

34TH
ANNUAL
REPORT
2013 - 2014



Fine Fabrics Since 1963

GINI SILK MILLS LIMITED

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

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

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CORPORATE INFORMATION
BOARD OF DIRECTORS

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

REGISTERED OFFICE

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

WORKS

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

AUDITORS

M/s. Vatsaraj & Co.
Chartered Accountants

BANKERS

State Bank of India

REGISTRARS & TRANSFER AGENTS
BIGSHARES SERVICES PVT. LTD.

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

THIRTY FOURTH ANNUAL GENERAL MEETING

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

NOTICE

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

ORDINARY BUSINESS:

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

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

SPECIAL BUSINESS:

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

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

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

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

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

By Order of the Board

**Vishwanath Harlalka
(Executive Chairman)**

Registered Office:

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

Place: Mumbai

Date: May 27, 2014

Notes:

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

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

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

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

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

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

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

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

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

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

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

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

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

Item No. 5:

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

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

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

Item No. 6:

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

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

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

By Order of the Board

Date: 27 /05 /2014
Place: Mumbai

VSIHWANTH HARLALKA
(Executive Chairman)

Registered Office:

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

DIRECTOR'S REPORT
TO THE MEMBERS OF GINI SILK MILLS LIMITED

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

FINANCIAL RESULTS

(₹ In Lacs)

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

DIVIDEND

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

DIRECTORS:

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

CORPORATE GOVERNANCE

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

AUDITORS

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

FIXED DEPOSITS

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

PARTICULARS OF EMPLOYEES:

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

ENVIRONMENT AND SAFETY MEASURES**i) EFFLUENT CONTROL**

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

ii) SAFETY

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

iii) INSURANCE

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

iv) INDUSTRIAL RELATIONS

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

PARTICULARS REGARDING CONSERVATION OF ENERGY ETC.

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

LISTING OF SHARES & SECURITIES

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

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

The Directors state that-

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

APPRECIATION:

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

FOR AND ON BEHALF OF THE BOARD

Place: Mumbai
Date: 27 /05/2014

VSIHWANTH HARLALKA
(Executive Chairman)

Registered Office:

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

ANNEXURE TO DIRECTORS' REPORT
(FORM - A) (See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

PART 'A'

POWER & FUEL CONSUMPTION

	2013-2014	2012-2013
Purchased		
Unit (KWH)	2637458	2599362
Total Amount (₹.lacs)*	179.62	183.38
Rate per unit (₹.)	6.81	7.05
OWN GENERATION		
Though Diesel Generator :		
Units (KWH)	31196	27168
Units Per Ltr.of Diesel oil	4.40	3.50
Cost per unit (₹.)	13.71	13.43
COAL		
Quantity (Kgs.)	6888025	6747140
Total Cost (₹. In lacs)	327.98	367.49
Average rate per Kg. (₹.)	4.76	5.45
GAS		
Quantity (Kgs.)	31312	20672
Total Cost (₹. In lacs)	30.03	16.99
Average rate per Kg. (₹.)	95.91	82.21
DIESEL OIL		
Quantity (Ltrs)	7554	7767
Total cost (₹.lacs)	4.28	3.65
Average Rate Per Ltr. (₹.)	56.56	47.00

NOTE : * including demand charges

PART 'B'

CONSUMPTION PER UNIT OF PRODUCTION ENERGY

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

A. CONSERVATION OF ENERGY

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

B. TECHNOLOGY AND TECHNICAL ABSORPTION AND ADOPTION

1. TECHNOLOGY ABSORPTION

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

2. RESEARCH & DEVELOPMENT

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

for and on behalf of the Board

PLACE : MUMBAI
DATED : 27/05/2014

**VISHWANATH HARLALAKA
EXECUTIVE CHAIRMAN**

MANAGEMENT DISCUSSION AND ANALYSIS
1. OVERVIEW OF THE ECONOMY

According to the latest estimate, Indian economy grew by 4.7% in FY 2014. Despite a good monsoon, the manufacturing indices had declined, commodity prices stayed at high levels and food inflation reached an all-time high, which resulted in sustained CPI inflation of over 10% in the last financial year. The Rupee depreciated significantly before retracting in the latter half of the year. Consumer sentiments remained subdued for most part of FY 2014.

However, the slow GDP growth appears to have bottomed out and post elections, economic activity is expected to pick up from the second quarter of FY 2015.

ANALYSIS AND REVIEW
Textile and Apparel Industry Conditions

Indian Textiles industry is one of the leading sectors of the Indian economy and contributes significantly to the country's industrial output (14%). It employs 35 million people in direct employment and another 20 million in indirect employment, and, earns much needed foreign currency with 17% of India's exports coming from Textiles and Garments. Overall, it contributes 4% to India's GDP.

Opportunities and Challenges

Textile industry is one of the largest employers in India and has strong linkages with the rural economy. The growing young middle-class population is a source of great potential and provides immense opportunities to spur growth in the industry going forward.

The major challenge that the textile and apparel industry is facing is rising production costs, arising out of rising wages, power and interest costs.

2. Production & Sales Review:

During the year under review, your company has registered a turnover of 3489.53 Lacs as compared to 3247.03 Lacs in the previous year.

The production in the Company's Process House at Tarapur (Maharashtra) i.e. Dyeing & printing of textile fabrics was 20,130,007 Mtrs. as against 19,719,478Mtrs. in previous year. The sales revenue from Processing of Fabric increased from Rs.1667.93 Lacs to Rs.1477.89 Lacs during the year under review. The sale revenue from sale of fabrics increased from Rs. 1821.10 lacs to Rs.1768.79 lacs.

3. 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 company 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.

4. Internal Control Systems and Their Adequacy:

The Company has management, which is 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 taken appropriate steps by constituting Internal Audit team with well-experienced and hard working personnel under the supervision of Audit Committee of the Board; which frequently checks and reviews functions of various departments and effectiveness of Audit checks and revision of systems and procedures periodically.

In the year under review, the Company initiated a focused policy to evaluate the design effectiveness of existing management controls across all its locations. Under this initiative, the company also undertook steps to implement new control measures in line with global best-in-class practices.

5. The Financial and Operational Performance:

The financial statement given in the Report of the Directors for the financial year 2013–2014 is quite satisfactory. It reflects 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.

6. Human Resource Development:

The people of any industry serve as propeller for upliftment of the industry and thus indirectly contribute the National Product and through this to the exchequer of India. The management has always remained conscious of these inter-related factors and maintained a favorable climate during the year to suit the growth and excellence in the Company. The management has always strived to maintain 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'.

7. Cautionary statement:

The Statements in 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.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE

The Company is fully compliant with the mandatory requirements of Clause 49 of the Listing Agreement formulated by Securities and Exchange Board of India and Stock Exchanges. The Company presents its report on compliance of governance conditions specified in Clause 49 of the Listing Agreement.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company believes that Corporate Governance is powerful medium to sub serve the long-term interest of all the shareholders, creditors, customers, employees and other stakeholders. Corporate Governance strengthens Investors and Creditors trust and ensures a long-term partnership that helps in fulfilling our quest for achieving significant growth and profits. Your Company is committed to benchmarking itself with good governance and operates with transparency, professionalism, good conduct and value based systems.

2. BOARD OF DIRECTORS:

The Board of Directors along with its Committees provide leadership and guidance to the Company's management and direct,, supervises and controls the performance of the Company. The present strength of Board of Directors is 5 (Five), whose composition and category is given below:

- Two - Promoter, Executive Director
- Three - Independent Directors

(A) THE CONSTITUTION OF THE BOARD AS ON MARCH 31, 2014

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

Directors	Category	No. of other Directorship		No. of other Committee positions	
		Public	Private	Member	Chairman
Vishwanath S. Harlalka	Promoter, Executive	-	4	-	-
Deepak V. Harlalka	Promoter, Executive	-	7	-	-
Ramprasad Poddar	Independent	3	6	-	-
Dineshkumar Poddar	Independent	3	6	1	-
Rajendrakumar Rajgarhia	Independent	2	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 he is a Director.

