



GINI SILK MILLS LIMITED



Fine Fabrics Since 1963

37th
Annual Report 2016 - 2017

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BOARD OF DIRECTORS :
Vishwanath Harlalka

Executive Chairman

Deepak Harlalka

Managing Director

Suresh Gaggar
Pankajkumar Agarwal
Anjali Harlalka
Ruchir Jalan

Directors

REGISTERED OFFICE:
GINI SILK MILLS LIMITED
CIN: L17300MH1981PLC024184

413, Tantia Jogani Industrial Estate Premises,

Opp. Kasturba Hospital, J. R. Boricha Marg,

Lower Parel (East), Mumbai-400011

Tel. No: 022- 40750601

E-Mail: ginitex@rediffmail.com

Website: www.ginitex.com

BANKERS:

State Bank of India

Kotak Mahindra Bank Limited

AUDITORS:

M/s. Vatsaraj & Co.

Chartered Accountants

SECRETARIAL AUDITORS:

Sandeep Dar & Co. Company Secretaries

37TH ANNUAL REPORT 2017:
Date : AUGUST 29, 2017

Time : 12.30 P.M.

Venue : Maheshwari Pragati Mandal,
 Maheshwari Bhawan,
 603, Girgaon Road, Mumbai-400002.

REGISTRAR & TRANSFER AGENT:
BIGSHARE SERVICES PVT. LTD

1st Floor, Bharat Tin Works Building,

Opp. Vasant Oasis Makwana Road

Marol, Andheri East Mumbai 400059

Tel. No: 022-62638200

Fax. No.: 022-62638299

E-mail: investor@bigshareonline.com

Website: www.bigshareonline.com

THIRTY SEVENTH ANNUAL GENERAL MEETING

 held on **Tuesday, 29th August, 2017 at 12.30 P.M**
 at Maheshwari Pragati Mandal, Maheshwari Bhawan,
 603, Girgaon Road, Mumbai - 400 002.

NOTICE

NOTICE is hereby given that the 37th Annual General Meeting of the Company will be held on Tuesday, 29th August, 2017 at 12.30 P.M. at **Maheshwari Pragati Mandal, Maheshwari Bhawan, 603, Girgaon Road, Mumbai - 400002** to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2017 and the Profit and Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To declare dividend on equity shares for the financial Year 2016-2017.
3. To appoint a Director in place of Mr. Vishwanath Harlalka (DIN- 00170432), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s. Bilimoria Mehta & Co., Chartered Accountants, Mumbai (FRN 101490W) as Statutory Auditors of the Company to hold office for the term of five consecutive years and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution.

“RESOLVED THAT pursuant to the provisions of section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, and the recommendations of Audit Committee and Board of Directors, M/s. Bilimoria Mehta & Co., Chartered Accountants (FRN: 101490W), Mumbai be and are hereby appointed as Statutory Auditors of the Company in the place of retiring auditors, M/s Vatsaraj & Co., Chartered Accountants(FRN 111327W) to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Annual General Meeting to be held in 2022 subject to ratification by the members at every AGM held after this AGM of the Company, on a remuneration as may be agreed upon by the Board of Directors and the Auditors.”

Registered Office:

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

Date: July 12, 2017

Place: Mumbai

By Order of the Board
GINI SILK MILLS LIMITED

Vishwanath Harlalka
Chairman

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

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

2. The register of members and share transfer books will remain closed from Thursday, August 24, 2017 to Tuesday, August 29, 2017. (Both days inclusive).
3. Dividend, after declaration, shall be disbursed to the members:-
 - a. Whose name appears as beneficial owners as at the end of business hours on Wednesday, August 23, 2017 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited, in respect of the shares held in electronic form.
 - b. Whose names appear as members in the register of members of the Company after giving effect to valid transfers in physical form lodged with the Company or Registrar and Share Transfer Agents on or before August 23, 2017.
4. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so that the information is made available by the management at the day of the meeting.
5. Shareholders holding shares in physical form are requested to intimate any change in their residential address to Bigshare Services Pvt. Ltd, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400 059, Maharashtra, Registrar and Transfer Agent of the Company immediately.
6. Shareholders who are holding shares in Demat mode are requested to notify any change in their residential address, bank account details and/ or email address immediately to their respective depository participants.
7. Shareholders who have not registered their email Id's so far are requested to register their e-mail address for receiving all communication including Annual Report, Notice, Circulars, etc. from the Company electronically.
8. The Company has appointed M/s. Sandeep Dar & Co., Practicing Company Secretaries, Navi Mumbai, to act as the scrutinizer, to scrutinize the remote e-voting and physical votes received through ballot in accordance with the law in a fair and transparent manner.

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

The company is pleased to offer remote e-voting facility, for all its members to enable them to cast their vote electronically in term of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Facility for voting through ballot/ polling paper will be made available at the venue of the AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights through ballot papers at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

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

- (i) The voting period begins on Saturday, August 26, 2017 at 09:00 A.M and ends on Monday, August 28, 2017 at 05:00 P.M. Members holding Shares in physical or in Demat form as on cut off date i.e. Tuesday, August 22, 2017 shall only be eligible for e-voting.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on "Shareholders" tab.

- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach to the 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the GINI SILK MILLS LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- (xviii) Shareholder can also cast their vote using CDSL's mobile app 'CDSL m-Voting' available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non-individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:evoting@cdslindia.com).
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

In case of Members receiving the Physical Copy:

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

II. Voting Through Ballot:

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

III. Other Instructions

- i. A Member can opt for only one mode of voting i.e. either through e-voting or ballot. If a Member casts his / her vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.
10. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts.

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

Registered Office:

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

Date: July 12, 2017

Place: Mumbai

By Order of the Board
GINI SILK MILLS LIMITED

Vishwanath Harlalka
Chairman

DIRECTOR'S REPORT

To,
The Members of **GINI SILK MILLS LIMITED**

Your Directors have pleasure in presenting their 37th Annual Report on the business and operations of the Company and Audited Statement of Accounts for the year ended 31st March, 2017.

1. FINANCIAL HIGHLIGHTS:

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

(₹ in Lakhs)

| Sr No. | Particulars | 2016-2017 | 2015-2016 |
|--------|--|----------------|-----------|
| 1. | REVENUE | | |
| | Net Sales/ Income from operation | 3911.61 | 4075.39 |
| | Other Income | 213.23 | 149.83 |
| | Total | 4124.84 | 4225.22 |
| 2. | LESS: EXPENDITURE | | |
| | Cost of Materials Consumed | 1595.55 | 1084.90 |
| | Purchases of Traded Goods | 186.17 | 603.11 |
| | (Increase)/ Decrease in Inventories of Finished Goods and Stock in Process | 12.32 | (81.73) |
| | Employee Benefit Expenses | 367.68 | 391.45 |
| | Financial Cost | 143.85 | 147.45 |
| | Depreciation and Amortization Expense | 96.80 | 92.00 |
| | Other Expenses | 1412.97 | 1658.77 |
| | Total | 3815.34 | 3895.95 |
| 3. | Profit Before Tax | 309.50 | 329.27 |
| 4. | Provision for Taxation | | |
| | i) Current Tax | 82.00 | 65.00 |
| | ii) Deferred Tax | 11.63 | 81.05 |
| | iii) (Excess)/ Short provisions written back of earlier years | (25.79) | 2.77 |
| 5. | Profit After Tax | 241.66 | 180.45 |
| 6. | Balance Carried from Previous Year | 2403.09 | 2256.33 |
| 7. | Amount Available for Appropriation | 2644.75 | 2436.77 |
| 8. | Appropriations: | | |
| | Interim Dividend | - | (27.96) |
| | Proposed Dividend | - | - |
| | Dividend Distribution Tax | - | (5.72) |
| | Prior Period Items | - | - |
| | Depreciation as per schedule II of Companies Act, 2013 | 4.23 | - |
| 9. | Balance carried to Balance Sheet | 2648.98 | 2403.10 |
| | Basic/ Diluted Earnings per Equity Shares | 4.32 | 3.23 |

2. DIVIDEND:

We are pleased to announce that the Board of Directors has recommended ₹ 0.50/- per Equity Share of ₹ 10/- each (i. e. 5% of Face Value) aggregating to ₹ 27,96,300 (excluding Dividend Distribution Tax as applicable) for the Year Ended on March 31, 2017.

3. RESERVES:

No amount out of current year's Profits is transferred to the Reserves and Surplus.

4. OPERATIONS:

Our Revenue from operations during the period under review has decreased to ₹. 3911.61 Lakhs from ₹. 4075.39 Lakhs in the Previous Year. i. e. a decrease of 4.02% in the Financial Year 2016-17.

During the period under review the Profit After Tax (PAT) stood at 241.66 Lakhs (Previous Year ₹. 180.45 Lakhs). There is a increase of 33.92 % in Net Profit after tax as compared to Previous Year. The performance for the coming years is expected to improve upon from the last year if right macroeconomic indicators are achieved in future.

5. DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors' confirm that—

- in the preparation of the Annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- the Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the Annual accounts on a going concern basis; and
- the Directors had laid down Internal Financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6. EXTRACT OF ANNUAL RETURN:

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

7. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

8. DIRECTORS OR KEY MANAGERIAL PERSONNEL APPOINTMENTS / RESIGNATIONS DURING THE YEAR:

The following change took place during the financial year 2016-17 under review:

| Name of the Person | Designation | Date of Change | Nature of Change Appointment/ Resignation |
|----------------------|-------------|----------------|---|
| Mr. Ruchir Jalan | Director | 30/05/2016 | Appointment |
| Mr. Ramprasad Poddar | Director | 01/06/2016 | Resignation |

9. (1) PARTICULARS OF EMPLOYEES:

| Sr. No | Particulars | Remarks |
|--------|--|---|
| 1. | The Ratio of the Remuneration of each Director to the median Remuneration of the Employees of the Company for the Financial Year. | a) Mr. Vishwanath Harlalka, Executive Chairman - 12.99:1 b) Mr. Deepak Harlalka, Managing Director - 12.99:1 |
| 2. | The percentage increase in the Remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year. | a) Mr. Vishwanath Harlalka - Nil b) Mr. Deepak Harlalka - Nil |

| | | |
|----|---|---|
| 3. | The percentage Decrease in the median Remuneration of Employees in the financial year. | 8.38% |
| 4. | The number of permanent Employees on the rolls of Company. | 107 |
| 5. | Average percentile increase already made in the salaries of Employees other than Managerial personnel in the last financial year and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration. | There has been no increase in the salaries of the Employees other than Managerial personnel in the last financial year. |
| 6. | Affirmation that the Remuneration is as per the Remuneration Policy of the Company. | It is hereby affirmed that the Remuneration is as per the Remuneration Policy of the Company. |

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

There are no Employees drawing Remuneration exceeding Rupees One Crore and Two Lakhs per annum if employed throughout the financial year or Rupees Eight Lakh and Fifty Thousand per month if employed for part of the financial year or draws Remuneration in excess of Managing Director or Whole time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the Equity Shares of the Company.

10. NUMBER OF MEETINGS OF BOARD DURING THE YEAR:

| Sr. no | Particulars | No. of Meetings held |
|--------|---|----------------------|
| 1. | Board Meetings | Four |
| 2. | Audit Committee Meetings | Four |
| 3. | Nomination and Remuneration Committee Meeting | One |
| 4. | Independent Directors Meeting | One |

11. FORMAL ANNUAL EVALUATION:

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance and working of its Committees. The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, its structure and composition, establishment and delegation of responsibilities to various Committees. Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management of the Company. Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole.

12. DECLARATION BY AN INDEPENDENT DIRECTOR:

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

13. REMUNERATION POLICY:

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

14. STATUTORY AUDITORS:

The Auditors M/s. Vatsaraj & Co. Chartered Accountants, (FRN No. 111327W) Mumbai, will retire at the ensuing Annual General Meeting. They have completed consecutive tenure of ten years (including transition period) as provided under sub-section (2) of Section 139 of the Companies Act, 2013 (the "Act"). In view of the above and on the recommendation of the Audit Committee, the Board of Directors have proposed the appointment of M/s Bilimoria Mehta & Co., Chartered Accountants, Mumbai (FRN: 101490W) as Statutory Auditors of the Company for the terms of five consecutive years subject to ratification of reappointment by the members at every AGM held after this AGM with effect from conclusion of ensuing Annual General Meeting.

M/s. Bilimoria Mehta & Co., Chartered Accountants, have confirmed that their appointment, if made, would be in accordance with Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014. They have further confirmed that they satisfy the criteria prescribed under Section 141 of the Act.

15. SECRETARIAL AUDIT REPORT:

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

16. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

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

17. COMPOSITION OF AUDIT COMMITTEE:

Composition of Audit Committee as on March 31, 2017 as required under section 177(8) of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. Mr. Suresh Gaggar - Chairman
2. Mr. Pankaj Kumar Agarwal - Member
3. Mr. Ruchir Jalan - Member

18. SIGNIFICANT MATERIAL CHANGES:

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

19. RISK MANAGEMENT:

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

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

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

21. DEPOSITS:

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

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

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

| Sr. No. | Name | Amount (₹) |
|---------|------------------------|------------|
| 1. | Mukand Limited | 100 Lakhs |
| 2. | Babcock Borsig Limited | 100 Lakhs |
| 3. | Mukand Limited | 100 Lakhs |

23. CORPORATE GOVERNANCE:

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

A report on Corporate Governance, along with a certificate from the Statutory Auditors on compliance with Corporate Governance norms forms an integral part of this report.

24. MANAGEMENT DISCUSSION AND ANALYSIS:

I. Industry Structure and Developments

The Indian Textiles industry is extremely varied, with the hand-spun and hand-woven Textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The close linkage of the Textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of Textiles make the Indian Textiles sector unique in comparison to the industries of other countries, it has the capacity to produce a wide variety of products suitable to different market segments.

India has a very powerful and impressive cotton yarn and fabric business sector that will now be looking at what it can achieve in the non-cotton and cotton/man-made blends and 100-percent man-made textiles. The sector appears to have the confidence and capability to shift its focus towards India's growing man-made textile industry.

II. Opportunities and Challenges

The Textiles industry is labour intensive and is one of the largest employers. The future for the Indian Textile industry looks encouraging in the long term, backed by both strong domestic consumption as well as export demand.

Competing with other progressing countries, striking a balance between demand and supply considering Environmental and international labour laws are the major challenges.

Being the largest employer in India coupled with strong industry linkages with the rural economy augurs Indian textile industry as one of the most significant sectors with an incremental growth potential. Rural economy has seen a spurt in income levels the last few years and this is the right time to juxtapose their synergies to promote the industry growth. Being one of the key focus sectors under the Government's "Make in India" campaign is a testimony to the huge growth potential the industry holds, both in terms of infrastructure development and skill improvement. Globally, favourable trade policy reforms would also allow the industry to expand its trade partners, improve its export competitiveness and contribute substantially to the nation's income.

