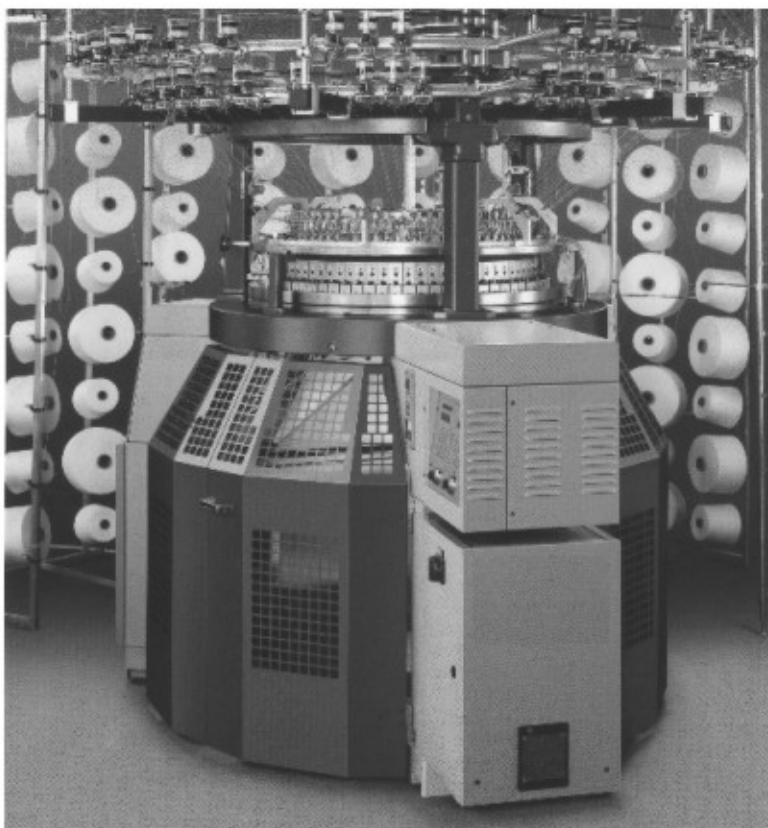




GINNI FILAMENTS LIMITED



Annual Report 2010-11



GINNI FILAMENTS LIMITED

BOARD OF DIRECTORS

Dr. Rajaram Jaipuria, *Chairman & Managing Director*

Shri Shishir Jaipuria, *Vice Chairman & Managing Director*

Shri J.P. Kundra

Shri. O.P. Vaish

Shri J.K. Bhagat

Shri Saket Jaipuria (*Executive Director*)

Shri Nripendra Misra

Shri S. Singhvi (*Director - Finance*)

Shri R.R. Maheshwari (*Director - Marketing & Business Development*)

Dr. H.P. Bhattacharya

Shri N.K. Duggal (*Nominee-IFCI*)

COMPANY SECRETARY

Shri Rajesh K. Tripathi

AUDITORS

P.L. Gupta & Co.

BANKERS

State Bank of India

Bank of Baroda

The Federal Bank Limited

State Bank of Bikaner & Jaipur

UCO Bank

REGISTERED OFFICE

110 K.M. Stone, Delhi-Mathura Road,
Chhata-281 401. Distt. Mathura (U.P.)

CORPORATE OFFICE

H-6, Sector 63, NH 24, Noida (U.P.) - 201 307

MILLS AT

1. 110 K.M. Stone,
Delhi-Mathura Road,
Chhata-281 401.
Distt. Mathura (U.P.)
2. Plot No. 205-207
GIDC Industrial Area,
Panoli, Ankleshwar-394 116,
Distt. Bharuch (Gujarat)
3. H-6, Sector 63, NH 24,
Noida (U.P.) - 201 307
4. D-38, Industrial Area,
Bahadrabad, Haridwar-249 403 (U.K.)

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NOTICE

Notice is hereby given that the Twenty Eight Annual General Meeting of the Members of Ginni Filaments Limited will be held on Thursday, the 11th August, 2011 at 11.30 A.M. at the Registered office of the Company at 110 - K.M. Stone, Delhi Mathura Road, Chhata – 281 401, Distt.: Mathura (U.P.), to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Dr. H.P. Bhattacharya, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri J.P. Kundra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider, and if thought fit, to pass, the following resolution, with or without modification(s), as an Ordinary Resolution :
"RESOLVED THAT M/s. P. L. Gupta & Co., Chartered Accountants, the retiring Auditors of the Company, be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. To appoint Shri Nripendra Misra as a Director liable to retire by rotation and in this regard to consider, and if thought fit, to pass the following resolution, with or without modification(s) as an Ordinary Resolution :
"RESOLVED THAT Shri Nripendra Misra, who was appointed as a Director of the Company under Section 262 of the Companies Act, 1956 to fill up the casual vacancy caused by death of Shri Gian Prakash and who holds office upto the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To appoint Shri O.P. Vaish as a Director liable to retire by rotation and in this regard to consider, and if thought fit, to pass the following resolution, with or without modification(s) as an Ordinary Resolution :
"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Shri O.P. Vaish, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and article 100 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."
7. To appoint Shri Saket Jaipuria as a Director liable to retire by rotation and in this regard to consider, and if thought fit, to pass the following resolution, with or without modification(s) as an Ordinary Resolution :
"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Shri Saket Jaipuria, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and article 100 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."
8. To appoint Shri Saket Jaipuria as a Wholtime Director designated as Executive Director and in this regard to consider, and if thought fit, to pass the following resolution, with or without modification(s) as a Special Resolution :
"RESOLVED that pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the appointment of Shri Saket Jaipuria, as Executive Director of the Company for a period of five years with effect from 11th February, 2011 on a remuneration and on the terms and conditions as set out in the Explanatory Statement to this Resolution with liberty to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include the Selection cum Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment in such form and manner or with such modifications as the Board may deem fit and agreed to by Shri Saket Jaipuria.
RESOLVED FURTHER THAT Shri Saket Jaipuria shall perform duties and draw powers as may be assigned/delegated to him by the Chairman & Managing Director, Managing Director and Board of Directors of the Company from time to time.
RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolution."

By Order of the Board

NOIDA (U.P.)
27th May, 2011

Rajesh K. Tripathi
Company Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The proxy form duly completed must reach the Company's Registered Office atleast 48 hours before the time of the meeting.
3. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 5th August, 2011 to 11th August, 2011 (both days inclusive).
5. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays between 10.00 A.M. and 1.00 P.M. upto the date of the Annual General Meeting.
6. Members are requested to :
 - (a) Notify change in their addresses, if any, to the Company / Share Transfer Agent / Depository Participant.
 - (b) Send their queries, if any, at least 7 days in advance of the meeting so that the information can be made available at the meeting.
7. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
8. Members holding shares in physical form can avail of the nomination facility by filing Form 2B with the Company. Members holding shares in electronic mode, may approach their respective Depository Participant for availing the nomination facility.
9. (a) Members holding shares in physical form are advised to submit particulars of their Bank account viz. Name of the Bank, address of the branch, 9 digit MICR code of the branch, type of account and account number to the Company's Registrars and Transfer Agents viz. Link Intime India Pvt. Ltd. (Unit : Ginni Filaments Ltd.) A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi – 110 028.



- (b) Members holding shares in demat form are advised to inform the particulars of their bank account to their respective Depository Participants.
- (c) The Ministry of Corporate Affairs has come up with a Green Initiative of permitting the service of documents upon the Shareholders through e-mail or other permissible electronic modes instead of physical mode vide Circular No.17/2011 dated April 21, 2011.
- The shareholders are requested to provide their consent for sending the notice / documents etc. to them through email and also requested to register their email IDs for future communication. The shareholders may forward their consent and register their email IDs (including changing the email ID from time to time).
10. Pursuant to Section 205A of the Companies Act, 1956, unclaimed dividends declared upto financial year ended 31st March, 1995 had been transferred to the General Revenue Account of the Central Government. Members who have not claimed their dividend pertaining to the said period, may approach the Registrar of Companies, Uttar Pradesh & Uttarakhand, Kanpur for the same.
- 11 Pursuant to provisions contained in Section 205A and 205C of the Companies Act, 1956, the Company has transferred unclaimed dividend for the financial years 1995 - 96 to 1997 - 98 remaining unclaimed for a period of seven years from the date, it first became due for payment, to the Investor Education and Protection Fund (IEPF) constituted by the Central Government and no claim shall lie against the IEPF or the Company in respect of individual amount(s) so credited to the IEPF.
- Pursuant to the provisions of the Companies Act, 1956 unpaid dividend for the year ended March 31, 2004 and dividends declared thereafter, remaining unclaimed for a period of seven years, will be transferred by the Company to the IEPF pursuant to Section 205C of the Companies Act, 1956.
- Information in respect of such unclaimed dividends due for transfer to the said Fund is given below :

Financial Year	Due Date
2003 – 04	26.10.2011
2004 – 05	16.10.2012
2005 – 06	05.09.2013
2006 – 07 (Interim)	22.04.2014

- Shareholders who have not so far encashed their Dividend Warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company immediately.
12. Appointment/Re-Appointment of Directors :
- The information required to be furnished about the appointment/ re-appointment of Directors as per the Listing Agreement is as under:

Dr. H.P. Bhattacharya

Dr. H.P. Bhattacharya, aged 71 years, is Ph. D. in Textile Technology from the University of Manchester, UK. He had worked with the World Bank at its Head Quarters in Washington DC as Senior Textile Engineer responsible for modernization, diversification restructuring of Textile Industries in various countries. He also had held the position of Managing Director of National Textile Corporation Ltd.. He does not hold Directorship / Membership of the Committee(s) in any other Company.

Dr. H.P. Bhattacharya does not hold any share of the Company.

Shri J.P. Kundra

Shri J.P. Kundra, aged 81 years, is a prominent Banker and an eminent financial consultant having vast experience . He joined the Imperial Bank of India in 1953 and rose to the top position of the successor Bank namely State Bank of India as its Managing Director. He was also Managing Director of State Bank of Bikaner and Jaipur and Chairman – Banking Services Board.

Shri J.P. Kundra is Chairman of Taurus Asset Management Co. Ltd. and also Chairman of Remuneration Committee of the said Company, Director / Member of Audit Committee, Remuneration Committee and Share Grievance Committee of Ratnabali Capital Markets Ltd., Director / Chairman of Audit Committee and Investors Grievance Committee and Member of Remuneration Committee of Dhunseri Petrochem & Tea Ltd. and Director/ Member of Remuneration Committee and Audit Committee of Svl Mines Ltd.

Shri J.P. Kundra does not hold any share of the Company.

Shri Nripendra Misra

Shri Nripendra Misra, aged 66 years, is an IAS (Retd.) of 1967 batch. He is Masters of Public Administration in Economics & Public Finance, John F. Kennedy School of Government, Harvard University, USA.

Shri Nripendra Misra was Chairman of Telecom Regulatory Authority of India (March, 2006 – March, 2009) also Chairman of C-DOT Alcatel Research Centre, New Delhi (Oct., 2005 to March, 2006).

Shri Nripendra Misra had also been served as Principal Secretary, Finance, Govt. of U.P.

Shri Nripendra Misra is Director / Chairman of Shareholders Grievance Committee of Usha Martin Ltd. and Director / Member of Business Strategy Committee of Lanco Babandh Power Ltd.

Shri Nripendra Misra does not hold any shares of the Company.

Shri O.P. Vaish

Shri O.P. Vaish aged 80 years is a Sr. Advocate and founder of the law firm – Vaish Associates. Shri Vaish served initially in the Indian Revenue Service and later as Chief, Economics & Law Committee, Federation of Indian Chambers of Commerce & Industry.

Shri Vaish is a member of Long Standing of the Managing Committee of FICCI, ASSOCHAM, ICC India and Past President of PHD Chamber of Commerce and Industry. He is Honorary President of International Fiscal Association, India Branch and he is on the Governing Body of IMI & International Centre for Alternative Dispute Resolutions.

Shri O.P. Vaish is Director / Chairman of Audit Committee of Godfrey Phillips India Ltd. and also Director / Chairman of Investment Service Committee of International Travel House Ltd. and Director / Member of Audit & Remuneration Committee of PNB Finance & Industries Ltd. Shri Vaish is Director / Member of Audit Committee of Indo Ram Synthetics India Ltd. and also Director of The India Thermit Corporation Ltd. and Universal Trustees Pvt. Ltd.,

Shri O.P. Vaish does not hold any shares of the Company.

Shri Saket Jaipuria

Shri Saket Jaipuria aged 28 years. He hold Business Administration Degree from Carnegie Mellon University, Pittsburg, USA with distinction. Shri Saket Jaipuria has good experience of the vibrant Global Economy and has very sound knowledge of Indian & Global Textile Business.

Shri Saket Jaipuria is Director of Ginni Biotex Pvt. Ltd. and Raghukul Trading Pvt. Ltd.

Shri Saket Jaipuria hold 61,36,008 shares of the Company.



ANNEXURE TO NOTICE

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 :

ITEM NO. 5

Shri Nripendra Misra, who was appointed as a Director of the Company on 5th August, 2010 to fill up the casual vacancy caused by the death of Shri Gian Prakash and whose term of office shall expire at the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith deposit of Rs. 500/- for proposing the candidature of Shri Nripendra Misra for the office of Director of the Company under the provisions of Section 257 of the Act, 1956 liable to retire by rotation.

None of Directors of the Company except Shri Nripendra Misra is concerned or interested in the said resolution.

ITEM NO. 6

Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Article 100 of the Articles of Association of the Company, the Board at its meeting held on 5th August, 2010 had appointed Shri O.P. Vaish as an Additional Director.

