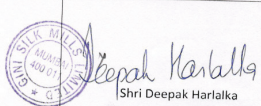

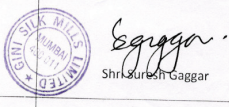


FORM A

Format of covering letter of the Annual Audit Report to be filled with the Stock Exchanges

1	Name of the Company	GINI SILK MILLS LIMITED
2	Annual Financial Statement for the year ended	31 st MARCH, 2016
3	Type of Audit observation	Unqualified/ Matter of Emphasis Report
4	Frequency of observation	NIL
5	TO be signed by	Not Applicable
	Managing Director	 Shri Deepak Harlalka
	Auditor of the Company	For Vatsaraj & Co. Chartered Accountants FRN : 111327W  CA Nitesh K. Dedhia (Partner) M.No. 114893
	Audit Committee Chairman	 Shri Suresh Gaggur


GINI SILK MILLS LIMITED

36th
Annual Report 2015 - 2016



GINI SILK MILLS LIMITED

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BOARD OF DIRECTORS :

Vishwanath Harlalka
Executive Chairman
Deepak Harlalka
Managing Director
Ramprasad Poddar (Resigned w.e.f. June 01, 2016)
Suresh Gaggur
Pankaj Kumar Agarwal
Anjali Harlalka
Ruchir Jalan (Appointed w.e.f. May 30, 2016)
Directors

REGISTERED OFFICE:

GINI SILK MILLS LIMITED
CIN: L17300MH1981PLC024184
413, Tantiya 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

SECRETARIAL AUDITORS:

Sandeep Dar & Co. Company Secretaries

36TH ANNUAL REPORT 2016:

Date : September 19, 2016
Time : 12.30 P.M.
Venue : Maheshwari Pragati Mandal,
Maheashwari Bhawan,
603, Girgaon Road,
Mumbai-400002.

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

THIRTY SIX ANNUAL GENERAL MEETING
held on Monday, 19th September, 2016 at 12.30 P.M.
at Maheshwari Pragati Mandal, Maheshwari Bhawan,
603, Girgaon Road, Mumbai - 400 002.



ANNUAL REPORT 2015-2016

NOTICE

NOTICE is hereby given that the 36th Annual General Meeting of the Company will be held on Monday, 19th September, 2016 at 12.30 P.M. at **Maheshwari Pragati Mandal, Maheshwari Bhawan, 603, Girgaon Road, Mumbai - 400002** to transact the following business:-

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2016 and the Profit and Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
- To appoint a Director in place of Mrs. Anjali Harlalka (DIN-07141513), who retires by rotation and being eligible, offers herself for reappointment.
- 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 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

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 there under, read with Schedule IV of the said Act, Mr. Ruchir Omprakash Jalan, who was appointed as an additional Director of the Company on May 30, 2016 and who holds office up to the date of this Annual General Meeting be and is hereby appointed as an Independent Director of the Company for the period of five years up to May 29, 2021."

- To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary 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. Deepak Harlalka (DIN: 00170335) be and is hereby appointed as Managing Director of the Company for the period of five years w. e. f. July 01, 2016, 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. Deepak Harlalka, a draft whereof is placed before the meeting and initialed for the purpose of identification hereof.

RESOLVED FURTHER THAT Mr. Deepak 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."

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

Date: May 30, 2016
Place: Mumbai

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/HERSELF 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.**

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. **THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, IN RESPECT OF THE BUSINESS UNDER ITEM NOS. 4 AND 5 AS SET OUT ABOVE, ARE ANNEXED HERETO.**
3. The register of members and share transfer books will remain closed from Friday, 16th September, 2016 to Monday, 19th September, 2016. (Both days inclusive).
4. 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.
5. Shareholders holding shares in physical form are requested to 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 immediately.
6. Shareholders who are holding shares in Demat mode are requested to notify any change in their residential address, bank account details and/ or email address immediately to their respective depository participants.
7. 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.
8. 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.
9. The Company has appointed M/s. Sandeep Dar & Co., Practicing Company Secretaries, Navi Mumbai, to act as the scrutiner, to scrutinize the remote e-voting and physical votes received through ballot in accordance with the law in a fair and transparent manner.