However, the growth prospects are constrained by many challenges including rising input costs (wages, power and interest cost), restrictive labour laws. Such issues need to be addressed to result in unlocking maximum industry growth potential.

III. Segment-Wise or Product-Wise Performance

In textiles, our product is very well accepted by our customers & we are in the process of increasing our customer portfolio.

IV Outlook

Your Company's future growth will be driven by volume growth across the entire business unit. In the immediate future your Company will focus on its core strengths product segments. Its focus on building marketing & distribution foot-prints shall continue with renewed vigor during the coming year. On the whole, your Company is optimistic for the outlook of growth in the short to medium term in terms of total revenues/ turnover and operating margins considering overall expected positive trend in textiles industry.

V Risk and Concerns

A key factor in determining a company's capacity to create sustainable value is the risk that the company is willing to take and its ability to manage them effectively. The Company's Risk Management processes focuses on ensuring that risks are identified on a timely basis and addressed.

Foreseeing the concerns, the Company manages to identify, evaluate, and monitor non-business risks.

VI Internal Control Systems and their Adequacy

The existing internal controls are adequate and commensurate with the nature, size, complexity of the Business and its Processes. During the year the Company has laid down the framework for ensuring adequate internal controls and to ensure its effectiveness, necessary steps were taken by the Company.

VII. Discussion on financial performance with respect to Operational Performance

During the year under review, your company has registered a turnover of ₹ 3911.61 Lakhs as compared to ₹ 4075.39 Lakhs in the previous year.

The sales revenue from Processing of Fabric is ₹ 1889.72 Lakhs as compared to previous year ₹ 2371.40 Lakhs.

VIII. Material developments in human resources/ industrial relations front, including number of people employed

Your Company has cordial relations with its employees. The company commends the commitment, dedication and competence shown by its employees in all aspects of business. With the growing requirements of the company, Company has taken necessary initiatives to ensure not only the retention of the employees but also their growth and 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'.

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

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

The following is a summary of sexual harassment complaint received or dispose of during the year 2016-17:

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

26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8 (3) OF COMPANIES (ACCOUNTS) RULES, 2014**A) CONSERVATION OF ENERGY:**

- (i) The steps taken or impact on conservation of energy - Energy conservation continues to receive priority attention at all levels by regular monitoring of all equipments and devices which consume electricity.
- (ii) The steps taken by the company for utilizing alternate sources of energy - Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- (iii) The capital investment on energy conservation equipments – Since Company is having adequate equipment, no capital investment on energy conservation equipments is made during the year.

B) TECHNOLOGY ABSORPTION:

- (i) The efforts made towards technology absorption - Not Applicable
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution - Not Applicable

- (iii) In the case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable.
 - (a) The details of technology imported - Not Applicable
 - (b) The year of import - Not Applicable
 - (c) Whether the technology been fully absorbed - Not Applicable
 - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - Not Applicable
- (iv) The expenditure incurred on Research and 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.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

Maharashtra Pollution Control Board directed the Company to stop operations of the factory at Tarapur till certain pollution control measures are implemented by the Company. We are happy to inform that Company has duly complied with the directions of the MPCB and re-commenced the operations.

28. ACKNOWLEDGEMENT:

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

**BY ORDER OF THE BOARD
FOR GINI SILK MILLS LIMITED**

Vishwanath Harlalka
Chairman

Registered Office:

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

Date: July 12, 2017

Place: Mumbai

ANNEXURE I
Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | |
|---|--|
| CIN | L17300MH1981PLC024184 |
| Registration Date | 03/04/1981 |
| Name of the Company | Gini Silk Mills Limited |
| Category / Sub-Category of the Company | Company Limited by shares |
| Address of the Registered office and contact details | 413, Jogani Industrial Estate, Opp. Kasturba -Hospital, J. R. Boricha Marg, Lower Parel (East), Mumbai- 400011. |
| Whether listed Company | Yes |
| Name, Address and Contact details of Registrar and Transfer Agent, if any | Bigshare Services Pvt. Ltd 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri East, Mumbai 400059 Maharashtra. Tel:+91 22 62638200 Fax:+91 22 62638299 Email : info@bigshareonline.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

| SL No | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the Company |
|-------|--|----------------------------------|------------------------------------|
| 1 | Fabrics – Shirting and Suiting | 13131/13136 | 51.68% |
| 2 | Processing fabrics – Job work | 13134 | 48.31% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):
(i) Category-wise Share Holding

| Category of Shareholder | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---------------------------|---|----------|--------------------|-------------------|---|----------|--------------------|-------------------|--------------------------|
| | Demat | Physical | Total No of Shares | % of Total Shares | Demat | Physical | Total No of Shares | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| 1) Indian | | | | | | | | | |
| a) Individual/ HUF | 4173410 | - | 4173410 | 74.62 | 4173410 | - | 4173410 | 74.6238 | 0.00 |
| b) Central Govt. | - | - | - | - | - | - | - | - | - |
| c) State Govt. | - | - | - | - | - | - | - | - | - |
| d) Bodies Corporate | 20050 | - | 20050 | 0.36 | 20050 | - | 20050 | 0.36 | 0.00 |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any Other | - | - | - | - | - | - | - | - | - |
| Sub total (A)(1) : | 4193460 | - | 4193460 | 74.98 | 4193460 | - | 4193460 | 74.98 | 0.00 |
| 2) Foreign | | | | | | | | | |
| a) NRI-Individuals | - | - | - | - | - | - | - | - | - |
| b) Other Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporate | - | - | - | - | - | - | - | - | - |

| Category of Shareholder | | | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|-------------------------------|-----------|--|---|--------------|--------------------|-------------------|---|--------------|--------------------|-------------------|--------------------------|
| | | | Demat | Physical | Total No of Shares | % of Total Shares | Demat | Physical | Total No of Shares | % of Total Shares | |
| | d) | Banks / FI | - | - | - | - | - | - | - | - | |
| | e) | Any Other | - | - | - | - | - | - | - | - | |
| | | Sub total (A)(2) : | - | - | - | - | - | - | - | - | |
| | | Total holding for promoters (A)=(A)(1) + (A)(2) | 4193460 | - | 4193460 | 74.98 | 4193460 | - | 4193460 | 74.98 | 0.00 |
| B. Public Shareholding | | | | | | | | | | | |
| | 1. | Institutions | | | | | | | | | |
| | a) | Mutual Funds | - | - | - | - | - | - | - | - | |
| | b) | Banks / FI | - | - | - | - | - | - | - | - | |
| | c) | Central Govt | - | - | - | - | - | - | - | - | |
| | d) | State Govt(s) | - | - | - | - | - | - | - | - | |
| | e) | Venture Capital Funds | - | - | - | - | - | - | - | - | |
| | f) | Insurance Companies | - | - | - | - | - | - | - | - | |
| | g) | FIs | - | - | - | - | - | - | - | - | |
| | h) | Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | |
| | i) | Others(specify) | - | - | - | - | - | - | - | - | |
| | | Sub total (B)(1) : | - | - | - | - | - | - | - | - | |
| | 2. | Non-Institutions | | | | | | | | | |
| | a) | Bodies Corp. | | | | | | | | | |
| | i) | Indian | 1124759 | 3800 | 1128559 | 20.18 | 892868 | 3800 | 896668 | 16.03 | (4.15) |
| | ii) | Overseas | - | - | - | - | - | - | - | - | |
| | b) | Individuals | | | | | | | | | |
| | i) | Individual shareholders holding nominal share capital upto ₹ 1 lakh | 146428 | 50507 | 196935 | 3.52 | 139697 | 32407 | 172104 | 3.08 | (0.44) |
| | ii) | Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 71463 | - | 71463 | 1.28 | 55183 | - | 55183 | 0.99 | (0.29) |
| | c) | Others (specify) | | | | | | | | | |
| | i) | NRI/OBC | 115 | - | 115 | 0.002 | 274462 | - | 274462 | 4.91 | 4.91 |
| | ii) | Trust | - | - | - | - | - | - | - | - | |
| | iii) | Clearing members | 2068 | - | 2068 | 0.04 | 638 | - | 638 | 0.01 | (0.03) |
| | iv) | Qualified Foreign Investor | - | - | - | - | 85 | - | 85 | 0.00 | 0.00 |
| | | Sub total (B)(2) : | 1344833 | 54307 | 1399140 | 25.02 | 1362933 | 36207 | 1399140 | 25.02 | 0.00 |
| | | Total Public Shareholding (B)=(B)(1) + (B)(2) | 1344833 | 54307 | 1399140 | 25.02 | 1362933 | 36207 | 1399140 | 25.02 | 0.00 |
| | | Total (A) + (B) : | 5538293 | 54307 | 5592600 | 100.00 | 5556393 | 36207 | 5592600 | 100.00 | 0.00 |
| | C. | Share held by Custodians for (GDRs & ADRs) | - | - | - | - | - | - | - | - | |
| | | Grand Total (A) + (B) + (C) | 5538293 | 54307 | 5592600 | 100.00 | 5556393 | 36207 | 5592600 | 100.00 | 0.00 |

(ii) Shareholding of Promoters:

| SI No | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during the year |
|-------|--|---|----------------------------------|---|--------------------------------------|----------------------------------|---|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | |
| 1. | Deepak Harlalka-HUF | 863350 | 15.4374 | - | 863350 | 15.4374 | - | - |
| 2. | Vishwanath Harlalka | 1890660 | 33.80 | - | 1890660 | 33.80 | - | - |
| 3. | Vimla Harlalka | 508500 | 9.024 | - | 508500 | 9.024 | - | - |
| 4. | Deepak Harlalka | 309600 | 5.5359 | - | 309600 | 5.5359 | - | - |
| 5. | Anjali Harlalka | 350400 | 6.2654 | - | 350400 | 6.2654 | - | - |
| 6. | Pranav Harlalka | 202400 | 3.6191 | - | 202400 | 3.6191 | - | - |
| 7. | Vishwanath Harlalka-HUF | 38500 | 0.6884 | - | 38500 | 0.6884 | - | - |
| 8. | Sewaram Harlalka Investments Private Ltd | 20050 | 0.3585 | - | 20050 | 0.3585 | - | - |
| 9. | Manju Sonthalia | 10000 | 0.1788 | - | 10000 | 0.1788 | - | - |
| | Total | 4193460 | 74.9823 | - | 4193460 | 74.9823 | - | - |

(iii) **Change in Promoters' Shareholding:** There was no change in the Shareholding of the Promoters during the year.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| SI. No. | NAME | No. of shares at the beginning/ End of the year | Date | Increase/ Decrease in shareholding | Reason | Number of Shares | Percentage of total shares of the Company |
|---------|------------------------------|---|-----------|------------------------------------|----------|------------------|---|
| 1 | GARNET INTERNATIONAL LIMITED | 7,32,868 | 30-Jun-16 | (11,868) | Transfer | 7,21,000 | 12.89 |
| | | | 01-Jul-16 | (3,000) | Transfer | 7,18,000 | 12.84 |
| | | | 12-Aug-16 | (11,630) | Transfer | 7,06,370 | 12.63 |
| | | | 19-Aug-16 | (2,080) | Transfer | 7,04,290 | 12.59 |
| | | | 21-Oct-16 | (5,535) | Transfer | 6,98,755 | 12.49 |
| | | | 16-Dec-16 | 6,98,755 | Transfer | 13,97,510 | 24.99 |
| | | | 23-Dec-16 | (6,99,255) | Transfer | 6,98,255 | 12.49 |
| | | | 13-Jan-17 | (25,000) | Transfer | 6,73,255 | 12.04 |
| | | | 20-Jan-17 | (48,194) | Transfer | 6,25,061 | 11.18 |
| | | | 03-Feb-17 | (7,600) | Transfer | 6,17,461 | 11.04 |
| | | | 10-Feb-17 | (31,400) | Transfer | 5,86,061 | 10.48 |
| | | | 24-Feb-17 | (90,355) | Transfer | 4,95,706 | 8.86 |
| | | | 03-Mar-17 | (25,000) | Transfer | 4,70,706 | 8.42 |
| | | | 10-Mar-17 | 14,572 | Transfer | 4,85,278 | 8.68 |
| | | | 17-Mar-17 | 59,000 | Transfer | 5,44,278 | 9.73 |
| | | | 24-Mar-17 | 46,912 | Transfer | 5,91,190 | 10.57 |
| | | | 31-Mar-17 | 34,598 | Transfer | 6,25,788 | 11.19 |
| | | 6,25,788 | 31-Mar-17 | - | - | 6,25,788 | 11.19 |
| 2 | BALRAM CHAINRAI | - | 13-Jan-17 | 2,73,000 | Transfer | 2,73,000 | 4.88 |
| | | | 20-Jan-17 | 1,400 | Transfer | 2,74,400 | 4.91 |
| | | 2,74,400 | 31-Mar-17 | - | - | 2,74,400 | 4.91 |
| 3 | RELIGARE FINVEST LTD | 2,34,700 | 29-Jul-16 | (500) | Transfer | 2,34,200 | 4.19 |
| | | | 16-Dec-16 | 2,34,200 | Transfer | 4,68,400 | 8.38 |
| | | | 23-Dec-16 | (2,34,200) | Transfer | 2,34,200 | 4.19 |

