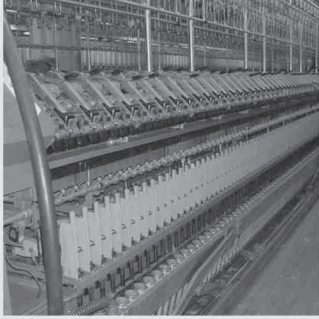
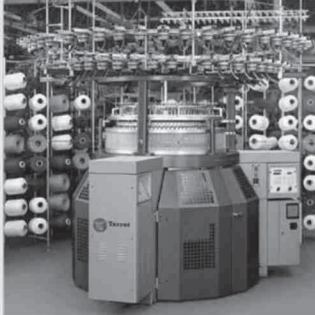




GINNI FILAMENTS LIMITED



Spinning



Knitting



Nonwoven



Processing



Wipes



Garmenting

Annual Report 2011-12

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



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 Ninth Annual General Meeting of the Members of Ginni Filaments Limited will be held on Tuesday, the 14th August, 2012 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, 2012 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 Shri J.K. Bhagat, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Suresh Singhvi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Ram Ratan Maheshwari, who retires by rotation and being eligible, offers himself for re-appointment.
5. 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:

6. 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 for payment of remuneration to Dr. Rajaram Jaipuria as Managing Director of the Company for a period of two years with effect from 1st April, 2012 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 Remuneration Committee constituted by the Board) to alter and vary the said remuneration in such form and manner or with such modifications as the Board may deem fit and agreed to by Dr. Rajaram Jaipuria.
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."
7. 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 for payment of remuneration to Shri Shishir Jaipuria as Managing Director of the Company for a period of two years with effect from 1st April, 2012 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 Remuneration Committee constituted by the Board) to alter and vary the said remuneration in such form and manner or with such modifications as the Board may deem fit and agreed to by Shri Shishir Jaipuria.
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."
8. 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 for payment of remuneration to Shri Suresh Singhvi as Director (Finance) of the Company for a period of two years with effect from 1st August, 2012 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 Remuneration Committee constituted by the Board) to alter and vary the said remuneration in such form and manner or with such modifications as the Board may deem fit and agreed to by Shri Suresh Singhvi.
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."
9. 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 for payment of remuneration to Shri Ram Ratan Maheshwari as Director (Business Development & Marketing) of the Company for a period of two years with effect from 1st August, 2012 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 Remuneration Committee constituted by the Board) to alter and vary the said remuneration in such form and manner or with such modifications as the Board may deem fit and agreed to by Shri Ram Ratan Maheshwari.
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."
10. 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 314 and other applicable provisions, if any, of the Companies Act 1956, the consent of the Company be and is hereby accorded to the appointment of Shri Yash Jaipuria as "Executive Officer" of the Company for a period of three years w.e.f. 11th February, 2012 on the following terms and conditions :
 1. Basic Salary : ₹ 40,000 – 3,000 – 46,000. The first increment will be with effect from 11th February, 2013.
 2. H.R.A. : 55% of Basic Salary
 3. Other Benefits : In addition to Basic Salary he would also be entitled to other benefits viz. Medical reimbursement – one month of basic salary in a year; Leave Travel Concession – one month basic salary in a year; Personal Accident Insurance – Premium upto 15 days of basic salary in a year; Car – free use of company's car with driver; Telecom / Computer facilities – as per requirements; Provident Fund, Gratuity & Encashment of Leave – as per rules of the Company.Provided however, that the aggregate amount of Basic Salary and other facilities shall not exceed ₹ 2,50,000/- per month during his tenure as aforesaid."

By Order of the Board



GINNI FILAMENTS LIMITED

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. THE PROXY FORM DULY COMPLETED MUST REACH THE COMPANY'S REGISTERED OFFICE ATLEAST 48 HOURS BEFORE THE TIME OF THE MEETING.**
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 8th August, 2012 to 14th August, 2012 (both days inclusive).
4. 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.
5. 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.
6. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
7. 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.
8.
 - (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).

9. 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.
10. 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 & 2003 – 04 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, 2005 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	Amount as on 31.03.2012	Due Date
2004 – 05	₹ 4,34,681.00	16.10.2012
2005 – 06	₹ 10,81,487.50	05.09.2013
2006 – 07 (Interim)	₹ 9,15,089.50	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.

11. 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:

Shri J.K. Bhagat

Shri J.K. Bhagat, aged 68 years, is an eminent Industrialist having more than 37 years of experience in managing enterprises of varied interest namely Jute Textiles, Roller Flour & Non Banking Financial Companies.

