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25th Annual Report 2004-2005

Gini Silk Mills Limited

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TWENTYFIFTH ANNUAL GENERAL MEETING

On Friday, the 18th day of November, 2005
at 4.30 p.m. at GREEN ROOM,
Garware Club House, Wankhede Stadium,
'D' Road, Churchgate,
Mumbai – 400 020.

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

WORKS

E-15, MIDC, Tarapur, (Boisar)
Dist. Thane, Maharashtra
31 B, Govt. Industrial Estate
Phase II, Piparia, Silvassa (D & NH) 396230

AUDITORS

M/s. Vatsaraj & Co.
Chartered Accountants

BANKERS

State Bank of India
Bank of Maharashtra

REGISTRARS & TRANSFER AGENTS

Bigshare Services Pvt. Ltd.
E/2 Ansa Industrial Estate
Sakivihar Road, Sakinaka
Andheri (E), Mumbai 400 072

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NOTICE

NOTICE TO MEMBERS

NOTICE is hereby given to the Shareholders of **GINI SILK MILLS LIMITED** that **TWENTY FIFTH Annual General Meeting** of the Company will be held on **Friday**, the, **18th November, 2005, at 4.30 P.M at GREEN ROOM, Garware Club House, Wankhede Stadium, ' D ' Road, Churchgate, Mumbai 400 020** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance sheet as on 31st March, 2005 and Profit and Loss Account for the year ended on that date along with the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Shri. Ramprasad Poddar who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint a director in place of Shri. Rajendrakumar Rajgarhia, who retires by rotation, and being eligible, offers himself for reappointment.
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.

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to section 198, 269, 309, 310, 316 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act as amended from time to time, the consent of the Members be and is hereby accorded to the appointment of Mr. Deepak Harlalka as Managing Director of the Company for the period of five years w.e.f. 1st July, 2005, upon and subject to the terms and conditions including the remuneration proposed to be paid and provided to him as contained in the agreement to be entered between the company and Mr. Deepak Harlalka, a draft whereof is placed before the meeting and for the purpose of identification is superscribed by the Chairman hereof."

   RESOLVED FURTHER THAT in the event of loss, absence or inadequacy of profits in any financial year of the company, the remuneration payable to Mr. Deepak Harlalka shall be as specified in the Explanatory Statement enclosed herewith.

   RESOLVED FURTHER THAT Mr. Deepak Harlalka 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 are hereby authorised to do such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution".

By Order of the Board

Regd. Office:
Chamber Bhavan, 3rd Floor
232/34 Kalbadevi Road
Mumbai – 400 002

Vishwanath Harlalka
Chairman

Place : Mumbai
Date : 30th September, 2005

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 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 Register of Members and Share transfer Books will remain closed from 11/11/2005 to 18/11/2005 (both days inclusive).
3. The Company has entered into agreement with both the depositories viz. National Securities Depository Ltd. (NSDL) and Central depository Services (India) Ltd. (CDSL) for custody and dematerialisation of securities. Members having Physical holdings can avail the depository facilities by approaching any of the depository participants of NSDL or CDSL. For further information, the shareholders may contact directly to the Company's Registrars and Share Transfer Agents, M/s. BIGSHARE SERVICES PRIVATE LIMITED, Mumbai. (Tele. Nos. 28523474, 28560652 & 28560653).
4. The Company has paid the Annual Listing fees for the Financial year 2005 – 2006.
5. Members are requested to bring their copy of the Annual Report and Accounts to the Meeting.
6. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect to the Special Business under Item No. 5 to be transacted at the meeting is annexed to this notice.