| Sl. No. | NAME | No. of shares at the beginning/ End of the year | Date | Increase/ Decrease in shareholding | Reason | Number of Shares | Percentage of total shares of the Company |
|---------|------------------------|---|-----------|------------------------------------|----------|------------------|---|
| | | | 17-Mar-17 | (200) | Transfer | 2,34,000 | 4.18 |
| | | 2,34,000 | 31-Mar-17 | - | - | 2,34,000 | 4.18 |
| 4. | ANIL RAJKUMAR CHOKHANI | 43,800 | - | - | - | 43,800 | 0.78 |
| | | 43,800 | 31-Mar-17 | - | - | 43,800 | 0.78 |
| 5 | HEM SECURITIES LIMITED | 92 | 08-Apr-16 | 100 | Transfer | 192 | 0.00 |
| | | | 15-Apr-16 | 100 | Transfer | 292 | 0.01 |
| | | | 29-Apr-16 | 100 | Transfer | 392 | 0.01 |
| | | | 13-May-16 | (100) | Transfer | 292 | 0.01 |
| | | | 20-May-16 | 50 | Transfer | 342 | 0.01 |
| | | | 27-May-16 | 50 | Transfer | 392 | 0.01 |
| | | | 03-Jun-16 | 50 | Transfer | 442 | 0.01 |
| | | | 17-Jun-16 | (100) | Transfer | 342 | 0.01 |
| | | | 30-Jun-16 | 13 | Transfer | 355 | 0.01 |
| | | | 22-Jul-16 | 54 | Transfer | 409 | 0.01 |
| | | | 29-Jul-16 | (4) | Transfer | 405 | 0.01 |
| | | | 19-Aug-16 | 1,900 | Transfer | 2,305 | 0.04 |
| | | | 02-Sep-16 | (100) | Transfer | 2,205 | 0.04 |
| | | | 15-Sep-16 | 50 | Transfer | 2,255 | 0.04 |
| | | | 23-Sep-16 | (1,812) | Transfer | 443 | 0.01 |
| | | | 30-Sep-16 | 100 | Transfer | 543 | 0.01 |
| | | | 07-Oct-16 | 100 | Transfer | 643 | 0.01 |
| | | | 14-Oct-16 | (100) | Transfer | 543 | 0.01 |
| | | | 28-Oct-16 | (100) | Transfer | 443 | 0.01 |
| | | | 04-Nov-16 | 12 | Transfer | 455 | 0.01 |
| | | | 23-Dec-16 | (12) | Transfer | 443 | 0.01 |
| | | | 20-Jan-17 | 358 | Transfer | 801 | 0.01 |
| | | | 03-Feb-17 | (250) | Transfer | 551 | 0.01 |
| | | | 24-Mar-17 | (49) | Transfer | 502 | 0.01 |
| | | 19,808 | 31-Mar-17 | 19,306 | Transfer | 19,808 | 0.35 |
| 6. | KIRTI GAGGAR | - | 31-Mar-17 | 11,383 | Transfer | 11,383 | 0.20 |
| 7. | UMA S. PARIKH | 10,000 | 16-Dec-16 | 10,000 | Transfer | 20,000 | 0.36 |
| | | | 23-Dec-16 | (10,000) | Transfer | 10,000 | 0.18 |
| | | 10,000 | 31-Mar-17 | - | - | 10,000 | 0.18 |
| 8. | VANDANA SARAWGI | | 05-Aug-16 | 8,000 | Transfer | 8,000 | 0.14 |
| | | | 16-Dec-16 | 8,000 | Transfer | 16,000 | 0.29 |
| | | | 23-Dec-16 | (8,000) | Transfer | 8,000 | 0.14 |
| | | 8,000 | 31-Mar-17 | - | - | 8,000 | 0.14 |
| 9. | VRINDA CHAUDHARY | - | 28-Oct-16 | 8,000 | Transfer | 8,000 | 0.14 |
| | | 8,000 | 31-Mar-17 | - | - | 8,000 | 0.14 |
| 10 | HEMAL PRAMOD SHAH | 100 | 22-Apr-16 | 242 | Transfer | 342 | 0.01 |
| | | | 29-Apr-16 | 200 | Transfer | 542 | 0.01 |
| | | | 06-May-16 | 100 | Transfer | 642 | 0.01 |

| Sl. No. | NAME | No. of shares at the beginning/ End of the year | Date | Increase/ Decrease in shareholding | Reason | Number of Shares | Percentage of total shares of the Company |
|---------|------|---|-----------|------------------------------------|----------|------------------|---|
| | | | 13-May-16 | 952 | Transfer | 1,594 | 0.03 |
| | | | 03-Jun-16 | 55 | Transfer | 1,649 | 0.03 |
| | | | 17-Jun-16 | (261) | Transfer | 1,388 | 0.02 |
| | | | 30-Jun-16 | (325) | Transfer | 1,063 | 0.02 |
| | | | 08-Jul-16 | 50 | Transfer | 1,113 | 0.02 |
| | | | 15-Jul-16 | 5 | Transfer | 1,118 | 0.02 |
| | | | 22-Jul-16 | 563 | Transfer | 1,681 | 0.03 |
| | | | 29-Jul-16 | (464) | Transfer | 1,217 | 0.02 |
| | | | 05-Aug-16 | 13 | Transfer | 1,230 | 0.02 |
| | | | 26-Aug-16 | 72 | Transfer | 1,302 | 0.02 |
| | | | 09-Sep-16 | 1,930 | Transfer | 3,232 | 0.06 |
| | | | 30-Sep-16 | (1,000) | Transfer | 2,232 | 0.04 |
| | | | 07-Oct-16 | 115 | Transfer | 2,347 | 0.04 |
| | | | 28-Oct-16 | 100 | Transfer | 2,447 | 0.04 |
| | | | 09-Dec-16 | 2 | Transfer | 2,449 | 0.04 |
| | | | 16-Dec-16 | 2,531 | Transfer | 4,980 | 0.09 |
| | | | 23-Dec-16 | (2,490) | Transfer | 2,490 | 0.04 |
| | | | 30-Dec-16 | 1,502 | Transfer | 3,992 | 0.07 |
| | | | 17-Feb-17 | (500) | Transfer | 3,492 | 0.06 |
| | | | 24-Mar-17 | 3,861 | Transfer | 7,353 | 0.13 |
| | | 7,353 | 31-Mar-17 | - | - | 7,353 | 0.13 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No | For Each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|-----------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1. | Vishwanath Harlalka | | | | |
| | At the beginning of the year | 18,90,660 | 33.81 | 18,90,660 | 33.81 |
| | - Bought during the year | - | - | - | - |
| | - Sold during the year | - | - | - | - |
| | At the end of the year | 18,90,660 | 33.81 | 18,90,660 | 33.81 |
| 2. | Deepak Harlalka | | | | |
| | At the beginning of the year | 3,09,600 | 5.54 | 3,09,600 | 5.54 |
| | - Bought during the year | - | - | - | - |
| | - Sold during the year | - | - | - | - |
| | At the end of the year | 3,09,600 | 5.54 | 3,09,600 | 5.54 |
| 3. | Anjali Harlalka | | | | |
| | At the beginning of the year | 3,50,400 | 6.27 | 3,50,400 | 6.27 |
| | - Bought during the year | - | - | - | - |
| | - Sold during the year | - | - | - | - |
| | At the end of the year | 3,50,400 | 6.27 | 3,50,400 | 6.27 |

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In Lakhs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|--|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount due | 444.98 | 482.51 | - | 927.49 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 6.42 | 58.55 | - | 64.97 |
| Total (i+ii+iii) | 451.40 | 541.06 | - | 992.46 |
| Change in Indebtedness during the financial year | | | | |
| Addition | - | 1,349.69 | - | 1,349.69 |
| Reduction | (88.95) | (1,038.57) | - | (1,127.52) |
| Net Change | (88.95) | 311.12 | - | 222.17 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 357.41 | 754.97 | - | 1,112.38 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 5.04 | 97.21 | - | 102.25 |
| Total (i+ii+iii) | 362.45 | 852.18 | - | 1,214.63 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:
A. Remuneration to Managing Director, Whole-time Director and/ or Manager:

(₹ In Lakhs)

| Sl. No | Particulars of remuneration | Name of directors | | |
|--------|---|---------------------|-----------------|--------------|
| | | Vishwanath Harlalka | Deepak Harlalka | Total |
| 1. | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 24.00 | 24.00 | 48.00 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0.40 | 2.55 | 2.95 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission - as % of profit - others, specify... | - | - | - |
| 5. | Others, please specify | - | - | - |
| | Total (A) | 24.40 | 26.55 | 50.95 |
| | Ceiling as per the Act | 84.00 | 84.00 | 168.00 |

B. REMUNERATION TO OTHER DIRECTORS:

The Company does not pay remuneration to its other directors.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

The Company does not pay remuneration to any of its Key Managerial Personnel

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment/ compounding of offences for breach of any provisions under the Companies Act, against the Company or its Directors or other officers, if any, during the year.

**Annexure – 2
FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with Related Parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain Arm's Length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis. Nil
2. Details of material contracts or arrangements or transactions at Arm's Length basis

| Sr. no | Name (s) of the related party & nature of relationship | Nature of contracts/arrangements/ transaction | Duration of the contracts/ arrangements / transaction | Salient terms of the contracts or arrangements or transaction including the value, if any | Date of approval by the Board | Amount paid as advances, if any |
|--------|--|---|---|---|-------------------------------|---------------------------------|
| 1. | Gini Tex Private Limited- Directors are interested | 1. Job work services provided 2. Finish fabric Sales 3. Rent paid 4. Telephone Charges | Yearly | 1. Contract of processing fabrics ₹ 582.75 Lakhs 2. Finish fabric Sales ₹ 94.68 Lakhs 3. Rent paid ₹ 4.50 Lakhs 4. Tel. charges ₹ 1.27 Lakhs | 30th May, 2016 | Nil |
| 3. | Shree Enterprises- Directors are partners | Job work services provided | Yearly | Contract of processing fabrics ₹ 60.85 Lakhs | 30th May, 2016 | Nil |
| 4. | Vishwanath Harlalka HUF | Rent Paid | Yearly | Rent Paid ₹ 7.56 Lakhs | 30th May, 2016 | Nil |

**Annexure-3
Form No. MR-3**

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Gini Silk Mills Limited
CIN: L17300MH1981PLC024184
413, Jogani Industrial Estate, Opp. Kasturba Hospital,
J. R. Boricha Marg, Lower Parel (East), Mumbai- 400011.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gini Silk Mills Limited (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 (hereinafter referred to as "Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) As identified by the management, other laws specifically applicable to the industry to which the Company belongs and compliances of which is relied upon the representation by the management.
 - (a) Water (Prevention and Control of Pollution) Act, 1974;
 - (b) Air (Prevention and Control of Pollution) Act, 1981;
 - (c) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules 2008;

- (d) Micro, Small And Medium Enterprises Development Act, 2006;
- (e) The Payment of Wages Act, 1936;
- (f) The Employees' Provident Funds and Misc. Provisions Act, 1952;
- (g) The Payment of Bonus Act, 1965;
- (h) The Payment of Gratuity Act, 1972;
- (i) The Maharashtra Industrial Development Act, 1961;
- (j) Trade Marks Act, 1999;
- (k) The Textiles Committee Act, 1963.
- (i) The Factories Act, 1948

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (i) The Listing Agreement entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. Company has appointed Managing Directors as key Managerial Personnel (KMP) under section 203(1) of the Companies Act, 2013. However, compliance under clause (ii) and (iii) of sub-section (1) of section 203 is not complied with regard to the appointment of Company Secretary and Chief Financial officer.
2. As per Regulation 6(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, Company has not appointed a qualified Company Secretary as the Compliance Officer.
3. Company has not published notices of the Board Meetings held during the financial year 2016-17 as per regulation 47(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in which financial results were discussed.
4. Company has not posted the following details/ information on its website as per regulation 46 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-
 - a) Notice of Meeting of the Board of Directors where financial results were discussed.
5. The Company had received a notice dated December 03, 2016 from Maharashtra Pollution Control Board (MPCB) for closure of Company's manufacturing unit situated at Plot no. E-15, MIDC, Tarapur, Palghar. MPCB vide letter dated March 03, 2017 have issued conditional restart directions to the Company subject to compliance of the terms and conditions of the said letter.

We further report that

The Board of directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the following specific events/actions occurred having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Sandeep Dar & Co.
Proprietor
FCS: 3159
C. P. No.: 1571

Place: Navi Mumbai

Date : July 12, 2017

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is a set of standards which aims to improve the Company's image, efficiency and effectiveness. It is the road map, which guides and directs the Board of Directors of the Company to govern the affairs of the Company in a manner most beneficial to all the Shareholders, the Creditors, the Government and the Society at large. Your Company has complied with all material aspects of the Corporate Governance Code as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A Report on the Corporate Governance compliance is furnished below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate governance is a value-based framework to manage our Company affairs in a fair and transparent manner. As a responsible corporation, we use this framework to maintain accountability in all our affairs and employ democratic and open processes. We have evolved guidelines and best practices over the years to ensure timely and accurate disclosure of information regarding our financials, performance, and governance of the Company. The Board of Directors and the management of the Company is committed to the consistent adherence to the corporate governance code and constant review of the Board processes, practices and the Management Systems to maintain a greater degree of responsibility and accountability.

2. BOARD OF DIRECTORS:

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, directions and performance of the Company. The members on the Board possess adequate experience, expertise and skills necessary to manage the affairs of the Company in the most efficient manner. The strength of Board of Directors is 6 (Six). Whose composition and category is given below:

A) COMPOSITION AND CATEGORY OF DIRECTORS AS ON MARCH 31, 2017:

The Board comprises such numbers of Non-Executive, Executive and Independent Directors as required under applicable legislation. The composition of board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Board of the Company comprises of 6 (Six) Directors. The Composition of the Board of Directors is as follows:

| Director | Category |
|---------------------|------------------------|
| Vishwanath Harlalka | Promoter Executive |
| Deepak Harlalka | Promoter Executive |
| Anjali Harlalka | Promoter Non-Executive |
| Suresh Gaggar | Independent |
| Pankajkumar Agarwal | Independent |
| Ruchir Jalan | Independent |

B) ATTENDANCE OF EACH DIRECTOR AT THE MEETING OF THE BOARD OF DIRECTORS AND THE LAST ANNUAL GENERAL MEETING:

During the year ended March 31, 2017 Four Board Meetings were held on the following dates: May 30, 2016, August 10, 2016, November 04, 2016 and February 10, 2017. Annual General Meeting during the year was held on September 19, 2016.

| Name of the Directors | No. of Board Meeting At-tended | Attendance at last AGM held on September 19, 2016 |
|------------------------|--------------------------------|---|
| Ramprasad Poddar | 1* | N. A. |
| Deepak Harlalka | 4 | YES |
| Vishwanath Harlalka | 4 | YES |
| Suresh Gaggar | 4 | YES |
| Pankajkumar Agarwal | 4 | YES |
| Anjali Deepak Harlalka | 4 | YES |
| Ruchir Jalan | 3** | YES |

*Ceased to be director w. e. f. June 1, 2016

**Appointed director w. e. f. May 30, 2016

C) NUMBER OF OTHER BOARD OF DIRECTORS OR COMMITTEES IN WHICH A DIRECTOR IS A MEMBER OR CHAIRPERSON:

| Directors | Category | No. of other Directorship | | No. of other Committee positions | |
|---------------------|------------------------|---------------------------|---------|----------------------------------|----------|
| | | Public | Private | Member | Chairman |
| Vishwanath Harlalka | Promoter Executive | - | 4 | - | - |
| Deepak Harlalka | Promoter Executive | - | 6 | - | - |
| Anjali Harlalka | Promoter Non-Executive | - | 1 | - | - |
| Suresh Gaggar | Independent | 1 | 5 | - | - |
| Pankajkumar Agarwal | Independent | 1 | 4 | - | - |
| Ruchir Jalan | Independent | - | 2 | - | - |

D) NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS HELD AND DATES ON WHICH HELD:

During the year ended on March 31, 2017 Four Board Meetings were held:

| SR. NO. | DATES OF BOARD MEETINGS |
|---------|-------------------------|
| 1. | May 30, 2016 |
| 2. | August 10, 2016 |
| 3. | November 04, 2016 |
| 4. | February 10, 2017 |

E) DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

| Name of Director | Relationship |
|-------------------------|--------------------------------|
| Mr. Vishwanath Harlalka | Father of Mr. Deepak Harlalka |
| Mr. Deepak Harlalka | Son of Mr. Vishwanath Harlalka |
| Mrs. Anjali Harlalka | Wife of Mr. Deepak Harlalka |

F) NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS:

Mrs. Anjali Harlalka, Non executive director holds 3,50,400 equity shares in the Company.