In terms of the provisions of Section 260 of the Act, Shri O.P. Vaish would hold office upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith deposit of Rs. 500/- for proposing the candidature of Shri O.P. Vaish for the office of Director of the Company under the provisions of Section 257 of the Act, 1956 liable to retire by rotation.

None of Directors of the Company except Shri O.P. Vaish is concerned or interested in the said resolution.

ITEM NO. 7 & 8

Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Article 100 of the Articles of Association of the Company, the Board at its meeting held on 10th Feb., 2011 had appointed Shri Saket Jaipuria as an Additional Director.

In terms of the provisions of Section 260 of the Act, Shri Saket Jaipuria would hold office upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith deposit of Rs. 500/- for proposing the candidature of Shri Saket Jaipuria for the office of Director of the Company under the provisions of Section 257 of the Act to appoint Shri Saket Jaipuria as a Director of the Company, liable to retire by rotation.

Further subject to the approval of the members, the Board had appointed Shri Saket Jaipuria as Whole Time Director designated as Executive Director of the Company for the period of 5 years w.e.f. 11th February, 2011 on a remuneration as approved by the Selection cum Remuneration Committee of the Board for the period of 3 years as set out below :

- Salary** : Rs. 1,50,000/- per month w.e.f. 11th February, 2011 for a period of 3 years.
- Commission** : 1% of the net profits of the Company, computed in the manner laid down under Section 198 and 309 of the Companies Act, 1956.
- Perquisites** : The Executive Director shall be entitled to the following perquisites classified into Categories 'A' and 'B'.

CATEGORY – 'A' :

- Gas, Electricity, Water & Furnishings** : Expenses pertaining to gas, electricity, water and other utilities will be borne / reimbursed by the Company.
- Medical Reimbursement** : Medical expenses incurred for self and his family.
- Leave Travel Concession** : For self and his family, as per rules of the Company.
- Personal Accident Insurance** : As per rules of the Company.
- Car** : Free use of the Company's car with driver and expenses towards personal car shall be borne by the Company.
- Telephone** : Free telephone and fax facility at residence.
- Club Fees** : Fees of clubs.
- Travelling Expenses** : While travelling on the Company's business purposes, the Executive Director will be entitled to be accompanied by his wife, and the travelling and other incidental expenses incurred by his wife will also be borne / reimbursed by the Company.

For the purpose of Category – A, "family" means the spouse, dependant children.

The perquisites to be evaluated as per Income Tax Rules wherever applicable and actual cost to the Company in other cases.

CATEGORY – 'B' :

- Contribution to Provident Fund as per rules of the Company, to the extent the same is not taxable under the Income Tax Act, 1961.
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- Encashment of leave as per rules of the Company.

MINIMUM REMUNERATION :

In the absence or inadequacy of profits in any financial year, the remuneration as set out above will be payable as the minimum remuneration to Shri Saket Jaipuria, Executive Director provided that the total remuneration by way of salary, commission and perquisites shall not exceed Rs. 48,00,000/- per annum or Rs. 4,00,000/- per month as provided in Part II, Section II of Schedule XIII of the Companies Act, 1956.

Pursuant to the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956, the approval of the members is required to be obtained with regard to the appointment of Shri Saket Jaipuria as Executive Director and payment of remuneration as aforesaid.

The statement containing information as required under Schedule XIII of the Companies Act, 1956 is enclosed.

This may be treated as an abstract of the terms of appointment of Shri Saket Jaipuria as Executive Director under Section 302 of the Companies Act, 1956.

Except Shri Saket Jaipuria himself, Dr. Rajaram Jaipuria and Shri Shishir Jaipuria who are relatives of Shri Saket Jaipuria, none of the Directors are concerned or interested in his appointment and payment of remuneration to him.

By Order of the Board

NOIDA (U.P.)
27th May, 2011

Rajesh K. Tripathi
Company Secretary



STATEMENT IN TERMS OF SCHEDULE XIII OF THE COMPANIES ACT, 1956 RELATING TO REMUNERATION PAYABLE TO WHOLE TIME DIRECTORS

I. GENERAL INFORMATION :

1. Nature of Industry : Textile Industry
2. Date or expected date of commencement of commercial production : The Company had commenced production in 1990.
3. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions : Not applicable
4. Financial performance based on given indicators

(Rs. in Lacs)

Particulars	2010-11	2009-10
Sales and services	69427.30	50784.21
Profit before Depreciation, Interest & Tax	8956.84	6305.79
Interest	3107.47	2916.69
Gross Profit	5849.37	3389.10
Depreciation	2557.36	2567.73
Profit before Tax	3292.01	821.37
Provision for Tax		
— Current	192.35	0.67
— Deferred	1077.92	309.46
— Tax Adjustment Relating to earlier years	—	22.91
Profit after Tax	2021.74	488.33

5. Export performance and net foreign exchange collaborations : Total export sales (FOB) of the Company during the year 2010-11 was Rs. 475.24 Crores (previous year Rs. 324.86 crores). The Company has no Foreign collaborations.
6. Foreign Investments or collaborators, if any : The Company has neither made any foreign investments nor has any collaboration.

II. INFORMATION ABOUT THE APPOINTEES :

1. BACKGROUND :

SHRI SAKET JAIPURIA :

Shri Saket Jaipuria holds Business Administration Degree from Carnegie Mellon University, Pittsburg, USA with distinction. He has good experience of the vibrant Global Economy and has very sound knowledge of Indian & Global Textile Business.

He was appointed as 'Chief Executive' of the Company w.e.f. 10th January, 2004. During his tenure he was responsible for Garment and Process House Divisions of the Company.

2. PAST REMUNEATION :

Past Remuneration paid to Shri Saket Jaipuria is as under :

(Rs. in Lacs)

	Salary	Provident Fund	Perquisites & Others	Total
Shri Saket Jaipuria	15.48	1.30	2.78	19.56

3. RECOGNITION OR AWARDS : NIL

4. JOB PROFILE AND THEIR SUITABILITY

SHRI SAKET JAIPURIA :

Shri Saket Jaipuria is managing the Process House and Ginni Garment, Units of Ginni Filaments Ltd. under the overall supervision and guidance of CMD, MD and Board of Directors of the Company.

5. REMUNERATION PROPOSED :

As per details given earlier in the Explanatory Statement.

6. COMPARATIVE REMUNERATION PROFILE WITH RESPECT TO INDUSTRY, SIZE OF THE COMPANY, PROFILE OF THE POSITION AND PERSON

Considering the size of the Company, the profile of the Executive Director, the responsibilities shouldered by him, the aforesaid remuneration is commensurate with the remuneration being drawn by persons of similar position in other companies.

7. PECUNIARY RELATIONSHIP DIRECTLY OR INDIRECTLY WITH THE COMPANY, OR RELATIONSHIP WITH THE MANAGERIAL PERSONNEL, IF ANY

Besides the remuneration proposed, the Executive Director has no pecuniary relationship with the Company except the transactions with the related parties in the ordinary course of business. Shri Saket Jaipuria, Dr. Rajaram Jaipuria, Chairman & Managing Director and Shri Shishir Jaipuria, Managing Director are related to each other.

III. OTHER INFORMATION :

1. Reasons of loss or inadequate profits

The Company has shown profits from its operations in the current year and is expecting to earn profits in the future also. This is an enabling provision for payment of remuneration in the unforeseen event of losses / inadequacy of profits.

2. Steps taken or proposed to be taken for improvement

Not Applicable.

3. Expected increase in productivity and profits in measurable terms

Not Applicable.

IV. DISCLOSURES:

The requisite disclosures of remuneration packages etc. have been made in the Corporate Governance Report.

By Order of the Board

NOIDA (U.P.)
27th May, 2011

Rajesh K. Tripathi
Company Secretary



DIRECTORS' REPORT

Your Directors have pleasure in presenting their report together with the Audited Accounts for the year ended March 31, 2011.

FINANCIAL RESULTS

	2010-11	2009-10
Sales and Services (Gross)	69427.30	50784.21
Profit before Depreciation, Interest & Tax	8956.84	6305.79
Less : Interest	3107.47	2916.69
Gross Profit	5849.37	3389.10
Less : Depreciation	2557.36	2567.73
Profit before Tax	3292.01	821.37
Provision for Tax		
– Current	192.35	0.67
– Deferred	1077.92	309.46
– Tax Adjustment Relating to earlier years	—	22.91
Profit after Tax	2021.74	488.33
Prior period Income / (Expenses) net	(194.33)	9.28
Balance brought forward from previous year	(3831.20)	(4328.81)
Profit / (Loss) carried to Balance Sheet	<u>(2003.79)</u>	<u>(3831.20)</u>

DIVIDEND

The Directors are unable to recommend dividend for the year.

OPERATIONS

During the financial year the working has improved substantially in terms of turn over and profitability.

Gross sales has increased by 37% from Rs. 50784.21 lacs to Rs. 69427.30 lacs, cash profit has increased from Rs. 3389.10 lacs to Rs. 5849.37 lacs. The net profit after tax has increased by 314% from Rs. 488.33 lacs to Rs. 2021.74 lacs.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis is presented in a separate section, which forms part of the Directors' Report.

EXPANSION / NEW PROJECTS

After successful completion of converting Unit for manufacture of Nonwoven wipes at Haridwar, Company is in the process to install another converting unit at Panoli and is in final stage to tie up with Global brand to market its products.

DIRECTORS

In accordance with the Articles of Association of the Company, Dr. H. P. Bhattacharya and Shri J.P. Kundra, Directors retire by rotation. Both are eligible and seek their re-appointment at the ensuing Annual General Meeting.

Shri M. P. Wadhawan had resigned from the Directorship of the Company with effect from August 5, 2010 after serving 20 years. The Board places on record its deep appreciation for the valuable services and guidance rendered by Shri Wadhawan to the Company during his tenure as a Director of the Company.

The Board has inducted Shri O. P. Vaish as an Additional Director while Shri Nripendra Misra was appointed as a Director w.e.f. August 5, 2010 to fill casual vacancy caused by death of Shri Gian Prakash.

MANAGEMENT

The Board has inducted Shri Saket Jaipuria in the Board as an Additional Director. Further, based on the recommendations of the Selection cum Remuneration Committee of the Company and subject to the approval of the shareholders, the Board has appointed Shri Saket Jaipuria as the Wholtime Director of the company designated as Executive Director for the period of 5 Years w.e.f. February 11, 2011.

CODE OF CONDUCT

The code of conduct laid down by the Board is in operation in the Company. All Board members and senior management personnel have affirmed the compliance with the code. The declaration to this effect is enclosed to the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

It is hereby confirmed:

1. That in the preparation of the Annual Accounts for the year ended March 31, 2011 the applicable accounting standards have been followed and there were no material departures.



GINNI FILAMENTS LIMITED

2. That the Directors have selected such accounting policies and applied them consistently and made judgements 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 March 31, 2011 and of the profit of the Company for the year under review.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

Your Company is in compliance with the requirements and disclosures with respect to the Code of Corporate Governance as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges. As a listed company, necessary measures are taken to comply with the Listing Agreements with the Stock Exchanges. A report on Corporate Governance as stated above, along with a certificate of compliance from the Statutory Auditors M/s P.L. Gupta & Co., Chartered Accountants, forms part of this Annual Report as **Annexure 'A'**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and out-go, in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and marked as **Annexure 'B'** to this Report.

FIXED DEPOSITS

The Company has not invited or accepted any fixed deposits from the public during the year under review.

AUDITORS

M/s. P. L. Gupta & Co., Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The Company has received a letter pursuant to Section 224(1B) of the Companies Act, 1956 from M/s P. L. Gupta & Co., Chartered Accountants, regarding their eligibility for re-appointment as Auditors of the Company.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, forms part of this Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all Shareholders of the Company excluding the Statement of Particulars of Employees under Section 217(2A) of the Companies Act, 1956. Any Shareholder interested in obtaining a copy of the said Statement may write to the Company Secretary at the Registered Office of the Company, and the same will be sent by post.

AUDITORS' REPORT

The Auditors Reports on the Annual Accounts of the Company for the year ended 31st March, 2011 are self explanatory and requires no comments.

COST AUDITORS

The Central Government has given its approval for the appointment of M/s K. G. Goyal & Associates, Cost Accountants as Cost Auditors of the Company to audit the cost accounts maintained by the Company for the year ended 31st March 2011.

ACKNOWLEDGEMENT

Board of Directors take this opportunity to thank all its valued customers, banks, financial institutions, government authorities, investors and stock exchanges for their continued support to the Company. The Board also takes this opportunity to express its sincere appreciation for the excellent support and dedicated efforts put in by the employees for continued good performance.

For and on behalf of the Board of Directors

Noida (U.P.)
May 27, 2011

DR. RAJARAM JAIPURIA
Chairman & Managing Director



MANAGEMENT DISCUSSIONS AND ANALYSIS

The Management of the Company is pleased to present its Report on Industry scenario including Company's performance during the year 2010-11.

Industry Structure and Development

The year 2010-11 showed significant improvement in global demand for Textiles and Clothing. Because of global recession in the year 2007-08 & 2008-09 the inventory level of textile and clothing all over the world had reduced substantially and during the current year there was revival of demand. The global cotton crop had declined substantially as a result of which prices of raw cotton increased steeply in the international market as well as in India. This consequently resulted in increase in cotton yarn prices which was beneficial to the spinning industry.

The Govt. of India tried to impose certain restrictions on cotton and cotton yarn exports during the 2nd half of the year because of the pressure from the value added segment. While export of cotton yarn was needed to ensure cotton security to the industry, the restrictions on export of cotton yarn has resulted in accumulation of cotton yarn with the mills towards the end of the year.

