

**GLOSTER SPECIALITIES LIMITED**

3<sup>rd</sup> ANNUAL REPORT  
2013- 2014

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**CORPORATE INFORMATION**

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

Banker	:	Yes Bank Limited
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Auditors	:	Messrs Priyanka Jalan & Company
		Chartered Accountants
		Kolkata

Registered Office	:	21, Strand Road
		Kolkata-700 001
		CIN : U18109WB2011PLC159677
		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 3rd Annual General Meeting of the Members of Gloster Specialities Limited will be held on Thursday, the 4th September, 2014 at 1.00 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, 2014, the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and the Auditors' thereon.
2. To appoint a Director in place of Shri Ajay Kumar Agarwal (DIN 03159384) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. K. Derasari & Co., Chartered Accountants (Firm Registration No. 324091E), as Statutory Auditors of the Company in place of M/s. Priyanka Jalan & Co., Chartered Accountants (Firm Registration No.324908E) the retiring Statutory Auditors, to hold office from the conclusion of the 3rd Annual General Meeting of the Company until the conclusion of 8th Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

Registered Office:  
21, Strand Road  
Kolkata 700 001  
Dated: 2nd May, 2014

By Order of the Board

**Dharam Chand Baheti**  
Chairman

**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 the proxy need not be a member of the Company. Proxies in order to be effective should be received at the Company's Registered Office situated at 21, Strand Road, Kolkata – 700 001, not less than 48 hours before the commencement of the Meeting.**

**In terms of Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

**DIRECTORS' REPORT****DEAR SHAREHOLDERS**

Your Directors have pleasure in presenting the 3rd Annual Report of the Company together with the Audited Accounts for year ended 31st March, 2014.

**FINANCIAL RESULTS**

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

(` in lakhs)

<b>PARTICULARS</b>	<b>Year ended 31st March, 2014</b>	<b>Year ended 31st March, 2013</b>
Total Income	33.34	33.82
Less: Total Expenses	0.45	0.53
Profit before Tax	32.89	33.29
Provision for Taxation	3.13	0.87
Net Profit for the Year	29.76	32.42
Balance brought forward from previous year	38.19	5.77
Balance carried to the Balance Sheet	67.95	38.19

**DIVIDEND**

Your Directors do not recommend payment of dividend for the year ended 31st March, 2014.

**CHANGE IN COMPANIES ACT**

The Companies Act, 2013 ('the Act') and the rules made thereunder has come into being replacing the existing Companies Act, 1956 and a large portion of the Act has already become effective. Your Company is taking necessary steps to ensure compliance with the requirements of the new Act. The Ministry of Corporate Affairs has vide General Circular 08/2014 No. 1/19/2013-CL-V dated 4th April, 2014 notified that the Financial Statements and documents required to be attached thereto, Directors Report and Auditors Report in respect of the Financial Years that commenced earlier than

1st April, 2014 shall be governed by the relevant provisions of the Companies Act, 1956 and the rules made thereunder. Consequently the Financial Statements, Directors Report & Auditors Report for the Financial Year 2013-14 have been prepared in accordance with the provisions of the Companies Act, 1956 and appropriate references have been made in respect of the Act wherever required.

**DIRECTORS**

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

**AUDITORS**

The existing Statutory Auditors of the Company, M/s. Priyanka Jalan & Co., Chartered Accountants (Firm Registration No.324908E), retire at the ensuing Annual General Meeting of the Company and have expressed their unwillingness to continue as Statutory Auditors of the Company. The Company therefore approached M/s. K. Derasari & Co., Chartered Accountants (Firm Registration No. 324091E) to act as Statutory Auditors of the Company in place of M/s. Priyanka Jalan & Co., Chartered Accountants (Firm Registration No.324908E) the retiring Statutory Auditors.

The Company has received a consent letter from M/s. K. Derasari & Co., Chartered Accountants (Firm Registration No. 324091E), stating that they are qualified and eligible for appointment u/s 141(3) of the Companies Act, 2013.

The Board has recommended the appointment of M/s. K. Derasari & Co., Chartered Accountants (Firm Registration No. 324091E) to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the 8th Annual General Meeting of the Company.

**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 Ms. 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, 2014. 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 have 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 year 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

Place :Kolkata  
Date : 2nd May, 2014

**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 Companies Act, 2013 to the extent applicable 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, 2014. 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 within the time prescribed under the Act and Rules made thereunder.
3. The Company being a Public Limited Company, no comments are required. The Company is a wholly owned subsidiary of Gloster Limited.
4. The Board of Directors duly met 4 (four) times respectively on 27.04.2013, 27.09.2013, 31.12.2013 and 29.03.2014 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 31.03.2013 was held on 19.07.2013 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. No Extraordinary General Meeting was held during the financial year .
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 185 of the Companies Act 2013.
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.
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 amount borrowed by the company during the financial year ended 31.03.2014 was within the borrowing limits of the company.

