



Fine Fabrics Since 1963

Gini SILK MILLS LIMITED

35th Annual Report 2014 - 2015

CORPORATE INFORMATION
BOARD OF DIRECTORS

Vishwanath Harlalka	- Executive Chairman
Deepak Harlalka	- Managing Director
Ramprasad Poddar	- Director
Suresh Gaggar	- Director
Pankajkumar Agarwal	- Director
Anjali Harlalka	- Director

REGISTERED OFFICE
GINI SILK MILLS LIMITED

CIN: L17300MH1981PLC024184
 413, Tantia Jogani Industrial Estate Premises,
 Opp. Kasturba Hospital,
 J. R. Boricha Marg, Lower Parel (East), Mumbai-400011
 E-Mail: ginitex@rediffmail.com
 Website: www.ginitex.com

BANKERS

State Bank of India
 Kotak Mahindra Bank Limited

AUDITORS

M/s. Vatsaraj & Co.
 Chartered Accountants

SECRETERIAL AUDITORS

Sandeep Dar & Co.
 Company Secretaries

REGISTRAR & TRANSFER AGENT
BIGSHARE SERVICES PVT. LTD

E/2, Ansa Industrial Estate,
 Sakivihar Road, Sakinaka, Andheri (E),
 Mumbai – 400 072.
 Tel. No: 022-40430200
 Fax. No.: 022-28475207
 E-mail: investor@bigshareonline.com
 Website: www.bigshareonline.com

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THIRTY FIFTH ANNUAL GENERAL MEETING

held on Monday, September 14, 2015 at 12.30 P.M.
 at Maheshwari Pragati Mandal, Maheshwari Bhawan,
 603, Girgaon Road, Mumbai - 400 002.

NOTICE

Notice is hereby given that the 35th Annual General Meeting of the Company will be held on Monday, 14th September, 2015 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 31st March, 2015 and the Profit and Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To declare dividend on equity shares for the financial Year 2014-2015.
3. To appoint a Director in place of Mr. Vishwanath Harlalka (DIN-00170432), 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 from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company 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 section 161(1), 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder, read with Schedule IV of the said Act, Mr. Pankajkumar Agarwal, who was appointed as additional Director of the Company and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Independent Director of the Company for five years up to September 26, 2019".
 6. 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 section 161(1), 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder, read with Schedule IV of the said Act, Mr. Suresh Gaggar, who was appointed as additional Director of the Company and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Independent Director of the Company for five years up to September 26, 2019".
 7. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.
"RESOLVED THAT Mrs. Anjali Harlalka, who was appointed as an additional Director of the Company and who holds office up to the date of this Annual General Meeting pursuant to the provisions of section 161(1) of the Companies Act, 2013, be and is hereby appointed as Director of the Company whose office of Directorship shall be liable to retire by rotation."
 8. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution.
"RESOLVED THAT pursuant to Section 196, 197 and 203 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Vishwanath Harlalka (DIN: 00170432) be and is hereby appointed as Managing Director of the company for the period of five years w. e. f. September 01, 2015, on such terms and conditions as set out in the explanatory statement annexed herewith and contained in an agreement to be entered between the Company and Mr. Vishwanath Harlalka, a draft whereof is placed before the meeting and initialed for the purpose of identification hereof".
- RESOLVED FURTHER THAT** Mr. Vishwanath Harlalka subject to the provisions of Section 152 of the Companies Act, 2013 shall not be liable to retire by rotation during his tenure as Managing Director of the Company.
- RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such act, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution."

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

“RESOLVED THAT pursuant to the provision of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, a new set of Articles of Association of the Company placed before the Members, be and is hereby adopted and substituted in place of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to perform such acts, deeds and things, as may be necessary and expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.”

Registered Office:

413, Tantia Jogani Industrial Estate Premises, Opp. Kasturba Hospital,
J. R. Boricha Marg, Lower Parel (East), Mumbai-400011

Place: Mumbai

Date : May 28, 2015

By Order of the Board
GINI SILK MILLS LIMITED

Vishwanath Harlalka
Chairman

NOTES:

1. **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. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. **THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, IN RESPECT OF THE BUSINESS UNDER ITEM NOS. 5 TO 9 AS SET ABOVE, IS ANNEXED HERETO.**
3. The register of members and share transfer books will remain closed from Saturday, 5th September, 2015 to Monday, 14th September, 2015. (Both days inclusive).
4. Dividend, if declared, shall be disbursed to the members:-
 - a) Whose name appears as beneficial owners as at the end of business hours on 4th September, 2015 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form.
 - b) Whose names appear as members in the register of members of the Company after giving effect to valid transfers in physical form lodged with the Company or registrar and share transfer agents on or before 4th September, 2015.
5. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so that the information is made available by the management at the day of the meeting.
6.
 - i) Members holding shares in physical form are requested to immediately intimate any change in their residential address to Bigshare Services Pvt. Ltd, E/2, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (East), Mumbai – 400 072. Registrar and transfer agent of the Company, so that change could be effected in the register of members before closure.
 - ii) Members who are holding shares in Demat mode are requested to notify any change in their residential address, bank a/c details and/ or email address immediately to their respective depository participants.
 - iii) The government took a green initiative in corporate governance' in 2011 by allowing the companies to service the documents to its members through electronic mode. Accordingly, the Company sends all communication including the notice along with Annual Report in electronic form to all members whose email Ids are registered with the Company/ depository participant(s) unless a specific request for hard copy has been requested.
 - iv) Members who are not registered their email Id's so far are requested to register their e-mail address for receiving all communication including Annual Report, Notice, Circulars, etc. from the Company electronically.
7. The Company has appointed M/s. Sandeep Dar & Co., Practising Company Secretaries, Navi Mumbai, to act as the scrutinizer, to scrutinize the remote e-voting and physical votes received through ballot in accordance with the law in a fair and transparent manner.
8. The company is pleased to offer e-voting facility, for all its members to enable them to cast their vote electronically in term of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, as amended from time to time and clause 35B of the Listing Agreement. The Facility for voting, through ballot/ polling paper will be made available at the venue of the AGM. The members attending the meeting, who

have not already cast their vote through remote e-voting shall be able to exercise their voting rights through ballot papers at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on Friday, September 11, 2015 at 09:00 A:M and ends on Sunday, September 13, 2015 at 05:00 P:M.
- (ii) Members holding Shares in physical or in Demat form as on cut off date i.e. Monday, September 07, 2015 shall only be eligible for e-voting.

(I) In case of members receiving Notice of AGM through e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (iv) Next enter the Image Verification as displayed and Click on Login.

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.

- (v) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
DOB	<p>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.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your Demat account or in the company records for the said Demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) 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.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xv) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.
- (xvi) Note for Non-individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to 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 members receiving the physical copy of Notice of AGM [for members whose e-mails IDs are not registered with the company / depository participant(s) or requesting physical copy]:**
Please follow all steps from sl. no (i) to sl no. (xv) Above, to cast vote.
- (III) 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 www.evotingindia.com under **help section** or **write an email to helpdesk.evoting@cdslindia.com**.

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

ITEM NO 5:

Mr. Pankajkumar Agarwal, an Independent Director who was appointed as an Additional Director w.e.f. September 26, 2015 holds office as Director till the date of the forthcoming Annual General meeting.

In terms of section 160 of the Companies Act 2013, Company have received a notice from a shareholder proposing candidature of Mr. Pankajkumar Agarwal for the appointment as an Independent Director by the Shareholders of the Company. A brief profile of Mr. Pankajkumar Agarwal has been annexed in the Corporate Governance report.

The Board considers it desirable that the Company should continue to avail of the services of Mr. Pankajkumar Agarwal as Independent Director and accordingly recommends the Resolution at Item No. 5 for approval by the Members.

None of the Directors and any Key Managerial Personnel and their relatives are considered to be concerned or interested in the aforesaid Ordinary resolution.

ITEM NO 6:

Mr. Suresh Gaggur, an Independent Director who was appointed as an Additional Director w.e.f. September 26, 2015 holds office as Director till the date of the forthcoming Annual General meeting.

In terms of section 160 of the Companies Act 2013, Company have received a notice from a shareholder proposing candidature of Mr. Suresh Gaggur for the appointment as an Independent Director by the Shareholders of the Company. A brief profile of Mr. Suresh Gaggur has been annexed in the Corporate Governance report.

The Board considers it desirable that the Company should continue to avail of the services of Mr. Suresh Gaggur as Independent Director and accordingly recommends the Resolution at Item No. 6 for approval by the Members.

None of the Directors and any Key Managerial Personnel and their relatives are considered to be concerned or interested in the aforesaid Ordinary resolution.

ITEM NO 7:

Mrs. Anjali Harlalka was appointed as an Additional Director by the Board w.e.f. March 28, 2015 and holds office as Director till the date of the forthcoming Annual General meeting.

In terms of section 160 of the Companies Act, 2013, Company have received a notice from a shareholder proposing candidature of Mrs. Anjali Harlalka for the appointment as an Director by the Shareholders of the Company. A brief profile of Mrs. Anjali Harlalka has been annexed in the Corporate Governance report.

The Board considers it desirable that the Company should continue to avail of the services of Mrs. Anjali Harlalka as Director and accordingly recommends the Resolution at Item No. 7 for approval by the Members.

None of the Directors except Mr. Deepak Harlalka is considered to be concerned or interested in the aforesaid Ordinary resolution.