The Ministry of Textiles has been taking a lot of initiatives for development and promotion of Technical Textiles by creating different Centres of Excellence, giving special concessions under the TUF Scheme, fixing of Standards and Regulations and creating general awareness in respect of products of technical textiles. We are optimistic that the Technical Textile sector is likely to grow both in domestic and export markets and prospects of the same are likely to improve.

Opportunity and Threats

There is tremendous opportunity for the Textile and Clothing Sector to grow in India because of enhanced demand in the international market as well as increase in consumption in domestic market because of growth in GDP and consequent increase in per capita income of people. China, which is the largest exporter of textiles and clothing, is facing challenges, which in future is likely to affect their growth in textiles and clothing and it appears that India can avail of this opportunity to enhance its presence in global market. With the government's thrust for investment in value added products, it is felt that expansion will take in the industry.

The volatility in the prices of raw material, government's policy with regard to restrictions on export of cotton yarn, increase in finance and power cost and shortage of man-power are some of the concerns the industry has been facing. The government is fully conscious of the threats that the industry is going through and we are confident that they will favourably be addressed.

Segment wise Performance

Company's consumer products made out of spunlace fabric is a very small segment. The major segment of Company's textiles business including technical textiles have performed better than previous year. Company expects that the usage of wipes made out of spunlace fabric would expand in future in India. Company is in progress in tying up this business with global brand who may expand Indian market.

Outlook

Although the performance of the current year has been quite encouraging despite the fluctuations in cotton and yarn prices, the overall scenario of textile and clothing industry looks optimistic. India will continue to be a dominant player in the textile and clothing market both for export and domestic market and the overall prospects in the long term seems to be encouraging.

Risk and Concern

The Risk Management Committee comprising of Board Members and Senior Executives periodically reviews risks & concerns and suggestions to mitigate the same.

Internal Control System

Company regularly reviews Internal Control System. Management Information System at various level of Management is in place commensurate with business requirements. Independent Internal Auditors carries out periodical audits covering all areas of Company's business. The Audit Reports of Internal Auditors are regularly reviewed by Audit Committee.

Financial Operation and Performance

Company's financial performance has substantially improved during the current year. The major portion of accumulated losses have been wiped out.

During the current year Company's sales and services increased from Rs. 507.84 Crore to Rs. 694.27 Crore and cash profits from Rs. 33.89 Crore to Rs. 58.49 Crore and net profit from Rs. 4.88 Crore to Rs. 20.22 Crore.

Company's cotton spinning division has contributed substantially towards the improvement.

Human Resources

The industrial relations continues to be cordial and satisfactory as company lays due emphasis on development and motivations of human resources. The company had 2049 employees on its roll as on 31st March, 2011.

Cautionary Note

Certain statement in the "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual result, which could be different from what the Management envisage in terms of future performance and outlook.



REPORT ON CORPORATE GOVERNANCE

(A) CORPORATE PHILOSOPHY

Your Company is committed to the standards of good Corporate Governance, which emphasis on transparency, professionalism and accountability with the aim of enhancing long term economic value of its shareholders, while giving equal respect to the other stakeholders and the society at large.

(B) BOARD OF DIRECTORS

As on 31st March, 2011, the Board comprised of Eleven Directors, out of which two are Managing Directors, three Wholetime Directors, one Nominee Director of IFCI Ltd. (IFCI) and five other independent Non Executive Directors.

During the year under review, Four Board Meetings were held on 6th May, 2010, 5th August, 2010, 8th November, 2010 and 10th February, 2011. The Composition of the Board of Directors and attendance of Directors at the Board Meetings, Annual General Meeting and also number of other Directorships and committee membership / chairmanship are as follows:

NAMES OF DIRECTORS	CATEGORY OF DIRECTORS	ATTENDANCE PARTICULARS		OTHER DIRECTORSHIPS	COMMITTEE POSITION HELD IN OTHER COMPANIES		NO OF SHARES/ CONVERTIBLE INSTRUMENTS HELD AS ON 31ST MARCH, 2011
		Board Meeting	Last AGM		Membership	Chairmanship	
Dr. Rajaram Jaipuria	CMD	4	YES	1	—	—	340733
Shri Shishir Jaipuria	MD	4	YES	3	—	—	2864276
Shri J.P. Kundra	I – NED	4	YES	4	3	2	—
Shri O.P. Vaish	I – NED	1	NO	6	3	1	—
Shri J.K. Bhagat	I – NED	2	YES	12	2	1	2281
Shri Saket Jaipuria*	WTD	1	NO	2	—	—	6136008
Shri Nripendra Misra	I – NED	3	YES	2	—	1	—
Shri S. Singhvi	WTD	4	YES	1	—	—	—
Shri RR Maheshwari	WTD	4	YES	—	—	—	—
Dr. H.P. Bhattacharya	I – NED	3	NO	—	—	—	—
Shri N. K. Duggal	I – ND	4	YES	2	—	—	—
Shri Gian Prakash**	I – NED	—	NO	—	—	—	—
Shri M.P. Wadhawan***	I – NED	2	YES	—	—	—	—

Dr. Rajaram Jaipuria is the father of Shri Shishir Jaipuria and Shri Shishir Jaipuria is father of Shri Saket Jaipuria. No other Director is related to the other Directors.

* Shri Saket Jaipuria was appointed as Whole Time Director w.e.f. 11.02.2011.

** Shri Gian Prakash has passed away on 16.04.2010.

*** Shri M.P. Wadhawan ceased to be a Director w.e.f. 5th August, 2010 and since has passed away.

CMD - Chairman & Managing Director

MD - Managing Director

I - NED - Independent - Non Executive Director

I - ND - Independent - Nominee Director(IFCI)

WTD – Whole Time Director

For the purpose of Committee positions, only Audit Committees and Shareholder's/Investor's Grievance Committees have been taken into account.

(C) COMMITTEES OF THE BOARD OF DIRECTORS

As on 31st March, 2011 the Company had five Committees of the Board namely :

- (i) Audit Committee
- (ii) Shareholders'/Investors' Grievance Committee
- (iii) Committee of Directors
- (iv) Disinvestment Committee
- (v) Selection cum Remuneration Committee

(i) AUDIT COMMITTEE

(a) Terms of Reference:

The Audit Committee is authorised to exercise all the powers and perform all the functions as specified in Section 292A of the Companies Act, 1956 and listing agreement with the Stock Exchange. The said Committee reviews reports of the Internal Auditors, meets Statutory Auditors, Internal Auditors periodically to discuss their findings and suggestions, Internal control systems, scope of audit, observations of the auditors and other related matters and reviews major accounting policies followed by the Company. The Minutes of the Audit Committee meetings are circulated to and taken note by the Board of Directors.

(b) Composition:

The Board has reconstituted the Audit Committee on 6th May, 2010 to comprises of three Independent Non Executive Directors namely Shri J. P. Kundra (Chairman of the Committee), Shri J.K. Bhagat and Dr. H.P. Bhattacharya and one



Executive Director i.e. Dr. Rajaram Jaipuria and one Nominee Director i.e. Shri N.K. Duggal. The Company Secretary of the Company is the Secretary of the Committee. The Statutory Auditors, Cost Auditors and Internal Auditors are invited to the meetings of the Committee. The Committee met four times during the year and the attendance of members at the meetings was as follows:

Name of the Members	Status	No. of Meetings attended
Shri J.P. Kundra	Chairman	4
Dr. Rajaram Jaipuria	Member	4
Dr. H.P. Bhattacharya	Member	3
Shri J.K. Bhagat	Member	2
Shri N.K. Duggal	Member	3

All the members are financially literate and Shri J.P. Kundra, Shri N.K. Duggal and Shri J. K. Bhagat have Financial and Accounting expertise.

(ii) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

(a) Terms of Reference :

The Committee is authorised to look into redressal of shareholders' / Investors' complaints relating to transfer of shares, non receipt of balance sheet, non receipt of dividend and any other like matters and is also authorised to issue new / duplicate share certificates.

(b) Composition :

The Board has reconstituted the Committee on 5th August, 2010 to comprises of two Non Executive Independent Directors namely Shri Nripendra Misra (Chairman of the Committee), Shri J.K. Bhagat and two Executive Directors namely Dr. Rajaram Jaipuria and Shri Shishir Jaipuria. The Company Secretary of the Company is the Secretary of the Committee. No meeting of the Committee was held during the year.

The Company Secretary of the Company is the Compliance Officer of the Company for complying with the requirements of the SEBI Regulations and Listing Agreement with the Stock Exchange.

During the year, the Company had not received any complaint from the shareholders / investors and no complaint was pending as on 31st March, 2011.

(iii) COMMITTEE OF DIRECTORS

(a) Terms of reference :

The Committee has been constituted to take decisions in all matters relating to the management of the Company except the matters required to be considered and approved by the Board of Directors under the provisions of the Companies Act, 1956.

(b) Composition :

The Board has reconstituted the Committee of Directors on 5th August, 2010 comprising of four Executive Directors namely Dr. Rajaram Jaipuria (Chairman of the Committee) and Shri Shishir Jaipuria, Shri Suresh Singhvi and Shri R. R. Maheshwari and one Independent Non Executive Director i.e. Shri J. P. Kundra. The Company Secretary of the Company is the Secretary of the Committee. The Committee met five times during the year and the attendance of members at the meeting was as follows:

Name of the Members	Status	No. of Meetings attended
Dr. Rajaram Jaipuria	Chairman	4
Shri Shishir Jaipuria	Member	5
Shri J. P. Kundra	Member	5
Shri Suresh Singhvi	Member	5
Shri R. R. Maheshwari	Member	3

(iv) DISINVESTMENT COMMITTEE

(a) Terms of reference :

The Committee has been constituted to take decisions about disinvestment such as number of shares to be sold and to negotiate the price and other terms and conditions for sale of such investments and to take necessary steps in relation to the sale of investments.

(b) Composition :

The Board has reconstituted the Disinvestment Committee on 5th August, 2010 comprising of three Executive Directors namely Dr. Rajaram Jaipuria (Chairman of the Committee), Shri Suresh Singhvi and Shri R. R. Maheshwari and two Non Executive Directors namely, Shri O.P. Vaish and Shri Nripendra Misra. The Company Secretary of the Company is the Secretary of the Committee. No meeting of the Company was held during the year.

(v) SELECTION CUM REMUNERATION COMMITTEE

(a) Terms of reference :

The Committee has been constituted to exercise all powers specified in the Companies Act 1956 and the listing agreement with the Stock Exchange.

(b) Composition :

The board has reconstituted the Committee on 5th August, 2010 comprising of four Non Executive Independent Directors namely Shri J.P. Kundra (Chairman of the Committee), Shri J. K. Bhagat, Dr. H. P. Bhattacharya and Shri Nripendra Misra. The Company Secretary of the Company is the Secretary of the Committee. The committee met one time during the year and the attendance of member at the meeting was as follows :



Name of the Members	Status	No. of Meetings attended
Shri J.P. Kundra	Chairman	1
Shri. J.K. Bhagat	Member	1
Dr. H.P. Bhattacharya	Member	1
Shri Nripendra Misra	Member	1

(D) Details of Remuneration to Directors for the year 2010-11

Remuneration paid / payable to Directors for the year ended on March 31, 2011 :

(Rs. In Lacs)

Name of Directors	Salary	Perquisites & Other Benefits	Commission	Sitting Fee	Total
Dr. Rajaram Jaipuria	30.00	6.35	53.07	—	89.42
Shri Shishir Jaipuria	24.00	6.21	35.38	—	65.59
Shri Saket Jaipuria	2.46	0.36	2.37	—	5.19
Shri S. Singhvi	13.93	1.46	5.00	—	20.39
Shri R R Maheshwari	13.04	1.47	5.00	—	19.51
Shri J.P. Kundra	—	—	—	1.30	1.30
Shri O.P. Vaish	—	—	—	0.15	0.15
Shri J.K. Bhagat	—	—	—	0.55	0.55
Shri Nripendra Misra	—	—	—	0.50	0.50
Dr. H.P. Bhattacharya	—	—	—	0.80	0.80
Shri N.K. Duggal	—	—	—	0.90	0.90
Shri M.P. Wadhawan	—	—	—	0.30	0.30

The appointment of the Managing Directors and Wholetime Directors is governed by the Articles of Association of the Company and the Resolutions passed by the Board of Directors and the Members of the Company. These cover terms and conditions of their appointment read with the service rules of the Company. No separate service contract is entered by the Company with its Managing Directors and Wholetime Directors. There is no provision of notice period or severance fee under the resolutions governing the appointments of Managing Directors and Wholetime Directors. The company does not have in place any Employee Stock Scheme and there is no performance linked incentives to the Directors.

REMUNERATION POLICY

Remuneration of employees consists of basic salary and perquisites. Remuneration to employees is based on their qualification, experience, responsibilities held and their performance.

The objective of the remuneration policy is to motivate employees to excel in their performance, recognise their contribution, retain talent in the organisation and reward merits.

(E) INITIATIVES ON PREVENTION OF INSIDER TRADING PRACTICES

In compliance with the SEBI regulations on prevention of insider trading, the Company instituted a comprehensive code of conduct for its management and employees. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of Ginni Filaments Limited, and cautions them on consequences of violations.

(F) DETAILS OF DEMAT SUSPENSE ACCOUNT

The disclosure as required under Clause 5A of the Listing Agreement :

Particulars	No. of cases	No. of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. April 1, 2010	13	4036
Number of shareholders who approached issuer for transfer of shares from suspense account during the year i.e. April 1, 2010 to March 31st, 2011.	NIL	NIL
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. as on March 31, 2011.	13	4036

The Voting Rights on the outstanding unclaimed shares lying in suspense account shall remain frozen till the rightful owner of such shares claims the shares.

(G) CODE OF CONDUCT

The Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been posted on the website of Company. All Board Members and Senior management Personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer is given below :

"I hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year 2010 – 11.