Shri J.K. Bhagat is the Chairman & Managing Director of The Naihati Jute Mills Co. Ltd. and also Director of Bhagat Refiners & Chemicals Pvt. Ltd., Tyroon Tea Company Ltd., Ludlow Exports Ltd., Ludlow Jute and Specialties Ltd., Shiva Mercantile & Trading Co. Pvt. Ltd., Dhan Lakshmi Trading Corporation Pvt. Ltd., Ginni Flour & Foods Ltd., Vedant Credit Finance Pvt. Ltd., Lotus Enclave Pvt. Ltd., CFM Developers Ltd. and Reforms Flour Mills Pvt. Ltd.,

He is also Chairman of Shareholders'/Investors Grievance Committee of Ludlow Jute and Specialties Ltd., Member of Audit Committee and member of Shareholders'/Investors Grievance Committee of Tyroon Tea Company Ltd.

Shri J.K. Bhagat is holding 2281 Equity Shares of the Company.

Shri Suresh Singhvi

Shri Suresh Singhvi, aged 58 years, is a Chartered Accountant and also a Law Graduate having around 31 years of experience in finance, accounts and legal matters. Before joining the Company he served for some of the big business groups including Swadeshi Polytext Ltd.. He is working with the Company at the top level since long time and has tremendous contribution in the growth of the Company.

He is Director in Ginni Biotex Pvt. Ltd. and does not hold any Committee position in any other Company.

Shri Suresh Singhvi does not hold any Share of the Company.

Shri Ram Ratan Maheshwari

Shri Ram Ratan Maheshwari, aged 57 years, is a Chemical Engineer and also M.B.A. is having vast experience in the area of sales and marketing. Before joining the Company he served for some of the big business groups including Swadeshi Polytext Ltd. He is working with the Company at the top level since long time and has contributed a lot in the growth of the Company.

He does not hold any Directorship or committee position in any other Company.

Shri Ram Ratan Maheshwari does not hold any share of the Company.



ANNEXURE TO NOTICE

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

ITEM NO. 6

Dr. Rajaram Jaipuria was reappointed as Managing Director for a period of 5 years w.e.f. 1st April, 2009. However, the remuneration payable to him was approved for a period of 3 years i.e. upto 31st March, 2012 as provided in Part II, Section II of Schedule XIII of the Companies Act, 1956.

As per the requirement of the abovesaid Schedule XIII of the Companies Act, 1956 the remuneration of Dr. Rajaram Jaipuria as set out below was approved by the Remuneration Committee at its meeting held on 10th February, 2012 and subsequently by the Board of Directors at its meeting held on 10th February, 2012 for a further period of 2 years w.e.f. 1st April, 2012.

1. **Salary** : ₹ 2,75,000/- per month with annual increment of ₹ 25,000/-. Increment will fall due on 1st April, 2013.
2. **Commission** : 3% of the net profits of the Company, computed in the manner laid down under Section 198 and 309 of the Companies Act, 1956.
3. **Perquisites** : The Managing Director shall be entitled to the following perquisites classified into Categories 'A' and 'B'.

CATEGORY – 'A' :

- i) **Housing** : Free furnished residential accommodation or House Rent Allowance of 55% of salary in lieu thereof.
- ii) **Gas, Electricity, Water & Furnishings** : Expenses pertaining to gas, electricity, water and other utilities will be borne / reimbursed by the Company.
- iii) **Medical Reimbursement** : Medical expenses incurred for self and his spouse.
- iv) **Leave Travel Concession** : For self and his spouse, as per rules of the Company.
- v) **Insurance** : As per Company rules and requirements.
- vi) **Car** : Free use of the Company's car(s) with driver.
- vii) **Club** : Fees of club(s).
- viii) **Telecom / Computer Facilities** : As per requirements.
- ix) **Travelling Expenses** : While travelling on the Company's business purposes, the Managing 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.

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

CATEGORY – 'B' :

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

MINIMUM REMUNERATION :

In the absence or inadequacy of profits in any financial year, the total remuneration to Dr. Rajaram Jaipuria, Managing Director by way of salary, commission and perquisites shall be governed by the limits prescribed 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 for payment of remuneration to Dr. Rajaram Jaipuria as Managing Director.

The Directors recommend the resolution for your approval as a special resolution.