G) The details of Familiarization programme imparted to Independent Directors have been disclosed on the website of the Company i. e. www.ginitex.com

3. AUDIT COMMITTEE:
A) TERMS OF REFERENCE:

The Audit Committee's powers, role and functions are stipulated in Regulation 18 and in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Section 177 of the Companies Act, 2013, accordingly the Audit Committee performs the functions of approving Annual Internal Audit Plan, reviewing of financial reporting system, discussing on financial results, significant related party transactions, interaction with Statutory and Internal Auditors, Reviewing of Business Risk Management Plan, and Internal Audit Reports,.

B) COMPOSITION, NAME OF MEMBERS AND CHAIRPERSON:

The Audit Committee consists of 3 (Three) Independent Directors. Mr. Suresh Gaggar is the Chairman of the Committee. The members of the committee have requisite experience in corporate management, finance, Accounts and corporate laws. During the year, four meetings of the Audit committee were held.

The Audit Committee consists of:

1. Mr. Suresh Gaggar - Chairman
2. Mr. Pankajkumar Agarwal - Member
3. Mr. Ruchir Jalan – Member

C) MEETINGS AND ATTENDANCE DURING THE YEAR:

| NAME OF THE DIRECTORS | NO. OF BOARD MEETING ATTENDED |
|------------------------------|--------------------------------------|
| Suresh Gaggar | 4 |
| Pankajkumar Agarwal | 4 |
| Ruchir Jalan | 3 |

4. NOMINATION AND REMUNERATION COMMITTEE:
A) TERMS OF REFERENCE:

The terms and functions of Nomination and Remuneration Committee are stipulated under Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, accordingly Committee discharged following functions

- I) Succession planning of the Board of Directors and senior management employees;
- II) Identifying and selection of candidates for appointment as directors / independent directors based on certain laid down criteria;
- III) Identifying potential individuals for appointment as key managerial personnel and to other senior management positions;
- IV) Formulate and review from time to time the policy for selection and appointment of directors, key managerial personnel and senior management employees and their remuneration;
- V) Review the performance of the board of directors and senior management employees based on certain criteria as approved by the board.

B) COMPOSITION, NAME OF MEMBERS AND CHAIRPERSON:

The Nomination and Remuneration Committee consists of 2 (Two) Independent Directors and 1 (One) Non Executive Director. Mr. Pankajkumar Agarwal is appointed as Chairman of the Committee.

The constitution of the Nomination and Remuneration Committee as on March 31, 2017 is as follows:

1. Mr. Pankajkumar Agarwal - Chairman
2. Mr. Suresh Gaggar - Member
3. Mrs. Anjali Harlalka - Member

C) MEETINGS AND ATTENDANCE DURING THE YEAR:

Nomination and Remuneration Committee held One Meeting during the Year which was attended by the chairman and all the members of the Committee.

D) PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

5. REMUNERATION OF DIRECTORS:

| Name of Director | Remuneration |
|-------------------------|---------------------|
| Mr. Vishwanath Harlalka | ₹ 24,00,000/- p.a. |
| Mr. Deepak Harlalka | ₹ 24,00,000/- p.a. |

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

| | |
|--|--------------------|
| Mrs. Anjali Harlalka | Chairman |
| Mr. Vishwanath Harlalka | Member |
| Mr. Deepak Harlalka | Member |
| Mr. Chetan Patel | Compliance Officer |
| Shareholder Complaint received so far | NIL |
| Number of complaints not Solved to the Satisfaction of Shareholder | NIL |
| Number of Pending Complaints | NIL |

7. GENERAL BODY MEETINGS:

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

| Financial Year ended | Date | Location of the Meeting | Time |
|----------------------|--------------------|--|-----------|
| March 31, 2016 | September 19, 2016 | Maheshwari Pragati Mandal, Maheshwari Bhawan,603, Girgaon Road, Mumbai-400002. | 12.30 P.M |
| March 31, 2015 | September 14, 2015 | Maheshwari Pragati Mandal, Maheshwari Bhawan,603, Girgaon Road, Mumbai-400002. | 12.30 P.M |
| March 31, 2014 | September 16, 2014 | Maheshwari Pragati Mandal, Maheshwari Bhawan,603, Girgaon Road, Mumbai-400002. | 12.30 P.M |

B) Special Resolutions passed in the previous three Annual General Meetings:

| AGM DATE | DETAILS OF SPECIAL RESOLUTION PASSED |
|--------------------|---|
| September 19, 2016 | No Special Resolution was passed. |
| September 14, 2015 | i) Appointment of the Mr. Vishwanath Harlalka as Managing Director of the Company. ii) Adoption of new set of Articles of Association. |
| September 16, 2014 | No Special Resolution was passed. |

C) No Special resolution was required to be passed through postal ballot during the last year.

8. MEANS OF COMMUNICATION:

The quarterly, half yearly and annual results are communicated to the Bombay Stock Exchange 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 Free Press and Nav Shakti. The quarterly & half-yearly results are not sent individually to the shareholders but are uploaded on the Company's website www.ginitex.com

9. GENERAL SHAREHOLDERS INFORMATION:

- A) Annual General Meeting Date, Time : 29th August, 2017 at 12.30 P.M
 Venue : Maheshwari Pragati Mandal, Maheshwari Bhawan, 603, Girgaon Road, Mumbai-400002.
- B) Financial Year : April 01, 2016 to March 31, 2017.
- C) Dividend payment date : On or before September 28, 2017
- D) The name and address of Stock exchange at which securities are listed: BSE Limited, Mumbai.
 Listing fee for 2016-2017 have been paid in respect of BSE Ltd.
- E) Stock Code : BSE Code: 531744
 NSDL/CDSL-ISIN : INE548B01018

F) Market price data- high, low during each month in last financial year:

| Months | Bombay Stock Exchange | |
|-----------------|-----------------------|--------|
| | High | Low |
| April, 2016 | 328.50 | 270.00 |
| May, 2016 | 373.30 | 255.00 |
| June, 2016 | 400.00 | 253.00 |
| July, 2016 | 384.90 | 300.00 |
| August, 2016 | 330.00 | 252.00 |
| September, 2016 | 335.00 | 251.10 |
| October, 2016 | 390.10 | 270.30 |
| November, 2016 | 437.00 | 318.90 |
| December, 2016 | 420.00 | 331.05 |
| January, 2017 | 505.00 | 340.25 |
| February, 2017 | 400.00 | 347.75 |
| March, 2017 | 384.00 | 300.50 |

- G) Registrar and share transfer agents** : Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East),
Mumbai - 400 059.

H) Share transfer system:

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within prescribed time from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulation, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

I) Distribution of Shareholding as on March 31, 2017:

| Shareholding of nominal value of Rupees | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
|---|---------------------|-------------------|--------------------|-------------------|
| Upto 5000 | 489 | 84.1652 | 52,688 | 0.9421 |
| 5001 TO 10000 | 48 | 8.2616 | 41,229 | 0.7372 |
| 10001 TO 20000 | 8 | 1.3769 | 12,719 | 0.2274 |
| 20001 TO 30000 | 5 | 0.8606 | 12,987 | 0.2322 |
| 30001 TO 40000 | 3 | 0.5164 | 10,827 | 0.1936 |
| 40001 TO 50000 | 3 | 0.5164 | 14,191 | 0.2537 |
| 50001 TO 100000 | 7 | 1.2048 | 55,320 | 0.9892 |
| 100001 & above | 18 | 3.0981 | 53,92,639 | 96.4246 |
| Total | 581 | 100.00 | 55,92,600 | 100.00 |

J) Dematerialization of shares and liquidity:

Shareholding pattern as on March 31, 2017

| Category | No. of Shares | % |
|--------------------------|---------------|-------|
| Promoters | 41,93,460 | 74.98 |
| Mutual Funds, Banks, etc | - | - |
| Corporate Bodies | 8,96,753 | 16.03 |
| NRI / OCB's | 2,74,462 | 4.91 |
| Indian Public | 2,27,925 | 4.08 |
| Total | 55,92,600 | 100 |

*Out of these, 5556393 (99.35%) shares are Dematerialized and the balance 36207 (0.65%) are in physical form as on March 31, 2017.

K) Plant Location : Fabric Process Unit: E-15, MIDC- Tarapur, Bhoisar- 421506, Thane, (Maharashtra)

L) Address for Correspondence : Mr. Chetan Patel, Compliance Officer
 413, Jogani Industrial Estate,
 Opp. Kasturba Hospital,
 J. R. Boricha Marg,
 Lower Parel (East),
 Mumbai-400011

10. OTHER DISCLOSURES:

- a) There were Related Party transactions during the financial year ended on March 31, 2017 but there were no materially significant transactions with Related Parties during the financial year that have potential conflict with the interest of listed entity at large.

The Policy for Related Party transactions is available on the website of the Company viz. www.ginitex.com

- b) There were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.
- c) The Company has formulated Whistle Blower Policy for vigil mechanism of Directors and Employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The Whistle Blower Policy is displayed on the Company's website viz. www.ginitex.com
- d) Company has adopted discretionary requirements to the extent of submission of financial statements with unmodified audit opinion as specified in Part E of Schedule II of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adoption of the non mandatory requirements of Listing Regulation is being reviewed by the Board from time to time.

DECLARATION

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2017.

For **Gini Silk Mills Limited**

Deepak Harlalka
 (Managing Director)

Date: July 12, 2017
 Place: Mumbai

CERTIFICATION BY CEO/CFO UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Board of Directors,
GINI SILK MILLS LIMITED

We have reviewed the financial statements and the cash flow statement of GINI SILK MILLS LIMITED for the year ended March 31, 2017 and to the best of our knowledge and belief:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Managing Director
Deepak Harlalka

Date : July 12, 2017

Place: Mumbai

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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 March 31, 2017 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring Compliance with the conditions of the Corporate Governance as stipulated in the said clause. 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, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We 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

FRN:111327W
CA Nitesh K Dedhia
Partner
M. No. : 114893

Place: Mumbai

Date: July 12, 2017

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, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. the Company has disclosed the impact of pending litigations as at March 31, 2017 on its financial position in its financial statements to the extent determinable/ascertainable. - Refer Note 28 to the financial statements;
 - ii. the Company does not have any long term contract including derivative contracts for which there are any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
 - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 as mentioned in Note 39 to the financial statements. Based on the audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For Vatsaraj & Co.

Chartered Accountants

Firm Registration Number: 111327W

CA Nitesh K Dedhia

Partner

Membership Number: 114893

Mumbai, May 27, 2017

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Gini Silk Mills Limited on the financial statements for the year ended March 31, 2017.

- i (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 11 on fixed assets to the financial statements, are held in the name of the Company.
- ii The inventory excluding stocks with third parties has been physically verified by the management at regular intervals, which we consider to be reasonable. No material discrepancies were noticed on physical verification of inventories as compared to book records.
- iii According to information and explanation given to us, the Company's has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnership firm or other parties, covered in the register maintained under section 189 of the Companies Act 2013 and hence sub clause (a), (b) and (c) are not applicable.
- iv In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made.
- v The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi According to the information and explanation given to us the rules made by the Central Government of India, the Company is not required to maintain cost records as specified under sub section (1) of section 148 of the Companies Act 2013 in respect of its products. Accordingly, provision of Clause 3(vi) of the Order is not applicable.
- vii (a) According to the information and explanations given to us the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues applicable to it as per the available records as far as ascertained by us on our verification.

According to the information and explanations given to us, there were no undisputed amounts payable in respect of outstanding statutory dues as aforesaid as at 31st March 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, dues in respect of Income tax, Excise duty and Cess that have not been deposited with the appropriate authorities on account of dispute are as under:

| Name of the Statute | Nature of Dues / Period to which the amount relates | Amount (INR) | Forum where dispute is pending |
|---|--|----------------------|---|
| Textile Committee Act & Cess Rules 1975 | Cess (Various years from 1998 to 2008) | 7,09,232/- | Textile Committee Cess Appellate Tribunal |
| Central Excise Act | Demand on differential amount of excise duty. (16/12/1998 to 28/02/2001) | 1,85,09,688/- | Supreme Court of India |
| Central Excise Act | Demand against availment of cenvat credit. (Various years) | 56,78,046/- | Custom, Excise and Service Tax Appellate Tribunal |
| Total | | 2,48,96,966/- | |

- viii According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues of loans taken from banks. The Company did not have any outstanding dues in respect of financial institution, government or debenture holders during the year.
- ix The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- x During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India, and according to information and explanation given to us, we have neither come across any instance of fraud on or by the Company, its officers or employees, noticed or reported during the period, nor have we been informed of such case by the management..
- xi According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii In our opinion and according the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, provision of Clause 3(xii) of the Order is not applicable.
- xiii According to the information and explanation given to us and based on our verification of the records of the Company and on the basis of review and approval by the Board and Audit Committee, the transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly, the provision of Clause 3(xiv) of the Order is not applicable.
- xv According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the provision of Clause 3(xv) of the Order is not applicable.
- xvi The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Vatsaraj & Co.

Chartered Accountants

Firm Registration Number: 111327W

CA Nitesh K Dedhia

Partner

Membership Number: 114893

Mumbai, May 27, 2017

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Gini Silk Mills Limited on the financial statements for the year ended March 31, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act 2013

1. We have audited the internal financial controls over financial reporting of Gini Silk Mills Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Vatsaraj & Co.