SHISHIR JAIPURIA
 MANAGING DIRECTOR & CEO
 27th May, 2011



(H) Annual General Meetings (AGMs)

The details of last three Annual General Meetings are as under :

Year	2007-08	2008-09	2009-10
Date & Time	31st July, 2008, 11.30 A.M.	30th July, 2009, 11.30 A.M.	5th August, 2010, 11.30 A.M.
Venue	110 K.M. Stone Delhi-Mathura Road Chhata, Distt. Mathura (U.P.)	110 K.M. Stone Delhi-Mathura Road Chhata, Distt. Mathura (U.P.)	110 K.M. Stone Delhi-Mathura Road Chhata, Distt. Mathura (U.P.)
Details of Special Resolutions	1. Approval for Appointment and Remuneration of Shri Saket Jaipuria as "Chief Executive" of the Company U/s 314 of the Companies Act 1956.	1. Approval for Appointment and Remuneration of Dr. Rajaram Jaipuria as Managing Director 2. Approval for Appointment and Remuneration of Shri Shishir Jaipuria as Managing Director. 3. Approval for Re-appointment and Remuneration of Shri Saket Jaipuria under Section 314 of the Companies Act, 1956. 4. Approval for issue of Redeemable Preference Shares under Section 81 (1A) of the Companies Act, 1956 5. Approval for amendment in the capital clause of the Memorandum and Articles of Association of the Company under section 16, 94 and other provisions of the Companies Act, 1956.	1. Approval for appointment and remuneration of Shri Suresh Singhvi as Wholetime Director designated as Director (Finance). 2. Approval for appointment and remuneration of Shri Ram Ratan Maheshwari as Wholetime Director designated as Director (Marketing & Business Development).

No resolution has been passed through Postal Ballot mechanism during the year 2010–11. No Special Resolution is proposed to be passed in the ensuing Annual General Meeting through postal ballot .

(I) DISCLOSURES

- During the year, there were no significant related party transactions of material nature that could have potential conflict with the interest of the Company.
- During the last three years, there were no strictures made or penalties imposed by either SEBI or the Stock Exchanges or any other statutory authority on any matter related to the capital markets.
- The Company is complying with all mandatory requirements of Clause 49 of the Listing Agreement. Non-mandatory requirements relating to Remuneration Committee have been adopted by the Company.

(J) MEANS OF COMMUNICATION

- The Quarterly unaudited and Annual Audited Financial Results of the Company are sent to the Stock Exchange through E-Mail, Fax and Courier immediately after approval by the Board. The results are also published in news papers namely Dainik Ujala (Hindi) and Financial Express all edition (English) as per the listing agreement with the Stock Exchange. These are not sent individually to the shareholders.
- The results are also made available on Company's Website www.ginnifilaments.com Official news releases are generally not displayed on company's website. There were no presentations made to the Institutional investors or analysts.
- Designated exclusive e-mail id for investors: secretarial@ginnifilaments.com

(K) GENERAL SHAREHOLDERS INFORMATION

- Annual General Meeting is notified to be held on Thursday, the 11th August, 2011 at 11.30 A.M. at 110 KM Stone, Delhi-Mathura Road, Chhata, Distt. Mathura (U.P.).
- Financial year of the company is April to March:**
Tentative Financial Calender :
Meeting of the Board/Committee of Directors to consider financial results for the :
 - Quarter ended 30th June, 2011 on or before 14th August, 2011
 - Quarter ended 30th September, 2011 on or before 14th November, 2011
 - Quarter ended 31st December, 2011 on or before 14th February, 2012
 - Audited Annual Results on or before 30th May, 2012
- Date of Book Closure**
The Register of Members and Share Transfer Books of the Company shall remain closed from 5th August, 2011 to 11th August, 2011 (both days inclusive).
- Dividend Payment Date :**
No Dividend has been proposed by the Board of Directors for the year 2010-11.
- Listing on Stock Exchange and Stock Code**
The Equity shares of the Company are listed at :

NAME OF STOCK EXCHANGE

National Stock Exchange of India Ltd.

Exchange Plaza, 5th Floor, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (E), MUMBAI – 400 051

Annual Listing Fee for the year 2011-12 has been paid to National Stock Exchange.

STOCK CODE

GINNIFILA


vi. Market Price Data

High / Low of the market price of the Company's equity shares traded on the National Stock Exchange of India Ltd. (NSE) and NIFTY Index during the year 2010 – 11 was as follows :

Month	Company's Share Price at NSE (Rs.)		NIFTY Index	
	High	Low	High	Low
April, 2010	12.70	10.70	5388.55	5160.90
May, 2010	12.00	8.85	5278.70	4786.45
June, 2010	11.95	9.00	5366.75	4961.05
July, 2010	17.65	11.05	5477.50	5225.60
August, 2010	17.90	14.30	5549.80	5348.90
September, 2010	17.70	15.00	6073.50	5403.05
October, 2010	16.80	15.00	6284.10	5937.10
November, 2010	19.35	13.25	6338.50	5690.35
December, 2010	16.10	12.85	6147.30	5721.15
January, 2011	15.85	12.25	6181.05	5416.65
February, 2011	14.95	12.00	5599.25	5177.70
March, 2011	13.60	11.30	5872.00	5348.20

vii. Registrar and Transfer Agent for both physical & dematerialisation of Equity Shares :

Link Intime India Pvt. Ltd.
A-40, 2nd Floor, Naraina Industrial Area, Phase II
Near Batra Banquet Hall, New Delhi – 110 028.
Phone No. 011 - 41410592 – 93 – 94
Fax No. 011 - 41410591
e-mail : delhi@linkintime.co.in

viii. Share Transfer System

The Company's Equity Shares are traded at the Stock Exchange Compulsorily in demat mode. Physical shares which are lodged with the Company / Share Transfer Agent for transfer, are processed and returned to the Shareholders within a fortnight, if the documents are complete in all respect.

ix. Distribution of Shareholding as on 31st March, 2011

No. of Shares	No. of Share-holders	% of Share-holders	No. of Shares held	% of Share holding
Upto 5000	23556	81.757	4707020	6.662
5001 - 10000	2944	10.218	2471171	3.498
10001 - 20000	1205	4.182	1915075	2.711
20001 – 30000	364	1.263	954651	1.351
30001 – 40000	174	0.604	637340	0.902
40001 – 50000	163	0.566	781380	1.106
50001 – 100000	203	0.705	1552872	2.198
100001 and Above	203	0.705	57630556	81.572
TOTAL	28812	100.00	70650065	100.00

x. Shareholding Pattern as on 31st March, 2011

Category	No. of Shares Held	Percentage of shareholding
Promoters	4,34,77,441	61.54
Mutual Funds & UTI	11,000	0.01
Financial Institutions / Banks	32,01,099	4.53
Foreign Institutional Investors	8,510	0.01
Non-Resident Indians	2,44,241	0.35
Bodies Corporate	25,68,426	3.64
Resident Individuals	2,11,39,348	29.92
Total	7,06,50,065	100.00



- xi.** The persons constituting "Group" for the purpose of regulation 3(1)(e)(i) of the SEBI (Substantial acquisition of shares and takeover) Regulations, 1997 include Dr. Rajaram Jaipuria, Smt. Suniti Devi Jaipuria, Shri. Shishir Jaipuria, Smt. Sunita Jaipuria, Shri. Saket Jaipuria, Smt. Anika Jaipuria, Shri Yash Jaipuria, Shri Sharad Jaipuria, Smt. Archana Khaitan, Laxmi Texknit Pvt. Ltd., Ginni Biotex Pvt. Ltd., Kanpur Builders Pvt. Ltd., Shree Bhawani Anand Pvt. Ltd., Kanpur Construction Pvt. Ltd., Ginni Nonwoven Pvt. Ltd., Lochan Agro Pvt. Ltd. and Raghukul Trading Pvt. Ltd.
- xii. Dematerialisation of Shares**
As on 31st March, 2011, 98.50% shares of the Company were held in dematerialized form.
Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's Shares is INE 424C01010.
- xiii. Liquidity of Shares**
Equity Shares of the Company are listed at National Stock Exchange of India Ltd. However, the Equity Shares of the Company are also traded at The Stock Exchange, Mumbai under the Permitted Category.
- xiv.** Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and impact on equity : Nil
- xv. Location of Mills**
1. 110 K.M. Stone, Delhi-Mathura Road,
Chhata – 281 401 Distt. Mathura (U.P.)
 2. Plot No. 205 – 207, GIDC Industrial Area,
Panoli, Ankleshwar – 394 116,
Distt. Bharuch (Gujarat)
 3. H-6, Sector – 63,
Noida – 201 307 (U.P.)
 4. D-38. Industrial Area, Bahadradabad,
Haridwar-249 403 (Uttarakhand)
- xvi. Address for correspondence**
- (a) Regd. Office:**
Ginni Filaments Ltd.
110 K.M. Stone, Delhi-Mathura Road,
Chhata - 281 401, Distt. Mathura (U.P.)
- (b) Corporate Office :**
Ginni Filaments Ltd.
H-6, Sector – 63, NH – 24,
NOIDA - 201 307 (U.P.)

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Ginni Filaments Limited

We have examined the compliance of conditions of corporate governance by Ginni Filaments Limited for the year ended 31st March 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review and the information and explanations given to us by the Company.

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

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 **P.L.Gupta & Co.**,
Chartered Accountants
Firm Registration No.-011575C

Place : Noida
Dated : 27th May, 2011

YUVRAJ SINGH
Partner
Membership No.-071846



ANNEXURE 'B'

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011.

(A) CONSERVATION OF ENERGY

- (a) Energy conservation measures taken:
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:
- (d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of industries specified in the schedule thereto:
1. Replacement of existing Lights with Energy Saving Lights.
 2. Energy Saving through modification in KTTM R/F Suction Fan.
 3. Saving in M/C Cleaning Compressed Air through conservation.
 4. VAM capacity enhanced by 100 TR by putting additional heat through Hot Thermic Fluid from waste heat.
 5. Natural gas burning.
 6. Reduced Plant Air-Conditioning load by 100 tons after localize air chilling and modified air transmission.
- The aforesaid steps have resulted in saving in the consumption of power

FORM-A

Form for disclosure of particulars with respect to conservation of energy.

(A) Power and Fuel Consumption

	Current Year 2010-11	Previous Year 2009-10
1. Electricity		
a) Purchased		
Units(in Lacs)	535.24	523.87
Total Amount(Rs. in Lacs)	2216.53	1938.24
Rate per unit (Rs.)	4.14	3.70
b) Own Generation		
i) Through Diesel Generator		
Units (in Lacs)	53.26	67.87
Units per Ltr. of Diesel/ Furnace Oil	4.39	4.06
Cost/Unit (Rs.)	9.74	7.28
ii) Through Gas Generator		
Units (in Lacs)	298.61	303.16
Units per Scm of Gas	3.56	3.52
Cost/Unit (Rs.)	4.81	3.78
2. Coal	}	}
3. Furnace Oil	}	}
4. Others/Internal Generation	}	}

(B) Consumption per unit of Production

	Production unit	Standards (if any)	Current Year 2010 - 11	Previous Year 2009 - 10
1. Electricity				
— Yarn	Kg.	—	2.82	2.80
— Fabric (Grey)	Kg.	—	0.60	0.64
— Fabric (Dyed)	Kg.	—	1.36	1.39
— Fabric (Non-Woven)	Kg.	—	1.24	1.29
— Wipes	1000 pcs	—	1.10	1.56
— Garments	pcs	—	0.26	0.59
2. Furnace Oil				
3. Coal	}	}	}	}
4. Others	}	}	}	}

(B) TECHNOLOGY ABSORPTION

(e) Efforts made in technology absorption as per Form-B of the Annexure.

FORM-B

- 1) Research and Development (R&D) Specific areas in which R & D carried out by the Company : Yarn area in which R& D was carried out
 - increase yarn recovery.
 - Reprocessing of waste to reduce R/M cost.
 Fabrics area in which R&D was carried out
 - Development of Slub Fabrics
 - Development of Carbonised Fabrics
 - Development of PIMA Fabrics
 - 2) Benefits derived as a result of the above R & D : Improved quality of finished yarn.
 - 3) Future plan of action : This is an ongoing process and continuous improvements are being carried out in the plant and machinery maintenance and the quality of the finished product.
 - 4) Expenditure on R & D
 - i) Capital : Rs. 4.10 lacs
 - ii) Recurring : Rs. 91.42 lacs
 - iii) Total : Rs. 95.52 lacs
 - iv) Total R & D expenditure as a percentage of total turnover : 0.13%
- Technology absorption, adaptation and innovation
- 1) Efforts, in brief, made towards technology absorption, adaptation and innovation : Indigenous technology and hence not applicable.
 - 2) Benefits derived as a result of the above efforts : Not applicable
 - 3) Technology imported during the last 5 years : Nil

(C) FOREIGN EXCHANGE EARNINGS AND OUT-GO

- (f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans; : The Company has developed new markets of Poland, Morocco, USA & Iran. The Company has also increased its export to China, Korea, Bangladesh, Portugal & Israel. The export plans of the Company are to increase overall exports.
- (g) Total Foreign exchange used and earned
- Used (on cash basis) : Rs. 5815.84 lacs
 - Earned (F.O.B. value of export of goods) : Rs. 47524.45 lacs

For and on behalf of the Board of Directors

DR. RAJARAM JAIPURIA
Chairman & Managing Director

**AUDITORS' REPORT****TO THE MEMBERS OF GINNI FILAMENTS LIMITED**

1. We have audited the attached Balance Sheet of Ginni Filaments Limited as at 31st March, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, subject to our comments hereinafter, the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report, comply with the Accounting Standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and Notes on Accounts, in Schedule '21' give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011,
 - b. in the case of the Profit & Loss Account, of the Profit for the year ended on that date; and
 - c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

For **P.L.Gupta & Co.**,
Chartered Accountants
Firm Registration No.-011575C

YUVRAJ SINGH
Partner

Membership No.-071846

Place : Noida
Dated : 27th May 2011

ANNEXURE TO THE AUDITORS' REPORT**Referred to in paragraph 3 of our report of even date on accounts for the year ended 31st March, 2011 of Ginni Filaments Limited**

- (i)
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The company has physically verified certain assets during the year in accordance with a programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern status of the company.
- (ii)
 - (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company is maintaining proper records of inventory. We are informed that the discrepancies identified on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii)
 - (a) As informed to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, the requirements of clauses (iii) (b), (c) and (d) of paragraph 4 of the Order are not applicable.
 - (b) The company has taken unsecured loan of Rs. 91 lacs during the year from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount due during the year was Rs 465 lacs
 - (c) The rate of interest and other terms and conditions of the loan were prima-facie not prejudicial to the interest of the company.
 - (d) The payment of interest on the aforesaid is regular. There is no stipulation as to repayment of principal.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.