Dr. Rajaram Jaipuria, himself, Shri Shishir Jaipuria and Shri Saket Jaipuria being his relative may be deemed to be concerned or interested in the resolution.

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

ITEM NO. 7

Shri Shishir Jaipuria was reappointed as Managing Director for a period of 5 years w.e.f. 1st April, 2009. However, the remuneration payable to him was approved for a period of 3 years i.e. upto 31st March, 2012 as provided in Part II, Section II of Schedule XIII of the Companies Act, 1956.

As per the requirement of the abovesaid Schedule XIII of the Companies Act, 1956 the remuneration of Shri Shishir Jaipuria as set out below was approved by the Remuneration Committee at its meeting held on 10th February, 2012 and subsequently by the Board of Directors at its meeting held on 10th February, 2012 for a further period of 2 years w.e.f. 1st April, 2012.

1. **Salary** : ₹ 2,50,000/- per month with annual increment of ₹ 25,000/. Increment will fall due on 1st April, 2013.
2. **Commission** : 2% of the net profits of the Company, computed in the manner laid down under Section 198 and 309 of the Companies Act, 1956.
3. **Perquisites** : The Managing Director shall be entitled to the following perquisites classified into Categories 'A' and 'B'.

CATEGORY – 'A' :

- i) **Housing** : Free furnished residential accommodation or House Rent Allowance of 55% of salary in lieu thereof.
- ii) **Gas, Electricity, Water & Furnishings** : Expenses pertaining to gas, electricity, water and other utilities will be borne / reimbursed by the Company.
- iii) **Medical Reimbursement** : Medical expenses incurred for self and his spouse.
- iv) **Leave Travel Concession** : For self and his spouse, as per rules of the Company.
- v) **Insurance** : As per Company rules and requirements.
- vi) **Car** : Free use of the Company's car(s) with driver.
- vii) **Club** : Fees of club(s).
- viii) **Telecom / Computer Facilities** : As per requirements.
- ix) **Travelling Expenses** : While travelling on the Company's business purposes, the Managing 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.

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



GINNI FILAMENTS LIMITED

CATEGORY – 'B' :

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

MINIMUM REMUNERATION :

In the absence or inadequacy of profits in any financial year, the total remuneration to Shri Shishir Jaipuria, Managing Director by way of salary, commission and perquisites shall be governed by the limits prescribed 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 for payment of remuneration to Shri Shishir Jaipuria as Managing Director.

The Directors recommend the resolution for your approval as a special resolution.

Shri Shishir Jaipuria, himself Dr. Rajaram Jaipuria and Shri Saket Jaipuria being his relative may be deemed to be concerned or interested in the resolution.

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

ITEM NO. 8

Shri Suresh Singhvi was appointed as Director (Finance) for a period of 5 years w.e.f. 1st August, 2009. However, the remuneration payable to him was approved for a period of 3 years i.e. upto 31st July, 2012, in terms of the provisions contained in Part II, Section II of Schedule XIII of the Companies Act, 1956.

As per the requirement of the abovesaid Schedule XIII of the Companies Act, 1956 the remuneration of Shri Suresh Singhvi as set out below was approved by the Remuneration Committee at its meeting held on 29th May, 2012 and subsequently by the Board of Directors at its meeting held on 29th May, 2012 for a further period of 2 years w.e.f. 1st August, 2012.

1. **Basis Salary** : ₹ 85,000/- per month with annual increment of ₹ 10,000/- Increment will fall due on 1st August, 2013.
2. **H.R.A.** : 55% of Basic Salary.
3. **Special Incentive** : ₹ 5,00,000/- per annum w.e.f. 1st August, 2012 on completion of the relevant years.
4. **Perquisites** : The Director (Finance) shall be entitled to the following perquisites classified into Categories 'A' and 'B'.

CATEGORY - 'A'

- (i) **Medical reimbursement** : 8.33% of the Basic Salary
- (ii) **Leave Travel Allowance reimbursement** : 8.33% of the Basic Salary
- (iii) **Newspaper/ magazines reimbursement**: Upto ₹ 1,000/- per month
- (iv) **Entertainment reimbursement** : Upto ₹ 5,000/- per month
- (v) **Telephone** : Free Telephone facility
- (vi) **Car facility** : Car with driver
- (vii) **Personal Accident / household Insurance** : As per rules of the Company
- (viii) Membership fee of professional bodies

CATEGORY – 'B'

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

MINIMUM REMUNERATION:

In the absence or inadequacy of profits in any financial year, the total remuneration to Shri Suresh Singhvi, Director (Finance) by way of salary, incentive and perquisites shall be governed by the limits prescribed 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 for payment of remuneration to Shri Suresh Singhvi, Director (Finance).