Chartered Accountants

Firm Registration Number: 111327W

CA Nitesh K Dedhia

Partner

Membership Number: 114893

Mumbai, May 27, 2017

BALANCE SHEET AS AT 31ST MARCH ' 2017

(₹ in Lakhs)

| PARTICULARS | Note No. | As at 31st March' 2017 | As at 31st March' 2016 |
|--------------------------------|----------|---------------------------|---------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 559.26 | 559.26 |
| Reserves and Surplus | 3 | 2,667.35 | 2,421.46 |
| | | <u>3,226.61</u> | <u>2,980.72</u> |
| Non-Current Liabilities | | | |
| Long-term Borrowings | 4 | 362.45 | 451.40 |
| Deferred Tax Liabilities (Net) | 5 | 203.19 | 191.57 |
| Other Long Term Liabilities | 6 | 53.28 | 36.27 |
| | | <u>618.92</u> | <u>679.24</u> |
| Current Liabilities | | | |
| Short-term Borrowings | 7 | 852.18 | 541.06 |
| Trade Payables | 8 | 261.94 | 285.83 |
| Other Current Liabilities | 9 | 134.57 | 151.09 |
| Short-term Provisions | 10 | 77.13 | 77.67 |
| | | <u>1,325.82</u> | <u>1,055.65</u> |
| Total | | <u><u>5,171.35</u></u> | <u><u>4,715.61</u></u> |
| ASSETS | | | |
| Non-current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 11 | 1,191.91 | 1,306.45 |
| Intangible Assets | 11 | 0.03 | 0.03 |
| Capital work-in-Progress | | 8.02 | - |
| Non-current Investments | 12 | 79.90 | 79.33 |
| Long-term Loans and Advances | 13 | 254.31 | 1,470.13 |
| Other Non Current Assets | 14 | 32.64 | 27.85 |
| | | <u>1,566.81</u> | <u>2,883.79</u> |
| Current Assets | | | |
| Current Investments | 15 | 825.45 | 27.34 |
| Inventories | 16 | 726.81 | 672.97 |
| Trade Receivables | 17 | 597.09 | 651.39 |
| Cash and Cash Equivalents | 18 | 94.95 | 34.06 |
| Short-term Loans and Advances | 19 | 1,283.66 | 438.94 |
| Other Current Assets | 20 | 76.57 | 7.12 |
| | | <u>3,604.53</u> | <u>1,831.82</u> |
| Total | | <u><u>5,171.35</u></u> | <u><u>4,715.61</u></u> |

Significant Accounting Policies and Notes on Financial Statement

1 to 41

As per our Report of even date

For and on behalf of the Board of Directors

For Vatsaraj & Co

 Chartered Accountants
 FRN : 111327W

Vishwanath Harlalka

DIN No. 00170432

Chairman

Deepak Harlalka

DIN No. 00170335

Managing Director

Anjali Harlalka

DIN No. 07141513

Director

CA NITESH K DEDHIA
Partner

Membership No, 114893

Mumbai, 27th May 2017

Mumbai, 27th May 2017

| STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH '2017 | | (₹ in Lakhs) | |
|--|-----------------|--|--|
| PARTICULARS | Note No. | Year ended 31st March' 2017 | Year ended 31st March' 2016 |
| INCOME | | | |
| Revenue from Operations | 21 | 3,911.61 | 4,075.39 |
| Other Income | 22 | 213.23 | 149.83 |
| Total Revenue | | 4,124.84 | 4,225.22 |
| EXPENSES | | | |
| Cost of Materials Consumed | 23a | 1,595.55 | 1,084.90 |
| Purchases of Traded Goods | 23b | 186.17 | 603.11 |
| (Increase)/ Decrease in Inventories of Finished Goods and Stock in Process | 23c | 12.32 | (81.74) |
| Employee Benefits Expense | 24 | 367.68 | 391.45 |
| Finance Costs | 25 | 143.85 | 147.45 |
| Depreciation and Amortization Expense | | 96.80 | 92.00 |
| Other Expenses | 26 | 1,412.97 | 1,658.77 |
| Total EXPENSES | | 3,815.34 | 3,895.95 |
| Profit before Taxations | | 309.50 | 329.27 |
| TAX EXPENSES | | | |
| Current Tax | | 82.00 | 65.00 |
| (Excess)/ Short Provisions written back of earlier years | | (25.79) | 2.77 |
| Deferred Tax | | 11.63 | 81.05 |
| Profit for the period | | 241.66 | 180.45 |
| Basic/ Diluted Earning per Equity Share(') | | 4.32 | 3.23 |
| | | 4.32 | 3.23 |

As per our Report of even date

For Vatsaraj & Co

Chartered Accountants

FRN : 111327W

CA NITESH K DEDHIA
Partner

Membership No, 114893

Mumbai, 27th May 2017

For and on behalf of the Board of Directors

Vishwanath Harlalka

DIN No. 00170432

Chairman

Deepak Harlalka

DIN No. 00170335

Managing Director

Anjali Harlalka

DIN No. 07141513

Director

Mumbai, 27th May 2017

CASH FLOW STATEMENT FOR THE YEAR 2016-2017

(₹ in Lakhs)

| | 31st March' 2017 | 31st March' 2016 | |
|---|-------------------|------------------|----------|
| A: CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit/(Loss) before Tax and Extraordinary Items | 309.50 | 329.27 | |
| <u>Adjusted For :</u> | | | |
| Depreciation and Amortisation Expense | 96.80 | 92.00 | |
| Dividend Received | (25.01) | (11.08) | |
| Property Tax | 3.40 | 3.48 | |
| Demat Charges & Securities Transaction Tax | 0.01 | 0.01 | |
| Interest Income | (133.47) | (63.27) | |
| Finance Costs | 143.85 | 145.14 | |
| Profit on Partnership Firm | (0.11) | 0.28 | |
| Rent Received | (41.50) | (49.20) | |
| Loss on sale/Discard of assets(net) | (1.65) | (5.75) | |
| Net Prior Year Adjustments | 25.79 | (2.77) | |
| Depreciation Adustment | 4.22 | | |
| Net Gain on Sale of Investments | (2.06) | (0.00) | 108.84 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE | 379.77 | 438.11 | |
| <u>Adjusted For :</u> | | | |
| Decrease in other Assets | - | (36.79) | |
| Increase in Trade Payable | (23.88) | (356.61) | |
| Increase in other Liabilities | (0.05) | 41.11 | |
| Inventories | (53.84) | (68.77) | |
| Trade Receivable | 54.30 | (175.91) | (596.97) |
| Cash generated from Operations | 356.31 | (158.86) | |
| Taxes Paid | (77.11) | (72.51) | |
| NET CASH FROM OPERATING ACTIVITY | 279.20 | (231.37) | |
| B. CASH FLOW FROM INVESTING ACTIVITY | | | |
| Dividend Income | 10.04 | 2.52 | |
| Purchase of Investments | (2,455.00) | (500.00) | |
| Sale/Redemption of Investments | 1,673.94 | 610.00 | |
| Interest Income | 133.47 | 12.07 | |
| Movement in Loans and Advances | 193.12 | (9.85) | |
| Movment in Investment in Partnership Firm Capital | 98.93 | 135.29 | |
| Rent Income | 41.50 | 49.20 | |
| Purchase of Fixed Assets | (43.21) | (211.20) | |
| Sale of Fixed Assets | 1.65 | 6.00 | |
| Capital Subsidy of Fixed Assets Return | 60.38 | 0.00 | |
| Capital Work in Progress | (8.02) | 145.62 | |
| Bank Balances not considered as Cash and cash equivalents | 0.56 | (0.49) | |
| Property Tax | (3.40) | (3.48) | |
| Demat Charges & Securities Transaction Tax | (0.01) | (0.01) | 253.67 |
| NET CASH FLOW FROM INVESTING ACTIVITY | (16.85) | 4.28 | |

CASH FLOW STATEMENT FOR THE YEAR 2016-2017

(₹ in Lakhs)

| | 31st March' 2017 | 31st March' 2016 |
|--|---------------------|---------------------|
| C. CASH FLOW FROM FINANCING ACTIVITY | | |
| Interest Paid | (46.92) | (86.59) |
| Long Term Borrowing - Bank | (88.96) | (110.00) |
| Short Term Borrowing - Bank | - | (3.76) |
| Short Term Borrowing - Directors (Net) | 214.18 | 282.25 |
| Dividend Paid (Including DDT) | - | (67.37) |
| | <u>78.30</u> | <u>14.53</u> |
| NET CASH FLOW FROM FINANCING ACTIVITY | 61.45 | 18.81 |
| Cash and Cash Equivalents as at commencement of the year | 31.74 | 12.94 |
| Cash and Cash Equivalents at the end of the year | 93.19 | 31.75 |
| NET INCREASE/(DECREASE) OF CASH & CASH EQUIVALENTS | <u>61.45</u> | <u>18.81</u> |

Note:

The Cash flow statement prepared using Indirect Method as per Accounting Standard 3

As per our Report of even date

For Vatsaraj & Co

Chartered Accountants

FRN : 111327W

CA NITESH K DEDHIA
Partner

Membership No, 114893

Mumbai, 27th May 2017

For and on behalf of the Board of Directors

Vishwanath Harlalka

DIN No. 00170432

Chairman

Deepak Harlalka

DIN No. 00170335

Managing Director

Anjali Harlalka

DIN No. 07141513

Director

Mumbai, 27th May 2017

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" and Processing Fabric on jobwork basis.

1 SIGNIFICANT ACCOUNTING POLICIES

1 ACCOUNTING CONVENTION

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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 including Contingent 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 in hand, bank and short-term investments with an original maturity of three months or less.

4 Property, Plant And Equipment & Intangible Assets

Property, Plant and Equipment

Property, Plant and Equipment are stated at acquisition cost, net of accumulated depreciation & accumulated impairment losses.

Subsequent expenditure related to an item of Property, Plant and Equipments are added to its book value only if they increase the future benefit from the existing Property, Plant and Equipment beyond its previously assessed standard of performance.

Items of Property, Plant and Equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value & net realisable value & are shown separately in the financial statement. Any expected loss is recognised immediately in the statement of Profit & Loss.

Losses arising from the retirement of & Gain or Losses arising from disposal of Property, Plant and Equipment which are carried at cost are recognised in Statement of Profit & Loss.

Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated depreciation & accumulated impairment losses, if any.

Intangible Assets are amortised on a straight line basis over their estimated useful life.

Gain or Losses arising from the retirement or disposal proceeds recognised as Income or Expense in Statement of Profit & Loss.

Capital Work-in-Progress

Capital Work-in-Progress includes expenditure during construction period incurred on projects under implementation treated as pre-operative expenses pending allocation to the assets.

5 METHOD OF DEPRECIATION AND AMORTIZATION

Depreciation for the year in respect of Property, Plant and Equipment relating to undertaking at Tarapur has been provided on straight line method applying the useful lives as prescribed in part C of Schedule II to the Companies Act, 2013.

In respect of Property, Plant and Equipment relating to undertakings at Kandivali depreciation has been provided on written down value method, over the estimated useful life of assets applying the useful lives as prescribed in part C of Schedule II to the Companies Act, 2013.

Effective 1st April 2014, the Company depreciates its Fixed Assets over the useful life in the manner prescribed in Schedule II of the Act, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of Companies act, 1956.

The range of estimated useful lives of Property, Plant & Equipment's are as under:

| Category | Useful Life |
|-------------------------|-------------|
| Building | 15-30 |
| Plant & Equipments | 15 |
| Stores & Spare* | 2 |
| Lab Equipments | 10 |
| Furnitur & Fixture | 10 |
| Electrical Installation | 10 |
| Office Equipment | 5 |
| Computers | 3 |
| Vehicles | 8 |

* Useful life of Stores & Spares are determined based on the internal assessment supported by technical evaluation.

Depreciation on the Fixed Assets added during the year or sale / discardment of assets, has been provided on pro –rata basis with reference to the month of addition or upto the month of such sale / discardment, as the case maybe.

6 IMPAIRMENT OF ASSETS

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factor. An asset treated impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss 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.

7 LEASED ASSETS

As a Lessee:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease or other systematic basis more representative of the time pattern of the user's benefits.

As a Lessor:

The Company has leased certain tangible assets and such lease where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term or other systematic basis over the lease term which is more representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

8 FOREIGN CURRENCY TRANSACTIONS

Transactions denominated to 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 rules. 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 Statement of Profit and Loss 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.

9 INVESTMENTS

Investments that are readily realisable and are intended to be held for not more than one year from the date , on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value , whichever is lower. Long - term investments are carried at cost. However, provision for dimunition is made to recognise a decline, other than temporary , in value of the investments , such reduction in the value of long term investment being determined and made for each investment individually.

10 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 First-in-First-Out (FIFO) basis.

11 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.

12 EMPLOYEES BENEFITS

Short-term Employee benefits are recognized as an expense at the undiscounted amount in the statement of Profit and Loss 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 statement of Profit and Loss 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 statement of Profit and Loss.

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.

13 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 Statement of Profit and Loss in the year in which they are incurred

14 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.

15 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.

16 SEGMENT REPORTING

Segments have been identified in line with the accounting standard on Segment reporting (AS-17) taking into account the organisation structure as well as the differential risk in returns of segments.

17 GOVERNMENT GRANTS

Grants and subsidies from the Government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received. Grants received against specific Fixed Assets are adjusted to the cost of the assets & those in the nature of promoter's contribution are credited to Capital Reserve. Revenue Grants are recognised in the Statement of Profit and Loss in accordance with related scheme.

Notes on Financial Statements for the Year ended 31st March, 2017
(₹ in Lakhs)

| Particulars | As at 31st March' 2017 | As at 31st March' 2016 |
|--|---------------------------|---------------------------|
| Note 2 SHARE CAPITAL | | |
| Authorised Share Capital | | |
| 60,00,000 (31 March 2016 : 60,00,000)Equity shares of ₹10/- each | 600.00 | 600.00 |
| 1,00,000 (31 March 2016 : 100,000) 10% Cumulative Convertible Preference shares of 100 each | 100.00 | 100.00 |
| | <u>700.00</u> | <u>700.00</u> |
| Issued, Subscribed and Paid up | | |
| 55,92,600 (31 March 2016 : 55,92,600).Equity shares of ₹ 10/- each fully paid up | 559.26 | 559.26 |
| Total | <u>559.26</u> | <u>559.26</u> |

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

| | As at 31St March' 2017 | | As at 31St March' 2016 | |
|--------------------------------|------------------------|---------------|------------------------|---------------|
| | No | ₹ | No | ₹ |
| At the beginning of the period | <u>55.93</u> | <u>559.26</u> | 55.93 | 559.26 |
| At the end of the period | <u>55.93</u> | <u>559.26</u> | <u>55.93</u> | <u>559.26</u> |

b) Rights, Preference and restrictions 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 by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

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

| Name of shareholder | | As at 31st March' 2017 | | As at 31st March' 2016 | |
|--------------------------|--------------------------|--------------------------|---|--------------------------|---|
| | | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Vishwanath Harlalka | Promoter | 18.91 | 33.80 | 18.91 | 33.80 |
| Deepak Harlalka | Promoter | 3.10 | 5.54 | 3.10 | 5.54 |
| Deepak Harlalka HUF | Promoter | 8.63 | 15.44 | 8.63 | 15.44 |
| Anjali D Harlalka | Person Acting Concert | 3.50 | 6.26 | 3.50 | 6.26 |
| Vimla V Harlalka | Person Acting Concert | 5.09 | 9.09 | 5.09 | 9.09 |
| Garnet International Ltd | Public | 6.26 | 11.19 | 7.33 | 13.10 |

Notes on Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

| Particulars | As at 31st March' 2017 | As at 31st March' 2016 |
|--|---------------------------|---------------------------|
| Note 3 RESERVES AND SURPLUS | | |
| Capital Reserve | | |
| As per Last Balance Sheet | 8.14 | 8.14 |
| Closing Balance | <u>8.14</u> | <u>8.14</u> |
| General Reserve | | |
| As per Last Balance Sheet | 10.23 | 10.23 |
| Closing Balance | <u>10.23</u> | <u>10.23</u> |
| Surplus in Statement of Profit and Loss | | |
| As per Last Balance Sheet | 2,403.09 | 2,256.33 |
| Add: Profit for the year | 241.66 | 180.45 |
| Less: Interim Dividend on Equity Shares (amount per share `0.50) | - | (27.96) |
| Less: Dividend Distribution Tax on Proposed Dividend | - | (5.72) |
| Add: Depreciation Adjustment | 4.23 | - |
| Closing Balance | <u>2,648.98</u> | <u>2,403.10</u> |
| Total Reserves and Surplus | <u><u>2,667.35</u></u> | <u><u>2,421.46</u></u> |

Note 4 LONG TERM BORROWING
Secured

| | | |
|---------------------|----------------------|----------------------|
| Term Loan From Bank | 362.45 | 451.40 |
| Total | <u><u>362.45</u></u> | <u><u>451.40</u></u> |

Nature of Security

The outstanding Term Loan from State Bank of India, has been taken over by Kotak Bank Limited as on 15.03.2017 and it is primary secured by all existing and future Current Assets and movable Fixed Assets. The Company has provided collateral security of equitable mortgage of leasehold Factory Land & Building at Tarapur. The Director Mr. Vishwanath S. Harlalka and | Mr. Deepak V. Harlalka and Mrs. Anjali D. Harlalka has provided personal guarantee for the said loan.