(B) **BOARD PROCEDURE** Agenda is sent to each Director in advance of Board and Committee meetings to enable the Board discharge to its responsibilities effectively; the Managing 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 DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING:

During the year ended March 31, 2014, 10 (Ten) Board Meetings were held on 25th May 2013, 1st June, 2013, 5th August, 2013, 20th August, 2013, 2nd September, 2013, 18th October 2013, 13th November 2013, 26th December 2013, 1st February, 2014 and 24th March 2014, Annual General Meeting during the year was held on Friday July 26, 2013 .

Name of the Directors	Category of Directorship	No. of Board Meeting Attended	Attendance at the Last AGM held on 26.07.2013
Mr. Vishwanath S. Harlalka	Executive Chairman	10	Present
Mr. Deepak V. Harlalka	Managing Director	10	Present
Mr. Ramprasad Poddar	Independent Director Non Executive	10	Absent
Mr. Dineshkumar Poddar	Independent Director Non Executive	10	Present
Mr. Rajendrakumar Rajgarhia	Independent Director Non Executive	04	Absent

(D) DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT:

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

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

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

Name of the Company	Position	Committee Chairmanship / Membership
Perfectpac Limited	Director	-
Rajgarhia Leasing And Financial Services Pvt. Ltd.	Director	-
Unifrax India Limited	Director	-
APM Industries Limited	Managing Director	-
Confederation Of Indian Textile Industry	Director	Member

3. COMMITTEES OF THE BOARD:

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted a set of Committees with specific terms of reference/scope. The Committees operate as empowered agents of the Board as per their Charter/terms of reference. Targets set by them as agreed with the management are reviewed periodically and mid-course corrections are also carried out. The Board of Directors and the Committees also take decisions by the circular resolutions which are noted at the next meeting. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions/noting.

The Board of Directors has constituted three committees of the Board – (i) The Audit Committee (ii) Remuneration Committee and (iii) Shareholders/Investors Grievance Committee.

i) AUDIT COMMITTEE:

The Audit Committee functions according to its Charter that defines its composition, authority, responsibility and reporting functions in accordance with the Companies Act, 1956 and listing requirements and is reviewed from time to time.

BRIEF DESCRIPTION OF TERMS OF REFERENCE

The Committee's powers, role and functions are as stipulated in Clause 49 of the Listing Agreement and under Section 292 A of the Companies Act, 1956.

COMPOSITION:

During the year ended 31st March, 2014, Four Audit Committee Meetings were held.

The Composition of the Audit Committee is as follows:

Sr. No.	Members of Audit Committee	Position	No. of Meeting Attended
1	Shri. Ramprasad Poddar	Chairman	04
2	Shri. Dinesh Kumar Poddar	Member	04
3	Shri. Rajendra Kumar Rajgarhia	Member	04

II) REMUNERATION COMMITTEE:

The Remuneration Committee of the Company is empowered to review the remuneration of the Managing Director and the Executive Director, retirement benefits to be paid to them under the Retirement Benefit Guidelines approved by the Board, recommending on the amount and distribution of commission to the non-executive directors based on criteria fixed by the Board and to deal with matters pertaining to Employees' Stock Option Scheme, if any.

BRIEF DESCRIPTION OF TERMS OF REFERENCE

- Fixation of salary, perquisites etc. of all executive directors of the Company, as and when any new executive director is appointed / existing executive director is re-appointed; and
- Deciding commission payable to executive directors based on performance of the concerned executive director and for this purpose fixes targets for achievements.

COMPOSITION

The constitution of the Remuneration Committee is as follows:

1. Shri. Ramprasad Poddar - Chairman
2. Shri. Vishwanath Harlalka - Member
3. Shri. Dinesh Kumar Poddar - Member

The detail of remuneration for the year ended 31st March, 2014 paid to the Managing Director during the period is as under:

Director	Salary	Perquisites	Cont. to PF & Other Funds	Total
Shri. Deepak Harlalka	24,00,000	213,120	2,88,000	2,901,120
Shri Vishwanath Harlalka	24,00,000	-	2,88,000	2,688,000

III) SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE:
BRIEF DESCRIPTION OF TERMS OF REFERENCE

The "Investors Grievance Committee" of the Board, looks into various issues relating to investor grievances and to deal with matters relating to transfers/transmissions of shares, and monitors redressal of complaints from shareholders relating to transfers, non-receipt of balance-sheet, non-receipt of dividends declared, issue of duplicate share certificates, etc.

COMPOSITION

The constitution of the Committee is as follows:

- 1) Shri. Vishwanath Harlalka - Chairman
- 2) Shri. Deepak Harlalka - Member
- 3) Shri. Dinesh Kumar Poddar - Member

The Company's shares are compulsory traded in the dematerialized form at Bombay Stock Exchange Limited where Company's shares are listed. Shri. Chetan Patel, Manager Account, is appointed Compliance Officer as required by the Listing Agreement.

During the year no letters / complaints were received from the Investors. Routine inquiries were replied / resolved to the satisfaction of the investors.

There were no valid share transfer requests pending as on March 31, 2014.

4. GENERAL BODY MEETINGS

Location and time, where last three Annual General Meetings were held is given below:

Financial Year	Date	Time	Location of the Meeting
2012-2013	26.07.2013	12.00 pm	Maheshwari Pragati Mandal, Maheshwari Bhawan, 603, Girgaon Road, Mumbai 400 02.
2011-2012	22.08.2012	12.00 pm	Maheshwari Pragati Mandal, Maheshwari Bhawan, 603, Girgaon Road, Mumbai 400 02.
2010-2011	30.08.2011	12.00 pm	Maheshwari Pragati Mandal, Maheshwari Bhawan, 603, Girgaon Road, Mumbai 400 02.

5. DISCLOSURES

The Company had not entered into any transaction of a material nature, which will have a conflict with its interest during the year.

The disclosure of related party transactions as required by the Accounting Standard (AS) 18 on 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India (ICAI) is given under Note No. 29 of Notes on the Annual Accounts. All the transaction covered under related party transaction were fair, transparent and at arms length.

The Company has complied with all the requirements of the listing agreements with the stock exchanges as well as regulations and guidelines of SEBI. No penalties have been imposed or stricture has been issued by SEBI, stock exchanges or any Statutory Authorities on matters relating to capital markets during the last three years.

The Company has followed all relevant accounting standards notified by the Companies Accounting Standards Rules 2006 and relevant provisions of the Companies Act, 1956 while preparing its financial statements.

6. MEANS OF COMMUNICATIONS

The quarterly, half yearly and annual results are communicated to all the Stock Exchanges where the Company's shares are listed as soon as the same are approved and taken on record by the Board of Directors of the Company. Further the results are published in widely circulating national and local dailies such as Free Press Journal & Navshakti (Marathi). The results are not sent individually to the shareholders.

These results are simultaneously posted on the website for the Company at www.gintex.com.

7. CODE OF CONDUCT

The Board of Director has adopted the Code of Business Conduct and Ethics for Director and Senior Management. The said Code has been communicated to the Directors and members of the Senior Management.

8. GENERAL SHAREHOLDERS INFORMATION

- a) Annual General Meeting
 - i) Date & Time : September 16, 2014 at 12.30 P.M.
 - ii) Venue : Maheshwari Pragati Mandal, Maheshwari Bhawan, 603, Girgaon Road, Mumbai 400 02.
- b) Financial Calendar (tentative)

Results for the 1 st Quarter Ending 30 th June, 2014	: Last week of July, 2014
Results for the 2 nd Quarter/Half Year Ending 30 th September, 2014	: Last week of October, 2014
Results for the 3 rd Quarter Ending 31 st December, 2014	: Last week of January, 2015
Results for the 4 th Quarter/Year Ending 31 st March, 2015	: Last week of April/May, 2015
- c) Book Closure Date : Tuesday September 09, 2014 to Tuesday September 16, 2014 (Both days inclusive)
- d) Dividend Payment Date : Within 30 days of AGM; if approved by the Shareholders of the Company.
- e) Listing on Stock Exchanges : The Bombay Stock Exchange Limited, Mumbai
- f) Stock Code : Physical Segment – BSE: 531744
NSDL/CDSL-ISIN:INE 548B01018

- g) Stock Market Data : The monthly high and low prices during the year at BSE are as follows:

