

34TH
ANNUAL
REPORT
2013 - 2014



Fine Fabrics Since 1963

GINI SILK MILLS LIMITED

As a Measure of economy, copies of the Annual Report not be distributed at the Annual General Meeting.

Shareholders are requested to kindly bring their copies to the meeting.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Vishwanath Harlalka	- Executive Chairman
Deepak Harlalka	- Managing Director
Ramprasad Poddar	- Director
Rajendra Kumar Rajgarhia	- Director
Dinesh Poddar	- Director

REGISTERED OFFICE

413, Tantia Jogani Industrial Premises
J. R. Boricha Marg, Lower Parel (East)
Mumbai - 400 011

WORKS

E - 15, MIDC, Tarapur (Boisar)
Dist. Thane, Maharashtra

AUDITORS

M/s. Vatsaraj & Co.
Chartered Accountants

BANKERS

State Bank of India

REGISTRARS & TRANSFER AGENTS

BIGSHARES SERVICES PVT. LTD.

E-2/3, Ansa Industrial Estate
Sakivihar Road, Saki Naka
Andheri (East), Mumbai - 400 072

THIRTY FOURTH ANNUAL GENERAL MEETING

held on Tuesday September 16, 2014 at 12.30 P.M.
at Maheshwari Pragati Mandal, Maheshwari Bhawan,
603, Girgaon Road, Mumbai - 400 002.

NOTICE

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of **GINI SILK MILLS LIMITED** will be held on Tuesday, September 16, 2014 At 12.30 P. M. at **Maheshwari Pragati Mandal, Maheshwari Bhawan, 603, Girgaon Road, Mumbai – 400002** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2014 and Profit and Loss Account for the year ended on that date along with the Reports of the Directors' and Auditors' thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a director in place of Mr. Rajendra Kumar Rajgarhia (DIN: 00141766) who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

“RESOLVED THAT in accordance with section 139 of the Companies Act, 2013, and the Rules under chapter X (including any statutory modification(s) or re-enactment thereof), the retiring auditors M/s. Vatsaraj & Co. Chartered Accountants, (FRN No. 111327W) Mumbai, be and is hereby re-appointed as the auditors of the Company till the conclusion of the next Annual General Meeting and the Board of Directors/ Audit Committee of the Company be and is hereby authorized to fix their remuneration.”

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and Companies (appointment and qualification of directors) Rules, 2014 made there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV of the Companies Act, 2013, Mr. Ramprasad Ramrikhdas Poddar (DIN- 00163950), Director of the Company, be and is hereby appointed as an Independent Director at the ensuing Annual General Meeting of the Company to hold office for five consecutive years from September 16, 2014.”

6. To consider and if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to section 180 (1) (c) and other applicable provisions of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of moneys on such terms and conditions and with or without security as the Board of Directors may think fit which, together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys so borrowed by the Board shall not at any time exceed the limit of Rupees 50 Crores (Rs. Fifty Crores only).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do and perform all such acts, deeds and things as may be necessary, desirable or expedient to give effect to this Resolution.”

By Order of the Board

Vishwanath Harlalka
(Executive Chairman)

Registered Office:

413, Tantia Jogani Industrial Premises
J. R. Boricha Marg,
Mumbai – 400 011

Place: Mumbai

Date: May 27, 2014

Notes:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. The Proxy as per the format given in the Annual Report should be duly filled, stamped, signed and received by the Company at its Registered Office not less than 48 hours before the time for holding the meeting.
3. Members/ proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Company has notified closure of Register of Members and Share Transfer Books from Tuesday, September 09, 2014 to Tuesday, September 16, 2014 (both days inclusive).
6. The Dividend, if declared will be paid through NECS in respect of shareholders having demat accounts, to the credit of related bank accounts as furnished by the depositories. Members who desire the warrants and would like to have their bank accounts details incorporated in their dividend warrants may furnish the following details :
 - i) Folio No. / DP ID/ Client ID
 - ii) Name and Address of sole/ first shareholder
 - iii) Bank Accounts No. (With prefix SB / CA etc.)
 - iv) Name of the bank and branch
 - v) Full address of the bank with Pin Code
7. As per the provisions of the Companies Act, 2013, facility for making nominations is available for Members in respect of shares held by them. Nomination Forms can be obtained from the Company's Registrar and Transfer Agents.
8. The dividend on Equity Shares, as recommended by the Directors for the year ended March 31, 2014 will be payable on or after September 16, 2014 in accordance with the Resolution to be passed by the Members of the Company.
9. Members may please note the contact details of the Company's Registrar and Transfer Agents, M/s BIGSHARE SERVICES PVT LIMITED, E-2/3 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai- 400072; Tel:+91 22 28470652 Fax:+91 22 28475207; Email:info@bigshareonline.com; Website: www.bigshareonline.com
10. Members are requested to notify the change in their Address, Bank Details, Email etc. if any, to the Company's Registrar and Transfer Agents. Shareholders should quote their folio numbers/DP ID in all their correspondence with the Company and the Registrar and Transfer Agents.
11. As per Securities and Exchange Board of India (SEBI) notification, submission of Permanent Account Number (PAN) is compulsorily required for participating in the securities market, deletion of name of deceased shareholder or transmission/ transposition of shares. Members holding shares in dematerialized mode are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's Registrars and Transfer Agents.
12. The Company has dematerialized its Equity Shares to CDSL & NSDL and Company's ISIN number is INE548b01018. Members, who have shares in physical form, are requested to dematerialize their holding.
13. The Company has paid the Annual Listing Fees for the financial year 2014-2015.
- 14. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notice, Circulars, etc. from the Company electronically.**
15. The company is pleased to offer e-voting facility as an alternate, for all its members to enable them to cast their vote electronically in terms of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote at the general meeting by electronic means and the company may pass any resolution by electronic voting system in accordance with the provisions of this rule.
16. The Board vide its resolution passed on 27th May, 2014 has appointed Mr. Sandeep Dar, Practicing Company Secretary, (Membership No. 3159, COP No. 1571), as scrutinizer for conducting the e-voting process in accordance with the law in a fair and transparent manner.
17. The scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the chairman of the company.

18. Please see the instructions below for details on e-voting facility.

(I) In case of members receiving Notice of Annual General Meeting by e-mail:

- i. Log on to the e-voting website www.evotingindia.com during the voting period.
- ii. Click on “Shareholders” tab
- iii. Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- iv. Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- vi. Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number: Default Number GINIS0123H in the PAN Field.

please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the date Default date 01/01/1990 in the DOB column or the GINBKAC1234 Default Number in the Dividend Bank details field. All login details are case sensitive.

- vii. After entering these details appropriately, click on “SUBMIT” tab.
- viii. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the relevant EVSN on which you choose to vote.
- xi. On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- xiii. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv. If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code, click on Forgot Password & enter the details as prompted by the system.
- xvi. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(II) In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

(A) Please follow all steps from sl. no. (i) To sl. no. (xiv) Above, to cast vote.

(B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at <https://www.evotingindia.co.in> under help section or write an email to helpdesk.evoting@cdslindia.com.

18. The e-voting period commences on September 10, 2014 (8:30 a. m.) and ends on September 12, 2014 (5:00 pm). During this period shareholders of the company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. 14/08/2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 5:

Mr. Ramprasad Poddar, 77 years old is B.Com by qualification. He is having more than 50 years of experience in Financial Accounting. His continuation on the Board will be an asset to the Company.

Mr. Ramprasad Poddar has been an Independent Director under listing agreement on the Board of the Company since 1995. With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed company to appoint 'Independent Directors' for a term of 5 consecutive years as defined in section 149(6) of the Act and ensure that at least 1/3rd of the total number of directors are Independent Directors. The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Mr. Ramprasad Poddar fulfills the conditions specified in the Act and companies (appointment and qualification of directors) Rules 2014 made under chapter XI to be eligible to be appointed as Independent Director pursuant to the provisions of section 149 of the Act. The Board of Directors of your Company is also of the opinion that Mr. Ramprasad Poddar is independent of the management of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ramprasad Poddar as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Ramprasad Poddar as an Independent Director pursuant to provisions of section 149 read with schedule IV of the Act for the approval by the shareholders of the Company. In terms of provisions of section 149(13) of the Act, Mr. Ramprasad Poddar shall not be liable to retire by rotation. Except Mr. Ramprasad Poddar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

Item No. 6:

Section 180 (1) (c) of the Companies Act, 2013 requires that the Directors of the Company should obtain the consent of the Shareholders in the General Meeting to enable them to borrow moneys where the amount to be borrowed together with the amount already borrowed by the company will exceed the aggregate of the paid-up capital and its free reserves, that is to say, reserves not set apart for any specific purposes.