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 made investments in other body corporates during the financial year after complying with the provisions of the Act & made necessary entries in the register kept for the purpose.
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 : 2nd May, 2014

**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, 2014.

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.	23	192	Extra-Ordinary General Meeting dated 21.03.2013	17.07.2013	No	Yes
2.	66	383A	Compliance Certificate as on 31.03.2013	01.08.2013	Yes	N.A.
3.	23AC & 23ACA XBRL	220	Balance Sheet/Profit & Loss Account as on 31.03.2013	17.08.2013	Yes	N.A.
4.	20B	159	Filing of Annual Return for AGM 19.07.2013	14.09.2013	Yes	N.A.

**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, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

**Management's Responsibility for the Financial Statements**

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act") read with General Circular 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014
  - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
  - (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 read with General Circular 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013.

- (e) On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2014, 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 : 2nd May, 2014



**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, 2014:

1. The Company does not hold any fixed assets during the year ended 31st March 2014. 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 : 2nd May, 2014

## BALANCE SHEET AS AT 31ST MARCH, 2014

	Note	As at 31st March, 2014	As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	4,00,00,000	4,00,00,000
Reserves and Surplus	4	67,95,970	38,19,217
		<b>4,67,95,970</b>	<b>4,38,19,217</b>
<b>Current Liabilities</b>			
Other current liabilities	5	8,371	8,371
Short-term provisions	6	3,26,800	1,75,540
		<b>3,35,171</b>	<b>1,83,911</b>
<b>Total</b>		<b>4,71,31,141</b>	<b>4,40,03,128</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Non-current investments	7	4,34,37,827	3,70,86,000
		<b>4,34,37,827</b>	<b>3,70,86,000</b>
<b>Current Assets</b>			
Cash and Bank balances	8	24,77,598	52,04,769
Short-term loans and advances	9	3,29,020	1,95,999
Other current assets	10	8,86,696	15,16,360
		<b>36,93,314</b>	<b>69,17,128</b>
		<b>4,71,31,141</b>	<b>4,40,03,128</b>
<b>Corporate Information</b>			
Summary of significant accounting policies	1		
	2		

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

**For Priyanka Jalan & Co.**  
Firm Registration No. 324908E  
Chartered Accountants

Place : Kolkata  
Date : 2nd May, 2014

**Priyanka Jalan**  
Proprietor  
Membership No. 060233

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

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

	Note	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>INCOME:</b>			
Other income	11	33,34,487	33,81,657
<b>Total Revenue</b>		<b>33,34,487</b>	<b>33,81,657</b>
<b>EXPENSES :</b>			
Other expenses	12	45,095	52,747
<b>Total expenses</b>		<b>45,095</b>	<b>52,747</b>
<b>PROFIT BEFORE TAX</b>		<b>32,89,392</b>	<b>33,28,910</b>
<b>Tax expenses</b>			
Current tax		2,40,000	86,800
Earlier year		72,639	--
<b>Total Tax expenses</b>		<b>3,12,639</b>	<b>86,800</b>
<b>PROFIT FOR THE YEAR</b>		<b>29,76,753</b>	<b>32,42,110</b>
<b>Earnings per equity share ( nominal value per share ` 10 ) Basic and Diluted</b>	13	0.74	0.81
<b>Corporate Information</b>	1		
<b>Summary of significant accounting policies</b>	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 Priyanka Jalan & Co.**