GINNI FILAMENTS LIMITED

- (v) (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the Register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) According to information and explanations given to us, there is no transaction (excluding unsecured loan reported in para iii (b) above) in respect of any party and hence the question of reasonable prices in respect of such transactions with regard to prevailing market price does not arise.
- (vi) The company has not accepted any deposit from the public during the year.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such accounts and records.
- (ix) (a) According to the records of the company, undisputed statutory dues including provident fund, investor education and protection fund, Income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us the statutory dues that have not been deposited on account of matters pending before appropriate authorities are as under:

Name of the Statute	Nature of dues	Amount (Rs. in lacs)	Forum where dispute is Pending
Income Tax Act	Interest	2.02	Allahabad High Court
Income Tax Act	Interest	1.96	CIT (Appeal) Agra
Income Tax Act	Interest	1.34	Assessing Officer, Agra
Income Tax Act	Income Tax and Interest	0.27	CIT (Appeal), Ghaziabad
Sales Tax Act	Entry Tax	30.52	High Court, Allahabad
Sales Tax Act	Entry Tax	2.00	Commercial Tax Tribunal, Agra
Sales Tax Act	Entry Tax	35.06	Jt. Commissioner (Appeal), Mathura
Service Tax Act	Service Tax/Penalty	4.71	Asstt. Commissioner, Aligarh
Service Tax Act	Service Tax/Interest	1.41	Commissioner (Appeal), Lucknow

- (x) The company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth. The Company has not incurred cash losses during the financial year covered by the audit. It has not incurred cash losses in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of share, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) According to the information and explanations given to us the company has not given any guarantee for loans taken by others from Bank or financial institutions.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, no term loans are availed by the company during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xix) The Company has created security or charge in respect of debentures issued.
- (xx) The Company has not raised any money by a public issue during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order are not applicable.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **P.L.Gupta & Co.**,
Chartered Accountants
Firm Registration No.-011575C

YUVRAJ SINGH
Partner
Membership No.-071846

Place : Noida
Dated : 27th May 2011



BALANCE SHEET AS AT 31ST MARCH, 2011

(Rupees in Lacs)

	Schedule	As at 31 st March, 2011	As at 31 st March, 2010
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
Share Capital	1	7815.01	7815.01
Reserves and Surplus	2	6847.43	6847.43
2. Loan Funds	3		
Secured Loans		41959.36	38284.10
Unsecured Loans		765.00	386.95
3. Deferred Tax Liability		892.39	-
Total		<u>58279.19</u>	<u>53333.49</u>
II. APPLICATION OF FUNDS			
1. Fixed Assets	4		
Gross Block		50870.93	51082.98
Less : Depreciation		19833.18	17740.91
Net Block		<u>31037.75</u>	<u>33342.07</u>
Capital Work-in-Progress	5	561.13	73.54
		<u>31598.88</u>	<u>33415.61</u>
2. Investments	6	756.81	756.81
3. Deferred Tax Assets		-	185.53
4. Current Assets, Loans and Advances			
Inventories	7	22797.47	14446.53
Sundry Debtors	8	5834.73	5263.28
Cash and Bank Balances	9	451.11	476.80
Other Current Assets	10	1.90	1.93
Loans and Advances	11	5381.80	4023.09
		<u>34467.01</u>	<u>24211.63</u>
Less :			
Current Liabilities and Provisions	12	10547.30	9077.98
Net Current Assets		<u>23919.71</u>	<u>15133.65</u>
5. Miscellaneous Expenditure (To the extent not written off or adjusted)	13	-	10.69
6. Profit & Loss Account		2003.79	3831.20
Total		<u>58279.19</u>	<u>53333.49</u>
Accounting Policies & Notes on Accounts	21		

Schedules referred to above form an integral part of accounts.

As per our Report of even date attached

For P. L. GUPTA & CO.
Chartered Accountants

DR. RAJARAM JAIPURIA
Chairman & Managing Director

SHISHIR JAIPURIA
Vice Chairman & Managing Director

YUVRAJ SINGH
Partner

S. SINGHVI
Director Finance & CFO

J.P. KUNDRA
O.P. VAISH
NRIPENDRA MISRA
R.R. MAHESHWARI
DR. H.P. BHATTACHARYA
Directors

Place : Noida
Dated : 27th May, 2011

RAJESH K. TRIPATHI
Company Secretary



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Rupees in Lacs)

	Schedule	Year Ended 31 st March, 2011	Year Ended 31 st March, 2010
I. INCOME			
Sales and Services (Gross)	14	69427.30	50784.21
Less : Excise Duty		128.50	63.37
Sales and Services (Net)		69298.80	50720.84
Other Income	15	679.77	249.15
Accretion/(Decretion) in Stock	16	5170.08	327.04
Total		75148.65	51297.03
II. EXPENDITURE			
Material and Manufacturing Expenses	17	57959.74	38320.82
Payments and Benefits to Employees	18	2865.75	2404.81
Administration, Selling and Other Expenses	19	5366.32	4265.61
Interest	20	3107.47	2916.69
Total		69299.28	47907.93
Profit/(Loss) before Depreciation & Tax		5849.37	3389.10
Depreciation		2557.36	2567.73
Profit/(Loss) before Tax		3292.01	821.37
Provision for Tax :			
Current Tax		192.35	0.67
Deferred Tax		1077.92	309.46
Tax Adjustment Relating to earlier years		-	22.91
Profit/(Loss) after Tax		2021.74	488.33
Prior Period Income/(Expenses) - Net		(194.33)	9.28
Balance Brought Forward from Previous Year		(3831.20)	(4328.81)
Profit/(Loss) Carried to Balance Sheet		(2003.79)	(3831.20)
Earnings per share :			
(on nominal value of share of Rs.10 each)			
Basic & Diluted		2.50	0.67
Accounting Policies & Notes on Accounts	21		

Schedules referred to above form an integral part of accounts.

As per our Report of even date attached

For P. L. GUPTA & CO.
Chartered Accountants

DR. RAJARAM JAIPURIA
Chairman & Managing Director

SHISHIR JAIPURIA
Vice Chairman & Managing Director

YUVRAJ SINGH
Partner

S. SINGHVI
Director Finance & CFO

J.P. KUNDRA
O.P. VAISH
NRIPENDRA MISRA
R.R. MAHESHWARI
DR. H.P. BHATTACHARYA
Directors

Place : Noida
Dated : 27th May, 2011

RAJESH K. TRIPATHI
Company Secretary



SCHEDULES FORMING PART OF ACCOUNTS

(Rupees in Lacs)

	As at 31 st March, 2011	As at 31 st March, 2010
1. SHARE CAPITAL		
AUTHORISED		
84285000 Equity Shares of Rs. 10/- each.	8428.50	8428.50
1000000 8% Redeemable Cumulative Preference Shares of Rs. 100/- each.	1000.00	1000.00
Total	<u>9428.50</u>	<u>9428.50</u>
ISSUED AND SUBSCRIBED		
70650065 Equity Shares of Rs. 10/- each fully paid-up (of the above 1,13,87,440 equity shares were allotted as fully paid up in pursuance of amalgamation without payment being received in cash)	7065.01	7065.01
750000 8% Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid	750.00	750.00
Total	<u>7815.01</u>	<u>7815.01</u>
2. RESERVES AND SURPLUS		
Securities Premium Account As per last account	6287.43	6287.43
Debenture Redemption Reserve As per last account	550.00	550.00
State Investment Subsidy As per last account	10.00	10.00
Total	<u>6847.43</u>	<u>6847.43</u>
3. LOAN FUNDS		
A. SECURED LOANS		
(i) DEBENTURES		
(a) 549750-Non Convertible Debentures of Rs.100/- each-fully paid up	549.75	579.75
(b) 1007875-Non Convertible Debentures of Rs.100/- each-fully paid up	1007.88	1062.88
(c) 45049.12-Zero Rate Debentures of Rs. 100/- each-fully paid up	45.05	47.51
(ii) TERM LOANS		
(a) From Financial Institutions		
(i) Foreign Currency Loans	444.23	470.67
(ii) Rupee Loans	5057.57	5333.70
(b) From Banks		
(i) Rupee Loan	19331.56	20387.06
(I) Debentures and Term Loans to the extent of Rs.23779.03 Lacs (Previous Year Rs.25079.57 Lacs) are (a) Secured by mortgage by deposit of Title Deeds of immovable properties and by Hypothecation of Company's movable properties, ranking pari-passu, subject to prior charge on current assets in favour of Company's bankers for working capital (b) guaranteed by two Directors and (c) secured by pledge of 61.55 lacs equity shares of the Company held by promoter and relative for Term Loans of Rs.76.44 Lacs and further secured by pledge of 115.45 Lacs shares of the company held by promoters' relatives for term loans of Rs.23779.03 Lacs (previous year Rs.25079.57 lacs).		
(II) Working Capital Term Loan of Rs.2657.00 Lacs (Previous Year Rs.2802.00 Lacs) are (a) secured by third charge on current & fixed assets of the company (b) guaranteed by two Directors and (c) secured by pledge of aforesaid 115.45 Lacs equity shares held by promoter's relatives.		
(III) Debentures and ZRDs are redeemable in 29 quarterly instalments from 30th June,2011 to 30th June,2018.		
(iii) WORKING CAPITAL LOANS FROM BANKS	15523.32	10402.53
(I) Secured to the extent of Rs.13523.65 Lacs by Hypothecation of Inventories & book debts,second charge on the fixed assets of the company (pending creation of second charge to the extent of Rs.242.34 Lacs), guaranteed by two Directors and by pledge of aforesaid 115.45 Lacs shares of the company held by promoter's relatives.		
(II) Secured to the extent of Rs.1999.67 Lacs by pledge of warehouse receipts of raw material.		
Total	<u>41959.36</u>	<u>38284.10</u>
B. UNSECURED LOANS		
From Corporate Bodies :		
Other than Short Term	765.00	386.95
Total	<u>765.00</u>	<u>386.95</u>



4. FIXED ASSETS

(Rupees in lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2010	Additions	Deductions/ Adjustments	As at 31.03.2011	Upto 31.03.2010	For the Period	Deductions/ Adjustments	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land (Lease Hold)	486.48	-	-	486.48	20.48	4.91	-	25.39	461.09	466.00
Land (Free Hold)	213.88	-	-	213.88	-	-	-	-	213.88	213.88
Lease Hold improvements	36.87	1.19	-	38.06	13.64	3.76	-	17.40	20.66	23.23
Buildings	5076.88	38.60	-	5115.48	1108.24	162.20	-	1270.44	3845.04	3968.64
Plant & Machinery	43152.47	289.12	624.03	42817.56	15837.55	2263.92	451.36	17650.11	25167.45	27314.92
Electrical Installation	1423.62	66.60	-	1490.22	421.52	69.37	-	490.89	999.33	1002.10
Office & Other Equipments	307.61	15.90	2.24	321.27	158.87	25.56	1.26	183.17	138.10	148.74
Furniture & Fittings	199.29	7.62	1.44	205.47	107.66	10.98	0.90	117.74	87.73	91.63
Vehicles	185.88	21.46	24.83	182.51	72.95	16.66	11.57	78.04	104.47	112.93
Total	51082.98	440.49	652.54	50870.93	17740.91	2557.36	465.09	19833.18	31037.75	33342.07
Previous Year	51258.37	285.84	461.23	51082.98	15442.64	2567.73	269.46	17740.91	33342.07	-

Note :

- (A) Additions to Plant & Machinery is net of capital subsidy Rs.9.43 lacs (previous year Rs.Nil).
 (B) Deductions to Plant & Machinery include adjustment of Rs.1.71 lacs (Deductions Previous year 64.49 lacs) on account of exchange rate fluctuation in the liability of foreign currency loans availed for acquiring certain fixed assets.

