange.

ACKNOWLEDGEMENTS

The Directors would like to thank the bankers and all the other business associates for the continuous support given by them to the Company and their confidence in its management and Gloster Limited, the holding company for its trust and support.

For and on behalf of the Board

Kolkata
Date: 27th April, 2013

Dharam Chand Baheti
Chairman

COMPLIANCE CERTIFICATE
(Pursuant to Section 383A of The Companies Act, 1956)

CIN No. U18109WB2011PLC159677
Registration No. - 21-159677
Nominal Capital - ₹ 5,00,00,000
Paid up Capital - ₹ 4,00,00,000

To
The Members
Gloster Specialities Limited
21, Strand Road
Kolkata - 700 001

I have examined the registers, records, books and papers of “**GLOSTER SPECIALITIES LIMITED**” (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year, ended on 31st March, 2013. In my opinion and to the best of my information and according to the examination carried out by me and explanations furnished to me by the Company, I hereby certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all Registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the Rules made thereunder and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, West Bengal with additional fees for delay in filing, wherever applicable as prescribed under the Act and Rules made thereunder.
3. The Company being a Public Limited Company, the comments under provisions of Section 3 (1) (iii) in respect of Private Limited Company is not required. The Company is a wholly owned subsidiary of Gloster Limited.
4. The Board of Directors duly met 4 (four) times respectively on 02.05.2012, 29.09.2012, 31.12.2012 and 27.02.2013 in respect of which Meetings, proper Notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

5. The Company has not closed its Register of Members during the Financial Year ended 31st March, 2013.
6. The Annual General Meeting for the financial year ended on 31.03.2012 was held on 04.08.2012 after giving due Notice to the Members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. An Extraordinary General Meeting was held during the financial year after giving due Notice to the Members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made the required entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company was not required to obtain any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13.
 - i. There was no transfer/transmission/allotment of shares during the Financial Year.
 - ii. The Company was not required to deposit any amount in a separate Bank account as no dividend was declared during the financial year,
 - iii. The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - iv. The Company was not required to transfer any amount to Investor Education and Protection Fund as there were no instances requiring such transfer.
 - v. The Company has complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors, Alternate Directors or Directors to fill up casual vacancies during the financial year. However, there was resignation of one Director during the year under review.
15. The Company has not appointed any Managing Director/Whole-time Director/ Manager during the financial year.
16. The Company has not appointed any Sole Selling Agent during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other Firms/Companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder.
19. The Company has not issued any shares/debentures/other securities during the financial year.
20. The Company has not bought back any Shares during the financial year.
21. The Company has no preference share capital or debenture and hence there was no redemption of preference share capital or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares, pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits falling within the purview of Section 58A during the financial year.
24. The Company has not made any borrowings during the year under review.

25. The Company has not made any loans and advances or given guarantees or provided securities to other body corporate during the financial year. The Company has not made any investments in other body corporates during the financial year.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. I was given to understand by the management that there was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted any separate Provident Fund Trust for its employees under Section 418 of the Companies Act, 1956. Hence the provisions of this Section are not applicable.

Place: Kolkata
Date : 27th April, 2013

SWEETY KAPOOR
Practicing Company Secretary
Membership No. FCS 6410
C.P. No. : 5738

Annexure - 'A'

Registers as maintained by the Company:

1. Register of Share Application and Allotment
2. Register of Members under Section 150
3. Register of Contracts under Section 301
4. Register of Particulars of Directors, Managing Directors, Manager and Secretary under Section 303
5. Register of Directors Shareholdings under Section 307
6. Minute Books of Board Meetings under Section 193 (1)
7. Minute Books of General Meetings under Section 193 (1)
8. Register of Investments, Loans made or Guarantee Given under Section 372A
9. Books of Account under Section 209

Annexure - 'B'

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other Authorities during the financial year ended 31st March, 2013.

Sl. No.	Forms/ Return	Filed under Section	For	Date of filing	Whether filed within prescribed time Yes/No	If delay in filling whether requisite additional fees paid Yes/No
1.	66	383A	Compliance Certificate as on 31.03.2012	27.08.2012	Yes	N.A.
2.	20B	159	Filing of Annual Return for AGM 04.08.2012	01.10.2012	Yes	N.A.
3.	Form 32	303	Resignation of Shri Hemant Bangur from Directorship of the Company	16.10.2012	Yes	N.A.
4.	23AC & 23ACA XBRL	220	Balance sheet/Profit & Loss Account as on 31.03.2012	27.02.2013	No	Yes

INDEPENDENT AUDITORS' REPORT**To the Members of Gloster Specialities Limited****Report on the Financial Statements**

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 8 . As required by section 227(3) of the Act, we report that:
- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;

(e) On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Priyanka Jalan & Co.