By Order of the Board

Regd. Office:
Chamber Bhavan, 3rd Floor
232/34 Kalbadevi Road
Mumbai – 400 002

Vishwanath Harlalka
Chairman

Place : Mumbai
Date : 30th September, 2005

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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 5:

As per the Schedule XIII, the reappointment of Mr. Deepak Harlalka as Managing Director requires shareholders approval by passing Special Resolution at the ensuing Annual General Meeting. The following are the information required to disclose in accordance with Schedule XIII.

a) Background details :

Mr. Deepak Harlalka 41 years old is B.Com. by qualification. He was appointed Director of the Company on 01/07/2000. Mr. Deepak Harlalka was subsequently appointed as Managing Director time-to-time and again reappointed for five years w.e.f. 1st July, 2005 upto 30th June, 2010, at the Board meeting held on 31st July, 2005. The draft agreement between the Company and Mr. Deepak Harlalka for his reappointment contains interalia, the following terms and conditions.

b) Remuneration :

i. Salary of Rs. 100,000/- (Rs. One Lacs 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 Part II of Schedule XIII.

(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.

(iii) Minimum Remuneration :

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above.

(iv) The terms and conditions of the said reappointment 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 maximum amount payable to Managing Director in accordance with Schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard.

(v) The Agreement may be terminated by either party giving the other party six months' notice or either party paying six months' remuneration in lieu thereof.

(vi) If at any time the Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall also cease to be the Managing Director of the Company.

(vii) If at any time the Managing Director ceases to be the Managing Director of the Company for any cause whatsoever, he may at his option continue to be a Director of the Company.

(viii) The Managing Director shall not have, inter alia, the following powers:

(a) the power to make calls on Members in respect of monies unpaid on shares of the Company;

(b) the power to issue debentures; and

(c) the power to invest the funds of the Company in shares, stocks and securities.

In accordance with the provisions of Section 309 of the Act, the terms of remuneration specified above are now being placed before the Members in General Meeting for their approval.

The draft Agreement between the Company and Shri Deepak Harlalka is available for inspection by the members of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company.

Shri Vishwanath Harlalka and Shri Deepak Harlalka are concerned or interested in the passing of this resolution. No other directors are concerned or interested in the passing of this resolution.

By Order of the Board

Vishwanath Harlalka
Chairman

Regd. Office:
Chamber Bhavan, 3rd Floor
232/34 Kalbadevi Road
Mumbai – 400 002

Place : Mumbai
Date : 30th September, 2005

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DIRECTORS' - REPORT

DIRECTOR'S REPORT

To

The Members,

Your Directors have pleasure in presenting the **TWENTY FIFTH** Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2005.

(Rs. In Lacs)

FINANCIAL RESULTS	2004-2005 (Rs.)	2003-2004 (Rs.)
Net Sales/ Income from operations	**1334.11**	2064.59
Other Income	**43.18**	39.077
Profit (before interest, depreciation and taxation)	**1377.29**	2013.66
Interest	**7.62**	1.92
Depreciation	**129.89**	122.18
Provision for Current Taxation	**0**	0
Deferred Tax	**(55.71)**	(13.98)
Net Profit after Tax	**(20.88)**	(1.99)
Add : Balance brought forward From Previous year	**479.50**	481.50
Income Tax paid for earlier year	**5.52**	0
Profit Carried to Balance Sheet Total	**453.10**	479.50

DIVIDEND

Your Directors regret for not having recommended any dividend for the year under report as the Company has incurred loss during the year.

DIRECTORS:

Shri. Ramprasad Poddar and Shri. Rajendrakumar Rajgharhia, Directors of the Company are liable to retire by rotation and being eligible, offers themselves for re-appointment.

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 have selected such accounting policies adopted are consistently followed and the judgment and estimates made 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.

CORPORATE GOVERNANCE

Pursuant to the requirements of Listing Agreements with the Stock Exchanges, your Directors are pleased to annex the following :

1. Management Discussion and Analysis Report
2. A Report on Corporate Governance
3. Auditor Certificate regarding Compliance of conditions of Corporate Governance.

AUDITORS

M/s. Vatsaraj & CO., Chartered Accountants hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The members are requested to re-appoint them as Auditors of the Company till the conclusion of the next Annual General Meeting.