Month	Mumbai Stock Exchange	
	High ₹	Low ₹
April, 2013	42.00	26.85
May, 2013	31.65	23.95
June, 2013	26.90	17.00
July, 2013	26.05	17.20
August, 2013	20.90	14.65
September, 2013	16.55	14.10
October, 2013	21.65	16.55
November, 2013	26.00	23.00
December, 2013	33.05	23.25
January, 2014	24.15	20.00
February, 2014	26.20	21.55
March, 2014	42.40	23.50

- h) Share holding pattern as on 31.03.2014

Sr. No.	Category	No. of Shares	% (Percentage)
1	Promoters (Including Promoters Body Corporate	4193460	74.98
2	Body Corporate	803707	14.37
3	Resident Individuals	591567	10.58
4	Non Resident of India	200	0.00
6	Clearing Member	3666	0.07
	TOTAL	5592600	100.00

- i) Distribution of Share holding as on 31.03.2014

No. of Shares held	No. of Shareholders	%	No. of Shares	%
1 to 5000	610	77.41	97308	1.74
5001 to 10000	79	10.02	66937	1.20
10001 to 20000	34	4.31	52202	0.93
20001 to 30000	19	2.41	49185	0.88
30001 to 40000	9	1.14	32616	0.58
40001 to 50000	4	0.51	17207	0.31
50001 to 100000	7	0.90	54255	0.97
100001 onwards	26	3.30	5222890	93.39
TOTAL	788	100.00	5592600	100.00

- j) Registrar and Share Transfer Agent: BIGSHARES SERVICES PRIVATE LIMITED, E-2/3 Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai –400 072

- k) Share Transfer System:

Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by the Securities & Exchange Board of India (SEBI). Big Shares Services Private Limited handles both Demat and Physical Shares Transfers.

The Share Transfers which are received in physical form are processed and the share certificates are returned within 21 days from the date of receipt, subject to Documents being valid and complete in all respects.

The Shareholders/Investors Grievance Committee meets periodically to consider the transfer and other proposals and attend to shareholders grievances.

- l) Dematerialisation of Shares : As on 31st March, 2014, 55, 36,693 Equity shares were in dematerialized form representing 99.00% of total share capital of the Company.
- m) Plant Location : Fabric Process Unit: E-15, MIDC – Tarapur, Boisar – 421 506, Thane, (Maharashtra)
- n) Address for Correspondence : Bigshares Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072.
Tel. No. 228470652; Fax No. 228475207

DECLARATION

As provide under Clause 49 of the Listing Agreement with the Stock Exchange, all Board members and senior management perosnnel have affirmed compliance with Gini Silk Mills Limited Code of Business Conduct and Ethics for the year ended March 31, 2014.

For Gini Silk Mills Limited

Place : Mumbai
Date : 27/05 /2014

Deepak Harlalka
(Managing Director)

Auditor's Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To,

The Members of **GINI SILK MILLS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **GINI SILK MILLS LIMITED**, for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per records maintained by the Share Transfer and Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For VATSARAJ &CO
Chartered Accountants

Place: Mumbai
Date: 27 /05 /2014

CA NITESH K DEDHIA
(Partner)
M.NO.114893
FRN:111327W

INDEPENDENT AUDITORS REPORT

To the Members of **GINI SILK MILLS LIMITED**.

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Gini Silk Mills Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the **profit** for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

7. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we annex hereto a statement on the matter specified in paragraphs 4 and 5 of the said Order.

8. Further to our comments in the Annexure referred to above, we report that:
- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) in our opinion, proper books of accounts as required by Law have been kept by the Company so far, as appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss Account and the Cash Flow Statement of the Company dealt with by this report are in agreement with the books of accounts of the Company;
 - (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013;
 - (e) on the basis of written representations received from the Directors, as on March 31, 2014 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

For Vatsaraj & Co.
Chartered Accountants
FRN: 111327W

CA Nitesh K Dedhia
(Partner)
M.No: 114893

Place: Mumbai
Date: 27/05/2014

Annexure to Independent Auditors Report**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of GINI SILK MILLS LIMITED for the year ended 31st March, 2014.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. In respect of its fixed assets:
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - c) In our opinion and according to the information and explanations given to us, the company has not disposed off a substantial part of its fixed assets and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - a) As explained to us, inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The Company has maintained proper records of its inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to book records.
3. In respect of the loans, secured or unsecured, granted or taken by the company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly para 1(iii) (a), (b), (c), and (d) is not applicable.
 - b) The Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 except for unsecured loans, taken from two directors payable on demand. The amount outstanding as on 31.03.2014 Rs.2,87,008/- and the maximum amount outstanding during the year is Rs.73,30,027/-.
 - f) The rate of interest and other terms and conditions of loans taken by the company, are, in our opinion, prima facie not prejudicial to the interest of the company; and
 - g) Repayment of the principal amount and interest is on demand.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, we have not observed any major weaknesses in internal control system.
5.
 - a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding value of Rs. 5,00,000/- of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public, hence the directives issued by the Reserve bank of India and the provisions of sections 58A and 58AA or any relevant provisions of the Act and the rules framed there under are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

9. a) According to the records of the company undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues have been generally regularly deposited with the appropriate authorities.
- b) The disputed statutory dues aggregating Rs.1,93,63,076/- that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the Statute	Nature of Dues	Amounts (₹)	Forum where dispute is pending
Central Excise Act	Demand for interest and penalty on differential amount of excise duty	2,15,820/-	Commissioner of Central Excise (Appeal)
Excise Service Tax	Demand for Deemed Credit	3,38,418/-	Registrar the Customs Excise Service Tax Appellate Tribunal
T e x t i l e Committee	Collection of Cess under the Textile Committee Act and Cess Rules reg.	2,99,150/-	Textile Committee Cess Appellate Tribunal.
Central Excise Act	Demand on differential amount of excise duty for the period 16/12/98 to 28/02/2001	1,85,09,688/-	Supreme Court of India
Total		1,93,63,076/-	

10. The company does not have any accumulated losses at the end of the financial year and the company has not incurred cash losses in current financial year and in the immediately preceding financial year;
11. In our opinion and according to the information and explanations given to us, the company is regular in repaying dues to the bank. There are no dues to Financial Institution and there are no debenture holders in the current year.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. The Company has not obtained any term loans during the year. Accordingly the provisions of clause 4(xvi) of the Order are not applicable to the Company.
17. According to the information and explanations given to us and on overall examination of the Balance sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act. Accordingly the provisions of clause 4 (xviii) of the Order are not applicable to the Company.
19. The Company has not issued any debentures. Accordingly the provisions of clause 4 (xix) of the Order are not applicable to the Company.
20. The Company has not raised money by public issues during the year. Accordingly the provisions of clause 4 (xx) of the Order are not applicable to the Company.

According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For Vatsaraj & Co.
Chartered Accountants
 FRN: 111327W

CA Nitesh K Dedhia
 (Partner)
 M.No: 114893

Place: Mumbai
 Date: 27/05/2014

**BALANCE SHEET AS AT 31ST MARCH' 2014**

PARTICULARS	Note No.	As at 31st March' 2014	As at 31st March' 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	55,926,000	55,926,000
Reserves and surplus	3	204,505,645	190,374,460
		<u>260,431,645</u>	<u>246,300,460</u>
Non-current liabilities			
Deferred tax liabilities (Net)	4	4,047,270	3,517,413
Other Long Term Liabilities	5	4,150,043	2,772,900
		<u>8,197,313</u>	<u>6,290,313</u>
Current liabilities			
Short-term borrowings	6	287,008	6,034,460
Trade payables	7	20,499,600	19,932,665
Other current liabilities	8	3,040,685	2,991,323
Short-term provisions	9	8,840,369	8,075,438
		<u>32,667,662</u>	<u>37,033,887</u>
TOTAL		<u>301,296,620</u>	<u>289,624,659</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	38,893,316	43,356,185
Intangible assets	10	65,555	109,258
Capital work-in-progress		602,814	487,301
Non-current investments	11	26,204,002	5,689,111
Long-term loans and advances	12	12,505,629	12,737,973
		<u>78,271,315</u>	<u>62,379,827</u>
Current assets			
Current Investments	13	-	13,325,145
Inventories	14	41,390,514	48,725,586
Trade receivables	15	42,544,614	39,178,370
Cash and cash equivalents	16	10,274,638	994,402
Short-term loans and advances	17	125,868,203	118,475,828
Other current assets	18	2,947,336	6,545,501
		<u>223,025,305</u>	<u>227,244,832</u>
TOTAL		<u>301,296,620</u>	<u>289,624,659</u>