Firm Registration No. 324908E  
Chartered Accountants

**Priyanka Jalan**

Proprietor  
Membership No. 060233

Dharam Chand Baheti

Ajay Kumar Agarwal

Shankar Lal Kedia

Chairman

Director

Director

Place : Kolkata

Date : 2nd May, 2014

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

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
<b>A. Cash Flow from operating activities</b>		
Net profit / (loss) before tax	<b>32,89,392</b>	<b>33,28,910</b>
<b>Adjustments for :</b>		
Interest Income	(21,77,408)	(33,81,657)
Profit on sale of Investment	(11,57,079)	--
<b>Operating profit before working capital changes</b>	<b>(45,095)</b>	<b>(52,747)</b>
<b>Adjustments for :</b>		
(Decrease)/Increase in Trade and Other Payables	--	(629)
Cash generated from operations	<b>(45,095)</b>	<b>(53,376)</b>
Income Taxes Paid	<b>(2,94,400)</b>	<b>(1,38,970)</b>
<b>Net Cash from operating activities</b> A	<b>(3,39,495)</b>	<b>(1,92,346)</b>
<b>B. Cash Flow from investing activities</b>		
Purchase of long term investments	(2,17,51,827)	--
Sale of long term Investments	1,65,57,079	--
Interest received	28,07,072	24,23,518
Short term loans received from holding Company	1,75,00,000	--
Short term loans repaid to Holding Company	(1,75,00,000)	--
<b>Net Cash used in investing activities</b> B	<b>(23,87,676)</b>	<b>24,23,518</b>

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

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
<b>C. Cash Flow from financing activities</b>	--	--
<b>Net Cash used in financing activities C</b>	--	--
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(27,27,171)</b>	<b>22,31,172</b>
Cash and Cash Equivalents (Opening Balance)	52,04,769	29,73,597
Cash and Cash Equivalents (Closing Balance)	24,77,598	52,04,769

**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 : 2nd May, 2014

**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 (31.03.13 - 50,00,000)  
Equity Shares of ₹ 10/- each

## Issued, Subscribed and Fully Paid-up :

40,00,000 (31.03.2013 - 40,00,000)  
Equity Shares of ₹ 10/- each

## Total

	As at 31st March, 2014	As at 31st March, 2013
	5,00,00,000	5,00,00,000
	4,00,00,000	4,00,00,000
<b>Total</b>	<b>4,00,00,000</b>	<b>4,00,00,000</b>

## (a) Reconciliation of number of equity shares

	As at 31st March, 2014		As at 31st March, 2013	
	No.		No.	
Balance as at the beginning and 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, 2014		As at 31st March, 2013	
	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, 2014	As at 31st March, 2013
<b>4. Reserves and Surplus</b>		
Balance as at the beginning of the year	38,19,217	5,77,107
Add:		
Transferred from Surplus in the Statement of Profit and Loss	29,76,753	32,42,110
<b>Total</b>	<b>67,95,970</b>	<b>38,19,217</b>
<b>5. Other current liabilities</b>		
Others	8,371	8,371
<b>Total</b>	<b>8,371</b>	<b>8,371</b>
<b>6. Short-term provisions</b>		
<b>Other provision</b>		
Provision for Taxation	3,26,800	1,75,540
<b>Total</b>	<b>3,26,800</b>	<b>1,75,540</b>
<b>7. Non-current investments</b>		
<b>Other investment (valued at cost unless stated otherwise)</b>		
<b>Unquoted Equity instruments</b>		
Godrej Buildwell Pvt. Limited		
784 (31.03.13-nil) Class A Equity Shares of ` 10/- each fully paid up	2,17,51,187	--
32 (31.03.13-nil) Class B Equity Shares of ` 10/- each fully paid up	320	--
32 (31.03.13-nil) Class C Equity Shares of ` 10/- each fully paid up	320	--
<b>Quoted Bonds</b>		
National Highways Authority of India 21,686 (31.03.13 - 37,086) Secured Redeemable Non Convertible Tax free Bonds of ` 1,000/- each fully paid up	2,16,86,000	3,70,86,000
<b>Total</b>	<b>4,34,37,827</b>	<b>3,70,86,000</b>
<b>Market Value of quoted investments</b>	<b>2,23,11,641</b>	<b>4,04,97,912</b>

## Notes to the Financial Statements

	As at 31st March, 2014	As at 31st March, 2013
<b>8. Cash and Bank balance</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	975	--
Balance with bank :		
In current account	24,76,623	52,04,769
<b>Total</b>	<b>24,77,598</b>	<b>52,04,769</b>
<b>9. Short-term loans and advances</b>		
Advance Income Tax	3,29,020	1,95,999
<b>Total</b>	<b>3,29,020</b>	<b>1,95,999</b>
<b>10. Other current assets</b>		
<b>Unsecured, considered good</b>		
Interest accrued on Bonds	8,86,696	15,16,360
<b>Total</b>	<b>8,86,696</b>	<b>15,16,360</b>