Firm Registration No. 324908E

Chartered Accountants

Priyanka Jalan

Proprietor

Membership No.060233

Kolkata

Date : 27th April, 2013

Annexure to the Independent Auditors' Report

Reference to paragraph 7 of the Auditors' Report of even date to the Members of Gloster Specialities Limited on the financial statements for the year ended 31st March, 2013:

1. The Company does not hold any fixed assets during the year ended 31st March 2013. Therefore, the provisions of Clause 4(i) of the Order are not applicable to the Company.
2. The Company does not carry any inventory. Consequently, clauses 4(ii)(a), 4(ii)(b) and 4(ii)(c) of the Order are not applicable.
3. The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clauses 4(iii)(b), 4(iii)(c), 4(iii)(d), 4(iii)(f) and 4(iii)(g) of the said Order are not applicable to the Company.
4. In our opinion, and according to the information and explanations given to us, there is an internal control system commensurate with size of the Company and the nature of its business. 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.
5. In our opinion and according to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, income tax and other material statutory dues as applicable, with the appropriate authorities. As explained

to us provisions of Provident Fund, investor education and protection fund, employees' state insurance, sales tax, wealth tax, service tax, customs duty, excise duty, cess are not applicable to the Company.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax and other statutory dues which have not been deposited on account of any dispute.
10. As the Company is registered for a period less than five years, the provisions of Clause 4(x) of the Order are not applicable to the Company.
 11. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 4(xi) of the Order are not applicable to the Company.
 12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
 13. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
 14. In our opinion, the Company is not a dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
 15. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
 16. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
 17. The Company has not raised any loans on short term basis. Accordingly, the provisions of Clause 4(xvii) of the Order are not applicable to the Company.
 18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.

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

For Priyanka Jalan & Co.

Firm Registration No. 324908E

Chartered Accountants

Priyanka Jalan

Proprietor

Membership No.060233

Kolkata

Date : 27th April, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note	As at	As at
		31st March, 2013	31st March, 2012
		₹	₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	4,00,00,000	4,00,00,000
Reserves and Surplus	4	38,19,217	5,77,107
		4,38,19,217	4,05,77,107
Current Liabilities			
Other current liabilities	5	8,371	9,000
Short-term provisions	6	1,75,540	88,740
		1,83,911	97,740
Total		4,40,03,128	4,06,74,847
ASSETS			
Non-current Assets			
Non-current investments	7	3,70,86,000	3,70,86,000
		3,70,86,000	3,70,86,000
Current Assets			
Cash and Bank balances	8	52,04,769	29,73,597
Short-term loans and advances	9	1,95,999	57,029
Other current assets	10	15,16,360	5,58,221
		69,17,128	35,88,847
		4,40,03,128	4,06,74,847
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 Priyanka Jalan & Co.

Firm Registration No. 324908E
Chartered Accountants

Priyanka Jalan

Proprietor
Membership No. 060233

Dharam Chand Baheti Chairman
Ajay Kumar Agarwal Director
Shankar Lal Kedia Director

Place : Kolkata
Date : 27th April, 2013

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

	Note	Year ended	Year ended
		31st March, 2013	31st March, 2012
INCOME:		₹	₹
Other income	11	33,81,657	11,28,515
Total Revenue		33,81,657	11,28,515
EXPENSES :			
Other expenses	12	52,747	4,62,668
Total expenses		52,747	4,62,668
PROFIT BEFORE TAX		33,28,910	6,65,847
Tax expenses			
Current tax		86,800	88,740
Total Tax expenses		86,800	88,740
PROFIT FOR THE YEAR		32,42,110	5,77,107
Earning per equity share (nominal value per share ₹ 10) Basic and Diluted	13	0.81	0.54
Corporate Information	1		
Summary of significant accounting policies	2		

The notes are an integral part of these financial statements.

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

For Priyanka Jalan & Co.