Significant Accounting Policies Notes on Financial Statements

1 to 36

As per our Report of even date

For Vatsaraj & Co

Chartered Accountants

FRN : 111327W

CA Nitesh K Dedhia

Partner

Membership No, 114893

Place : Mumbai

Date : 27/05/2014

For and on behalf of the Board**Vishwanath Harlalka**

Chairman

Deepak Harlalka

Managing Director

Dinesh Poddar

Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH'2014

PARTICULARS	Note No.	As at 31st March' 2014	As at 31st March' 2013
INCOME			
Revenue from operations	19	348,952,905	324,702,503
Other income	20	21,882,585	20,698,279
Total Revenue		<u>370,835,490</u>	<u>345,400,782</u>
EXPENSES			
Cost of materials consumed	21a	132,348,179	112,038,552
Purchases of traded goods	21b	25,323,408	20,905,160
(Increase)/ decrease in inventories of finished goods and Stock in Process	21c	6,311,892	13,654,785
Employee benefits expense	22	32,153,363	31,107,565
Finance costs	23	563,114	1,847,413
Depreciation and amortization expense		4,597,476	4,723,179
Other expenses	24	141,758,641	137,543,832
Total Expenses		<u>343,056,072</u>	<u>321,820,486</u>
Profit before Taxations		27,779,418	23,580,295
TAX EXPENSES			
Current tax		8,500,000	7,300,000
Excess/ Short provisions written back of earlier years		1,346,843	(1,741)
Deferred tax		<u>529,857</u>	<u>(334,243)</u>
Profit for the period		17,402,718	16,616,280
Basic/ Diluted Earning per equity share(₹)		3.11	2.97
		3.11	2.97

Significant Accounting Policies

Notes on Financial Statements

1 to 36

As per our Report of even date

For Vatsaraj & Co

Chartered Accountants

FRN : 111327W

CA Nitesh K Dedhia

Partner

Membership No, 114893

Place : Mumbai

Date : 27/05/2014

For and on behalf of the Board
Vishwanath Harlalka

Chairman

Deepak Harlalka

Managing Director

Dinesh Poddar

Director

CASH FLOW STATEMENT FOR THE YEAR 2013-2014

PARTICULARS	31st March' 2014	31st March' 2013	
A: CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before tax and extraordinary items	27,779,418	23,580,295	
<u>Adjusted For :</u>			
Depreciation and Amortisation Expense	4,597,476	4,723,179	
Dividend Received	(823,266)	(791,411)	
Property Tax	186,082	412,435	
Demat Charges & Securities Transaction Tax	562	4,213	
Interest Income	(14,123,649)	(13,436,223)	
Finance costs	346,610	1,660,765	
Profit on Partnership Firm	(6,280)	(15,462)	
Rent Received	(4,920,000)	(5,075,000)	
Loss on sale/Discard of assets(net)	(784,363)	29,725	
Net Prior Year Adjustments	--	1,741	
Net gain on sale of Investments	(198,290)	(15,725,118)	(880,362)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	12,054,300	10,213,895	
<u>Adjusted For :</u>			
Increase in other assets	2,824,617	(6,014,433)	
Increase in Trade Payable	566,935	7,543,428	
Increase in other liabilities	2,169,835	982,336	
Inventories	7,335,072	12,836,132	
Trade Receivable	(3,366,244)	9,530,215	(6,356,106)
Cash generated from Operations	21,584,515	19,205,252	
Taxes Paid	(8,840,951)	(6,964,011)	
NET CASH FROM OPERATING ACTIVITY	12,743,564	12,241,241	
B. CASH FLOW FROM INVESTING ACTIVITY			
Dividend Income	183,450	791,411	
Purchase of Investments	(40,787,577)	(92,706,796)	
Sale/Redemption of Investments	55,229,077	82,298,718	
Interest Income	13,336,788	13,436,223	
Movement in Loans and Advances	(7,392,375)	(39,400,440)	
Movment in Investment in Partnership Firm Capital	(20,000,000)	3,900,000	
Rent Income	4,920,000	5,075,000	

PARTICULARS	31st March' 2014	31st March' 2013	
Purchase of Fixed Assets	(256,541)	(7,197,359)	
Sale of Fixed Assets	950,000	616,210	
Capital WIP	(115,513)	(487,301)	
Bank Balances not considered as Cash and cash equivalents	(12,302)	(182,849)	
Property tax	(186,082)	(412,435)	
Demat Charges & Securities Transaction Tax	(562)	5,868,363	(888) (34,270,506)
NET CASH FLOW FROM INVESTING ACTIVITY	18,611,927		
C. CASH FLOW FROM FINANCING ACTIVITY			
Interest Paid	(89,007)	(208,153)	
Short Term Borrowing - Bank	(254,433)	-	254,433
Short Term Borrowing - Director (Net)	(5,750,622)	-	(11,050,000)
Dividend Paid (Including DDT)	(3,249,930)	(9,343,992)	(3,249,930) (14,253,650)
NET CASH FLOW FROM FINANCING ACTIVITY	9,267,935	(36,282,914)	
Cash and Cash Equivalents as at commencement of the year	620,055	36,902,969	
Cash and Cash Equivalents at the end of the year	9,887,990	620,055	
NET INCREASE/(DECREASE) OF CASH & CASH EQUIVALENTS	9,267,935	(36,282,914)	

As per our Report of even date

For Vatsaraj & Co
Chartered Accountants
FRN : 111327W

CA Nitesh K Dedhia
Partner
Membership No, 114893
Place :Mumbai
Date : 27/05/2014

For and on behalf of the Board

Vishwanath Harlalka
Chairman

Deepak Harlalka
Managing Director

Dinesh Poddar
Director

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**CORPORATE INFORMATION**

Gini Silk Mills Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange Limited, Mumbai. The company is engaged in the manufacturing and selling of shirting and suiting with reputed brand name "GINI".

1 SIGNIFICANT ACCOUNTING POLICIES**1 ACCOUNTING CONVENTION**

The financial statements are prepared under the historical cost convention, on an accrual basis of accounting. The statement complies with the Accounting Standard prescribed by the ICAI and also complies with the Section 211(3) (C) of the Companies Act, 1956. The accounts are prepared as a going concern.

2 USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised

3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of cash flow statement comprise cash and bank and in hand and short-term investments with an original maturity of three months or less

4 FIXED ASSETS**Own Fixed Assets**

Fixed Assets are stated at cost net of recoverable taxes. All costs including financing cost till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised.

5 LEASED ASSETS

Operating Lease: Rentals are expensed with reference to lease terms and other considerations.

6 INTANGIBLE ASSETS

Intangible Assets are stated at cost of acquisition net of recoverable taxes. All costs including financing cost till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalised

7 DEPRECIATION / AMORTIZATION

Depreciation for the year in respect of assets relating to undertaking at Tarapur has been provided on straight line method at the rates specified as per Schedule XIV of the Companies Act, 1956

In respect of assets relating to undertakings at Kandivali depreciation has been provided on written down value method at the rates specified as per Schedule XIV of the Companies Act, 1956.

Lease hold land has been amortized over the period of the lease on straight line basis

Depreciation on the Fixed Assets added during the year has been provided on pro-rata basis with reference to the month of addition.

8 IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

9 FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

Non monetary foreign currency items are carried at cost

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

10 INVESTMENTS

Current Investments are carried at lower of cost and quoted/fair value, computed category wise.

The long-term investments are stated at cost. Provision for permanent diminution in value is made only if such a decline is other than temporary in nature.

11 INVENTORIES

Inventories of Raw Materials, Stores and Spares, Finished goods and Work in progress are valued at lower of cost or net realizable value after providing for obsolescence, if any.