In view of the funds requirement for the ongoing investments and future projects and taking into account the requirement of additional funds, your Directors seek to take the consent from the Shareholders to borrow funds as per requirements from time to time. Accordingly, they have thought it desirable to obtain the consent of the Shareholders pursuant to Section 180 (1) (c) of the Companies Act, 2013 to borrow up to Rs. 50 Crores (Rs. Fifty Crores only).

The Directors recommend the approval of the Shareholders thereto. None of the Directors is interested or concerned in this special resolution.

By Order of the Board

Date: 27 /05 /2014
Place: Mumbai

VSIHWANTH HARLALKA
(Executive Chairman)

Registered Office:

413, Tania Jogani Industrial Premises
J. R. Boricha Marg,
Lower Parel (East)
Mumbai – 400 011

DIRECTOR'S REPORT

TO THE MEMBERS OF GINI SILK MILLS LIMITED

The Directors are pleased to present their **Thirty Forth** Annual Report on the Business and Operations of your Company together with the Audited Statement of Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

(₹ In Lacs)

Particulars	2013-2014 (₹)	2012-2013 (₹)
REVENUE		
Net Sales/ Income from operations	3489.53	3247.03
Other Income	218.82	206.98
Total	3708.35	3454.00
Less : Expenses		
Employee Benefit Expenses	321.53	311.08
Financial Cost	5.63	18.47
Depreciation	45.97	47.23
Other Expenses	3057.43	2841.42
Total	3430.56	3218.20
Profit before Tax	277.79	235.80
Less: Tax Expenses		
Current Taxation	85.00	73.00
Deferred Tax	5.30	(3.34)
Excess/ Short provision for Tax in respect of earlier Year	13.47	(0.02)
Net Profit after Tax	174.02	166.16
Add : Balance brought forward	1885.37	1751.71
Profit available for appropriation	2059.39	1917.87
APPROPRIATIONS		
Proposed Dividend	27.96	27.96
Distribution Tax	4.75	4.54
Profit Carried to Balance Sheet	2026.68	1885.37
Total	2059.39	1917.87
Basic/Diluted Earning per equity shares	3.11	2.97

DIVIDEND

For the year under review, your Directors have recommend a dividend of ₹ 0.50 per share (₹ 0.50 per shares for the previous year) on the 5592600 Equity shares amounting to ₹ 27,96,300/-. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

DIRECTORS:

Mr. Rajendra Kumar Rajgarhia, Director of the company is liable to retire by rotation and being eligible, offers himself for re-appointment.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, the Management Discussion and Analysis, the Corporate Governance Report, together with the Auditor's Certificate on compliance with the conditions of Corporate Governance as laid down, forms part of the Annual Report.

AUDITORS

M/s. Vatsaraj & Co., Chartered Accountants, Mumbai hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. As required under the provisions of Section 139 of the Companies Act, 2013 the Company has obtained written confirmation from M/s. Vatsaraj & Co. that their appointment, if made, would be in conformity with the limits specified in the said Section.

FIXED DEPOSITS

The Company has not accepted or renewed any deposits from the public during the year under review within the meaning of Section 58A of the Companies Act, 1956 and rules made there under.

PARTICULARS OF EMPLOYEES:

There are no employee drawing remuneration exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (particulars of employees) Rules, 1975 (as amended) and hence no details are required to be annexed to this report.

