

The Gaekwar Mills Limited

(Incorporated under the Baroda State Companies Act2 of samvat year 1975
and now an existing company under Companies Act, 1956)

84th Annual Report

2012-13

The Gaekwar Mills Limited

(Incorporated under the Baroda state Companies act2 of samvat year 1975
and now an existing company under Companies Act, 1956)

HOMI F. MEHTA	Chairman
RATAN N. KARANJIA	Director
OM DUTT PUROHIT	Director
GIRISHBHAI SHAH	Director

Auditors

Messrs M. D. Pandya & Associates
Chartered accountants

Registrar & Transfer Agent

**System Support Services,
209, Shivai Industrial Estate,
Andheri Kurla Road,
Saki Naka Andheri (E),
Mumbai 400072.**

Registered Office

**Shop No.15, Ground Floor,
Patil Building, 38 West, Sion (West),
Mumbai 400022.**

Share Holders are requested to bring their copy of the Annual Report along with them at the General Meeting as the practice of distributing copies of the report at the meeting has been discontinued.

NOTICE

NOTICE is hereby given that the Eighty Fourth Annual General Meeting of the Members of the Company will be held on 26th September 2013 at 11.00 a.m. at Matunga Gujarathi Club Ltd., Nathalal Parekh Marg, Near King Circle, Matunga, Mumbai 400 019 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2013, Profit and Loss Account and the Cash Flow Statement for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Ratan N. Karanjia, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

**By Order of the Board of Directors
For The Gaekwar Mills Ltd**

**Homi F Mehta
Chairman**

Registered Office:

Office No. 15, Ground Floor,
Patil Building, 38 West,
Road No. 6, Sion West,
Mumbai 400022.

Dated: 26th August 2013

NOTES:

- (i) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. FOR PROXY TO BE EFFECTIVE, ATTACHED PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.
- (ii) The Register of Members and the Share Transfer Books of the Company, will be closed from 24th to 26th September 2012 (both days inclusive).
- (iii) Change of address, if any, should be notified to the Company, immediately.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT/APPOINTMENT AS PER CLAUSE 49 OF THE LISTING AGREEMENT

Name of the Director	Mr. Ratan Noshir Karanjia
Age	68 years
Date of Appointment	2009
Experience (Yrs)	45 years in Accountancy & Finance
Qualification	B.Com, FCA, ACMA, PGDBM(IIMA)
List of Public Companies in which Directorship held	Nil
Committee/Chairmanship/Membership	Nil
Other Positions Held	Past Chairman, WIRC of ICAI President, Malabar Hill Club Ltd.
Shareholding in the Company	1 share

THE GAEKWAR MILLS LIMITED
DIRECTORS' REPORT

To.

The Members,

The Directors present their 84th Annual Report and Audited Accounts for the year ended 31st March, 2013.

Scheme of Compromise/Arrangement

The members are aware, a Scheme of Compromise/Arrangement between shareholders, creditors and workers of The Gaekwar Mills Ltd (in liquidation) under sections 391 to 393 of the Companies Act, 1956 was approved by the Hon. Bombay High Court on 10th September 2009. The Scheme was further modified by the orders of the Hon. Bombay High Court dated 6th January 2010, 7th January 2010 and 8th April 2010. Pursuant to sanction of the aforesaid Scheme the Board of Directors has been constituted for implementing the said scheme.

Accounts for the year ended 31st March 2013

Loss for the year was Rs. 144.37 lakhs which has been added to Rs.3095.72 lakhs carried forward from the previous year.

Increase in Share Capital

The Board had obtained consent of the members by way of Postal Ballot, to

- a) increase the paid-up share capital from Rs 89 lakhs to Rs 200 lakhs by making preferential allotment to existing Strategic Investor, M/s Platinum Square Pvt. Ltd. as well as to another Strategic Investor, M/s.Mukesh Babu Financial Services Ltd. and
- b) raise Rs 500 lakhs by issue of 0% Secured Redeemable Debentures to M/s Mukesh Babu Financial Services Ltd.

By order dated 20th February 2013, Hon. Justice Jamdar of the Bombay High Court allowed modification in the original Scheme of Compromise/Arrangement to allow for raising capital through both these instruments. The new Equity Shares and Debentures were allotted on 22nd April 2013, shortly after the close of the year under review.