Cost comprises of all cost of purchases, cost of conversion and other cost incurred in bringing the inventory to their present location and conditions Cost is determined under Weighted Average method for Raw Material, stores & spares & Work in Progress and for fabrics on FIFO basis.

12 REVENUE RECOGNITION

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

Revenue from operations include sale of goods, process income and job work receipts which are exclusive of sales tax but net off after adjusting claims, incentives, rebates and discounts.

Dividend income is recognised when right to receive is established.

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

13 EMPLOYEES BENEFITS

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account for the year in which the related service is rendered

Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

The Company has taken Group/Master insurance Policy with Life Insurance Corporation of India for the future payments of retiring employee's gratuities. The premium thereon has been so adjusted as to cover the liability under scheme in respect of eligible employees at the end of their future anticipated service with the company

14 BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of the assets, up to the date the asset is ready for its intended use. All other borrowing costs are recognized as expense and charged to the Profit and Loss Account in the year in which they are incurred

15 TAXES ON INCOME

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax for the year is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized and carried forward only if there is a reasonable/virtual certainty of its realization.

16 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company recognizes provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made in the notes on accounts when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statement.

17 SEGMENT REPORTING

The Company's operation fall under single segment namely "Textile" therefore, separate business segment is not disclosed

Notes on Financial Statements for the Year ended 31st March,2014

Particulars	As at 31St	As at 31st
	March' 2014	March' 2013
	₹	₹
Note 2 SHARE CAPITAL		
Authorised Share Capital		
60,00,000 (31 March 2013 : 60,00,000)Equity shares of ₹ 10/- each	60,00,000	60,00,000
1,00,000 (31 March 2013 : 100,000) 10% Cumulative Convertible Preference shares of 100 each	10,00,000	10,00,000
	<u>70,00,000</u>	<u>70,00,000</u>
Issued, Subscribed and Paid up		
55,92,600 (31 March 2013 : 55,92,600).Equity shares of ₹ 10/- each fully paid up	55,926,000	55,926,000
TOTAL	<u>55,926,000</u>	<u>55,926,000</u>

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:
Equity Shares

	As at 31St March' 2014		As at 31st March' 2013	
	No	₹	No	₹
At the beginning of the period	5592600	55926000	5592600	55926000
Issued during the period - Bonus Issue	-	-	-	-
Issued during the period - ESOP	-	-	-	-
Outstanding at the end of the period	<u>5592600</u>	<u>55926000</u>	<u>5592600</u>	<u>55926000</u>

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per shares. Each holder of equity shares is entitled to one vote per shares. The Company declares and pay dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2014, the amount of per share dividend recognized as distribution of equity shareholders was ₹ 27,96,300/- (31 st March 2013 : ₹ 27,96,300/-).

c) Details of shareholders holding more than 5% shares in the Company

Name of shareholder		As at 31St March' 2014		As at 31st March' 2013	
		Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Vishwanath Harlalka	Promoter	1890660	33.80	1890660	33.80
Deepak Harlalka	Promoter	309600	5.54	309600	5.54
Deepak Harlalka HUF	Promoter	863350	15.44	863350	15.44
Anjali D Harlalka	Person Acting Concert	310900	5.56	310900	5.56
Vimla V Harlalka	Person Acting Concert	508500	9.09	508500	9.09
Garnet International Ltd	Public	315000	5.63	332118	5.93

Particulars	As at 31st March' 2014 ₹	As at 31st March' 2013 ₹
Note 3 RESERVES AND SURPLUS		
Capital Reserve		
As per Last Balance Sheet	814,063	814,063
Add: Transfer from Share Forfeiture A/c	-	-
Closing Balance	<u>814,063</u>	<u>814,063</u>
General Reserve		
As per Last Balance Sheet	1,023,091	1,023,091
Add/Less : Transfer from Profit & Loss Account	-	-
Closing Balance	<u>1,023,091</u>	<u>1,023,091</u>
Profit and Loss Account		
As per Last Balance Sheet	188,537,304	175,170,956
Add: Profit for the year	17,402,718	16,616,280
Less : Appropriations		
Proposed Dividend on Equity Shares(amount per share ₹0.50 (31 st March 2013 ₹ 0.50)	(2,796,300)	(2,796,300)
Tax on Dividend	(475,231)	(453,630)
Closing Balance	<u>202,668,491</u>	<u>188,537,306</u>
Total reserves and surplus	<u>204,505,645</u>	<u>190,374,460</u>
Note 4 DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability		
On Accumulated Depreciation	4,047,270	3,517,413
Deferred tax assets		
	-	-
Total	<u>4,047,270</u>	<u>3,517,413</u>
Note 5 OTHER LONG-TERM LIABILITIES		
Trade deposits received (unsecured considered good)	286,923	215,780
Security deposits received (unsecured considered good)	3,922,400	2,580,400
Less: Interest Accrued and due (Current Maturities)	(59,280)	(23,280)
Total	<u>4,150,043</u>	<u>2,772,900</u>
Note 6 SHORT-TERM BORROWINGS		
From Banks #	-	254,433
From Directors (unsecured, repayable on demand)	287,008	5,780,027
Total	<u>287,008</u>	<u>6,034,460</u>
# CASH CREDIT Loan is secured by hypothecation of Raw Materials, semi -finished and finished goods, stores and spares, book debts and further secured by second charge over the immovable assets of the Company		
Note 7 TRADE PAYABLES		
Micro, Small and Medium Enterprises	-	-
Others	20,499,600	19,932,665
Total	<u>20,499,600</u>	<u>19,932,665</u>

Particulars	As at 31st March' 2014 ₹	As at 31st March' 2013 ₹
Note 8 OTHER CURRENT LIABILITIES		
Unpaid dividends #	173,599	158,047
Statutory remittances(Contribution to PF ,ESIC, VAT, TDS and Service Tax)	421,014	709,470
Interest received in advance	1,028,945	394,283
Advances from customers	1,357,847	1,292,706
Interest Accrued and due on long term Deposits	59,280	23,280
Others payable	-	413,537
Total	3,040,685	2,991,323

These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund

Note 9 SHORT TERM PROVISIONS
Provision for other employees benefits

Bonus	350,761	341,366
Leave Encasment	1,544,844	1,263,139
Provision for proposed equity dividend	2,796,300	2,796,300
Provision for tax on proposed dividends	475,231	453,630
Other	3,673,233	3,221,003
Total	8,840,369	8,075,438

Note 10 - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01/04/2013	Additions	Adjustments/ Deduction	As at 31/03/2014	Up to 01/04/2013	Provided For the Year	Adjustments / Deduction	Up to 31/03/2014	As at 31/03/2014	As at 31/03/2013
TANGIBLE ASSETS										
Leasehold Land	4,987,194	-	-	4,987,194	952,609	56,036	-	1,008,645	3,978,549	4,034,585
Factory Building										
Own Use	28,810,140	-	-	28,810,140	14,312,320	962,258	-	15,274,578	13,535,562	14,497,820
Given on Lease	1,210,131	-	-	1,210,131	1,071,200	13,893	-	1,085,093	125,038	138,931
Building	849,453	-	-	849,453	214,144	15,199	-	229,343	620,110	635,309
Plant & Machinery	64,568,708	90,000	1,427,965	63,230,743	45,813,368	2,854,942	1,262,328	47,405,982	15,824,761	18,755,340
Furniture & Fixture	1,498,836	-	-	1,498,836	1,200,702	35,284	-	1,235,986	262,850	298,134
Electric Installation	5,745,867	64,484	-	5,810,351	3,388,603	270,032	-	3,658,635	2,151,716	2,357,264
Office Equipment	1,282,915	29,500	-	1,312,415	771,929	52,686	-	824,615	487,800	510,986
Vehicles	1,464,389	-	-	1,464,389	376,389	136,843	-	513,232	951,157	1,088,000
Computers	2,828,421	72,557	-	2,900,978	2,516,463	99,782	-	2,616,245	284,733	311,958
Fire Fighting Equipment	284,529	-	-	284,529	133,158	13,295	-	146,453	138,076	151,371
E.T.Plant	1,517,371	-	-	1,517,371	1,517,170	-	-	1,517,170	201	201
Lab Equipments	916,243	-	-	916,243	339,957	43,523	-	383,480	532,763	576,286
Sub-Total A	115,964,197	256,541	1,427,965	114,792,773	72,608,012	4,553,773	1,262,328	75,899,457	38,893,316	43,356,185
INTANGIBLE ASSETS										
Computer Software	286,780	-	-	286,780	177,522	43,703	-	221,225	65,555	109,258
Sub-Total B	286,780	-	-	286,780	177,522	43,703	-	221,225	65,555	109,258
Total A + B	116,250,977	256,541	1,427,965	115,079,553	72,785,534	4,597,476	1,262,328	76,120,682	38,958,871	43,465,443
Capital Work in Progress									602,814	487,301
<i>Previous Year</i>	114,276,694	7,197,359	5,223,076	116,250,977	72,639,497	4,723,179	4,577,142	72,785,534	43,465,443	41,637,196