10. **VOTING OPTIONS:**I. **Voting through electronic means**

The Company is pleased to offer remote 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, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 16, 2016 at 09:00 A.M and ends on Sunday, September 18, 2016 at 05:00 P.M. Members holding Shares in physical or in Demat form as on cut off date i.e. Monday, September 12, 2016 shall only be eligible for e-voting.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on "Shareholders" tab.

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- (xviii) Shareholder can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone users can download the app from App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) **Note for Non-individual Shareholders and Custodians**

- Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiner to verify the same.

- (xx) 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

In case of Members receiving the Physical Copy:

Please follow all steps from Sl. No. (i) to sl. No. (xix) above to cast vote.

II. **Voting Through Ballot:**

The Company is also providing the facility for voting through Ballot process at the AGM and the members attending the Meeting who have not cast their vote by remote e-voting will be able to exercise their right to vote at the AGM. The Ballot Forms will be available at the AGM.

III. **Other Instructions**

A Member can opt for only one mode of voting i.e. either through e-voting or ballot. If a Member casts his / her vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.

11. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts.

Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents, M/s. Bigshare Services Private Limited, quoting their folio numbers.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**ITEM NO 4:**

Mr. Ruchir Jalan, an Independent Director who was appointed as an Additional Director w.e.f. May 30, 2016 holds office as Director till the date of the forthcoming Annual General meeting.

In terms of Section 160 of the Companies Act 2013, Company has received a notice from a shareholder proposing candidature of Mr. Ruchir Jalan for the appointment as Director by the Shareholder of the Company. A brief profile of Mr. Ruchir Jalan 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. Ruchir Jalan as Independent Director and accordingly recommends the Resolution at Item No. 4 for approval by the Members.

None of the Directors and Key Managerial Personnel and their relatives other than Mr. Ruchir Jalan are considered to be concerned or interested in the aforesaid Ordinary resolution.

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(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.

(v) **Next enter the Image Verification as displayed and Click on Login.**

- (vi) 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.

(vii) **If you are a first time user follow the steps given below:**

For Members holding shares in Demat Form and 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) <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/ 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.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <p>If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

(viii) **After entering these details appropriately, click on "SUBMIT" tab.**

- (ix) 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

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN for the GINI SILK MILLS LIMITED on which you choose to vote.

- (xii) 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.

- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xiv) 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.

- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

- (xvii) 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.

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ITEM NO 5:

Mr. Deepak Harlalka whose previous appointment as Managing Director ended on 30th June, 2016 and was re-appointed by the Board of Directors at their meeting held on May 30, 2016 as Managing Director for the period of five years w.e.f. July 01, 2016. The re-appointment of Mr. Deepak Harlalka will be made by passing an Ordinary resolution.

The following information of appointment is as follows:

I. **GENERAL INFORMATION:**

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

II. **INFORMATION ABOUT THE APPOINTEE:**a) **Background details:**

Mr. Deepak Harlalka, 52 years old is a Bachelor in Commerce by qualification. He was appointed as Director of the Company on 28th December, 1992. Mr. Deepak Harlalka whose previous appointment as Managing Director ended on June 30, 2016 is reappointed as Managing Director for a period of five years effective from July 01, 2016.

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. Deepak Harlalka for his reappointment contains inter alia the following terms and conditions.**

- (i) Salary: ₹ 2,00,000/- (Rupees Two Lakh only) per month.

(ii) **Perquisites and allowances:**

- 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.
- 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.
- The 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.
- The total remuneration including salary, perquisites, allowances (other than exempted perquisites and allowance) and other monetary benefits shall not exceed the maximum ceiling of ₹ 3,50,000/- per month.