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 as required to be annexed to this report are given.

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 and at Silvassa the unit is of non-polluting in nature.

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 at all the units of the Company.

iii) INSURANCE

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

INDUSTRIAL RELATIONS

The industrial relations at both the plants of the Company during the year under review continued to be cordial through out 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 being listed on the STOCK EXCHANGE, MUMBAI, P. J. Towers, Dalal Street, Fort, Mumbai – 400 001 (Regional)

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 executive, 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
Date : 30th September, 2005

VISHWANATH HARLALKA
Chairman

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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		2004-2005	2003-2004
(1)	**ELECTRICITY**		
	A Purchased		
	Unit (KWH)	**2633837**	4082075
	Total Amount (Rs.Lacs)	**87.54**	123.78
	Rate per unit (Rs.)	***3.32**	*3.03
	B OWN GENERATION		
	Though Diesel Generator :		
	Units (KWH)	**44206**	191020
	Units Per Ltr.of Diesel oil	**3.48**	3.58
	Cost per unit (Rs.)	**6.02**	4.68
(2)	**COAL**		
	Quantity (Kgs.)	**5024280**	4827050
	Total Cost (Rs. In lacs)	****161.69**	**118.15
	Average rate per Kg. (Rs.)	**3.22**	2.44
(3)	**GAS**		
	Quantity (Kgs.)	**16361**	10115
	Total Cost (Rs. In lacs)	**5.62**	2.93
	Average rate per Kg. (Rs.)	**34.33**	28.95
(4)	**DIESEL OIL**		
	Quantity (K.Ltrs)	**12455**	50398
	Total cost (Rs.Lacs)	**2.66**	8.94
	Average Rate Per Ltr. (Rs.)	**21.36**	17.74
(5)	**FURNACE OIL**		
	Quantity (K.Ltrs)	**20.00**	10.00
	Total cost (Rs.Lacs)	**2.83**	1.15
	Average Rate Per Ltr. (Rs.)	**14.14**	11.53

NOTE : * in cluding demand charges ** including Transport charges

PART 'B'

CONSUMPTION PER UNIT OF PRODUCTION ENERGY

ENERGY	FABRICS PROCESSING (PER METER)	
	Current Year	Previous Year
Electricity (Kwh.)	**0.14**	0.14
Coal (Kgs.)	**0.37**	0.40

ENERGY	TEXTURISING YARN (PER KG)	
	Current Year	Previous Year
Electricity (Kwh.)	**1.19**	1.42

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 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 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
Date : 30th September, 2005

VISHWANATH HARLALKA
Chairman

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ANNEXURE TO DIRECTORS' REPORT

(FORM - A) (See Rule 2)

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NOTE : * in cluding demand charges ** including Transport charges

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Coal (Kgs.)	**0.37**	0.40

ENERGY	TEXTURISING YARN (PER KG)	
	Current Year	Previous Year
Electricity (Kwh.)	**1.19**	1.42

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.

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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
Date : 30th September, 2005

VISHWANATH HARLALKA
Chairman

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MANAGEMENT DISCUSSION AND ANALYSIS

1. Textile industry – Global & Indian perspective:

The Government policies pertaining to Textile Industry in the Country have undergone radical changes some of which are worth mentioning:-

1. The Government has exempted the Cotton Spinning/Weaving Garmenting/Knitting Sector from levy of Excise Duty. This has created a level playing field at all stages.
2. The Government has reduced Custom Duty on several High-Tech. Machinery used in Textile Industry, which will help in the modernization process in the Industry.
3. The Government has also come out with Capital Subsidy Scheme of 10% on some items of Plant & Machinery used for fabric processing both in Knitting and Weaving Sector. This will help this laggard segment of the Industry to become more modern and organized.
4. The Knitting Industry reserved for small scale sector has now been dereserved.