	As at 31st March' 2014	As at 31st March' 2013
	₹	₹
Note 11 NON-CURRENT INVESTMENTS		
TRADE		
In Equity Share (Fully Paid Up)		
Unquoted		
195000 Equity Shares (31 March 2013 : 195000)of ₹.10/- each,of Gini Tex Private Limited	887,500	887,500
NON - TRADE		
In Equity Share (Fully Paid Up)		
Unquoted		
1800 Equity Shares (31 March 2013 : 1800)of ₹.10/- each,of Gini Construction Private Limited	18,000	18,000
Investment in Equity shares		
Quoted		
664 Equity Shares (31 March 2013 : 664) of ₹ 10/- each of Reliance Industries Ltd	318,720	318,720
2,019 Equity Shares (31 March 2013 : 2,019) of ₹ 10/- each of National Thermal Power Corporation	125,178	125,178
0 Equity Shares (31 March 2013 : 662)of ₹ 10/- each Oil India Public Limited	-	278,250
6,000 Equity Shares (31 March 2013 : 6,000) of ₹ 10/- each of TATA Steel Limited	3,725,684	3,725,684
Investment in partnership firms (Refer Note below)		
Gini Construction Co - Capital Account #	286,476	322,319
Gini Citicorp Reality LLP Capital Account	20,835,244	6,260
Other investments		
72 Shares (31 March 2013 : 72)@ 100/- each of Tarapur Environment Protection Society	7,200	7,200
Total	26,204,002	5,689,111
Quoted Investments		
Book Value	4,169,582	4,447,832
Market Value	3,223,796	3,015,019
Unquoted Investments		
Book Value	22,002,813	1,241,279
# The Company had entered in to partnership with Gini Construction Co for development and construction of residential building. The share of profit / loss of each partner are Gini Silk Mills Limited is 9%, Gini Tex Private Limited is 9%, Shree Gini Texturising Private Limited 2%, Shri Vishwanath S. Harlalka 15%, Shri Deepak V. Harlalka 15%, Shri Gautam Vinod Harlalka 20%, Shri Manish Vinod Harlalka 20% and Shri Vinod S. Harlalka 10%. The fixed capital of the partnership firm is ₹ NIL		
Note 12 LONG-TERM LOANS AND ADVANCES		
Security Deposit (Unsecured considered good)	3,030,380	2,658,113
Advance Income tax (Net of Provisions)	2,715,100	3,734,751
Balances with government authorities (Unsecured considered good)		
Mvat Receivable	6,565,129	6,166,109
Central Excise #	100,000	100,000
Prepaid Expenses	95,020	79,000
Total	12,505,629	12,737,973

#Commissioner of Central Excise, Thane II has demanded of ₹. 3, 38,418/- on Deemed Credit. The Company has deposited ₹. 1,00,000/- (Previous year ₹. 1,00,000/-)to Asst. Registrar the Customs Excise Service Tax Appellate Tribunal W.Z.B. (Previous year ₹. 3,38,418/-)

	As at 31st March' 2014	As at 31st March' 2013
	₹	₹
Note 13 CURRENT INVESTMENTS		
Investment in Commodities	-	10,308,895
Investment in mutual funds		
Nil Units (31 March 2013 : 300677.863) face value ₹ 10/- HDFC Cash Mgmt Fund - Saving Plus	-	3,016,250
	<u>-</u>	<u>13,325,145</u>
Quoted Investments		
Book Value	-	13,325,145
Market Value	-	15,983,720
Note 14 INVENTORIES		
(At lower of cost and net realisable value)		
Raw materials	10,696,539	10,337,720
Work-in-progress	3,096,979	6,002,841
Finished goods	22,439,547	25,845,577
Stores and spares	5,157,449	6,539,448
Total	<u>41,390,514</u>	<u>48,725,586</u>
Note 15 TRADE RECEIVABLES		
(Unsecured, considered good)		
Over Six Months	3,705,298	2,218,440
Others	38,839,316	36,959,930
Total	<u>42,544,614</u>	<u>39,178,370</u>
Note 16 CASH AND CASH EQUIVALENTS		
Cash on hand #	928,276	504,714
# Includes foreign currency in hand of ₹ 88768/- (for FY 2012-2013 ₹ Nil/-)		
Balances with banks		
In current accounts	8,959,714	115,342
Unpaid dividend accounts	179,149	166,847
Others		
Fixed Deposit with bank (Maturity period more than 12 months) #	207,500	207,500
(# Fixed deposit with Bank includes deposit of ₹ 10,000/- (P.Y ₹10,000/-) given to Sales Tax department on account of margin money and deposit of ₹ 1,92,500/- (P.Y. 1,92,500/-) given to the commissioner of custom on account of bond for availing duty exemption under EPCG scheme)		
Total	<u>10,274,638</u>	<u>994,402</u>
Note 17 SHORT TERM LOANS AND ADVANCES		
Capital Advances (unsecured considered good)	5,817,500	-
Life Insurance Corporation of India - Gratuity	203,409	942,915
Prepaid Expenses	435,699	450,093
Loans and Advances to Employees (Unsecured, considered good)	1,087,210	766,810
Other Loans and Advances (Unsecured, considered good)	118,324,385	116,316,010
Total	<u>125,868,203</u>	<u>118,475,828</u>

	As at 31st March' 2014	As at 31st March' 2013
	₹	₹
Note 18 OTHER CURRENT ASSETS		
Advance to Suppliers	2,333,299	6,433,868
Rent Receivable	418,440	-
Interest Receivable	195,597	111,633
Total	<u><u>2,947,336</u></u>	<u><u>6,545,501</u></u>
Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	₹	₹
Note 19 REVENUE FROM OPERATIONS		
Sale of products	348,903,905	324,666,103
Other operating revenues	49,000	36,400
Total	<u><u>348,952,905</u></u>	<u><u>324,702,503</u></u>
Sale of products comprises		
Manufactured goods		
Fabric Sales	182,110,433	176,876,874
Processing Income	166,793,472	147,789,228
Total - Sale of manufactured goods	<u><u>348,903,905</u></u>	<u><u>324,666,103</u></u>
Other operating revenue		
Sale of scrap	49,000	36,400
Total - Other operating revenues	<u><u>49,000</u></u>	<u><u>36,400</u></u>
Note 20 OTHER INCOME		
Dividend income:		
Fom Current Investments - Mutual Fund	639,816	588,538
Fom Long Term Investments - Equity Shares	183,450	202,873
Net gain on sale of:		
Current Investments	-	517,392
Long-term investments	198,290	362,970
	<u><u>1,021,556</u></u>	<u><u>1,671,773</u></u>
Interest income comprises:		
Interest on loans and advances	14,123,649	13,436,223
Interest on overdue trade receivables	315,032	295,709
Interest received on Fixed Deposit	18,887	29,657
Interest on Mvat Refund	103,824	93,368
Interest on Income Tax Refund	10,811	-
Interest on Security Deposit	185,117	110,812
Total - Interest income	<u><u>14,757,320</u></u>	<u><u>13,965,769</u></u>

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	₹	₹
Share of profit from partnership firms	31,607	15,462
(Profit was accounted as per the Unaudited Accounts of Partnership Firm/ LLP)		
Other non-operating income comprises:		
Rental income from investment properties	4,920,000	5,075,000
Profit on sale of fixed assets	784,363	(29,725)
Mvat Refund Received	362,746	-
Miscellaneous income	4,993	-
Total - Other non-operating income	6,072,102	5,045,275
Total	21,882,585	20,698,279

