

19TH ANNUAL REPORT
1998 - 99



GANGA SILK MILLS LTD.



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NINETEENTH ANNUAL GENERAL MEETING

On Thursday, the 30th day of September,
1999 at 3.00 p.m. at SUNFLOWER II,
World Trade Center I, 30th Floor,
Cuffe Parade,
Mumbai - 400 005.

As a measure of economy, copies of
the Annual Report will not be
distributed at the Annual General
Meeting. Share holders are
requested to kindly
bring their copies to
the meeting.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Vishwanath Harlalka
(Chairman)

Deepak Harlalka
(Managing Director)

Ramprasad Poddar
(Director)

Rajendra Kumar Rajgarhia
(Director)

Dinesh Poddar
(Director)

Registered Office

Chamber Bhavan (3rd Flr.)
232/34 Kalbadevi Road,
Mumbai - 400 002.

Corporate Office

9, Rasik Niwas (2nd Flr.),
75 'F' Road, Marine Drive,
Mumbai 400 020.

Sales Office

73 AB, Govt. Indl. Estate,
Charkop, Kandivli (West),
Mumbai-400 067.

Works

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

Auditors

M.L. Sharma & Co.
Chartered Accountants

Registrars & Share Transfer Agents

Darshan Computers
Ranjit Studio Complex, ('M' Block),
Dadasaheb Phalke Road,
Dadar (East), Mumbai - 400 014.

Bankers

State Bank of India
Union Bank of India
Bank of Maharashtra

CERTIFIED TO BE TRUE COPY
VISHWANATH HARLALKA



NOTICE

NOTICE is hereby given to the Shareholders of **GINI SILK MILLS LIMITED** that the **NINETEENTH Annual General Meeting** of the Company will be held on Thursday, 30th September, 1999 at SUNFLOWER II WORLD TRADE CENTRE I, 30th Floor, Cuff Parade, Mumbai - 400 005 at 3.00 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To approve and adopt the Audited Balance Sheet as on 31st March, 1999 and the Profit & Loss Account for the year ended on that day alongwith the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri Rajendrakumar Rajgarhia who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Ramprasad Poddar who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors of the Company and fix their remuneration.

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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 21/09/99 to 30/09/99 (both the days inclusive).
3. Dividend on Equity Shares as recommended by the Directors for the year ended 31st March, 1999, if declared at the meeting, will be paid to those members whose names stands registered in the Register of Member as on 30th September, 1999. (Except 10% CCPS. converted Equity Shareholders).
4. Members/proxies should bring the Attendance Slip duly filled in for attending the meeting.
5. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
6. Shareholders who have not paid allotment money are requested to make the payment along with interest by demand draft payable at Mumbai.
7. Members are requested to inform immediately any change in their address to the Company's Transfer Agent.
8. All communication relating to shares are to be addressed to the Company's Transfer Agent.

Place : Mumbai,
Dated : July 30, 1999
Regd. Office :
Chamber Bhavan (3rd Floor)
232/34 Kalbadevi Road
Mumbai 400 002

By Order of the Board,
Vishwanath Harlalka
Chairman



DIRECTORS' -- REPORT

To

The Members,

Your Directors have pleasure in presenting the NINETEENTH Annual Report of the Company together with the Audited Statement of Accounts for the Year ended 31st March, 1999.

FINANCIAL RESULTS

	1998-99 (Rs.)	1997-98 (Rs.)
Net Sales/Income from operations	176969937	113420523
Other Income	3493070	3027501
Interest	3315766	4317872
Gross Profit (After interest but before depreciation and taxation)	18831550	11497878
Depreciation	4598394	4358386
Provision for Taxation	3100000	800000
Net Profit after Tax	11133156	6339492
Add : Balance brought forward from Previous year	9013440	6276557
Excess I.T. Provision W/Back	(10252)	(77144)
Less: Tax on Dividends	627847	316050
Prior Period Adjustment	(2760)	49114
Profit Available for appropriation	19505737	12173741

APPROPRIATIONS

Interim Dividend on Equity Shares	----	2458701
Proposed Dividend on 10% CCPS	701600	701600
Proposed Dividend on Equity Shares	5006100	----
Balance carried to Balance Sheet	13798037	9013440
Total	19505737	12173741

DIVIDEND

Your Directors have recommended a dividend on Equity Shares at the rate of 10% for the year under review. The proposed Dividend, if declared, will result in pay out of Rs.50.06 lacs. (excluding tax on dividend)

DIRECTORS

In accordance with Articles of Association of the Company Shri Rajendrakumar Rajgarhia and Shri Ramprasad Poddar, Directors of the company, will retire by rotation and being eligible offer themselves for re-appointment.