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(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:

- 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.
- 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.
- 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:

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 Ordinary resolution

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

Registered Office:

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

Date: May 30, 2016
Place: Mumbai

By Order of the Board
GINI SILK MILLS LIMITED

Vishwanath Harilalka
Chairman



DIRECTOR'S REPORT

To,

The Members of GINI SILK MILLS LIMITED

Your Directors have pleasure in presenting their 36th Annual Report on the business and operations of the Company and Audited Statement of Accounts for the year ended 31st March, 2016.

1. FINANCIAL HIGHLIGHTS:

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

(₹ in lacs)

Sr No.	Particulars	2015-2016	2014-2015
1	REVENUE		
	Net Sales/ Income from operation	4075.40	4012.11
	Other Income	149.82	242.38
	Total	4225.22	4254.49
2	LESS: EXPENDITURE		
	Employee Benefit Expenses	391.45	346.40
	Financial Cost	147.46	44.93
	Depreciation	92.00	40.06
	Other Expenses	3265.06	3429.12
	Total	3895.96	3860.51
3	Profit Before Tax	329.26	393.98
4	Provision for Taxation		
	i) Current Tax	65.00	81.00
	ii) Deferred Tax	81.05	70.03
	iii) Earlier years Tax	2.77	(0.08)
5	Profit After Tax	180.44	243.03
6	Balance carried from previous year	2256.33	2026.68
7	Amount Available for Appropriation	2436.77	2269.71
8	Appropriations:		
	Interim Dividend	27.96	-
	Proposed Dividend	-	27.96
	Dividend Distribution Tax	5.72	5.72
	Prior Period Items	-	(31.65)
	Depreciation as per schedule II of Companies Act, 2013	-	11.35
9	Balance carried to Balance Sheet	2403.09	2256.33
	Total	2436.77	2269.71
	Basic/ Diluted Earnings per Equity Shares	3.23	4.35

2. DIVIDEND:

The Board, in its meeting held on March 07, 2016, declared an interim 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).

The Board does not recommend final dividend for the financial year ended on 31.03.2016.

3. RESERVES:

No amount out of current year's profits was transferred to the Reserves and Surplus.



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:

Our Revenue from operations during the period under review has increased to ₹ 4075.40 Lacs from ₹ 4012.11 Lacs in the previous year. i.e an increase of 1.58% in the financial year 2015-16.

During the period under review the profit after tax (PAT) stood at 180.44 Lacs (Previous Year ₹ 243.03 Lacs). There is a decrease of 25.75 % in net profit after tax as compared to previous 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:

During the year under review, there were no changes in the constitution of the Board.

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 Harilalka, Chairman -10.68:1 b) Mr. Deepak Harilalka, Managing Director -10.68:1
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 Harilalka - Nil b) Mr. Deepak Harilalka - Nil
3.	The percentage increase in the median remuneration of employees in the financial year	10.50%
4.	The number of permanent employees on the rolls of Company	134



Sr. No	Particulars	Remarks			
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, motive 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 as is aligned to the long term interest of the shareholders.			
6.	Comparison of the remuneration of the Key Managerial Personnel Against the performance of the Company	Remuneration of KMP for FY 2015-16: 50.61 PAT of the Company : 180.44 Remuneration to PAT%: 28.05			
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 the FY 2015-16 (₹ In lacs)	PAT of the Company (₹ In lacs)	Remuneration to PAT%
		Mr. Vishwanath Harilalka	24.00	180.44	13.30
		Mr. Deepak Harilalka	26.61	180.44	14.75
8.	Variations in the market capitalization of the Company, price earnings ratio as the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.		FY 2015-2016 17051.84 (₹ In lacs)	FY 2014 2015 2849.43 (₹ In Lacs)	Variation 14202.41 (₹ In Lacs)
		Market Capitalisation (in. lacs)			
		Price Earning Ratio	94.39	11.71	82.68
9.	Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average % managerial increase has been Nil while for others it is about 10.50%. This is based on Remuneration policy of the Company that rewards people differentially based on their contribution to the success of the Company and also ensures that external market competitiveness and internal relativities are taken care of.			
10.	The key parameters for any variable component of remuneration availed by the directors.	The key parameters are (a) Net Sales (b) PAT (c) EBITDA (d) Net operating cash flow from business			
11.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year.	None			
12.	Affirmation that the remuneration is as per the remuneration policy of the Company.	It is hereby affirmed that the remuneration is as per the Remuneration policy of the Company			