(Rupees in Lacs)

5. CAPITAL WORK IN PROGRESS

	As at 31 st March, 2011	As at 31 st March, 2010
Building under Construction	40.84	13.91
Machinery under Erection	386.36	59.63
Electric Installation under Erection	0.25	-
Advances Against Capital Expenditure	124.58	-
	(A)	
	552.03	73.54
Pre-Operative Expenditure		
Salaries, Wages and Other Benefits	7.18	-
Contribution to Provident Fund	0.26	-
Workmen and Staff Welfare	0.08	-
Travelling and Conveyance	0.23	-
Repair & Maintenance (Others)	0.44	-
Miscellaneous Expenses	0.91	-
	(B)	
	9.10	0.00
Total	(A+B)	
	561.13	73.54

6. INVESTMENTS

Long Term Investments (in fully paid shares)		
Trade		
Quoted		
4160450 Equity Shares of Rs 10/- each of Ginni International Limited	738.93	738.93
Non Trade		
Unquoted		
178750 Equity Shares of Rs.10/-each of Narmada Clean Tech Ltd	17.88	17.88
During the year Investments Purchased and Sold.		
200000 Units of SBI PSU Fund at a cost of Rs.20.00 Lacs	-	-
Total	756.81	756.81
Aggregate Value of		
Quoted Investments	738.93	738.93
Unquoted Investments	17.88	17.88
Aggregate Market Value of Quoted Investments	738.48	738.48
(Based on latest available quotation dated 29.03.2000)		



	(Rupees in Lacs)	
	As at 31 st March, 2011	As at 31 st March, 2010
7. INVENTORIES		
Raw Materials	13579.35	10593.42
Stores and Spare Parts	701.86	506.93
Stock-in-Trade	7034.31	2192.94
Stock-in-Process	1481.95	1153.24
Total	<u>22797.47</u>	<u>14446.53</u>
8. SUNDRY DEBTORS		
(Unsecured, Considered good unless otherwise stated)		
a) Over Six Months		
Considered Good	373.58	530.23
Considered Doubtful	68.31	68.31
	<u>441.81</u>	<u>598.54</u>
Less : Provision for Doubtful Debts	68.31	68.31
	<u>373.58</u>	<u>530.23</u>
b) Others	5461.15	4733.05
Total	<u>5834.73</u>	<u>5263.28</u>
9. CASH AND BANK BALANCES		
Cash in Hand	13.58	13.85
With Scheduled Banks:		
In Current Account	218.69	293.01
In Fixed Deposit Account*	0.11	0.11
In Unpaid Dividend Account	28.07	28.11
In Margin Money Deposit Account	190.66	141.72
* Pledged with excise authorities for Rs. 0.11 Lacs (Previous Year Rs. 0.11 Lacs)		
Total	<u>451.11</u>	<u>476.80</u>
10. OTHER CURRENT ASSETS		
Interest Receivable	1.90	1.93
Total	<u>1.90</u>	<u>1.93</u>
11. LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	2287.39	716.78
Balance with Excise Authorities / cenvat credits and receivables from Govt. & other authorities	2815.27	3008.17
Payments of Income tax & Wealth tax	279.14	298.14
Total	<u>5381.80</u>	<u>4023.09</u>
12. CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors :		
Micro and Small Enterprises	39.82	12.13
Others	8365.43	7997.57
Advance from Customers	1033.80	232.25
Other Liabilities	143.10	104.89
Interest Accrued but not Due	14.43	14.05
Unpaid Dividend	28.07	28.11
(There is no amount due and outstanding as at Balance Sheet date to be credited to Investor Education and Protection Fund)		
	<u>9624.65</u>	<u>8389.00</u>
B. Provisions		
Income Tax	387.77	195.42
Fringe Benefit Tax	27.30	52.23
Wealth Tax	0.59	2.59
Retirement Benefits	506.99	438.74
	<u>922.65</u>	<u>688.98</u>
Total	<u>10547.30</u>	<u>9077.98</u>



	(Rupees in Lacs)	
	As at 31 st March, 2011	As at 31 st March, 2010
13. MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Deferred Revenue Expenses	-	10.69
Total	<u>0.00</u>	<u>10.69</u>
14. SALES AND SERVICES		
Sales	68399.36	48211.78
Export Incentives	925.11	2482.53
Conversion Charges (TDS Rs.5.71 Lacs , Previous year Rs.4.06 Lacs)	102.83	89.90
Total	<u>69427.30</u>	<u>50784.21</u>
15. OTHER INCOME		
Interest from Banks (TDS Rs. 1.01 Lacs, Previous year Rs. 2.12 Lacs)	10.18	14.83
Interest from Customers (TDS Rs. 0.63 Lacs, Previous year Rs. 0.38 Lacs)	37.85	18.15
Interest - Others (TDS Rs. 0.76 Lacs, Previous year Rs. 0.35 Lacs)	7.45	6.88
Insurance Claims	77.90	15.80
Foreign Exchange Rate Fluctuation Gains on Forward Contracts	231.56	58.95
Foreign Exchange Rate Fluctuation Gains - Others	-	2.51
Liabilities of earlier years Written Back	13.72	9.46
Profit on Sale of Fixed Asset	10.84	22.58
Profit on Sale of Investment	0.09	17.13
Miscellaneous Income	290.18	82.86
Total	<u>679.77</u>	<u>249.15</u>
16. ACCRETION/(DECRETION) IN STOCK		
Closing Stock		
Stock-in-Process	1481.95	1153.24
Stock-in-Trade	7034.31	2192.94
	<u>8516.26</u>	<u>3346.18</u>
Less : Opening Stock		
Stock-in-Process	1153.24	939.19
Stock-in-Trade	2192.94	2079.95
	<u>3346.18</u>	<u>3019.14</u>
	<u>5170.08</u>	<u>327.04</u>
17. MATERIAL AND MANUFACTURING EXPENSES		
Purchase of Trading Goods	4535.70	93.69
Raw Material	44601.53	31222.96
Packing Material	1152.79	938.26
Stores and Spares	1425.63	1194.65
Power & Fuel	4497.61	3699.40
Job Work Charges	1399.85	871.68
Excise duty on Increase of finished goods	39.79	39.92
Freight and Handling Charges	115.59	100.44
Machine Hiring Charges	4.75	3.09
Repairs :		
Plant and Machinery	137.76	134.41
Building	48.74	22.32
Total	<u>57959.74</u>	<u>38320.82</u>
18. PAYMENTS AND BENEFITS TO EMPLOYEES		
Salaries, Wages and Bonus	2551.35	2126.04
Contribution to Provident and Other Funds	162.09	151.59
Workmen and Staff Welfare	152.31	127.18
Total	<u>2865.75</u>	<u>2404.81</u>



	(Rupees in Lacs)	
	As at 31 st March, 2011	As at 31 st March, 2010
19. ADMINISTRATION, SELLING AND OTHER EXPENSES		
Rent	166.35	151.90
Rates and Taxes	53.19	35.81
Insurance	150.87	133.21
Freight & Other Selling Expenses	2884.22	2096.63
Commission on Sales	774.58	607.31
Bank Charges	394.82	376.39
Travelling & Conveyance	339.42	276.30
Communication	53.53	60.92
Repairs - Others	88.24	76.67
Directors' Sitting Fee	4.50	3.80
Wealth Tax	0.59	0.63
Loss on Sale of Fixed Assets	52.42	3.91
Miscellaneous Expenses	365.78	377.79
Deferred Revenue Expenses Written Off	10.69	10.69
Goodwill Written off	-	27.63
Foreign Exchange Rate Difference	2.36	19.05
Sundry Balances / Claims Written Off	24.75	6.89
Sales Tax Paid	0.01	0.08
Total	<u>5366.32</u>	<u>4265.61</u>
20. INTEREST		
On Non Convertible Debentures	167.96	166.96
On Term Loans	1477.61	1536.36
On Others	1461.90	1213.37
Total	<u>3107.47</u>	<u>2916.69</u>
21. ACCOUNTING POLICIES & NOTES ON ACCOUNTS		
A. SIGNIFICANT ACCOUNTING POLICIES		
1. ACCOUNTING CONCEPTS		
The company follows the mercantile system of accounting and recognizes income and expenses on accrual basis. The accounts are prepared on historical cost basis as a going concern. Accounting policies not referred to otherwise are consistent with generally accepted accounting principles and the provisions of the Companies Act, 1956.		
2. USE OF ESTIMATES		
The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.		
3. FIXED ASSETS		
Fixed Assets are stated at cost less accumulated depreciation / impairment loss, if any. Cost includes freight, duties, taxes, and other incidental expenses. Pre-operative expenses including eligible borrowing cost incurred during construction period are charged to Capital Work-in-Progress and on completion, the cost is allocated to the respective fixed assets. Machinery spares which are specific to a particular item of the fixed assets and if their use is expected to be irregular are capitalized as applicable.		
4. DEPRECIATION/AMORTISATION		
Depreciation on fixed assets is provided on straight line method at the rate and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Cost of leasehold land is amortized over the period of lease. Lease hold improvements are amortized over the primary period of lease.		
5. IMPAIRMENT OF ASSETS		
An asset is treated as impaired when the carrying amount of an asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist.		
6. LEASES		
Lease payments under an operational lease are recognized as expense in the statement of Profit and Loss as per terms of lease agreement.		
7. RESEARCH AND DEVELOPMENT		
Revenue expenditure is charged as an expense in the year it is incurred. Capital expenditure is taken as fixed assets and depreciation is provided on such assets as per the provisions of the Companies Act, 1956.		
8. INVENTORIES		
Raw materials, stores and spares are valued at lower of cost and net realizable value.		
Work in progress and finished goods are valued at lower of cost and net realizable value. The costs of work in progress and finished goods include costs of raw material, conversion cost and other costs incurred in bringing the inventories to their present location and condition. Waste is valued at net realizable value.		
Cost of inventories is computed on weighted average/FIFO basis.		



9. INVESTMENTS

Long term investments are stated at cost. Provision for diminution in value of long term investments is made only if such decline is other than temporary.

10. GOVERNMENT GRANTS

Capital grants relating to fixed assets are reduced from the gross value of fixed assets. Other capital grants are credited to capital reserve. Revenue grants are credited in profit & loss account or deducted from related expenses.

11. PROVISION AND CONTINGENCIES

A provision is recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources in respect of which a reliable estimate can be made. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

12. FOREIGN CURRENCY TRANSACTIONS

Export Sales in foreign currency are accounted for at the exchange rate prevailing on the date of negotiation, where such sales are not covered by forward contracts. Outstanding export documents pending negotiation when not covered by foreign exchange forward contracts are accounted for at the prevailing conversion rates at the end of the month of respective export date and difference if any in actual realization of such documents is accounted for in foreign exchange fluctuation account to be credited/charged to the Profit & Loss Account in the year of realization.

In respect of Forward Exchange Contracts, the difference between the forward rate and the exchange rate on the date of transaction is recognized proportionately as income or expense, as the case may be, over the life of contract.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit & Loss Account except in cases where they relate to the acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

13. SALES

Export sales are recognized on the basis of date of bill of lading and other sales on ex-factory dispatch. Export benefits/incentives are accounted for on accrual basis.

Sales include excise duty and are net of claims, rebates & discounts allowed during the year.

14. EMPLOYEE BENEFITS

(i) The company makes defined contribution to Provident Fund which is recognized in the Profit & Loss Account on accrual basis.

(ii) The company's liabilities under Payment of Gratuity Act and long term compensated absences (unfunded) are determined on the basis of actuarial valuation made at the end of each financial year using the Projected Unit Credit Method. Actuarial gains and losses are recognized immediately in the statement of Profit & Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(iii) Termination benefits are recognized as and when incurred.

15. CLAIMS

In accordance with the consistent practice, insurance and other claims, to the extent considered recoverable, are accounted for in the year relevant to claim while the balance is accounted for on settlement.

16. MISCELLANEOUS EXPENDITURE

In accordance with AS - 26 on Intangible assets issued by the Institute of Chartered Accountants of India the balances as on 1.04.2003 in respect of deferred revenue expenditure and preliminary expenses are being expensed over a number of years as originally contemplated.

17. BORROWING COST

Borrowing cost attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to the profit & loss account.

18. TAXATION

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The deferred tax for timing differences between the book profits and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

19. FINANCIAL DERIVATIVES HEDGING TRANSACTIONS

The use of Financial Derivatives Hedging Contracts is governed by Company's policies which provide for the use of such financial derivatives consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes.

Keeping in view of the principle of prudence as per Accounting Standard 1 on "Disclosure of Accounting Policies" outstanding derivative contracts at the Balance Sheet date are now marked to market and accordingly, the resulting mark to market losses / gains are recognized in the Profit and Loss Account.

B. NOTES ON ACCOUNTS

	2010-2011	(Rs. in Lacs) 2009-2010
1. Contingent liabilities not provided for:		
i) Bills discounted with banks	6702.01	3288.97
ii) Disputed demands under excise, income tax, sales tax and electricity etc	92.02	88.41
iii) Claims against the company not acknowledged as debt	68.99	61.19
2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) :	625.96	95.41
3. Balance of debtors, creditors and advances are subject to confirmation and /or reconciliation.		
4. Sales include Net Gain of Rs.23.07 lacs (previous year Net Loss of Rs. 95.72 lacs) on account of exchange rate fluctuation and adjustment of Rs. 341.79 lacs (previous year Rs.246.93 lacs) on account of discounts, rebate and claims.		



5. Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006

Sr. No.	Particulars	As at 31 st March 11	As at 31 st March 10
1.	Principal amount remaining unpaid	Rs. 3.63 lacs	Rs. 1.81 lacs
2.	Interest due on above	Nil	Nil
3.	Total of (1) and (2)	Rs. 3.63 lacs	Rs 1.81 lacs
4.	Interest paid in term of Section 16	Nil	Nil
5.	Interest due and payable for the period of delay in payment	Nil	Nil
6.	Interest accrued and remaining unpaid	Nil	Nil
7.	Interest due and payable even in succeeding years	Nil	Nil

The information as required to be disclosed under the Micro and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

6. 8% Cumulative Redeemable Preference Shares are redeemable at par on or before 31st Dec, 2018. Accumulated dividend on Preference Shares for the year is Rs. 60 lacs.(previous year Rs. 25 lacs)
7. Secured loans of Rs. 2597.44 lacs are repayable within next twelve months.
8. **Defined Benefit Plan:** Consequent upon adoption of Accounting Standard on 'Employees benefits' (AS-15) (Revised 2005) issued by the Institute of Chartered Accountants of India, as required by the Standard, the following disclosures are made:

I-Reconciliation of opening and closing balances of Defined Benefit obligation

Amount in Rs.