All these changes have produced conducive environment for investment in the Textile Industry. Of course, the opportunities for investment after the phasing out of quota regime are also accompanied by increasing challenge in the International Market. The Industry has to gear up while the Government has to maintain a sustained policy to address the emerging issues in facing competition, particularly from China and Pakistan.

Certain factors of cost like Power and infrastructure need to be examined in wider context of competitiveness of Industry than to be looked at from narrow perspective of cross subsidies for certain segments. Similarly, Labour Reforms need to be carried out at faster pace, if we have to take advantage of the opportunities in the global textile market.

It is worth mentioning that the Company has taken several decisions to implement Growth Plans in the next three years with an investment of Rs. 1,000 crores.

2. PRODUCTION & SALES REVIEW.

During the year under review, your company has registered a turnover of Rs.456.71 lac as compared to Rs 1355.49 lac in the previous year. Due to the floods on 2nd and 3rd August at Silvassa factory (Yarn Division) the Company has affected in production and turnover as compared to the last year. The business-wise perfomance is as under.

PROCESSING OF FABRIC:

The production in the Company's Process House at Tarapur (Maharashtra) i.e. Dyeing & printing of textile fabrics was 13318576. Mtrs. as against 11884411 Mtrs. in previous year. The sales revenue from Processed Fabric increased from Rs. 7,07,86,599 lac to Rs. 8,77,36,230 lac during the year under review. The Company has installed all type of value added processing machines to cater all type of market needs.

YARN PROCESSING:

Total Production during the year in texturising yarn was 580383.620 Kgs.and in twisted yarn 86095.930 Kgs. against last year production of 1796842.820 & 65870.180 Kgs. The sales revenue of yarn decreased from 4,56,71,576 to 17,41,47,222 during the year under review.

Outlook:

Industrial scenario in the Textile Sector remained unchanged during the year under review with stagnant domestic market and fierce competition in the international market. The Division is, however, confident of sustained growth through a series of initiatives in the areas of product development, technological up gradation and strengthening of distribution network.

5. Internal Control Systems and Their Adequacy:

Since inception of the Company, the management is very much concerned about the adequacy of Internal Control System. It is aware that for a multi-faceted growth of any organization, only the strict overall control & efficient supervision can check all the operations, whether minor or major, and such control are backbone of any commercial establishment or manufacturing units.

The management of your Company has left no stone unturned in this direction. It has an its Internal Audit team with well-experienced and hard working personnel as also recently constituted an Audit Committee of the Board, which frequently check and review authenticity of the figures in coordination with the Internal Audit.

This system is therefore found quite adequate with the result that to-day your Company has cemented its footing in the market and has come out successfully in keen competition, be it from organized or unorganized sectors.

6. The Financial and Operational Performance:

As reflected in our last year's Report, the financial statement given in the Report of the Directors for the financial year 2004 –2005 is quite satisfactory. It reflects

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the genuine steps taken by the management for transparency and best judgment for the estimate made to correctly reflect the true & fair affairs of the Company.

7. Human Resource Development:

The people of any industry serve as propeller for upliftment of the industry and thus indirectly contribute the National Product and to this to the exchequer of India. The management has always remained conscious of these related factors and maintained a favorable climate during the year to suit the growth and excellence in the Company. The management as always has kept cordial relationship between the staff, workers and management. This attitude created an atmosphere where each and every staff and worker started feeling a sense of " ONENESS'.

8. Cautionary statement:

The Management Discussion and Analysis Report may contain certain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statements as important factors could influence the company's operations such as Government policies, political and economic development etc.

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CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that good Corporate Governance is essential to achieve long-term corporate goals and is always remain committed to the adoption of best possible governance practices to enhance stakeholders' value. The Company's philosophy on Corporate Governance envisages attainment of high-level transparency, accountability and integrity in the functioning of the Company and the conduct of its business, its relationship with employees, stakeholders, creditors, customers and institutional and other lenders. The Company places due emphasis on regulatory compliance from last year.