- (2) Particulars of employees drawing remuneration in excess of limits prescribed under Section 134(3)(q) read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 :

There are no employees drawing remuneration exceeding Rupees 60 Lacs per annum if employed throughout the financial year or Rupees 5 Lacs per month if employed for part of the financial year or draws remuneration in excess of Managing Director or Whole time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

9. NUMBER OF MEETINGS OF BOARD DURING THE YEAR:

Sr. no	Particulars	No. of meetings held
1.	Board meetings	Six
2.	Audit Committee meetings	Six
3.	Nomination and Remuneration Committee meeting	Two
4.	Stakeholders relationships Committee	One
5.	Independent Directors Meeting	One

10. FORMAL ANNUAL EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholders Relationship Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

11. DECLARATION BY AN INDEPENDENT DIRECTOR:

Declarations by the Independent Directors, that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 has been received by the Company.

12. REMUNERATION POLICY:

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The remuneration policy is also uploaded on the website www.ginitex.com

13. AUDITORS:

The Auditors M/s. Vatsaraj & Co. Chartered Accountants, (FRN No.11327W) Mumbai, will retire at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment for a period of One year from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting.

The report given by the auditors on the financial statement of the Company is a part of the annual report. There has been no qualification, reservation, adverse remark or disclaimer given by the auditors in their report.

14. SECRETARIAL AUDIT REPORT:

In terms of Section 204 of the Companies Act, 2013 and Rules made there under, M/s. Sandeep Dar and Co., Practicing Company Secretaries have been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditor is enclosed as Annexure 3 to this report. The report is self-explanatory however the Company has initiated necessary steps to comply with various non-compliances as mentioned under the Secretarial Audit Report.

15. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company at www.ginitex.com

16. COMPOSITION OF AUDIT COMMITTEE:

Composition of Audit Committee as on March 31, 2016 as required under section 177(8) of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. Mr. Ramprasad Poddar- Chairman
2. Mr. Pankaj Kumar Agarwal - Member
3. Mr. Suresh Gaggar- Member

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(FORM-A) (See Rule 2)

Particulars	2015-2016	2014-2015
A) POWER AND FUEL CONSUMPTION		
PURCHASED		
Unit (KWH)	3192830	2535900
Total Amount (₹ In lacs)	242.16	176.94
Rate per unit (₹)	7.58	6.98
OWN GENERATION		
Through Diesel Generator		
Units (KWH)	165282	131795
Units per ltr. Of Diesel oil	24.60	17.16
Cost per unit (₹)	2.33	3.70
COAL		
Quantity (Kgs)	7402049	6557990
Total cost (₹ In Lacs)	375.62	364.13
Average rate per Kg (₹)	5.07	5.55
GAS		
Quantity (Kgs)	44669	29754
Total cost (₹ In Lacs)	29.47	25.69
Average rate per Kg (₹)	65.96	86.35
DIESEL OIL		
Quantity (Ltrs)	7182	7678
Total cost (₹ In lacs)	3.86	4.88
Average rate per Ltr (₹)	53.71	63.55
B) CONSUMPTION PER UNIT OF PRODUCTION ENERGY		
Electricity (KWH)	0.13	0.13
Coal (Kgs)	0.30	0.33

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 as 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.

There were no foreign exchange earnings or outgo during the year under review.