	Gratuity (Unfunded) 2010-11	Gratuity (Unfunded) 2009-10	Leave Encashment (Unfunded) 2010-11	Leave Encashment (Unfunded) 2009-10
Defined Benefit obligation beginning of the year	25034348	22561481	18839824	15460527
Current Service Cost	6621734	6023784	6519637	6780327
Interest Cost	1915268	1522004	1145060	866853
Actuarial gain / (loss)	(2872798)	(3435813)	(2317868)	(3093472)
Benefits paid	(2187012)	(1637108)	(1999429)	(1174411)
Defined Benefit obligation at year end	28511540	25034348	22187224	18839824

II-Reconciliation of fair value of assets and obligations

Present value of obligation	2851540	25034348	22187224	18839824
Amount recognized in Balance Sheet	2851540	25034348	22187224	18839824

III-Expense recognized during the year

Current Service Cost	6621734	6023784	6519637	6780327
Interest Cost	1915268	1522004	1145060	866853
Actuarial gain /(loss)	(2872798)	(3435813)	(2317868)	(3093472)
Net Cost	5664204	4109975	5346829	4553708

IV- Actuarial assumptions

Mortality Table (LIC)	2010-2011 1994-96 (Ultimate)	2009-2010 1994-96 (Ultimate)	2010-2011 1994-96(Ultimate)	2009-2010 1994-96 (Ultimate)
Discount Rate	8.17%	8%	8.17%	8%
Rate of escalation in salary (per annum)	7.00%	7%	7.00%	7%
Withdrawal Rate	5.00%	5%	5.00%	5%

The estimate of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary except regarding employees of transferee companies which have been accounted for on accrual basis.

9. **Segment Information:**

(Rs. In Lacs)

Particulars	2010-11			2009-10		
	Textiles	Others	Total	Textiles	Others	Total
A) Primary Segment (Business Segment)						
REVENUE:						
External Sales	68590.12	708.68	69298.80	50216.86	503.98	50720.84
RESULTS:						
Segment Results before Interest & finance Cost	6389.25	10.23	6399.48	3767.82	(29.76)	3738.06
Interest and Finance Cost			3107.47			2916.69
Profit/ (Loss) from ordinary activities			3292.01			821.37
Extra ordinary items			-			-



(Rs. In Lacs)

Particulars	2010-11			2009-10		
	Textiles	Others	Total	Textiles	Others	Total
Net Profit/ (Loss)			3292.01			821.37
OTHER INFORMATION:						
Segment Assets	65869.02	953.68	66822.70	57871.80	697.78	58569.58
Segment Liabilities	9929.30	159.84	10089.14	8699.88	85.70	8785.58
Segment Depreciation/Amortization	2539.05	18.31	2557.36	2548.63	19.10	2567.73
Capital Expenditure	395.89	44.60	440.49	275.25	10.59	285.84
Non-cash expenses other than depreciation	–	–	10.69	38.32	–	38.32
B) Secondary Segment (Geographical By Customers)						
SEGMENT REVENUE						
In India			19713.54			17232.82
Outside India			49585.26			33488.02
Note:	1. The Company has disclosed business segments as the primary segment. Segments have been identified taking into account the nature of the products, differential risks and returns, the organizational structure and internal reporting system. The company's operations predominantly relate to manufacturing of textiles. 2. Types of products and services in each business segment: Textiles: Yarn, Fabric Nonwoven Fabrics and Garments. Others: Consumer Products i.e. Wipes and Others					

10. General description of Lease Terms:

Lease rental are charged on the basis of agreed terms.
Assets are taken on lease over a period of one year.

The company has taken building on lease. The future minimum lease payments are as under:

	2010-2011	2009-2010
Not later than one year	166.89	144.16
Later than one year and not later than five years	641.16	613.58
Later than five years	84.98	243.92
Total	893.03	1001.66

11. a) Prior period Income (Expenses) represents:

Debit relating to earlier years	(273.19)	(60.41)
Credit relating to earlier years	78.86	69.69
Depreciation adjustment	-	-
	(194.33)	9.28

b) Research and development expenditure.

Capital	4.11	-
Revenue expenses	91.42	72.89

12. Disclosure in respect of derivative instruments:

Forward booking and derivative contracts entered into by the Company and have remained outstanding as on 31/03/2011 are as under:

Particulars	As at 31/03/2011	As at 31/03/2010
Forward booking against exports	US\$ 229.06 Lacs	US\$ 135 Lacs
	EURO Nil	EURO 7.50 Lacs

Company has entered into contracts of forward booking keeping in view the net foreign exchange surplus on exports earning in foreign exchange considering imports and foreign currency loans.

Net foreign exchange exposures as on 31/03/2011 are fully hedged for exports receivable and imports and other foreign currency expenses. Foreign currency loans are not hedged for its full repayment periods.

13. Related parties and transactions with them as specified in the Accounting Standard 18 on "Related Parties Disclosures" issued by ICAI has been identified and given below on the basis of information available with the company and the same has been relied upon by the auditors.

Related Parties & Relationship

a) Enterprises that directly, or indirectly through one or more intermediaries, control or are controlled by or are under common control with the company (this includes holding companies, subsidiaries and fellow subsidiaries): Nil

b) Associates and joint ventures: Nil

c) Key management personnel and Individuals owning directly or indirectly, an interest in the voting power that give them control or significant influence over the company, and the relatives of such individuals.

1) Key management personnel :

- | | | |
|-------------------------|---------------------------|--------------------------|
| i) Dr. Rajaram Jaipuria | ii) Shri Shishir Jaipuria | iii) Shri Saket Jaipuria |
| iv) Shri S. Singhvi | v) Shri R. R. Maheshwari | |

2) Relative :

- | | | |
|------------------------------|--------------------------|--------------------------|
| i) Smt. Suniti Devi Jaipuria | ii) Smt. Sunita Jaipuria | iii) Smt. Anika Jaipuria |
| iv) Shri Yash Jaipuria | v) Shri Sharad Jaipuria | vi) Smt. Archana Khaitan |



- d) Enterprises over which Key Management personnel are able to exercise significant influence:
- | | | |
|----------------------------------|----------------------------|-------------------------------|
| i) Shree Bhawani Anand Pvt. Ltd. | ii) Ginni Biotex Pvt. Ltd. | iii) Kanpur Builders Pvt.Ltd. |
| iv) Raghukul Trading Pvt.Ltd | v) Lochan Agro Pvt. Ltd. | vi) Ginni Nonwoven Pvt. Ltd. |

Details of Transactions with (a) (b) (c) & (d) are as follows :

Nature of Transaction	(Rs in lacs)			
	Relating to (a)	Relating to (b)	Relating to (c)	Relating to (d)
i) Remuneration	-	-	214.47	-
ii) Interest	(-)	(-)	(113.25)	(-)
iii) Loan [Net-(taken)/repaid]	-	-	-	0.30
iv) Dividend	-	-	-	(28.23)
v) Equity share issue on premium(net)	(-)	(-)	-	(-)78.05
vi) Preference share	-	-	-	(633.05)
vii) Year end payable	-	-	-	-
	(-)	(-)	(1590.72)	(1.36)
	-	-	-	-
	-	-	(130)	(600.00)
	-	-	-	465.00
	-	-	-	(386.95)

Figures in brackets relate to previous year.

14. The earning per share has been calculated as specified in Accounting Standard 20 on "Earnings per Share" issued by Institute of Chartered Accountants of India, the related disclosures are as below-

	2010-2011	2009-2010
a) Amount used as numerator in calculating basic and diluted EPS:		
Profit after tax-(Rs.in lacs)	1827.41	497.61
Less Dividend on Cumulative Preference Shares	60.00	25.00
Profit for the year	1767.41	472.61
b) Weighted average number of equity shares used as the Denominator in calculating EPS. (Nos in lacs)	706.50	706.50
c) Earnings per share in Rupees (Basic/Diluted)	2.50	0.67

15. As specified in Accounting Standard 22 on "Accounting for Taxes on Income" issued by ICAI, the principal components of deferred tax liabilities provided during the year are as follows:

	As on 31.03.11	As on 31.03.10
Deferred tax liabilities		
Depreciation –Timing Difference	4645.45	4705.32
Deferred tax assets		
Unabsorbed Depreciation	3532.73	3727.91
Employees benefits	197.64	161.75
Provision for doubtful debts	22.69	23.22
Unabsorbed Business Losses	-	977.97
	3753.06	4890.85
Net Deferred tax (Assets) Liability :	892.39	(185.53)
Provided up to Previous year	(185.53)	(494.99)
Provided (written back) during the year	1077.92	309.46

Based on the past performance and perception about future operation, management is of the view that adequate future taxable income would be available against which above Deferred Tax Assets can be recognized.

16. Auditors' Remuneration - #

	2010-2011	(Rs. in Lacs) 2009-2010
Statutory Auditor		
Audit Fee	5.52	6.30*
Tax Audit Fee	0.77	0.77
Certification & Other services	1.81	2.37
Reimbursement of Expenses	0.45	0.45
	8.55	9.89

*Includes Rs. 0.76 lacs of transferee companies.

#Including Service tax



17. Managing Directors'/Whole time Directors' remuneration :

	(Rs. in Lacs)	
	2010-2011	2009-2010
(a) Salaries	83.44	82.20
Contribution to provident fund	8.71	8.29
Other perquisites	7.12	13.41
Commission	100.83	-
	<u>200.10</u>	<u>103.90</u>

The above figures for the year do not include Provision for gratuity liabilities & leave encashment as separate figures in actuarial valuation are not available for Managing Director and whole time Directors.

(b) Computation of net profit in accordance with Section 349 of the Companies Act, 1956			
Profit before Tax		3292.01	-
Add :			
Directors' remuneration	200.10		-
Directors' Fee	4.50		-
Loss on sale of fixed Assets	52.42		-
Depreciation as per books	2557.36	2814.38	-
		<u>6106.39</u>	
Less :			
Profit on sale of Fixed Assets	10.84		-
Profit on sale of Current Investment	0.09		-
Depreciation as per section 350 of the Companies Act, 1956	2557.36	2568.29	-
		<u>3538.10</u>	-
Net Profit for the year in accordance with Section 349 of the Companies Act, 1956		3538.10	-
Eligible Commission to CMD, MD, & Whole time Directors in Accordance with their eligibility as per term of Appointment		201.65	-
Commission restricted to		<u>100.83</u>	<u>-</u>

18. Previous year's figures have been regrouped wherever necessary.

19. Additional information pursuant to the provisions of paragraph 3 & 4 of part II of Schedule VI of the Companies Act, 1956.

(A) CLASS OF GOODS MANUFACTURED :

- (i) Yarn
- (ii) Knitted Fabrics-Grey
- (iii) Processed Fabrics
- (iv) Nonwoven Fabrics
- (v) Garments
- (vi) Wipes and others

(B) CAPACITIES:	Unit	Installed*	Installed*	
			2010-2011	2009-2010
(i) Spindles	Nos.	NA	89808	89808
(ii) Rotors	Nos.	NA	1680	1680
(iii) Knitting Machines	Nos.	NA	34	38
(iv) Processed Fabrics	Kg/Batch	NA	3600	3600
(v) Nonwoven Fabric	MT/annum	NA	12000	12000
(vi) Stitching Machines	Nos.	NA	405	399
(vii) Wipes & others	Pcs.Lacs/annum	NA	4421.77	1283.87

*Installed capacity has been certified by the Management and not verified by the auditors, being a technical matter.

(C) ACTUAL PRODUCTION :

	Unit	2010-2011	2009-2010
		Quantity	Quantity
(i) Yarn	Kg.in Lacs	254.72	252.89
(ii) Fabrics-Grey	Kg.in Lacs	32.52	26.61
(iii) Processed Fabrics	Kg.in Lacs	27.66	24.42
(iv) Garments	Pcs.in Lacs	38.55	17.91
(v) Nonwoven Fabrics	Kg.in Lacs	95.63	88.96
(vi) Wipes and Others	Pcs.in Lacs	977.55	561.25

(D) PURCHASES OF FINISHED GOODS:

	Unit	2010-2011		2009-2010	
		Quantity	Amount Rs.in Lacs	Quantity	Amount Rs.in Lacs
(i) Yarn	Kg.in Lacs	26.43	4429.47	0.83	93.69
(ii) Cotton	Kg.in Lacs	00.84	106.23	-	-
(iii) Processed Fabrics	Kg.in Lacs	-	-	-	-
(iv) Nonwoven Fabrics	Kg.in Lacs	-	-	-	-
(v) Garments	Pcs.	-	-	-	-
(vi) Wipes and Others	Pcs.	-	-	-	-
			<u>4535.70</u>		<u>93.69</u>