Terms of Repayment and Interest Rate

Repayable in 48 monthly installment. Rate of interest is 1.75% spread above applicable MCLR 6M rate which is presently 8.50%. Effective rate is 10.25% p.a. as at year end. (Rate of Interest is without considering interest subsidy available under Sate and Central Government Scheme.)

Note 5 DEFERRED TAX LIABILITIES (NET)
Deferred Tax Liability

| | | |
|-----------------------------|----------------------|----------------------|
| On Accumulated Depreciation | 203.19 | 191.57 |
| Deferred Tax Assets | - | - |
| Total | <u><u>203.19</u></u> | <u><u>191.57</u></u> |

Note 6 OTHER LONG-TERM LIABILITIES

| | | |
|---|---------------------|---------------------|
| Unsecured Trade Deposits (including interest) | 27.46 | 14.68 |
| Security Deposits | 27.09 | 22.09 |
| Sub total (a) | <u>54.55</u> | <u>36.77</u> |
| Interest Accrued and Due (Current Maturities) | (b) | (0.50) |
| Total (a)-(b) | <u><u>53.28</u></u> | <u><u>36.27</u></u> |

Notes on Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

| Particulars | As at 31st March' 2017 | As at 31st March' 2016 |
|---|---------------------------|---------------------------|
| Note 7 SHORT-TERM BORROWINGS | | |
| From Directors (Unsecured, Repayable on Demand) | 852.18 | 541.06 |
| Total | 852.18 | 541.06 |
| Note 8 TRADE PAYABLES | | |
| Micro, Small and Medium Enterprises | - | - |
| Others | 261.94 | 285.83 |
| Total | 261.94 | 285.83 |
| (There are no dues to Micro & Small Enterprises as on 31st March' 2017. 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.) | | |
| Note 9 OTHER CURRENT LIABILITIES | | |
| Current maturities of Long term Debt (Refer Note 4) | 88.09 | 120.00 |
| Interest Payable on Term Loan | 5.05 | 6.42 |
| Unpaid Dividends # | 1.40 | 2.26 |
| Statutory remittances(Contribution to PF ,ESIC, VAT, TDS and Service Tax) | 21.25 | 10.88 |
| Advances from Customers | 12.20 | 10.61 |
| Interest Accrued and due on long term Deposits (Refer note 6) | 1.27 | 0.50 |
| Provision for Tax A.Y. 2017-2018 (Net off Advance Tax) | 4.89 | - |
| Others | 0.42 | 0.42 |
| Total | 134.57 | 151.09 |
| # There are no amounts due for payments to the Investor Education and Protection Fund as at the year end. | | |
| Note 10 SHORT TERM PROVISIONS | | |
| Provision for other Employees Benefits | | |
| Bonus | 6.71 | 3.70 |
| Gratuity | 3.95 | 10.13 |
| Leave Encashment | 18.10 | 19.40 |
| Other Provisions | | |
| Provision for Expenses | 48.37 | 44.44 |
| Total | 77.13 | 77.67 |

Notes on Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

Note 11 - FIXED ASSETS

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | | | NET BLOCK | |
|---------------------------------|-----------------|--------------|---------------|------------------|-----------------|-----------------|--------------|--------------|--------------|-----------------|------------------|------------------|
| | As at 01/4/2016 | Additions | Adjustments # | Sale / Disposals | As at 31/3/2017 | Up to 31/3/2016 | Adjustment # | Deduction | for the year | Up to 31/3/2017 | As at 31/03/2017 | As at 31/03/2016 |
| TANGIBLE ASSETS | | | | | | | | | | | | |
| Leasehold Land | 49.87 | - | - | - | 49.87 | 11.21 | | | 0.56 | 11.77 | 38.10 | 38.66 |
| Factory Building | | | | | | | | | | | | |
| Own Use | 339.75 | - | - | - | 339.75 | 173.22 | | | 10.96 | 184.18 | 155.58 | 166.54 |
| Building | 8.49 | - | - | - | 8.49 | 3.13 | | | 0.42 | 3.55 | 4.95 | 5.37 |
| Plant & Machinery | 1,309.79 | 40.78 | 57.91 | 12.29 | 1,280.37 | 356.01 | 3.80 | 12.29 | 69.51 | 409.43 | 870.94 | 953.78 |
| Furniture & Fixture | 14.39 | - | - | - | 14.39 | 13.07 | | | 0.30 | 13.37 | 1.02 | 1.33 |
| Electric Installation | 73.98 | - | - | - | 73.98 | 45.42 | | | 4.93 | 50.35 | 23.63 | 28.56 |
| Office Equipment | 10.81 | 0.88 | - | - | 11.69 | 9.45 | | | 0.37 | 9.82 | 1.87 | 1.35 |
| Vehicles | 16.95 | - | - | - | 16.95 | 4.65 | | | 1.90 | 6.55 | 10.40 | 12.30 |
| Computers | 29.65 | 1.00 | - | - | 30.64 | 28.01 | | | 1.01 | 29.02 | 1.62 | 1.64 |
| Fire Fighting Equipment | 2.73 | - | - | - | 2.73 | 1.84 | | | 0.07 | 1.91 | 0.82 | 0.89 |
| E.T.Plant | 15.17 | - | - | - | 15.17 | 15.17 | | | - | 15.17 | 0.00 | 0.00 |
| Reverse Osmosis Plant | 66.41 | - | 6.70 | - | 59.71 | 4.24 | 0.43 | - | 3.78 | 7.59 | 52.12 | 62.17 |
| Lab Equipments | 11.13 | 0.55 | - | - | 11.68 | 6.33 | | | 1.09 | 7.42 | 4.26 | 4.80 |
| Secondary Treatment Plant | 29.90 | - | - | - | 29.90 | 1.42 | | | 1.89 | 3.32 | 26.59 | 28.48 |
| Sub-Total A | 1,979.04 | 43.21 | 64.61 | 12.29 | 1,945.34 | 673.16 | 4.23 | 12.29 | 96.80 | 753.44 | 1,191.91 | 1,305.88 |
| INTANGIBLE ASSETS | | | | | | | | | | | | |
| Computer Software | 2.87 | - | - | - | 2.87 | 2.84 | | | - | 2.84 | 0.03 | 0.03 |
| Sub-Total B | 2.87 | - | - | - | 2.87 | 2.84 | - | - | - | 2.84 | 0.03 | 0.03 |
| Total A + B | 1,981.90 | 43.21 | 64.61 | 12.29 | 1,948.21 | 676.00 | 4.23 | 12.29 | 96.80 | 756.28 | 1,191.93 | 1,306.45 |
| Capital Work in Progress | | | | | | | | | | | | |
| Effluent Treatment Plant | | | | | | | | | | | 8.02 | - |
| PREVIOUS YEAR | 1,847.27 | 2,11.21 | - | 65.15 | 1,993.33 | 659.75 | | 64.90 | 92.00 | 686.85 | 1,306.48 | 1,187.52 |

The company has taken term loan under the Technology Upgradation Fund Scheme (TUFS). Under this scheme the Company has received the 10% capital subsidy in some items which has been adjusted against the cost of the asset.

| Particulars | As at 31st March' 2017 | As at 31st March' 2016 |
|-------------|------------------------|------------------------|
|-------------|------------------------|------------------------|

Note 12 NON-CURRENT INVESTMENTS
INVESTMENT PROPERTY

Building- 149-BCD, Kandivali (West) **0.57** -

TRADE INVESTMENT (Unquoted - at cost)

In Equity Share (Fully Paid Up)

Shares in Associate Companies:

1,95,000 Equity Shares (31 March 2016 : 1,95,000) of ₹ 10/- each, of Gini Tex Private Limited **8.87** 8.87

Others:

31,717 Shares (31 March 2016 :31,717 Shares) @ 100/- each, of Tarapur Environment Protection Society **31.72** 31.72

NON - TRADE

In Equity Share (Fully Paid Up)

Notes on Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

| Particulars | As at 31st March' 2017 | As at 31st March' 2016 |
|--|---------------------------|---------------------------|
| Unquoted | | |
| Shares in Associate Companies: | | |
| 1800 Equity Shares (31 March 2016 : 1800) of ₹ 10/- each, of Gini Construction Private Limited | 0.18 | 0.18 |
| Quoted | | |
| 2,019 Equity Shares (31 March 2016 : 2,019) of ₹ 10/- each of National Thermal Power Corporation Ltd | 1.25 | 1.25 |
| 2019 Bonus Debentures allotted by National Thermal Power Corporation Limited (31 March, 2016 - 2019) | - | - |
| 6,000 Equity Shares (31 March 2016 : 6,000) of ₹ 10/- each of TATA Steel Limited | 37.26 | 37.26 |
| INVESTMENTS IN PARTNERSHIP FIRM | | |
| Gini Construction Co - Capital Account # | - | - |
| Gini Citicorp Reality LLP Capital Account | 0.05 | 0.05 |
| Total | 79.90 | 79.33 |
| Quoted Investments | | |
| Book Value | 38.51 | 38.51 |
| Market Value | 32.57 | 22.04 |
| Unquoted Investments | | |
| Book Value | 40.82 | 40.82 |
| # 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 13 LONG-TERM LOANS AND ADVANCES | | |
| Capital Advances | - | 1,265.07 |
| Security Deposit (Unsecured, considered good) | 37.97 | 30.83 |
| Advance Income Tax (Net of Provisions) | 24.43 | 51.29 |
| Prepaid Expenses | 2.61 | 1.19 |
| Balances with Government Authorities (Unsecured Considered Good) | | |
| Mvat Receivable | 125.69 | 116.90 |
| Balance with Central Excise # | 4.84 | 4.85 |
| Income Tax Refund Receivable | 54.62 | - |
| Loans and advance to Employee (Unsecured, considered good) | 4.15 | - |
| Total | 254.31 | 1,470.13 |

In respect of Demand raised by Central Excise department under Rule 8 of Central Excise Valuation Rule, 2000 for Deemed Credit (15% Profit), order has been passed in our favor by the Tribunal under section 35(1) of the Central Excise Act, 1944, Section 129(B) of the Customs Act, 1962 and Finance Act, 1994. Order No. A/86296/17/EB Dated 10.03.2017

Notes on Financial Statements for the Year ended 31st March, 2017
(₹ in Lakhs)

| Particulars | As at 31st March' 2017 | As at 31st March' 2016 |
|--|---------------------------|---------------------------|
| Note 14 OTHER NON CURRENT ASSETS | | |
| Application Money paid to Tarapur Environment Protection Society (Pending allotment) | - | 25.62 |
| Fixed Deposit with bank with maturity period more than 12 months# | 27.37 | 2.23 |
| Others | 5.27 | - |
| Total | <u>32.64</u> | <u>27.85</u> |
| # Held as lien by Bank against Bank Guarantee issued to various authorities.(Refer Note No.28) | | |
| Note 15 CURRENT INVESTMENTS | | |
| Investment in Mutual Funds | | |
| Quoted | | |
| 22,22,917.018 Units (31 March 2016 : 2,72,564.820) of ₹ 10/- each in HDFC Cash Mgmt Fund - Treasury Advantage Plan- Retail- Daily Dividend | 225.45 | 27.34 |
| 24,96,426.015 units (31 March 2016 : Nil) of ₹ 10/- each in Birla Sun Life Enhanced Arbitrage Fund- Dividend- Regular Plan | 270.00 | - |
| 23,20,252.817 units (31 March 2016 : Nil) of ₹ 10/- each in ICICI Prudential Equity Arbitrage Fund - Dividend | 320.00 | - |
| 3,598.172 units (31 March 2016 : Nil) of ₹ 10/- each in Birla Sun Life Balanced'95 Fund - Dividend Regular Plan | 5.00 | - |
| 33,557.062 units (31 March 2016 : Nil) of ₹ 10/- each in ICICI Prudential Balance Advantage Fund - Dividend | 5.00 | - |
| Total | <u>825.45</u> | <u>27.34</u> |
| Quoted Investments | | |
| Book Value | 825.45 | 27.34 |
| Market Value | 825.69 | 27.34 |
| Note 16 INVENTORIES | | |
| (At lower of cost or Net Realisable Value) | | |
| Raw Materials | 170.01 | 102.95 |
| Work-in-Progress | 57.96 | 69.35 |
| Finished Goods | 436.18 | 437.10 |
| Stores and Spares | 62.66 | 63.57 |
| Total | <u>726.81</u> | <u>672.97</u> |
| Note 17 TRADE RECEIVABLES | | |
| (Unsecured, considered good) | | |
| Over Six Months | 129.72 | 39.44 |
| Others | 467.37 | 611.95 |
| Total | <u>597.09</u> | <u>651.39</u> |

Notes on Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

| Particulars | As at 31st March' 2017 | As at 31st March' 2016 |
|--|---------------------------|---------------------------|
| Note 18 CASH AND BANK BALANCE | | |
| Cash and Cash Equivalents | | |
| Cash on Hand | 1.32 | 7.92 |
| Balances with Banks in Current Accounts | 91.87 | 23.82 |
| Others | | |
| Unpaid Dividend Accounts | 1.46 | 2.32 |
| FD with State Bank of India (With maturity period more than 3 months) | 0.30 | - |
| Total | <u><u>94.95</u></u> | <u><u>34.06</u></u> |
| Note 19 SHORT TERM LOANS AND ADVANCES | | |
| Life Insurance Corporation of India - Gratuity | 6.62 | 2.75 |
| Prepaid Expenses | 5.91 | 7.78 |
| Loans and Advances to Employees (Unsecured, Considered Good) | 12.41 | 6.78 |
| Other Loans and Advances (Unsecured, Considered Good) | 101.05 | 151.78 |
| Current Account with Partnership Firm and LLP | 164.61 | 256.48 |
| Security Deposit (Unsecured, Considered Good) | 20.00 | - |
| Advance to Associate Company | 965.07 | - |
| Advance to Suppliers | 7.99 | 13.37 |
| Total | <u><u>1,283.66</u></u> | <u><u>438.94</u></u> |
| Note 20 OTHER CURRENT ASSETS | | |
| Application Money paid to Tarapur Environment Protection Society (Pending allotment) | 25.62 | - |
| Interest Receivable | 50.95 | 3.26 |
| MIDC Receivable | - | 3.86 |
| Total | <u><u>76.57</u></u> | <u><u>7.12</u></u> |