ENVIRONMENT AND SAFETY MEASURES
i) EFFLUENT CONTROL

Effluent at Process House unit at Tarapur is carefully monitored and treated conforming to the requirements of the State Pollution Control Board.

ii) SAFETY

The Process equipments have built-in safety system and all the employees are well trained for safe working of plant operations. Adequate fire protection system is installed for the safety of men, material and machinery.

iii) INSURANCE

Your Company continued to cover all assets mainly; plant & machinery, building, materials, stocks, furniture & fixtures against possible risks like fire, flood, terrorism and earthquake.

iv) INDUSTRIAL RELATIONS

The industrial relations at the plants of the Company during the year under review continued to be cordial throughout the year.

PARTICULARS REGARDING CONSERVATION OF ENERGY ETC.

Information in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Directors) Rules, 1988 regarding conservation of energy technology absorption and foreign exchange earnings and outgo is given in the statement annexed hereto forming part of the Report.

LISTING OF SHARES & SECURITIES

The Company's Shares are listed on the BOMBAY STOCK EXCHANGE LIMITED,

DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956.

The Directors state that-

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The directors had selected such accounting policies and applied them consistently and made judgment 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 covered under this report and of the profit of the Company for the year.
- (iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The directors have prepared the annual accounts on a going concern basis.

APPRECIATION:

Your Directors would like to place on record their appreciation for the co-operation and assistance received from the banks, for the utmost confidence reposed in the management by the shareholders and customers during the year under review. Your Directors wish to thank for the services of the executive, staff and workers of the Company at all levels for their dedication, devotion, determination and discipline. The Directors express their profound thanks to the shareholders for their continued support and goodwill and they look forward to the future with confidence.

FOR AND ON BEHALF OF THE BOARD

Place: Mumbai
Date: 27 /05/2014

VSIHWANTH HARLALKA
(Executive Chairman)

Registered Office:

413, Tantia Jogani Industrial Premises
J. R. Boricha Marg, Lower Parel (East), Mumbai – 400 011

ANNEXURE TO DIRECTORS' REPORT
(FORM - A) (See Rule 2)
**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO
CONSERVATION OF ENERGY**
PART 'A'
POWER & FUEL CONSUMPTION

	2013-2014	2012-2013
Purchased		
Unit (KWH)	2637458	2599362
Total Amount (₹.lacs)*	179.62	183.38
Rate per unit (₹.)	6.81	7.05

OWN GENERATION

Though Diesel Generator :

Units (KWH)	31196	27168
Units Per Ltr.of Diesel oil	4.40	3.50
Cost per unit (₹.)	13.71	13.43

COAL

Quantity (Kgs.)	6888025	6747140
Total Cost (₹. In lacs)	327.98	367.49
Average rate per Kg. (₹.)	4.76	5.45

GAS

Quantity (Kgs.)	31312	20672
Total Cost (₹. In lacs)	30.03	16.99
Average rate per Kg. (₹.)	95.91	82.21

DIESEL OIL

Quantity (Ltrs)	7554	7767
Total cost (₹.lacs)	4.28	3.65
Average Rate Per Ltr. (₹.)	56.56	47.00

NOTE : * including demand charges

PART 'B'
CONSUMPTION PER UNIT OF PRODUCTION ENERGY

	FABRICS PROCESSING (PER METER)	
	Current Year	Previous Year
Electricity (Kwh.)	0.13	0.13
Coal (Kgs.)	0.34	0.39

A. CONSERVATION OF ENERGY

The Company's operation involves low energy Consumption Nevertheless energy Conservation measures have already been taken wherever possible. Efforts to conserve and optimise the use of energy through improved operational methods and other means will continue.

B. TECHNOLOGY AND TECHNICAL ABSORPTION AND ADOPTION
1. TECHNOLOGY ABSORPTION

The Company's present manufacturing activities are such that the same do not require any specialized Technology, since in India; technical know-how for Textile Industries has been standardized and is being used in the Industry. Besides, the Promoters of the Company are engaged in Textile business since last 3 decades and the business is inherited. In view of the above, the question of technical absorption and adaptation does not arise.

2. RESEARCH & DEVELOPMENT

At present the company does not have separate division for carrying out Research and Development work. No expenditure has therefore been earmarked for this activity.

for and on behalf of the Board

 PLACE : MUMBAI
DATED : 27/05/2014

**VISHWANATH HARLALAKA
EXECUTIVE CHAIRMAN**