	2010-2011		2009-2010	
	Quantity	Amount	Quantity	Amount
(E) SALES		Rs. in Lacs		Rs. in Lacs
(i) Yarn (including Trading)	Kg.in Lacs	240.49@	237.79	26494.77
(ii) Fabrics-Grey	Kg.in Lacs	1.46#	1.19	175.67
(iii) Processed Fabrics	Kg.in Lacs	17.84##	19.45	5284.50
(iv) Conversion Charges	Kg.in Lacs	-	-	89.90
(v) Garments	Pcs.in Lacs	37.64	19.85	3214.66
(vi) Wipes and Others	Pcs.in Lacs	957.84	574.50	503.98
(vii) Nonwoven Fabric	Kg.in Lacs	94.56\$	85.09	11556.48
(viii) Waste	Kg.in Lacs	-	-	1077.44
(ix) Cotton (Trading)	Kg.in Lacs	00.84	-	-
Total		68479.12**		48397.40
(F) STOCK PARTICULARS OF FINISHED GOODS:				
(a) OPENING STOCK				
(i) Yarn	Kg.in Lacs	8.53	9.92	961.23
(ii) Fabrics-Grey	Kg.in Lacs	0.58	0.76	118.82
(iii) Processed Fabric	Kg.in Lacs	0.56	1.05	219.52
(iv) Nonwoven Fabric	Kg.in Lacs	5.87	3.24	365.87
(v) Garments	Pcs.in Lacs	0.71	2.65	301.07
(vi) Wipes and Others	Pcs.in Lacs	23.70	36.95	32.62
(vii) Waste		-	-	80.82
Total		2192.94		2079.95
(b) CLOSING STOCK				
(i) Yarn	Kg.in Lacs	25.26	8.53	996.53
(ii) Fabrics-Grey	Kg.in Lacs	1.98	0.58	104.54
(iii) Processed Fabrics	Kg.in Lacs	0.71	0.56	105.92
(iv) Nonwoven Fabrics	Kg.in Lacs	5.60	5.87	689.85
(v) Garments	Pcs in Lacs	1.62	0.71	85.30
(vi) Wipes and Others	Pcs.in Lacs	43.41	23.70	32.09
(vii) Waste		-	-	178.71
Total		7034.31		2192.94
@	excluding 23.93 lacs kg. (Previous year 17.32 lacs kg) for captive consumption.			
**	excludes exchange fluctuation (Refer Note No.4 above) and includes Excise Duty of Rs.128.33 lacs (previous year Rs. 63.37 lacs).and excludes export incentives Rs.925.11 lacs (previous year Rs.2482.53 lacs).			
#	excluding 29.66 lacs kgs (Previous year 25.60 lacs kgs.) for captive consumption.			
##	excluding 9.67 lacs kgs (Previous year 5.46 lacs kgs.) for captive consumption			
\$	excluding 1.34 lacs kgs (Previous year 1.24 lacs kgs.) for captive consumption.			
(G) RAW MATERIALS CONSUMED :		2010-2011	2009-2010	
	Kg. In Lacs	Rs. In Lacs	Kg. In Lacs	Rs. In Lacs
Cotton/Polyester/Viscose	462.85	39456.07	392.33	27278.85
Yarn	13.13	3141.54	11.83	2242.80
Fabrics-Nonwoven	1.33	220.33	1.13	167.71
Processed Fabrics	0.44	78.07	0.52	63.81
Others	-	530.25	-	542.32
Dyes & Chemical	-	1175.27	-	927.47
		44601.53		31222.96
(H) VALUE OF RAW MATERIALS CONSUMED :	Rs. In Lacs	%	Rs. In Lacs	%
Imported	4440.31	9.96	4669.05	14.95
Indigenous	40161.22	90.04	26553.91	85.05
	44601.53	100	31222.96	100
(I) VALUE OF STORES AND SPARE PARTS CONSUMED :				
Imported	632.74	44.51	396.61	33.20
Indigenous	792.89	55.49	798.04	66.80
	1425.63	100	1194.65	100
(J) EARNINGS IN FOREIGN EXCHANGE DURING THE YEAR :		Rs. In Lacs		Rs. In Lacs
F.O.B. value of goods Exported		47524.45		32486.05
(K) CIF VALUE OF IMPORTS :				
Raw Materials		4504.04		4156.07
Capital goods		233.88		24.83
Stores & Spare Parts		646.90		407.75
(L) EXPENDITURE PAID IN FOREIGN CURRENCY :				
(Only payments directly in foreign currencies considered)				
Traveling		46.81		41.64
Commission		327.54		257.60
Professional fees and others		56.67		38.70



22. Information required as per Part IV of Schedule VI of the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(I) **Registration Details**

Registration No : 12550

Balance Sheet Date : 31.03.2011

State Code : 20

(II) **Capital raised during the year**

Public Issue

												N	I	L
--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

Bonus Issue

												N	I	L
--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

(Amount in Rs. Thousands)

Rights Issue

												N	I	L
--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

Private Placement

												N	I	L
--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

(III) **Position of Mobilisation and Deployment of Funds**

Total Liabilities

				6	8	8	2	6	4	9
--	--	--	--	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

				7	8	1	5	0	1
--	--	--	--	---	---	---	---	---	---

Reserves & Surplus

				6	8	4	7	4	3
--	--	--	--	---	---	---	---	---	---

Unsecured Loans

				7	6	5	0	0
--	--	--	--	---	---	---	---	---

Application of Funds

Net Fixed Assets

				3	1	5	9	8	8
--	--	--	--	---	---	---	---	---	---

Net Current Assets

				2	3	9	1	9	7	1
--	--	--	--	---	---	---	---	---	---	---

Accumulated Losses

				2	0	0	3	7	9
--	--	--	--	---	---	---	---	---	---

Total Assets

				6	8	8	2	6	4	9
--	--	--	--	---	---	---	---	---	---	---

Share Application Money

											N	I	L
--	--	--	--	--	--	--	--	--	--	--	---	---	---

Secured Loans

				4	1	9	5	9	3	6
--	--	--	--	---	---	---	---	---	---	---

Deferred Tax Liability

							8	9	2	3	9
--	--	--	--	--	--	--	---	---	---	---	---

Investments

				7	5	6	8	1
--	--	--	--	---	---	---	---	---

Misc. Expenditure

											N	I	L
--	--	--	--	--	--	--	--	--	--	--	---	---	---

Deferred Tax Assets

											N	I	L
--	--	--	--	--	--	--	--	--	--	--	---	---	---

(IV) **Performance of Company**

Turnover

				7	5	1	4	8	6	5
--	--	--	--	---	---	---	---	---	---	---

+ / - Profit/(Loss) Before Tax

				3	0	9	7	6	8
--	--	--	--	---	---	---	---	---	---

Earning Per Share in Rs.

				2	.	5	0
--	--	--	--	---	---	---	---

Total Expenditure

				7	2	0	5	0	9	7
--	--	--	--	---	---	---	---	---	---	---

+ / - Profit/(Loss) After Tax

				1	8	2	7	4	1
--	--	--	--	---	---	---	---	---	---

Dividend Rate %

											-
--	--	--	--	--	--	--	--	--	--	--	---

(V) **Generic Names of Three Principal Products of Company (As per monetary terms)**

Item Code No (ITC Code)	5	2															
Product Description	C	o	t	t	o	n	Y	a	r	n							
Item Code No (ITC Code)	5	6															
Product Description	N	o	n	W	o	v	e	n									
Item Code No (ITC Code)	6	0															
Product Description	K	n	i	t	t	e	d	F	a	b	r	i	c	s			
Item Code No (ITC Code)	6	1															
Product Description	K	n	i	t	t	e	d	G	a	r	m	e	n	t	s		

Signatures to Schedule 1 to 21

As per our Report of even date attached

For P. L. GUPTA & CO.
Chartered Accountants

YUVRAJ SINGH
Partner

Place : Noida
Dated : 27th May, 2011

DR. RAJARAM JAIPURIA
Chairman & Managing Director

S. SINGHVI
Director Finance & CFO

RAJESH K. TRIPATHI
Company Secretary

SHISHIR JAIPURIA
Vice Chairman & Managing Director

J.P. KUNDRA
O.P. VAISH
NRIPENDRA MISRA
R.R. MAHESHWARI
DR. H.P. BHATTACHARYA
Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(Rupees in Lacs)

Sl. No.	Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
A.	Cash Flow from Operating Activities:		
	Net Profit after Adjustments relating to Earlier years but before Tax and Extraordinary Items	3097.68	830.65
	Adjustments for:		
	Depreciation	2557.36	2567.73
	Interest Expenses	3107.47	2916.69
	Interest Income	(55.48)	(39.86)
	(Profit)/loss on Sale of Fixed Assets (Net)	41.58	(18.67)
	(Profit)/loss on Sale of Investments (Net)	(0.09)	(17.13)
	Goodwill written off	-	27.63
	Deferred Revenue Expenses written off	10.69	10.70
	Operating Profit before Working Capital Changes	8759.21	6277.74
	Adjustments for:		
	Trade & Other receivables	(1949.13)	(730.84)
	Inventories	(8350.94)	(9371.49)
	Trade payables	1303.56	4217.96
	Cash generated from operations	(237.30)	393.37
	Direct Taxes Paid	(7.93)	(42.70)
	Cash Flow before extraordinary items	(245.23)	350.67
	Extraordinary items	-	-
	Net Cash from operating activities	(A) (245.23)	350.67
B.	Cash Flow from Investing Activities:		
	Purchase of Fixed Assets	(928.08)	(342.01)
	Sale of Fixed Assets	145.87	210.44
	Sale of Investments	0.09	305.76
	Interest Received	55.48	39.86
	Paid for Goodwill amalgamation	-	(27.63)
	Net Cash from investing activities	(B) (726.64)	186.42
C.	Cash Flow from Financing Activities:		
	Proceeds from issue of Equity Shares	-	2526.44
	Proceeds from borrowings (Net)	4053.31	(337.73)
	Interest paid	(3107.09)	(2978.33)
	Dividend paid	(0.04)	(0.09)
	Tax on Dividend	-	-
	Net cash from Financing Activities	(C) 946.18	(789.71)
	Net Increase/(Decrease) in Cash and Cash equivalents	(A+B+C) (25.69)	(252.62)
	Cash and Cash Equivalents (Opening Balance)	476.80	729.42
	Cash and Cash Equivalents (Closing Balance)	451.11	476.80

As per our Report of even date attached

For P. L. GUPTA & CO.
Chartered AccountantsDR. RAJARAM JAIPURIA
Chairman & Managing DirectorSHISHIR JAIPURIA
Vice Chairman & Managing DirectorYUVRAJ SINGH
PartnerS. SINGHVI
Director Finance & CFOJ.P. KUNDRA
O.P. VAISH
NRIPENDRA MISRA
R.R. MAHESHWARI
DR. H.P. BHATTACHARYA
DirectorsPlace : Noida
Dated : 27th May, 2011RAJESH K. TRIPATHI
Company Secretary



GINNI FILAMENTS LIMITED

Regd. Office : 110 K.M. Stone, Delhi-Mathura Road,
Chhata - 281 401, Distt. Mathura (U.P.)

ATTENDANCE SLIP

(TO BE SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

I/We hereby record my/our presence at the TWENTY EIGHT ANNUAL GENERAL MEETING of the above named Company held at the Registered Office of the Company at 110 K.M. Stone, Delhi-Mathura Road, Chhata - 281 401, Distt. Mathura (U.P.) at 11.30 A.M. on Thursday, the 11th August, 2011.

NAME(S) OF THE MEMBER(S)

Folio No./DP ID* No. and Client ID* NO.....No. of Shares.....

Name of Proxy (in block letters)
(To be filled in, if the Proxy attends instead of the Member)

Member's/Proxy's Signature

CUT HERE



GINNI FILAMENTS LIMITED

Regd. Office : 110 K.M. Stone, Delhi-Mathura Road,
Chhata - 281 401, Distt. Mathura (U.P.)

PROXY FORM

DP ID* Folio No.....

Client ID* No. of Shares.....

I/We.....of.....being a
Member/s of GINNI FILAMENTS LIMITED hereby appoint.....

of.....or failing him.....

of.....or failing him.....

of.....

as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Twenty Eight Annual General Meeting of the Company to be held on Thursday, the 11th August, 2011 at 11.30 A.M. and at any adjournment thereof.

AS WITNESS my/our hand is/are affixed this.....day of.....2011

Signed by the said.....

Signature.....

Affix
Revenue
Stamp

Notes:

1. The Proxy need not be a member.
2. The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.

*Applicable only in case of investors holding shares in electronic form.



CUT HERE



GREEN INITIATIVE IN THE CORPORATE GOVERNANCE

The Ministry of Corporate Affairs (“MCA”) has come up with a ‘Green initiative in the Corporate Governance’ by allowing paperless compliances by companies vide its Circular Nos. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 stating that the service of notice / documents e-mode through e-mail by giving an advance opportunity to every shareholders to register their e-mail address and changes therein from to time with the Company. Considering the move taken by the MCA as a welcome step for the society at large, we propose to send various notices / documents like Notices of General Meetings, Audited Financial Statements, Auditor’s Report, Directors’ Report etc. to the shareholders in electronic form through e-mail provided by the shareholders and / or made available to us by the Depositories.

To support this green initiative, members are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants.

Members who hold shares in physical form are requested to fill the appropriate column in the members e-mail registration form and register the same with the Company / Registrar and Transfer Agent.

This communication may be ignored, if your e-mail address is already registered with your depository participant/ Link Intime India Pvt. Ltd.

MEMBERS E-MAIL REGISTRATION FORM

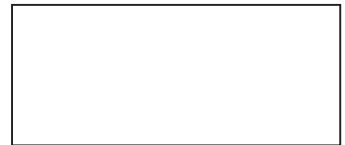
Name of 1st Registered Holder :

Name of Joint Holder(s) :

e-mail id (to be registered) :

Address :

Folio No. : No. of equity shares held :



Signature-First Holder

Members are requested to send this e-mail registration form to the Company at its Corporate Office or to Registrar of the Company i.e. Link Intime India Pvt. Ltd. at the below mentioned address :

Corporate Office :
Ginni Filaments Limited
H-6, Sector – 63,
NOIDA – 201 307 (U.P.)

Registrar and Transfer Agent :
Link Intime India Pvt. Ltd.
A-40, 2nd Floor, Naraina Industrial Area
Phase-II, Near Batra Banquet
NEW DELHI – 110 028

BOOK POST

If undelivered, please return to:



GINNI FILAMENTS LIMITED

Corporate Office : H-6, Sector-63, NH-24,
Noida (U.P.) - 201 307