Notes on Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|--|--|--|
| Note 21 REVENUE FROM OPERATIONS | | |
| Sale of Products | | |
| Fabric Sales | 2,021.51 | 1,703.53 |
| Sale of Service | | |
| Processing Income | 1,889.72 | 2,371.40 |
| Other Operating Revenues | | |
| Sale of Scrap | 0.38 | 0.46 |
| Total | 3,911.61 | 4,075.39 |
| Note 22 OTHER INCOME | | |
| Dividend Income: | | |
| From Current Investments - Mutual Fund | 24.42 | 8.56 |
| From Long Term Investments - Equity Shares | 0.59 | 2.52 |
| Net Gain on Sale of: | | |
| From Current Investments - Mutual Fund | 2.07 | 0.00 |
| From Long Term Investments - Equity Shares | - | - |
| | 27.08 | 11.08 |
| Interest Income Comprises: | | |
| Interest on Loans and Advances | 43.56 | 63.27 |
| Interest on Overdue Trade Receivables | 2.63 | 1.85 |
| Interest Received on Fixed Deposit | 0.40 | 0.27 |
| Interest on Subsidies from Government | 89.51 | - |
| Interest on Income Tax Refund | 2.11 | - |
| Interest on Security Deposit | 3.49 | 1.73 |
| Total - Interest Income | 141.70 | 67.12 |
| Share of Profit/Loss from Partnership Firms/ LLP | 0.10 | (0.28) |
| (Profit/(loss) was accounted as per the Unaudited Accounts of Partnership Firm/ LLP) | | |
| Other Non-Operating Income Comprises: | | |
| Rental Income from Investment Properties | 41.50 | 49.20 |
| Profit on Sale of Fixed Assets | 1.65 | 5.75 |
| Mvat Refund Received | 1.20 | - |
| Miscellaneous Income | - | 16.96 |
| Total - Other Non-Operating Income | 44.35 | 71.91 |
| Total | 213.23 | 149.83 |

Notes on Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|--|--|--|
| Note 23 a COST OF MATERIAL CONSUMED | | |
| Raw Material | | |
| Opening Stock | 102.95 | 133.78 |
| Add: Purchases | 1,662.62 | 1,054.07 |
| | 1,765.57 | 1,187.85 |
| Less: Closing Stock | 170.02 | 102.95 |
| Cost of Material Consumed | 1,595.55 | 1,084.90 |
| Material Consumed Comprises: | | |
| Dyes & Chemicals | 430.47 | 483.26 |
| Grey Fabrics | 1,165.08 | 601.64 |
| Total | 1,595.55 | 1,084.90 |
| Note 23 b Purchase of Stock in Traded | | |
| Finished Fabrics | 186.17 | 603.11 |
| Total | 186.17 | 603.11 |
| Note 23 c Changes in inventories of finished goods, work-in-progress and stock-in-trade | | |
| Inventories at the End of the Year: | | |
| Finished Goods | 436.17 | 437.10 |
| Work-in-Progress (Job) | 57.96 | 69.35 |
| | 494.13 | 506.45 |
| Inventories at the Beginning of the Year: | | |
| Finished Goods | 437.10 | 406.16 |
| Work-in-Progress (Job) | 69.35 | 18.55 |
| | 506.45 | 424.71 |
| Net Increase / (Decrease) | 12.32 | (81.74) |

VALUE OF RAW-MATERIAL/GREY FABRICS CONSUMED

| | 2017 ₹ | % of Consumption | 2,016 ₹ | % of Consumption |
|------------|-----------|---------------------|------------|---------------------|
| Imported | - | - | - | - |
| Indigenous | 1,595.55 | 100% | 1,084.90 | 100% |
| | 1,595.55 | 100% | 1,084.90 | 100% |

Notes on Financial Statements for the Year ended 31st March, 2017
(₹ in Lakhs)

| | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|--|--|--|
| Note 24 EMPLOYEE BENEFITS EXPENSE # | | |
| Salaries and Wages | 341.83 | 363.06 |
| Contributions to Provident and Other Funds | 17.03 | 17.44 |
| Staff Welfare Expenses | 8.82 | 10.95 |
| Total | <u>367.68</u> | <u>391.45</u> |
| # Includes Managerial Remuneration | | |
| Remuneration | 48.00 | 48.00 |
| Contributions to Provident and Other Funds | 5.76 | 5.76 |
| Perquisites | 2.95 | 2.61 |
| Retirement Benefits | - | - |
| Commission | - | - |
| Total | <u>56.71</u> | <u>56.37</u> |

Remuneration to Directors u/s 198 of Company's Act, 2013

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:

| | 2016-17 | 2015-16 |
|---|----------------|---------|
| Employer's Contribution to Provident Fund | 16.67 | 17.12 |

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 | 2016-17 | 2015-16 |
|--|----------------|---------|
| Opening PV of Obligation | 69.08 | 57.10 |
| Interest Cost | 5.52 | 4.57 |
| Current Service Cost | 7.09 | 5.95 |
| Benefits Paid | (4.32) | (1.14) |
| Actuarial Gain / Loss | (0.61) | 2.60 |
| PV of Closing Obligation | 76.76 | 69.08 |
| Calculation of Changes in Fair Value of Plan Asset | | |
| FV of Plan Asset at beginning | 71.83 | 65.62 |
| Expected Return on Plan Asset | 6.34 | 5.60 |
| Employer Contribution | 9.54 | 1.75 |
| Benefits Paid | (4.33) | (1.14) |
| Actuarial Gain / (Loss) | NIL | NIL |

Notes on Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

| | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|---|--|--|
| FV of Asset at End | 83.38 | 71.83 |
| Liability in Balance Sheet | | |
| Closing PV of Obligation | 76.76 | 69.08 |
| FV of Plan Asset | 83.38 | 71.83 |
| Asset/ (Liability) recognised in Balance Sheet | 6.62 | 2.75 |
| Expense in Profit & Loss A/c Statement | | |
| Current Service Cost | 7.08 | 5.95 |
| Interest Cost | 5.53 | 4.57 |
| Expected Return on Plan Asset | (6.34) | (5.60) |
| Actuarial Loss | - | 2.60 |
| Actuarial Gain | (0.61) | - |
| Total Expenses Recognised in P & L A/c | 5.66 | 7.52 |
| Actuarial Assumptions | 31/03/2017 | 31/03/2016 |
| 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.

Note 25 FINANCE COST
INTEREST EXPENSES ON

| | | |
|---------------------------|---------------|--------|
| Borrowings from Directors | 108.01 | 65.06 |
| Cash Credit from Bank | 0.10 | 0.01 |
| Term Loan from Bank | 28.84 | 79.57 |
| Trade Deposits | 1.37 | 0.50 |
| Others Borrowing Cost | 5.53 | 2.31 |
| Total | 143.85 | 147.45 |

Notes on Financial Statements for the Year ended 31st March, 2017
(₹ in Lakhs)

| | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|--|--|--|
| Note 26 OTHER EXPENSES | | |
| STORES & SPARES CONSUMED | | |
| Opening Stock | 33.71 | 18.60 |
| Add : Purchases | 41.43 | 85.79 |
| | <u>75.14</u> | <u>104.40</u> |
| Less : Closing Stock | 33.80 | 33.72 |
| | <u>41.34</u> | <u>70.68</u> |
| PACKING MATERIAL CONSUMED | | |
| Opening Stock | 26.68 | 23.27 |
| Add : Purchases | 76.69 | 90.91 |
| | <u>103.37</u> | <u>114.18</u> |
| Less : Closing Stock | 23.84 | 26.68 |
| | <u>79.53</u> | <u>87.50</u> |
| COAL CONSUMED | | |
| Opening Stock | 2.53 | 3.00 |
| Add : Purchases | 265.94 | 370.85 |
| | <u>268.47</u> | <u>373.84</u> |
| Less : Closing Stock | 4.32 | 2.53 |
| | <u>264.15</u> | <u>371.31</u> |
| POWER & FUEL CONSUMED | | |
| Opening Stock | 0.64 | 0.84 |
| Add : Purchases | 200.81 | 264.74 |
| | <u>201.45</u> | <u>265.57</u> |
| Less : Closing Stock | 0.70 | 0.64 |
| | <u>200.75</u> | <u>264.93</u> |
| OTHER MANUFACTURING EXPENSES | | |
| Processing Charges | 69.77 | 49.42 |
| Embroidery Charges | - | 1.26 |
| Design Charges | 0.09 | 0.01 |
| Labour Charges | 342.72 | 356.60 |
| Carriage & Freight | 51.90 | 56.59 |
| Testing Fees & Laboratory Charges | 1.20 | 1.49 |
| Packing Charges | 33.29 | 31.47 |
| Water Charges | 54.85 | 77.72 |
| Effluent Treatment Expenses | 47.67 | 47.54 |
| | <u>601.49</u> | <u>622.11</u> |
| SELLING DISTRIBUTION AND OTHER EXPENSES | | |
| Commission on Sales | 64.74 | 54.54 |
| Advertisement Expenses | 1.51 | 0.56 |
| Sales Conference Expenses | - | 2.49 |
| Sales Promotion Expenses | 13.89 | 6.70 |
| | <u>80.14</u> | <u>64.29</u> |

Notes on Financial Statements for the Year ended 31st March, 2017
(₹ in Lakhs)

| | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|----------------------------------|--|--|
| ESTABLISHMENT EXPENSES | | |
| Insurance Charges | 7.17 | 7.05 |
| Rent | 13.76 | 13.73 |
| Rating Fees | - | 0.46 |
| Rates & Taxes | 6.50 | 7.13 |
| Traveling & Conveyance | 25.87 | 25.56 |
| Printing & Stationery | 4.40 | 6.06 |
| Legal & Professional Charges | 10.21 | 8.12 |
| Postage Expenses | 4.84 | 5.95 |
| Miscellaneous Expenses | 15.95 | 10.40 |
| Motor Car Expenses | 2.71 | 3.27 |
| Telephone Charges | 4.48 | 5.18 |
| Electricity Charges | 11.10 | 12.75 |
| Donation | 3.50 | 5.00 |
| Entertainment Expenses | 0.29 | 0.17 |
| Sundry Balances W/off | 0.73 | - |
| Registration Charges | 0.45 | - |
| Internet Expenses | 1.10 | 1.24 |
| Society Expenses | 1.86 | 1.86 |
| | <u>114.92</u> | <u>113.95</u> |
| REPAIRS & MAINTENANCE | | |
| To Plant & Machinery | 13.07 | 33.47 |
| To Building | 1.48 | 19.63 |
| To Others | 14.67 | 9.96 |
| | <u>29.22</u> | <u>63.06</u> |
| PAYMENT TO AUDITORS | | |
| As Audit Fees | 0.98 | 0.74 |
| As Tax Audit Fees | 0.46 | 0.21 |
| For Expenses | - | - |
| | <u>1.44</u> | <u>0.95</u> |
| Total | <u><u>1,412.97</u></u> | <u><u>1,659</u></u> |

27 VALUE OF STORES/SPARES CONSUMED

| | 2017 | % of Consumption | 2,016 | % of Consumption |
|------------|---------------|---------------------|---------------|---------------------|
| Imported | - | - | - | - |
| Indigenous | 385.02 | 100 | 529.49 | 100 |
| | <u>385.02</u> | <u>100</u> | <u>529.49</u> | <u>100</u> |

Notes on Financial Statements for the Year ended 31st March, 2017
(₹ in Lakhs)

| Particulars | As at 31st March 2017 | As at 31st March 2016 |
|---|--------------------------|--------------------------|
| 28 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for) | | |
| 28 a. Contingent Liabilities | | |
| Commissioner of Central Excise, Thane II has demanded duty on Deemed Credit for the period February 2001 to October 2002. The Company has deposited ₹1,00,000/- (P.Y. ₹ 1,00,000/-) to Asst. Registrar the Customs Excise Service Tax Appellate Tribunal W.Z.B. | - | 3.38 |
| Textile Committee, Govt of India, Ministry of textiles demanded cess for various period under The Textile Committee Act & Cess Reules 1975 | 7.09 | 7.09 |
| Central Excise duty demand for excise duty and interest on differential amount on excise duty. (The Central Excise Department has made Special Leave Petition in Supreme Court) | 185.10 | 185.10 |
| Central Excise Demand under the Central Excise Act against availment of Cenvat Credit. (The Company has gone in appeal to the customs, excise and service tax appellate tribunal) and Deposited ₹3,84,546/- (P.Y. 3,84,546/-) | 56.78 | 56.78 |
| Bank Gurantees given to the commissioner of custom on account of bond for availing duty exemption under EPCG scheme | 1.75 | 1.75 |
| Bank Guarantee given to the Maharashtra Pollution Control Board for compliance of directions issued by Board. | 2.00 | 2.00 |
| Bank Guarantee given to the Maharashtra Pollution Control Board for compliance of restart condition issued by Board. | 25.00 | - |
| Bank Guarantee given to the Maharashtra Pollution Control Board for compliance of consent conditions/direction for providing adequate and satisfactory pollution control devices as suggested by Board | 3.00 | - |
| Disputed Demand in respect of Income -Tax for A.Y 2012-13 | - | 14.52 |
| 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. | | |
| 28 b COMMITMENTS | | |
| Commitment for Capital Expenditure of ₹ 33.15 Lakhs towards modification of ETP Plant, advance paid ₹1.10 Lakhs. | | |
| 29 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF | 2017-18 | 2016-17 |
| Raw Materials | | - |
| Stores and Spare Parts | 6.98 | 6.81 |
| Capital Goods | - | - |
| | <u>6.98</u> | <u>6.81</u> |