Note 21 a COST OF MATERIAL CONSUMED

Opening stock	10,337,720	10,784,484
Add: Purchases	132,706,998	111,591,788
	143,044,718	122,376,272
Less: Closing stock	10,696,539	10,337,720
Cost of material consumed	132,348,179	112,038,552

Material consumed comprises:

Dyes & Chemicals	38,551,641	31,691,526
Grey Fabrics	93,796,538	80,347,026
Total	132,348,179	112,038,552

Note 21 b Purchase of traded goods

Finished Fabrics	25,323,408	20,905,160
Total	25,323,408	20,905,160

Note 21 c Changes in inventories of finished goods, work-in-progress and stock-in-trade

Inventories at the end of the year:		
Finished goods	22,439,547	25,845,577
Work-in-progress (Job)	3,096,979	6,002,841
	25,536,526	31,848,418
Inventories at the beginning of the year:		
Finished goods	25,845,577	40,364,539
Work-in-progress (Job)	6,002,841	5,138,664
	31,848,418	45,503,203
Net Increase / (decrease)	(6,311,892)	(13,654,785)

VALUE OF RAW-MATERIAL/STORES/SPARES/GREY FABRICS CONSUMED

	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	2014 ₹	% of Consumption	2013 ₹	% of Consumption
Imported	-	-	-	-
Indigenous	132,348,179	100	112,038,552	100%
	132,348,179	100	112,038,552	100

	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	₹	₹
Note 22 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	28,273,044	27,967,854
Contributions to provident and other funds	3,140,036	2,325,492
Staff welfare expenses	740,283	814,219
Total	32,153,363	31,107,565

As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under

	2013-2014	2012-2013
Employer's Contribution to Provident Fund	1,510,291	1,611,435

Defined Benefit Plan

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

Calculation of changes in PV of Obligation

Particulars	2013-2014	2012-2013
Opening PV of Obligation	4,122,958	3,976,572
Interest Cost	329,837	318,126
Current Service Cost	569,216	552,159
Benefits Paid	(710,329)	(846,878)
Actuarial Gain / Loss	231,126	122,979
PV of Closing Obligation	4,542,808	4,122,958

Calculation of Changes in Fair Value of Plan Asset

	2013-2014	2012-2013
FV of Plan Asset at beginning	5,065,873	4,503,275
Expected Return on Plan Asset	390,673	373,699
Employer Contribution	-	1,035,777
Benefits Paid	(710,329)	(846,878)
Actuarial Gain / (Loss)	-	-
FV of Asset at end	4,746,217	5,065,873

Liability in Balance Sheet

Particulars	2013-2014	2012-2013
Closing PV of Obligation	4,542,808	4,122,958
FV of Plan Asset	4,746,217	5,065,873
Asset/ (Liability) recognised in Balance Sheet	203,409	942,915
Expense in Profit & Loss A/c Statement		
Current Service Cost	569,216	552,159
Interest Cost	329,837	318,126
Expected Return on Plan Asset	(390,673)	(373,699)
Actuarial Loss	231,126	122,979
Actuarial Gain	-	-
Total Expenses Recognised in P & L A/c	739,506	619,565
Actuarial Assumptions		
	31/03/2014	31/03/2013
Discount Rate Per Annum	8%	8%
Rate of Escalation in salary (per annum)	4%	4%
Principal actuarial assumptions at the Balance Sheet date are as follows:		
Mortality Table (LIC)		1994- 1996
Discount rate per annum		8%
Withdrawal rate		1% to 3% depending on age
Retirement age		58 year
The rate of escalation in salary considered in actuarial calculation is estimated taking into account inflation, seniority, promotion and other relevant factors.		
	For the year ended	For the year ended
	31 March, 2014	31 March, 2013
	₹	₹

Note 23 FINANCE COST
Interest expense on:

Borrowings from Directors	286,225	1,614,015
Cash Credit from Bank	1,105	23,470
Trade Deposits	59,280	23,280
Bank Commission Charges	216,504	186,648
Total	563,114	1,847,413

Note 24 OTHER EXPENSES
STORES & SPARES CONSUMED

Opening Stock	2,739,307	2,278,035
Add : Purchases	5,698,760	5,691,741
	8,438,067	7,969,776
Less : Closing Stock	1,470,965	2,739,307
	6,967,102	5,230,469

PACKING MATERIAL CONSUMED

Opening Stock	3,097,600	2,521,417
Add : Purchases	7,752,811	10,157,166
	10,850,411	12,678,583
Less : Closing Stock	2,333,002	3,097,600
	8,517,409	9,580,983

	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	₹	₹
COAL CONSUMED		
Opening Stock	633,615	412,303
Add : Purchases	<u>36,096,598</u>	<u>36,530,861</u>
	36,730,213	36,943,164
Less : Closing Stock	<u>1,295,658</u>	<u>633,615</u>
	<u>35,434,555</u>	<u>36,309,549</u>
POWER & FUEL CONSUMED		
Opening Stock	68,926	62,276
Add : Purchases	<u>20,491,607</u>	<u>19,069,188</u>
	20,560,533	19,131,464
Less : Closing Stock	<u>57,824</u>	<u>68,926</u>
	<u>20,502,709</u>	<u>19,062,538</u>
OTHER MANUFACTURING EXPENSES		
Processing Charges	8,500,470	8,514,013
Embroidery Charges	-	179,766
Design Charges	34,600	236,660
Labour Charges	24,904,411	23,546,193
Carriage & Freight	3,133,701	3,365,484
Testing Fees & Laboratory Charges	110,081	65,729
Packing Charges	2,790,278	2,530,070
Water Charges	7,536,620	6,042,840
Effluent Treatment Expenses	<u>2,814,933</u>	<u>2,636,276</u>
	<u>49,825,094</u>	<u>47,117,031</u>
SELLING DISTRIBUTION AND OTHER EXPENSES		
Commission on Sales	7,007,673	6,786,127
Advertisement Expenses	148,771	105,940
Sales Promotion Expenses	<u>564,692</u>	<u>853,658</u>
	<u>7,721,136</u>	<u>7,745,725</u>
ESTABLISHMENT EXPENSES		
Insurance Charges	734,044	707,793
Rent	1,350,200	1,381,898
Rates & Taxes	467,667	654,681
Traveling & Conveyance	3,027,853	2,491,677
Printing & Stationery	473,789	466,356
Legal & Professional Charges	623,373	631,447
Postage Expenses	438,711	396,607
Miscellaneous Expenses	647,196	676,428
Motor Car Expenses	513,229	555,028
Telephone Charges	547,702	644,983
Electricity Charges	1,254,832	1,341,852
Donation	500,000	62,850
Entertainment Expenses	58,879	25,051
Registration Charges- Leave & Licences	1,140	-
Sundry Balances W/off	-	77,100
Security Transaction Tax	297	3,326

	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	₹	₹
Share Expenses	95	-
Share of loss from Partnership Firms (Audited)	25,327	-
Internet Expenses	143,450	152,153
Society Expenses	174,896	-
	<u>10,982,680</u>	<u>10,269,229</u>
REPAIRS & MAINTENANCE		
To Plant & Machinery	1,199,397	1,467,061
To Building	133,021	118,492
To Others	382,279	549,496
	<u>1,714,697</u>	<u>2,135,049</u>
PAYMENT TO AUDITORS		
As Audit Fees	73,034	73,034
As Tax Audit Fees	20,225	20,225
	<u>93,259</u>	<u>93,259</u>
	<u>141,758,641</u>	<u>137,543,832</u>
25. VALUE OF STORES/SPARES CONSUMED		
	2014	2013
	₹	₹
		% of
		Consumption
Imported	-	-
Indigenous	50,919,066	100
	<u>50,919,066</u>	<u>100</u>
		51,121,001
		100%
		<u>51,121,001</u>
		<u>100</u>
26. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF	2013-2014	2012-2013
Expenditure in foreign currency	37,016	228,578
Earning in foreign currency	-	-
	<u>37,016</u>	<u>228,578</u>
27. EARNING PER SHARE (EPS)	2013-2014	2012-2013
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	17,402,718	16,616,280
Weighted Average number of equity shares used as denominator for calculating EPS	5,592,600	5,592,600
Basic and Diluted Earning per share	3.11	2.97
Face Value per equity share	10	10
28. DEFERRED TAX (LIABILITY)/ ASSETS	2013-2014	2012-2013
LIABILITY		
Accumulated Depreciation	4,047,270	3,517,413
Deferred Tax Liability	4,047,270	3,517,413
ASSETS		
Accrued Expenses deductible on payment basis	-	-
Business Loss	-	-
Net Deferred Tax Liability	<u>4,047,270</u>	<u>3,517,413</u>
The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax		