The Directors recommend the resolution for your approval as a special resolution.

Except Shri Suresh Singhvi, no other Director is concerned or interested in the aforesaid resolution.

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

ITEM NO. 9

Shri Ram Ratan Maheshwari was appointed as Director (Marketing & Business Development) for a period of 5 years w.e.f. 1st August, 2009. However, the remuneration payable to him was approved for a period of 3 years i.e. upto 31st July, 2012, in terms of the provisions contained in Part II, Section II of Schedule XIII of the Companies Act, 1956.

As per the requirement of the abovesaid Schedule XIII of the Companies Act, 1956 the remuneration of Shri Ram Ratan Maheshwari as set out below was approved by the Remuneration Committee at its meeting held on 29th May, 2012 and subsequently by the Board of Directors at its meeting held on 29th May, 2012 for a further period of 2 years w.e.f. 1st August, 2012.

1. **Basis Salary** : ₹ 85,000/- per month with annual increment of ₹ 10,000/- Increment will fall due on 1st August, 2013.
2. **H.R.A.** : 55% of Basic Salary.
3. **Special Incentive** : ₹ 5,00,000/- per annum w.e.f. 1st August, 2012 on completion of the relevant years.
4. **Perquisites** : The Director (Marketing & Business Development) shall be entitled to the following perquisites classified into Categories 'A' and 'B'.

CATEGORY - 'A'

- (i) **Medical reimbursement** : 8.33% of the Basic Salary
- (ii) **Leave Travel Allowance reimbursement** : 8.33% of the Basic Salary
- (iii) **Newspaper/ magazines reimbursement**: Upto ₹ 1,000/- per month
- (iv) **Entertainment reimbursement** : Upto ₹ 5,000/- per month
- (v) **Telephone** : Free Telephone facility
- (vi) **Car facility** : Car with driver
- (vii) **Personal Accident / household Insurance** : As per rules of the Company
- (viii) Membership fee of professional bodies



CATEGORY – 'B'

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

MINIMUM REMUNERATION :

In the absence or inadequacy of profits in any financial year, the total remuneration to Shri Ram Ratan Maheshwari, Director (Marketing & Business Development) by way of salary, incentive and perquisites shall be governed by the limits prescribed 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 for payment of remuneration to Shri Ram Ratan Maheshwari, Director (Marketing & Business Development).

The Directors recommend the resolution for your approval as a special resolution.

Except Shri Ram Ratan Maheshwari, no other Director is concerned or interested in the aforesaid resolution.

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

ITEM NO. 10

Shri Yash Jaipuria completed his studies in Economics / Statistics from University of Illinois, Urbana–Champaign, Illinois, USA. The Board of Directors of the Company has appointed Shri Yash Jaipuria as 'Executive Officer' in the Company for a period of three years w.e.f. 11th February, 2012 on the terms and conditions contained in the resolution.

Pursuant to the provisions of Section 314 of the Companies Act, 1956, the approval of members is required to be obtained with regard to the appointment of Shri Yash Jaipuria as aforesaid.

The Directors recommend the resolution for your approval as a special resolution.

Dr. Rajaram Jaipuria, Shri Shishir Jaipuria and Shri Saket Jaipuria being relatives of Shri Yash Jaipuria may be deemed to be concerned or interested in the resolution.

By Order of the Board

NOIDA (U.P.)
29th May, 2012

RAJESH K. TRIPATHI
Company Secretary

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

(₹ in Lacs)

Particulars	2011-12	2010-11
Revenue from Operations	71699.14	69427.30
Profit before Depreciation, Finance Cost & Tax	402.71	9157.33
Finance Cost	4386.70	3502.29
Depreciation	2477.59	2557.36
Profit/(Loss) before Tax	(6461.58)	3097.68
Provision for Tax		
– Current	–	192.35
– Deferred	(2098.64)	1077.92
– Tax Adjustment Relating to earlier years	3.75	–
Profit / (Loss) after Tax	(4366.69)	1827.41

- 5. Export performance and net foreign exchange collaborations : Total export sales (FOB) of the Company during the year 2011-12 was ₹ 434.28 Crores (previous year ₹ 475.24 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 :

DR. RAJARAM JAIPURIA :