## Notes to the Financial Statements

	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>11. Other income</b>		
<b>Interest Income on</b>		
Bank Deposits	1,18,912	3,46,297
Bonds	20,58,496	30,35,360
Gain on sale of long term investment	11,57,079	--
<b>Total</b>	<b>33,34,487</b>	<b>33,81,657</b>
<b>12. Other expenses</b>		
Rates & Taxes	4,425	4,450
Printing & Stationery	9,400	8,600
Bank charges	112	--
Professional fees	17,000	24,539
Filing fees	5,000	6,500
Miscellaneous Expenses (Refer note below)	9,158	8,658
<b>Total</b>	<b>45,095</b>	<b>52,747</b>
<b>Notes</b>		
Miscellaneous Expenses include remuneration to auditors for :		
Audit Fees	5,000	5,000
	<b>5,000</b>	<b>5,000</b>

## 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, 2014	Year ended 31st March, 2013
Net Profit after tax ( ` )	A	29,76,753	32,42,110
Weighted average number of shares outstanding	B	40,00,000	40,00,000
Basic and Diluted EPS ( ` )	A/B	0.74	0.81
Face value per share ( ` )		10	10

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

Gloster Limited

**Fellow Subsidiaries**

Gloster Gujrat Limited ( \* )

Gloster Lifestyle Limited ( \* )

( \* ) - No transaction during the Year.

**b) Transactions / balances**

Particulars	Year	Holding Company
<b>Transactions during the year</b>		
Loan received	2013-14 2012-13	1,75,00,000 -
Loan repaid	2013-14 2012-13	1,75,00,000 -
Outstanding balance at year end	2013-14 2012-13	- -

**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 31st March, 2014	Balance as at 31st March, 2013	Maximum Amount Outstanding during the year ended 31st March, 2014	Maximum Amount Outstanding during the period ended 31st March, 2013
Interest Free Gloster Limited	( ` ) Nil	( ` ) Nil	( ` ) 1,75,00,000	( ` ) Nil

**16** 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

Place : Kolkata	<b>Priyanka Jalan</b> Proprietor	Dharam Chand Baheti Ajay Kumar Agarwal	Chairman Director
Date : 2nd May, 2014	Membership No. 060233	Shankar Lal Kedia	Director



**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration Rules, 2014)]

**GLOSTER SPECIALITIES LIMITED**

CIN : U18109WB2011PLC159677

Registered Office : 21, Strand Road, Kolkata – 700 001

Tel : (033) 2230-9601 (4 lines); Fax : (033) 2231 4222/2210 6167

E-Mail : [info@glosterjute.com](mailto:info@glosterjute.com)

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No./Client ID	
DP ID	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

1. Name \_\_\_\_\_  
Address \_\_\_\_\_

E-mail ID \_\_\_\_\_  
Signature \_\_\_\_\_, or failing him

2. Name \_\_\_\_\_  
Address \_\_\_\_\_

E-mail ID \_\_\_\_\_  
Signature \_\_\_\_\_, or failing him

3. Name \_\_\_\_\_  
Address \_\_\_\_\_

E-mail ID \_\_\_\_\_  
Signature \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 3rd Annual General Meeting of the Company, to be held on Thursday, the 4th day of September, 2014 at 1.00 P.M. at 21, Strand Road Kolkata – 700 001 and at any adjournment thereof in respect of such resolutions as are indicated below :

SI.No.	Resolutions
1.	Adoption of Audited Financial Statements of the Company for the Financial Year ended 31st March, 2014 together with the Report of the Board of Directors and Auditors thereon.
2.	Appointment of a Director in place of Shri Ajay Kumar Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
3.	Appointment of M/s. K. Derasari & Co. Chartered Accountants, as the Statutory Auditors of the Company and to authorize the Board of Directors to fix their remuneration.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of Shareholder \_\_\_\_\_

Signature of Proxy holder (s) \_\_\_\_\_

Affix  
Revenue  
Stamp

**Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

**GLOSTER SPECIALITIES LIMITED**

CIN : U18109WB2011PLC159677

Registered Office : 21, Strand Road, Kolkata – 700 001

Tel : (033) 2230-9601-(4 lines); Fax : (033) 2231 4222/2210 6167

E-Mail : [info@glosterjute.com](mailto:info@glosterjute.com)

**ATTENDANCE SLIP**

Name of the Member / Proxy (in block letters)

.....

Folio No. ....

DP ID No. ....

Client ID No. ....

No. of Shares .....

I/We hereby record my/our presence at the 3rd Annual General Meeting of the Company held on Thursday the 4th day of September 2014 at 1.00 P.M. at 21, Strand Road, Kolkata 700 001 and at any adjournment thereof.

Date : \_\_\_\_\_ Signature of the Member /Proxy\_\_\_\_\_

**Notes:**

1. This attendance slip should be signed and handed over at the entrance of the Meeting.
2. Member / Proxy holder desiring to attend the meeting should bring his / her copy of the Annual Report for reference at the meeting.