Plans for the Company

The Company's plans for development of an ultra modern township on 60% of the land at Bilimora are in the final stages of approval by various authorities, and it is expected that work will commence during 2013/14.

Directors

Mr. Ratan Noshir Karanjia, Director of the Company, retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

Directors' Responsibility Statement

"Pursuant to the requirement u/s 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. that in the preparation of the Annual Accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures.

2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the statement of affairs of the Company at the end of financial year and of the Loss of the Company for the year under review .
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956, for safe guarding the Assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability.
4. that the Directors have prepared the accounts for the financial year ended 31st March, 2013, on a going concern basis, taking into account the fact that as on date of preparation of the accounts the Company has been revived and its net worth will turn positive upon completion of all actions envisaged in the Scheme of Compromise.”

Auditors

M/s M. D. Pandya & Associates, Chartered Accountants, the Statutory Auditors of the Company are due to retire at the ensuing Annual General Meeting. The Company has received a certificate from the Statutory Auditors, under 224(1)(b) of the Companies Act, 1956, stating that they are eligible for re-appointment and the said re-appointment, if made, will be within the prescribed limits.

Particulars of Employees

Particulars of the employees as required under Section 217(2A) of the Companies Act, 1956 are not applicable as the Company did not have any employee during the year.

Observations on Remarks in the Auditors' Report:

The fullest information and explanation of the respective matters have already been given in the Notes included by your Directors as a part of Accounts submitted to you for the year under Report as also by the Auditors themselves in the said Report.

ANNEXURE TO THE DIRECTORS' REPORT :

(Additional information given in terms of Notification No.1029 of 31-12-1988, issued by the Department of Company Affairs).

No information can be given with regard to Disclosure in respect of Conservation of Energy Technology Absorption, Foreign Exchange Earnings and Outgo, etc. as the Company had no operations during the year under review.

On behalf of the Board of Directors

Om Dutt Purohit Ratan Karanjia
Directors

Registered Office :

**Office No. 15, Ground Floor,
Patil Building, 38 West,
Sion West,
Mumbai 400022.**

Dated: 31st May, 2013

Corporate Governance Report for the year ended 31st March 2013

Board of Directors

During the year 1st April 2012 to 31st March 2013 the composition of the Board was as follows:

Director	Executive/Non-Executive/Independent
Mr. Homi F. Mehta	Chairman – Non-Executive & Promoter
Mr. Ratan N Karanjia	Non-Executive Director
Mr. Om Dutt Purohit	Non-Executive Director
Mr. Girishbhai Shah	Non-Executive Director

Name of Director	Attendance Board	AGM	Other Directorships Director	Committee
Mr. Homi F Mehta	3	No	1	1
Mr. Ratan N Karanjia	7	Yes	none	none
Mr. Om Dutt Purohit	7	Yes	4	5
Mr. Girishbhai Shah	none	No	none	none

The other directorships excludes the directorship of private companies.

No sitting fees or other remuneration was paid to any director.

1. No. of Board Meetings held and dates

During F.Y. 2012-13 7 Board Meeting were held on the following dates:

8th May 2012, 31st May 2012, 14th August 2012, 3rd September 2012, 12th November 2012, 15th February 2013, 8th March 2013..

2. Committees of the Board

As no activity was undertaken by the Company during the year no Committees of the Board were set up.

3. Means of Communication

The quarterly, half-yearly and annual results of the Company are published in leading newspapers. The Company has set up its website www.gaekwarmills.com. Results as well as any press releases, issued by the Company from time to time, are displayed on the website.

4. Disclosures

A. During the year there were no financial and commercial transactions where management had personal interest that may have a potential conflict with the interest of the Company at large.

B. Details of Non-Compliance

There has been no instance of non-compliance with any legal requirement nor have there been any strictures imposed by BSE, SEBI or any statutory authority, on any matters relating to the capital market since 10th September 2009, the date on which the Scheme of Com[promise/Arrangement was approved by the Hon. Bombay High Court.

C. No. of shares held by non-executive directors:

Mr. Homi F. Mehta	548 equity shares
Mr. Ratan N Karanjia	1 equity share
Mr. Om Dutt Purohit	8 equity shares