26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

No significant or material orders were passed by the regulators or courts or Tribunals which impact the going concern status and Company's operations in future.

27. LISTING AGREEMENT WITH THE STOCK EXCHANGES:

The Company has entered into the Uniform Listing Agreement as per SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and confirms that it has paid the Annual Listing Fees for the year 2015-2016 to BSE where the Company's Shares are listed.

28. ACKNOWLEDGEMENT:

We record our gratitude to the Banks and others for their assistance and co-operation during the year. We also wish to place on record our appreciation for the dedicated services of the employees of the Company. We are equally thankful to our esteemed investors for their co-operation extended to and confidence reposed in the management.

Registered Office:

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

GINI SILK MILLS LIMITED

Date: May 30, 2016
Place: Mumbai

Vishwanath Harilalka
Chairman

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17. There were no material changes and commitments, which adversely affects the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

18. The Company is reviewing its Risk perception from time to time taking into accounts overall business environment affecting/ threatening the existence of the Company. Presently management is of the opinion that such existence of risk is minimal.

19. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

The Company has in place adequate internal financial controls. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

20. DEPOSITS:

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 of Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the period under review, Company has given loans to the following parties:

Sr. No.	Name	Amount (₹)
1.	D. S. Kulkarni Developers Limited	₹ 56 Lakhs
2	Mukand Limited	₹ 100 Lakhs

Company has also made the investment in Tarapur Environment Protection Society by paying application money of ₹ 17,04,534 for allotment of Shares.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of every contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto is disclosed in Form No. AOC-2 which is enclosed as Annexure 2.

23. CORPORATE GOVERNANCE:

Your Company believes that Corporate Governance is a code of self discipline. In the line with this policy, the Board of Directors strongly believes that it is very important that the Company follows healthy Corporate Governance practices and reports to the shareholders the progress made on the various measures undertaken.

24. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Internal Complaints Committee under the Act, for implementation of said policy.

The following is a summary of sexual harassment complaint received or disposed of during the year 2015-16.

- No. of Complaint received: NIL
- No. of Complaint disposed off: NIL.

25. DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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 optimize the use energy through improved operational methods and other means will continue.

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ANNEXURE I
Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and

Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L17300MH1981PLC024184
Registration Date	03/04/1981
Name of the Company	Gini Silk Mills Limited
Category / Sub-Category of the Company	Company Limited by shares
Address of the Registered office and contact details	413, Jogani Industrial Estate, Opp. Kasturba - Hospital, J. R. Boricha Marg, Lower Parel (East), Mumbai- 400011.
Whether listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai – 400 072. Tel: +91 22 28470652/4040300 Fax: +91 22 28475207 Email : info@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
1	Fabrics – Shirting and Suiting	13131/13136	41.80%
2	Processing fabrics – Job work	13134	58.19%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

There are no Holding, Subsidiary and Associate Companies as defined under Companies Act, 2013.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

(i) Category-wise Share Holding

by Category-wise share holding									
Category of Shareholders		No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change during	
		Demat	Physical	Total	% of Total Shares	Demat	Physical		
A. Promoters									
(1) Indian									
	a) Individual/ HUF	4173410	-	4173410	74.6238	4173410	-	4173410	74.6238
	b) Central Govt	-	-	-	-	-	-	-	-
	c) State Govt(s)	-	-	-	-	-	-	-	-
	d) Bodies Corp.	20050	-	20050	0.3585	20050	-	20050	0.3585
	e) Banks / FI	-	-	-	-	-	-	-	-
	f) Any Other	-	-	-	-	-	-	-	-
	Sub-total (A) (1) :-	4193460	-	4193460	74.9823	4193460	-	4193460	74.9823
(2) Foreign									
	a) NRIs Individuals	-	-	-	-	-	-	-	-
	b) Other – Individuals	-	-	-	-	-	-	-	-
	c) Bodies Corporates	-	-	-	-	-	-	-	-

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