Firm Registration No. 324908E

Chartered Accountants

Place : Kolkata

Date : 27th April, 2013

Priyanka Jalan

Proprietor

Membership No. 060233

Dharam Chand Baheti

Ajay Kumar Agarwal

Shankar Lal Kedia

Chairman

Director

Director

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

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
	₹	₹
A. Cash Flow from operating activities		
Net profit before tax	33,28,910	6,65,847
Adjustments for :		
Interest Income	(33,81,657)	(11,28,515)
Operating profit before working capital changes	52,747	4,62,668
Adjustments for :		
(Decrease)/Increase in Trade and Other Payables	(629)	9,000
Cash generated from operations	(53,376)	(4,53,668)
Income Taxes Paid	(1,38,970)	(57,029)
Net Cash from operating activities A	(1,92,346)	(5,10,697)
B. Cash Flow from investing activities		
Purchase of long term investment	--	(3,70,86,000)
Interest received	24,23,518	5,70,294
Short term loans received from Holding Company	--	11,35,00,000
Short term loans repaid to Holding Company	--	(11,35,00,000)
Net Cash used in investing activities B	24,23,518	(3,65,15,706)

Contd.

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

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
	₹	₹
C. Cash Flow from financing activities		
Proceeds from issuance of Share Capital	--	4,00,00,000
Net Cash used in financing activities C	--	4,00,00,000
Net Increase in Cash and Cash Equivalents (A+B+C)	22,31,172	29,73,597
Cash and Cash Equivalents (Opening Balance)	29,73,597	--
Cash and Cash Equivalents (Closing Balance)	52,04,769	29,73,597

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

For Priyanka Jalan & Co.

Firm Registration No. 324908E
Chartered Accountants

Place : Kolkata

Date : 27th April, 2013

Priyanka Jalan

Proprietor

Membership No. 060233

Dharam Chand Baheti

Ajay Kumar Agarwal

Shankar Lal Kedia

Chairman

Director

Director

Notes to the Financial Statements**1. CORPORATE INFORMATION**

Gloster Specialities Limited, a wholly owned subsidiary company of Gloster Limited, was incorporated on 23rd February, 2011 under the provisions of the Companies Act, 1956. The Company has not yet started its business activities.

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. These financial statements have been prepared to comply in all material respects with the accounting standards notified under section 211 (3C) [Companies (Accounting Standard) Rules, 2006 as amended] and the other relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis and under the historical cost convention.

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

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

2.2 Use of estimates

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

Notes to the Financial Statements**2.3 Investments**

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

2.4 Interest Income

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

2.5 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.

2.6 Provisions

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

Notes to the Financial Statements

3. Share Capital**Authorised :**

50,00,000 (31.03.12 - 50,00,000)

Equity Shares of ₹ 10/- each

Issued, Subscribed and Fully Paid-up :

40,00,000 (31.03.2012- 40,00,000)

Equity Shares of ₹ 10/- each

Total

	As at 31st March, 2013	As at 31st March, 2012
	₹	₹
	5,00,00,000	5,00,00,000
	4,00,00,000	4,00,00,000
Total	4,00,00,000	4,00,00,000

(a) Reconciliation of number of equity shares

	As at 31st March, 2013		As at 31st March, 2012	
	No.	₹	No.	₹
Balance as at the beginning of the year	40,00,000	4,00,00,000	--	--
Issued during the year	--	--	40,00,000	4,00,00,000
Balance as at the end of the year	40,00,000	4,00,00,000	40,00,000	4,00,00,000

(b) Term/Rights attached to equity shares

The Company has only one class of Equity Shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share held.

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) Details of shares held by Shareholders holding more than 5% of the aggregate Equity Shares in the Company

	As at 31st March,2013		As at 31st March,2012	
	No.	% holding	No.	% holding
Gloster Limited- Holding Company (including shares held by nominees)	40,00,000	100%	40,00,000	100%

Notes to the Financial Statements

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
4. Reserves and Surplus		
Balance as at the beginning of the year	5,77,107	--
Add:		
Transferred from Surplus in the statement of profit and loss	3,242,110	577,107
Total	3,819,217	577,107
5. Other current liabilities		
Others	8,371	9,000
Total	8,371	9,000
6. Short-term provision		
Other provision		
Provision for Taxation	1,75,540	88,740
Total	1,75,540	88,740
7. Non-current investments		
Other investment (valued at cost unless stated otherwise)		
Quoted Bonds		
National Highways Authority of India 37,086 Secured Redeemable Non Convertible Tax free Bonds of ₹ 1,000/- each fully paid up	3,70,86,000	3,70,86,000
Total	3,70,86,000	3,70,86,000
Market Value of quoted investment	4,04,97,912	3,79,52,329
8. Cash and Bank balance		
Cash and cash equivalents		
Balance with bank		
In current account	52,04,769	29,73,597
Total	52,04,769	29,73,597