ITEM NO 8:

Mr. Vishwanath Harlalka whose previous appointment as Managing Director ended on 31st August, 2015 and was re-appointed by the Board of Directors at their meeting held on May 28, 2015 as Managing Director for the period of five years w.e.f. September 01, 2015. The re-appointment of Mr. Vishwanath Harlalka will be made by passing a special resolution since he has attained the age of 70 years.

The following information of appointment are as follows:

I. GENERAL INFORMATION:

- a) Nature of Industry: Manufacturing of fabrics & job work of processing fabrics.
- b) Date of commencement of commercial production: August 31, 1996
- c) Foreign investments or collaborations: Not Applicable

II. INFORMATION ABOUT THE APPOINTEE:

a) Background details:

Mr. Vishwanath Harlalka, 75 years old is a Bachelor in Commerce by qualification. He was appointed as Director of the Company on 31st December, 1988. Mr. Vishwanath Harlalka whose previous appointment as Managing Director ended on 31st August, 2015 is reappointed as Managing Director for a period of five years effective from 1st September 2015.

b) Past remuneration:

Last drawn salary by the Managing Director was ₹ 2,00,000 per month.

c) Job profile and his suitability:

The Managing Director would have the authority to oversee and implement the day-to-day operations of the Company. Managing Director will also be responsible for formulating the policies and strategies in consent with the Board of Directors of the Company. The appointee has clear vision and foresight to work for the prosperity and success of the company. The Managing Director has immense capacity for hard work, interpersonal skills, extraordinary ability for analytical thinking and positive attitude.

d) The draft agreement between the Company and Mr. Vishwanath Harlalka for his re-appointment contains inter alia the following terms and conditions.

- (i) Salary: ₹ 2,00,000/- (Rupees Two Lakh only) per month.
- (ii) Perquisites and allowances:
 - (a) In addition to the salary, the Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together- with reimbursement of expenses or allowances for utilities such as gas, electricity, water furnishing and repairs; medical reimbursement, club fees and leave travel concession for himself and his family, medical insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the Managing Director. Such perquisites and allowances will be subject to the ceilings as specified in Schedule V.
 - (b) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable; in the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost, Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
 - (c) Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
 - (d) The total remuneration including salary, perquisites, allowances (other than exempted perquisites and allowance) and other monetary benefits shall not exceed the maximum ceiling of ₹ 2,50,000/- per month.

(iii) Minimum Remuneration:

Notwithstanding anything to the contrary herein contained,

Where in any financial year during the tenure of the Managing Director, the Company has no Profits or its Profits are inadequate, the Company will pay remuneration in accordance with Part II of Schedule V.

(iv) General Terms & Conditions:

- a) The terms and conditions of the said appointment and/or agreement may be altered and varied from time to time by the Board as it may in its discretion deem fit, within the minimum amount payable to Managing Director in accordance with Schedule V to the Companies Act 2013 or any amendments made hereafter in this regard.
- b) The Agreement may be terminated by either party giving the other party six months' notice or the Company paying six months remuneration in lieu of such notice.
- c) If at any time the Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director of the Company.

III. OTHER INFORMATION:

a) Reasons for loss or inadequate profits:

However in case the profits are inadequate to pay desired remuneration to the Managing Director, necessary approval of the members is required to pay the above as minimum remuneration.

In accordance with the provisions of Section 197 of the Companies Act, 2013, the terms of remuneration specified above are now being placed before the Members in Annual General Meeting for their approval.

The draft Agreement between the Company and Managing Director is available for inspection by the members of the Company at the Registered Office of the Company between 11.00 am. and 1.00 p.m. on any working day till the Annual General Meeting of the Company.

Your directors recommend passing of this Special resolution

None of the directors except Mr. Deepak Harlalka and Mrs. Anjali Harlalka are interested parties in the passing of the said resolution.

ITEM NO 9:

The Articles of Association of the Company currently in force were originally adopted when the Company was incorporated under the Companies Act, 1956.

The Articles of Association were amended from time to time in accordance with the provisions of the Companies Act, 1956. With the introduction of the Companies Act, 2013, it is proposed to replace the existing Articles of Association to make it consistent with the provision of the Companies Act, 2013 including the rules made thereunder.

A copy of the proposed set of new Articles of Association of the Companies would be available for inspection at the registered office of the Company during the business hours on any working day, up to the date of Annual General meeting and during the Annual General meeting.

Directors, Key Managerial Personnel and their relatives may be considered as concerned or interested in passing of this resolution to the extent of their respective rights and obligations as shareholders or Directors in the Company.

Registered Office:

413, Tania Jogani Industrial Estate Premises, Opp. Kasturba Hospital,
J. R. Boricha Marg, Lower Parel (East), Mumbai-400011

Place: Mumbai

Date : May 28, 2015

By Order of the Board
GINI SILK MILLS LIMITED

Vishwanath Harlalka
Chairman

DIRECTOR'S REPORT

To,

The Members of **GINI SILK MILLS LIMITED**

Your Directors have pleasure in presenting their 35th Annual Report on the business and operations of the Company and Audited Statement of Accounts for the year ended 31st March, 2015.