29 RELATED PARTY DISCLOSURES

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationship

Name of the Related Party	Relationship
Vishwanath Harlalka	Key Managerial Personal
Deepak Harlalka	Key Managerial Personal
Gini Tex Private Limited	Associates
Shree Enterprises	Partner
Gini Construction Co.	Partner
Gini Constructions Pvt Ltd	Associates
Gini Citicorp Reality LLP	Partner

Transactions during the year with related parties

Nature of Transactions	Partner	Associates	Key Managerial Personal	Total
Processing Job Work		69,927,446 <i>63,338,168</i>		69,927,446 <i>63,338,168</i>
Purchase of Grey Fabrics		32,050,108 <i>7,375,309</i>		32,050,108 <i>7,375,309</i>
Rent Paid		1,206,000 <i>1,206,000</i>		1,206,000 <i>1,206,000</i>
Purchase Dyed fabrics		581,259 <i>1,627,658</i>		581,259 <i>1,627,658</i>
Sale of Dyed Fabrics		35,352 <i>1,100,000</i>		35,352 <i>1,100,000</i>
Acceptance of Unsecured Loans			1,550,000 <i>25,700,000</i>	1,550,000 <i>25,700,000</i>
Repayment of Unsecured Loans			7,300,622 <i>36,750,000</i>	7,300,622 <i>36,750,000</i>
Telephone Charges Paid		163,906 <i>135,232</i>		163,906 <i>135,232</i>
Managerial Remuneration			4,800,000 <i>4,800,000</i>	4,800,000 <i>4,800,000</i>
Interest on Unsecured Loan Payment			286,225 <i>1,614,015</i>	286,225 <i>1,614,015</i>
Return of Investments	50,00,000 <i>3,900,000</i>			5,000,000 <i>3,900,000</i>
Share of Profit	31607 <i>15,462</i>			31,607 <i>15,462</i>
Balance as at 31st March, 2014				
Trade Receivables			-	-
Trade Payables			-	-
Loans and Advances			287,008 <i>5,780,027</i>	287,008 <i>5,780,027</i>
Investments	21121720 <i>1,234,079</i>			21,121,720 <i>1,234,079</i>

Figures in italic represents Previous Year's amount

30 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS
Contingent Liability Not Provided For In Respect Of

Central Excise duty Demand of ₹. 215,820 /-for Interest and Penalty on differential amount of Excise duty [The Company has gone in appeal to the Commissioner (Appeal)] (Previous year ₹. 215,820/-)

Liability if any, arising on account of an undertaking given by the company to Excise authorities on account of purchase of land & building from GINI TEX PVT LTD. Of which amount cannot be ascertained.

Commissioner of Central Excise, Thane II has demanded of ₹. 3, 38,418/- on Deemed Credit. The Company has deposited ₹. 1,00,000/- (Previous year ₹. 1,00,000/-)to Asst. Registrar the Customs Excise Service Tax Appellate Tribunal W.Z.B. (Previous year ₹. 3,38,418/-)

Textile Committee has demanded ₹. 2,99,150/- on collection of Cess under the Textile Committee Act & Cess Rules Reg. (Previous year ₹. 2,99,150/-)

Central Excise duty demand for ₹. 1,85,09,688/- for excise duty and interest on differential amount on excise duty (The Central Excise Department has made Special Leave Petition in Supreme Court).(Previous Year ₹ 1,85,09,688/-)

Bank Gurantees of ₹ 1,75,000/- given to the commissioner of custom on account of bond for availing duty exemption under EPCG scheme

Bank Guarantee of ₹ 200,000/- given to the Maharashtra Pollution Control Board

31 Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets

	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	₹	₹
Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	39,000,000	2,994,426

32 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

33 Balances of Trade Receivables, Loans and advances and Trade Payables, Advances from Customers and to Suppliers have been taken as per books awaiting respective confirmation and Reconciliation.

34 There are no dues to Micro & Small Enterprises as on 31st March' 2014. This information as required to be disclosed under the Micro, Small & Medium Enterprise Development Act,2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

35 The company is in process of appointing the Company Secretary, however during the year under audit the company unable to appoint the same.

36 Income Tax assessment is completed up to the Assessment year 2011- 2012.

As per our Report of even date

For Vatsaraj & Co

Chartered Accountants

FRN : 111327W

CA Nitesh K Dedhia

Partner

Membership No, 114893

Place :Mumbai

Date : 27/05/2014

For and on behalf of the Board

Vishwanath Harlalka

Chairman

Deepak Harlalka

Managing Director

Dinesh Poddar

Director



ATTENDANCE SLIP

GINI SILK MILLS LIMITED

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

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting

DP ID*	
--------	--

Folio No.	
-----------	--

Client Id*	
------------	--

No. Of Shares	
---------------	--

NAME AND ADDRESS OF THE SHAREHOLDERS

I hereby record my presence at the 34 th ANNUAL GENERAL MEETING of the Company held on Tuesday, September 16, 2014 At 12.30 P. M. at Maheshwari Pragati Mandal, Maheshwari Bhawan, 603, Girgaon Road, Mumbai – 400002

*Applicable for Investor holding shares in electronic form

Signature of Shareholder/ proxy

.....Tear Here

PROXY FORM



(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

GINI SILK MILLS LIMITED

CIN NO: L17300MH1981PLC024184

Registered Office: 413, Tantia Jogani Industrial. Estate, J.R.Boricha Marg, Lower Parel, Mumbai – 400 011.

Name of the member (s) :	
Registered address :	
E-mail Id :	
Folio No./Client Id :	
DP ID :	

I/We being the member(s) of _____ shares of Gini Silk Mills Limited hereby appoint:

(1) Name: _____

Address: _____

E-mail ID: _____

Signature: _____, or failing him;

(2) Name: _____

Address: _____

E-mail ID: _____

Signature: _____, or failing him;

(3) Name: _____

Address: _____

E-mail ID: _____

Signature: _____

.....Tear Here

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on Tuesday, September 16, 2014 at 12:30 p.m. at Maheshwari Pragati Mandal, Maheshwari Bhawan, 603, Girgaon Road, Mumbai 40002.and at any adjournment thereof in respect of such resolutions as are indicated below:

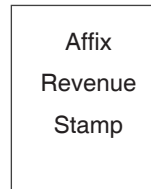
Item No.	Resolutions	Type of Resolution	I/We assent to the resolution (For)	I/We assent to the resolution (Against)
1	Adoption of Audited Financial Statements for the financial year ended March 31, 2014	Ordinary		
2	Approval of dividend of Re.0.50 paise per equity share for the financial year ended March 31, 2014	Ordinary		
3	Re-appointment of Mr. Rajendra Kumar Rajgarhia as a Director, who retires by rotation.	Ordinary		
4	Appoint Auditors and fix their remuneration	Ordinary		
5	Appointment of Mr. Ramprasad Ramrikhdas Poddar as an Independent Director.	Ordinary		
6	To approve the borrowing limits of the company.	Special		

Note: Notwithstanding the above, the Proxies can vote on such other items which may be tabled at the meeting by the members present.

Signed this _____ day of _____ 2014

Signature of shareholder _____

Signature of Proxy holder _____



- Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Notwithstanding the above, Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.

BY - COURIER

To,

If Undelivered Please Return to :

GINI SILK MILLS LIMITED
413, Tantia Jogani Industrial Premises
J. R. Boricha Marg,
Lower Parel (E), Mumbai - 400 011.