The Company believes that its system and actions must be integrated for enhancement of corporate performance resulting in the maximisation of stakeholders' value in long run.

2. BOARD OF DIRECTORS

The present strength of Board of Directors is 5 (Five), whose composition and category is given below:

- One - Promoter, Executive Director
- One - Promoter, Non Executive Director
- Three - Independent Directors

(A) THE CONSTITUTION OF THE BOARD AS ON MARCH 31, 2005

The Composition of the Board of Directors and also the number of other Board of Directors or Board Committees of which they are member/ Chairperson are given below:

Directors	Category	No. of other Directorships		No. of other Committee positions	
		Public	Private	Member	Chairman
Vishwanath S. Harlalka	Promoter, Non-Executive	1	4	-	-
Deepak V. Harlalka	Promoter, Executive	1	6	-	-
Ramprasad Poddar	Independent	6	3	-	-
Dineshkumar Poddar	Independent	5	2	-	-
Rajendrakumar Rajgarhia	Independent	5	1	-	1

None of the Directors is a member in more than ten committees and acts as chairman in more than 5 committees across all the companies in which they are Director.

(B) BOARD PROCEDURE

Agenda is sent to each Director in advance of Board and Committee meetings to enable the Board discharge its responsibilities effectively, the Executive Director briefs the Board at every meeting on the overall performance of the Company, followed by discussion by the Directors. The Board also reviews:

- Strategy and business plans
- Operations and capital expenditures
- Finance and Banking operations
- Adoption of quarterly/half yearly/ annual results
- Compliance with statutory/ regulatory requirements and review of major legal issues
- Significant labour issues

(C) ATTENDANCE OF EACH DIRECTORS AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING:

During the year ended March 31, 2005, Eight Board Meetings were held on April 30, 2004, July 31, 2004, August 26, 2004, September 17, 2004, October 27, 2004, January 29, 2005, March 11, 2005 & March 23, 2005.

Name of the Directors	Category of Directorship	No. of Board Meeting Attended	Attendance at the Last AGM held on 26.10.2004
Shri. Vishwanath S. Harlalka	Chairman	8	Present
Shri. Deepak V. Harlalka	Managing Director	8	Present
Shri. Ramprasad Poddar	Independent Director Non Executive	8	Present
Shri. Dineshkumar Poddar	Independent Director Non Executive	8	Present
Shri. Rajendrakumar Rajgarhia	Independent Director Non Executive	5	Absent

(D) DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT:

The brief particulars of the Directors of the company, being eligible for re-appointment as Directors, retiring by rotation at the ensuing Annual General Meeting are as follows:

(i) Shri Ramprasad Poddar retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Shri Ramprasad Poddar, 67 year old, is B.Com by qualification. He is having 37 years of experience in Textile and related fields in India & abroad. His continuation on the Board will be an asset of the Company.

His directorship and Committee Membership of the Board of other Limited Companies as on date is as follows:

Name of the Company	Position	Committee Membership
Swasti Vinayaka Synthetics Ltd.	Director	–
Ashirwad Capital Limited	Director	–
Swasti Vinayaka Finvest Corporation Limited	Director	–
Swasti Vinayaka Investech Limited	Director	–
Ma Passion (India) Limited	Director	–
Vinayaka Realestate Development Limited	Director	–
Ashirwad Shelter (Pvt) Limited	Director	–
IVY League Fashion (Pvt) Limited	Director	–
Elan Realtors India Private Limited	Director	–

(ii) Shri Rajendra Kumar Rajgarhia retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Shri Rajendra Kumar Rajgarhia, 64 year old, is Commerce graduate. He is an industrial with a experience of over 32 years in the textiles, steel and paper industry. His continuation on the Board will be an asset to the Company.

His directorship and Committee Membership of the Board of other Limited Companies as on date is as follows:

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