During the year SICOM LIMITED has withdrawn its nomination of Mr. S.B. Mhatre as Director w.e.f. 05/04/99. The Board places on records its deep sense of appreciation for the wise counsel, valuable guidance

and co-operation extended by Mr. S.B. Mhatre during his tenure as Director.

AUDITORS

M/s.M.L.SHARMA & CO, Chartered Accountants, are the present Auditors of the Company. They shall retire at the conclusion of the ensuing Annual General Meeting. Being eligible, offer themselves for re-appointment.

FIXED DEPOSITS

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

INSURANCE

Company's plants are adequately insured.

PARTICULARS OF EMPLOYEES

The information required U/s 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not given, as there is no employees drawing salary more than the prescribed limit.

INFORMATION AS REQUIRED UNDER CLAUSE 43 OF THE LISTING AGREEMENTS WITH THE STOCK EXCHANGES

Particulars	Projected Profitability Statement (Rs.Lacs)	Actual Profitability Statement (Rs.Lacs)	Variation	
			(Rs.Lacs)	(In %)
TURNOVER	1780.00	1811.07	31.07	01.75%
P. B. T.	263.00	142.33	120.67	54.12%
P. A. T.	155.00	111.33	43.67	28.17%

1. Funds have been fully utilised for the Project as planned.
2. Recessionary trend in the Textile Industry in the global as well as in domestic market continued unabated in the year under review. However because of vigorous marketing efforts, the Company has achieved the turnover target but lower sales realisation, higher input cost have contributed to the fall in operating profit in comparison to the projected profit.

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 builtin 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. INDUSTRIAL RELATIONS

The industrial relations at 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 Board of 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 being traded on the following Stock Exchanges :

1. THE STOCK EXCHANGE MUMBAI, P.J.Towers, Dalal Street, Mumbai 400 001 (Regional)
2. THE STOCK EXCHANGE AHMEDABAD, Kamdhenu Complex, Panjarapole, Ahmedabad - 380 015.

The Company has already paid Annual listing fees to the above Stock Exchanges for the year 1999-2000

DISCLOSURE ON Y2K COMPLIANCE

The Company has taken steps to assess the risks arising out of problems associated with Y2K. The Company is in the process of upgrading its hardware/ software to make it Y2K compliant. No significant additional expenditure will be incurred to carry out the remedial measures. The Company based on its study, does not foresee any problem arising out of Y2K issues.

ACKNOWLEDGEMENT

Your Directors would like to place on record their appreciation for the co-operation and assistance received from the financial institutions and 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 executives, staff and workers of the Company at all levels for their dedication, devotion, determination and discipline.

For and on behalf of the Board

Place : Mumbai,
Dated : July 30, 1999

Vishwanath Harlalka
Chairman



ANNEXURE TO DIRECTORS' REPORT

(FORM - A) (See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY :

PART 'A'

	1998-99	1997-98
(A) POWER & FUEL CONSUMPTION		
(1) ELECTRICITY		
(a) Purchased		
Unit (KWH)	1331432	1323146
Total Amount (Rs.Lacs)	54.97	54.95
Rate per unit (Rs.)	*4.13	*4.15
(b) OWN GENERATION		
Though Diesel Generator :		
Units (KWH)	32521	18884
Units Per Ltr.of Diesel oil	3.30	3.40
Cost per unit (Rs.)	3.28	2.75
(2) COAL	-	-
(3) GAS	-	-
(4) DIESEL OIL		
Quantity (K.Ltrs)	10.19	5.53
Total cost (Rs.Lacs)	1.10	0.52
Average Rate Per Ltr. (Rs.)	10.82	9.39
(5) FURNACE OIL		
Quantity (K.Ltrs)	1010.00	872.00
Total cost (Rs.Lacs)	**64.38	**61.50
Average Rate Per Ltr. (Rs.)	**6.37	**7.05

NOTE : * including demand charges ** including Transport charges

CONSUMPTION PER UNIT OF PRODUCTION

ENERGY	FABRIC (PER METER)		PROCESSING (PER METER)	
	Current Year	Previous Year	Current Year	Previous Year
Electricity (Kwh.)	0.54	0.49	0.11	0.12
Furnace Oil (Ltrs.)	—	—	0.10	0.10

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 specialised technology. Since in India, technical know-how for Textile Industries has been standardised 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 adoption does not arise.

2. RESEARCH & DEVELOPMENT

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

C. FOREIGN EXCHANGE

	1998-99	1997-98
Earning	Nil	Nil
Outgo	Nil	Rs. 78776

for and on behalf of the board

Vishwanath Harlalka
Chairman

Place : Mumbai,
Dated : July 30, 1999