Notes to the Financial Statements

	As at 31st March, 2013	As at 31st March, 2012
	₹	₹
9. Short-term loans and advances		
Advance Income Tax	1,95,999	57,029
Total	1,95,999	57,029
10. Other current assets		
Unsecured, considered good		
Interest accrued on Bonds	15,16,360	5,58,221
Total	15,16,360	5,58,221

	Year ended 31.03.2013	Year ended 31.03.2012
	₹	₹
11. Other income		
Interest Income on		
Bank Deposits	3,46,297	52,649
Bonds	30,35,360	5,58,221
Others	--	5,17,645
Total	33,81,657	11,28,515
12. Other expenses		
Rates & Taxes	4,450	2,500
Director's fee	--	40,000
Printing & Stationery	8,600	--
Professional fees	24,539	12,300
Filing fees	6,500	3,34,500
Miscellaneous Expenses (Refer note below)	8,658	73,368
Total	52,747	4,62,668
Notes		
Miscellaneous Expenses include remuneration to auditors for :		
Audit Fees	5,000	5,000
Other Services	--	5,500
	5,000	10,500

Notes to the Financial Statements**13. EARNINGS PER 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, 2013	Year ended 31st March,2012
Net Profit after tax (₹)	A	32,42,110	5,77,107
Weighted average number of shares outstanding	B	40,00,000	10,75,274
Basic and Diluted EPS (₹)	A/B	0.81	0.54
Face value per share (₹)		10	10

14. Related Party Disclosures :**Names of Related Parties and nature of relationship:****a) Holding Company**

Gloster Limited (*)

b) Fellow Subsidiaries

Gloster Gujrat Limited (*)

Gloster Lifestyle Limited (*)

(*) - No transaction during the Year.

Transactions / balances

Particulars	Year	Holding Company
Transactions during the year		₹
Loan received	2012-13 2011-12	- 11,35,00,000
Loan repaid	2012-13 2011-12	- 11,35,00,000
Outstanding balance at year end	2012-13 2011-12	- -

Notes to the Financial Statements**15. Information pursuant to clause 32 of the Listing Agreement with Stock Exchange**

Loans from Holding Company are as under:

Particulars	Balance as at 31 st March 2013	Balance as at 31 st March 2012	Maximum Amount Outstanding during the year ended 31st March 2013	Maximum Amount Outstanding during the period ended 31st March 2012
	(₹)	(₹)	(₹)	(₹)
Interest Free Gloster Limited	Nil	Nil	Nil	1,13,50,000

16 The financial statements for the period ended 31st March,2012 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act,1956. Consequent to the notification of Revised Schedule VI under the Companies Act 1956, the financial statement for the year ended 31st March, 2013 are prepared as per Revised Schedule- VI. Accordingly, the previous year figures have also been reclassified to confirm to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact the recognition and measurement principles followed for preparation of Financial Statement.

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

For Priyanka Jalan & Co.

Firm Registration No. 324908E
Chartered Accountants

Priyanka Jalan

Proprietor
Membership No. 060233

Dharam Chand Baheti Chairman
Ajay Kumar Agarwal Director
Shankar Lal Kedia Director

Place : Kolkata
Date : 27th April, 2013

GLOSTER SPECIALITIES LIMITED

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

ATTENDANCE SLIP

I hereby record my presence at the 2nd Annual General Meeting of the Members of the Company at 21, Strand Road, Kolkata - 700 001 at 4.00 P.M. on Friday, the 19th July, 2013

Folio No. :

No. of Shares held :

Name of Member(s) / Proxy :

Signature of Member / Proxy :

- Note :**
1. Shareholder / Proxy holder wishing to attend the meeting must bring the attendance slip to the meeting and hand over at the entrance duly signed.
 2. Shareholder / Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

GLOSTER SPECIALITIES LIMITED

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

PROXY

Folio No. No. of Shares held

I / We of

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

hereby appoint of or failing

him of as my / our Proxy

to attend and vote for me / us and on my / our behalf at the 2nd Annual General Meeting of the Company to be held on 4.00 P.M. on Friday, the 19th July, 2013 and at any adjournment thereof.

Signed this day of 2013.

Signature

Affix one Rupee Revenue Stamp
--

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