Notes on Financial Statements for the Year ended 31st March, 2017
(₹ in Lakhs)

| Particulars | As at 31st March 2017 | As at 31st March 2016 |
|--|---|--------------------------|
| 30 Expenditure/Earning in foreign currency on account of | | |
| Expenditure in Foreign Currency | | |
| Travelling Expenses | - | 0.54 |
| Earning in Foreign Currency | - | - |
| | <u>-</u> | <u>0.54</u> |
| 31 EARNING PER SHARE (EPS) | | |
| Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders | 241.66 | 180.45 |
| Weighted Average number of Equity Shares used as denominator for calculating EPS | 55.93 | 55.93 |
| Basic and Diluted Earning Per Share | 4.32 | 3.23 |
| Face Value per Equity Share | 10.00 | 10.00 |
| 32 DEFERRED TAX (LIABILITY)/ ASSETS LIABILITY | | |
| Accumulated Depreciation | 203.19 | 191.56 |
| Deferred Tax Liability | 203.19 | 191.56 |
| ASSETS | - | - |
| Net Deferred Tax Liability | 203.19 | 191.56 |
| 33 LEASES | | |
| a Premises taken on operating lease: | | |
| The Company has significant operating lease for premises. These lease arrangement srange for a period of 5 years. The leases are renewable for a further period on mutually agreeable terms. | | |
| For a period not later than one year | 0.82 | 0.71 |
| For a period more than one year and not later than five years | 12.06 | 12.06 |
| b Premises given on operating lease: | | |
| The Company has given premises on operating leases. These lease arrangementsrange for a period of 5 years. The leases are renewable for a further period on mutually agreeable terms. | | |
| Buildings: | | |
| Gross Carrying Amount | 11.42 | 11.42 |
| Depreciation for the year | - | - |
| Accumulated Depreciation | 10.85 | 10.85 |
| 34 RELATED PARTY TRANSACTION | | |
| As per Accounting Standards 18, the disclouser of transactions with the Related Parties as defined in the Accounting Standard are given below: | | |
| (A) RELATIONSHIP | | |
| Name of the Related Party | Relationship | |
| 1. Vishwanath Harlalka | Key Managerial Personal (KMP) | |
| 2. Deepak Harlalka | Key Managerial Personal (KMP) | |
| 3. Anjali Harlalka | Key Managerial Personal (KMP) | |
| 4. Shreem Reality Private Limited | Enterprises- KMP having significant Influence | |
| 5. Gini Tex Private Limited | Associates | |
| 6. Shree Enterprises | Partner | |
| 7. Gini Construction Co. | Partner | |
| 8. Gini Constructions Pvt Ltd | Associates | |
| 9. Gini Citicorp Reality LLP | Partner | |

Notes on Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

(B) Transaction carried out with related parties referred in (A) above

| Nature of Transactions | Partner | Associates | KMP | Total |
|------------------------------------|----------------|-------------------|-----------------|-----------------|
| 1. Sales | | | | |
| Processing Job Work | | 643.62 | | 643.62 |
| | | <i>753.87</i> | | <i>753.87</i> |
| Sale of Dyed Fabrics | | 94.68 | | 94.68 |
| 2. Purchases | | | | |
| Purchase Dyed Fabrics | | - | | - |
| | | <i>111.11</i> | | <i>111.11</i> |
| 3. Income | | | | |
| Share of Profit # | 0.10 | | | 0.10 |
| | <i>(0.28)</i> | | | <i>(0.28)</i> |
| 4. Expenses | | | | |
| Rent Paid | | 12.06 | | 12.06 |
| | | <i>12.06</i> | | <i>12.06</i> |
| Telephone Charges Paid | | 1.27 | | 1.27 |
| | | <i>1.87</i> | | <i>1.87</i> |
| Managerial Remuneration | | | 48.00 | 48.00 |
| | | | <i>48.00</i> | <i>48.00</i> |
| Perquisites to Directors | | | 2.95 | 2.95 |
| | | | <i>2.61</i> | <i>2.61</i> |
| Interest on Unsecured Loan Payment | | | 108.01 | 108.01 |
| | | | <i>65.06</i> | <i>65.06</i> |
| 5. Investments | | | | |
| Return of Investments | 346.63 | | | 346.63 |
| | <i>134.00</i> | | | <i>134.00</i> |
| Additon in Investments | 247.70 | | | 247.70 |
| | - | | | - |
| 6. Others | | | | |
| Acceptance of Unsecured Loans | | | 1,252.48 | 1,252.48 |
| | | | <i>1,202.50</i> | <i>1,202.50</i> |
| Repayment of Unsecured Loans | | | 1,038.30 | 1,038.30 |
| | | | <i>920.25</i> | <i>920.25</i> |
| Advance for Purchase of Land | | | - | - |
| | | | <i>1,265.07</i> | <i>1,265.07</i> |
| Nature of Transactions | Partner | Associates | KMP | Total |
| 7. Outstanding | | | | |
| Balance as at 31st March, 2017 | | | | |
| Trade Receivables | | | - | - |
| Trade Payables | | | - | - |
| Loans and Advances | | | 1,817.25 | 1,817.25 |
| | | | <i>1,806.14</i> | <i>1,806.14</i> |
| Investments | 164.67 | | | 164.67 |
| | <i>256.53</i> | | | <i>256.53</i> |

Figures in italic represents Previous Year's amount

Notes on Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

| C | Disclouser in respect of Material Transaction with Related Party Transaction during the year. (included in B above) | |
|--|--|----------|
| 1. Sales | 2017-18 | 2016-17 |
| Gini Tex Private Limited - Job Work | 582.75 | 662.37 |
| Shree Enterprise - Job Work | 60.86 | 91.50 |
| Gini Tex Private Limited - Fabric Sales | 94.68 | - |
| 2. Purchases | | |
| Gini Tex Private Limited - Fabric | - | 111.11 |
| 3. Income : Share of Profit | | |
| Gini Cirticorp Reality LLP | 0.10 | (0.28) |
| 4. Expenses : Rent Paid | | |
| Gini Tex Private Limited | 4.50 | 4.50 |
| Vishwanath Harlalka HUF | 7.56 | 7.56 |
| Telephone Charges Paid | | |
| Gini Tex Private Limited | 1.27 | 1.87 |
| Managerial Remuneration | | |
| Shri Vishwanath Harlalka | 24.00 | 24.00 |
| Shri Deepak Harlalka | 24.00 | 24.00 |
| Perquisites to Directors | | |
| Shri Vishwanath Harlalka | 0.40 | - |
| Shri Deepak Harlalka | 2.55 | 2.61 |
| Interest on Unsecured Loan Payment | | |
| Shri Vishwanath Harlalka | 18.11 | 8.42 |
| Shri Deepak Harlalka | 18.81 | 22.17 |
| Smt. Anjali D. Harlalka | 71.09 | 34.47 |
| 5. Investments - Returns of Investments | | |
| Gini Cirticorp Reality LLP | 346.63 | 134.00 |
| Investments - Additon in Investments | | |
| Gini Cirticorp Reality LLP | 247.70 | - |
| Acceptance of Unsecured Loans | | |
| Shri Vishwanath Harlalka | 405.85 | 36.50 |
| Shri Deepak Harlalka | 480.80 | 675.00 |
| Smt. Anjali D. Harlalka | 365.83 | 491.00 |
| Repayment of Unsecured Loans | | |
| Shri Vishwanath Harlalka | 146.75 | 141.00 |
| Shri Deepak Harlalka | 320.15 | 766.50 |
| Smt. Anjali D. Harlalka | 571.40 | 12.75 |
| Advance for Purchase of Land | | |
| Shreem Reality | - | 1,265.07 |
| 7. Outstanding Balance as at 31st March, 2017 | 2017-18 | 2016-17 |
| Loans and Advances Payable | | |
| Shri Vishwanath Harlalka | 188.19 | 11.25 |
| Shri Deepak Harlalka | 296.30 | 20.55 |
| Smt. Anjali D. Harlalka | 367.69 | 509.27 |
| Loans and Advances Receivable | | |
| Shreem Reality Private Limited | 965.07 | 1,265.07 |
| Investments | | |
| Gini Cirticorp Reality LLP | 163.19 | 255.05 |
| Gini Construction Company | 1.47 | 1.48 |

The Figure of Share of profit is after giving effect to the difference between the provisional profits(Unaudited) and the actual profits (Audited) of FY 2015-16

- 35 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.
- 36 Income Tax Assessment is completed up to the Assessment Year 2014- 2015.
- 37 The Company is in process of appointing the Company Secretary and Chief Financial Officer, however during the year under audit the company unable to appoint the same.
- 38 The Company is engaged only in Textile business and there are no separate segment as per accounting standard 17.
- 39 Event occurring after Balance Sheet date:
The Board of Director's has recommened Equity Dividend of Rs.0.50 per shares (Previous Year 0.05) for the finacial year 2016-2017. The Proposed Dividend subject to the approval of the share holders in the ensuing Annual General Meeting.

(₹ In Lakhs)

| Particulars | Specified Bank Notes (SBNs)# | Other Denomination Notes & Currency | Total (₹) |
|---|------------------------------|-------------------------------------|-----------|
| | Amount | Amount | Amount |
| Closing Cash in hand as on 8th November 2016 | 3.29 | 12.27 | 15.56 |
| (+) Permitted Receipts | - | 0.05 | 0.05 |
| (-) Permitted Payments | - | 3.16 | 3.16 |
| (+) Cash withdrawal after 8th November | - | 4.02 | 4.02 |
| (-) Cancellation of cheque due to restriction on withdrawal | - | 10.50 | 10.50 |
| (-) Amount Deposited in Banks | 3.29 | - | 3.29 |
| Closing Cash in hand as on 30th December 2016 | - | 2.68 | 2.68 |

For the purpose of this clause, the term "Specified Bank Note' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Departement of Economic Affairs number S.O. 3407 (E) dated November 8, 2016.

The disclosures with respects to 'Permitted Receipts', 'Permitted Payments', 'Amount Deposited in Banks' and 'Closing Cash in Hand as on 30.12.2016' is understood to be applicable in case of SBNs only.

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

As per our Report of even date

For Vatsaraj & Co

Chartered Accountants

FRN : 111327W

CA NITESH K DEDHIA

Partner

Membership No, 114893

Mumbai, 27th May 2017

For and on behalf of the Board of Directors

Vishwanath Harlalka

DIN No. 00170432

Chairman

Deepak Harlalka

DIN No. 00170335

Managing Director

Anjali Harlalka

DIN No. 07141513

Director

Mumbai, 27th May 2017



ATTENDANCE SLIP
(To be handed over at the entrance
of the meeting hall)

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

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

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

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

| | |
|--------------------|--|
| No. of shares held | |
|--------------------|--|

Full name of the member attending

Name of Proxy

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 37th Annual General Meeting of the GINI SILK MILLS LIMITED at Maheshwari Pragati Mandal, Maheashwari Bhawan, 603, Girgaon Road, Mumbai-400002 on Tuesday, August 29, 2017.

*Applicable for Investor holding shares in electronic form

Signature of Shareholder/ proxy

.....Tear Here

Form No. MGT-11
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 the above named company. 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

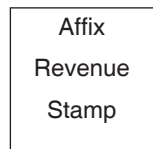
as my/ our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 37th Annual General Meeting of the company, to be held on August 29, 2017 at 12.30 p.m. at Maheshwari Pragati Mandal, Maheshwari Bhawan, 603, Girgaon Road, Mumbai-400002 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sr. No. | Resolution(s) | | Vote | |
|---------|---|----------|-------|-----------|
| | | | (For) | (Against) |
| 1. | Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2017 | Ordinary | | |
| 2. | Declaration of Dividend for the financial year 2016-17. | Ordinary | | |
| 3. | Appointment of Mr. Vishwanath Harlalka as a Director, who retires by rotation. | Ordinary | | |
| 4. | Appointment of Auditors and fix their remuneration | Ordinary | | |

Signed this _____ day of _____ 2017

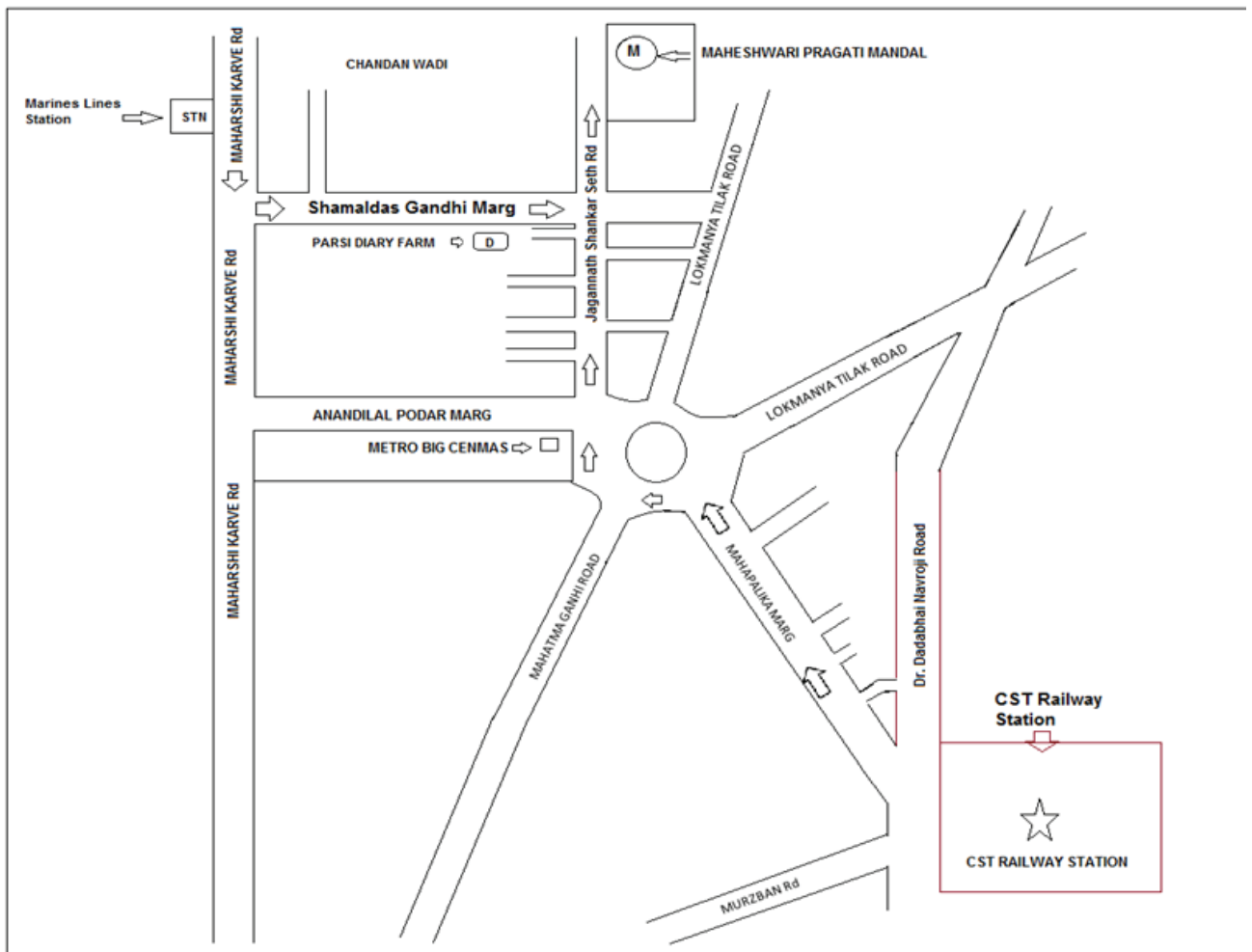
Signature of shareholder _____

Signature of Proxy holder _____



Signature of the shareholder across
Revenue Stamp

- 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. The proxy need not be a member of the company.



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.