1. Financial Highlights:

The Board's Report is prepared based on the stand alone financial statements of the company.

(₹ in lacs)

Sr No.	Particulars	2014-2015	2013-2014
	REVENUE		
1.	Net Sales/ Income from operation	4012.11	3489.53
	Other Income	242.38	218.82
	Total	4254.49	3708.35
	LESS: EXPENDITURE		
2.	Employee Benefit Expenses		
	Financial Cost	346.40	321.53
	Depreciation	44.93	5.63
	Other Expenses	40.06	45.97
	Total	3429.12	3057.43
3.	Profit Before Tax	393.98	277.79
4.	Provision for Taxation		
	i) Current Tax	81.00	85.00
	ii) Deferred Tax	70.03	5.30
	iii) Earlier years Tax	(0.08)	13.47
5.	Profit After Tax	243.03	174.02
6.	Balance carried from previous year	2026.68	1885.37
7.	Amount Available for Appropriation	2269.71	2059.39
8.	APPROPRIATIONS:		
	Proposed Dividend	27.96	27.96
	Dividend Distribution Tax	5.72	4.75
	Prior Period Items	(31.65)	-
	Depreciation as per schedule II OF Companies Act, 2013	11.35	-
9.	Balance carried to Balance Sheet	2256.33	2026.68
	Total	2269.71	2059.39
	Basic/Diluted Earning per Equity Shares	4.35	3.11

2. Dividend:

We are pleased to announce that the Board of Directors have recommended dividend of ₹ 0.50 per equity share of ₹ 10/- each (i.e. 5 % of face value) aggregating ₹ 27,96,300 (excluding dividend distribution tax as applicable) for the year ended on 31st March, 2015.

3. Reserves:

No amount out of current year's Profits was transferred to the General Reserves.

4. Extract Of Annual Return:

The details forming part of the extract of the Annual Report in form MGT-9, as required under Section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies(Management and Administration) Rules, 2014, are included in this Report as **Annexure-1** and forms an integral part of this report.

5. Operations:

During the period under review the profit after tax (PAT) stood at 243.03 Lacs (Previous Year ₹ 174.02 Lacs), there was an increase of 28.39 % as compared to last financial year. The performance for the coming years is expected to improve upon from the last year if right macroeconomic indicators are achieved in future.

6. Directors' Responsibility Statement:

The Directors' confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 and Loss of the company for that period;
- the Directors had 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;
- the Directors had prepared the Annual Accounts on a going concern basis;
- the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7. Directors or Key Managerial Personnel Appointments / Resignations during the year

- The following Independent Directors were appointed during the financial year 2014-2015:
 - Mr. Ramprasad Poddar (DIN: 00163950)
 - Mr. Suresh Gaggar (DIN: 00599561).
 - Mr. Pankajkumar Agarwal (DIN: 01115660).
- Mrs. Anjali Harlalka (DIN: 07141513) was appointed as Woman Director of the Company, in terms of provisions of Section 149(1) of the Companies Act, 2013 read with Clause 49 of the Listing Agreement.
- The following Directors resigned during the financial year 2014-2015:
 - Mr. Rajendra Kumar Rajgahia (DIN: 00141766)
 - Mr. Dinesh Ramprasad Poddar (DIN: 00164182)

8. (1) Particulars of Employees:

Sr. No	Particulars	Remarks			
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	a) Mr. Vishwanath Harlalka, Chairman - 11.58:1 b) Mr. Deepak Harlalka, Managing Director - 11.58:1			
2.	The percentage increase in the remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	a) Mr. Vishwanath Harlalka - Nil b) Mr. Deepak Harlalka - Nil			
3.	The percentage increase in the median remuneration of employees in the financial year	15.68%			
4.	The number of permanent employees on the rolls of company	130			
5.	The explanation on the relationship between average increase in remuneration and the company performance	The Average Increase is based on the objectives of Remuneration policy of the Company that is designed to attract, motivate and retain the employees who are the drivers of organisation success and helps the Company to retain its industry competitiveness. Pay mix is designed to reflect the performance and is aligned to the long term interests of the shareholders.			
6.	Comparison of the remuneration of the Key Managerial Personnel Against the performance of the Company	Remuneration of KMP for FY 2014-15 : 50.49 PAT of the Company : 243.03 Remuneration to PAT% : 20.77			
7.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	Name of the KMP	Remuneration of KMP for FY 2014-15 (₹ In lacs)	PAT of the Company (₹ In lacs)	Remuneration to PAT%
		Mr. Vishwanath Harlalka	24.00	243.03	9.87
		Mr. Deepak Harlalka	26.49	243.03	10.90