Dr. Rajaram Jaipuria has Doctorate Degree in Economics. He has been associated with the Textile Industry for over 53 years. He has served as the Chairman of several prominent Companies viz. The Pioneer Limited, Swadeshi Polytex Limited, Swadeshi Mining & Mfg. Co. Ltd. and as Managing Director of Swadeshi Cotton Mills Co. Ltd. He is past Chairman of Indian Cotton Mills Federation now known as Confederation of Indian Textile Industry (CITI) and is a former Committee Member of Federation of Indian Chamber of Commerce & Industry (FICCI). He is also a member of International who's who of Professional of U.S.A. and has represented India at the 50th Session of ILO at Geneva. Dr. Jaipuria's interest in education, social welfare and philanthropic activities are phenomenal.

SHRI SHISHIR JAIPURIA:

Shri Shishir Jaipuria is M.Com., LLB and has about 28 years of experience in Textile Industry. He has served as Managing Director of The Pioneer Limited, a leading News Paper of U.P. He is a past President of Northern India Textile Mills' Association (NITMA), past Chairman of UP Committee of PHD Chamber of Commerce & Industry and past Chairman of Confederation of Indian Textile Industry (CITI).

SHRI SURESH SINGHVI:

Shri Suresh Singhvi is a Chartered Accountant and also a Law Graduate having around 31 years of experience in finance, accounts and legal matters. Before joining the Company he served for some of the reputed business groups of the Country . He is working with the Company at the top level since long time and has contributed tremendously in growth of the Company.



SHRI RAM RATAN MAHESHWARI :

Shri Ram Ratan Maheshwari is a Chemical Engineer and also M.B.A. and is having vast experience in the area of sales and marketing. Earlier he has served for some of the big business houses. He is working with the Company at the top level since long time and has made substantial contribution in the growth of the Company.

2. PAST REMUNERATION :

Past Remuneration paid to Dr. Rajaram Jaipuria, Shri Shishir Jaipuria, Shri Suresh Singhvi and Shri Ram Ratan Maheshwari for the year 2011-12 are as under :

	Salary	Commission	Perquisites & Others	Total
Dr. Rajaram Jaipuria	30.00	—	6.71	36.71
Shri Shishir Jaipuria	24.00	—	6.57	30.57
Shri Suresh Singhvi	14.48	—	3.16	17.64
Shri Ram Ratan Maheshwari	14.03	—	3.45	17.48

3. RECOGNITION OR AWARDS

: NIL

4. JOB PROFILE AND THEIR SUITABILITY

DR. RAJARAM JAIPURIA:

The Company's operations are managed by Dr. Rajaram Jaipuria under the guidance of the Board of Directors. The Company has made all round progress under his able leadership establishing itself as one of the leading Textile Exporters of the Country. Dr. Rajaram Jaipuria is the Managing Director of the Company since 1990.

SHRI SHISHIR JAIPURIA :

Shri Shishir Jaipuria has been looking after the overall operations of Company including financial planning and over all control of the Company and various other responsibilities as are assigned by the Board of Directors from time to time. During his tenure as Managing Director, the Company has undertaken various expansion / diversification plans and has improved its operating efficiency substantially.

SHRI SURESH SINGHVI :

Shri Suresh Singhvi is managing the whole finance and accounts related operations under the overall supervision and guidance of CMD, MD and Board of Directors of the Company. He has successfully managed financing of several expansion/ diversification projects of the Company including setting up of non-woven plant at panoli (Gujarat) with the project cost of around ₹ 130 crores.

SHRI RAM RATAN MAHESHWARI :

Shri Ram Ratan Maheshwari is handling the overall development of sales and marketing strategies of the Company under the supervision and guidance of CMD, MD and Board of Directors. He was instrumental in setting up the Technical Textile unit at Panoli.

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 Managing Directors and Wholetime Directors, the responsibilities shouldered by them, 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 Managing Directors and Wholetime Directors have no pecuniary relationship with the Company except the transactions with the related parties in the ordinary course of business. Dr. Rajaram Jaipuria, Chairman & Managing Director, Shri Shishir Jaipuria, Managing Director and Shri Saket Jaipuria, Executive Director are related to each other.

III. OTHER INFORMATION :

1. Reasons of loss or inadequate profits

Due to steep fluctuation in raw cotton prices and corresponding impact on cotton yarn prices, company suffered loss during the year.

2. Steps taken or proposed to be taken for improvement

Company has taken further steps in procurement of raw cotton and also working on reducing the over head costs. The Company is taking new Grid connection for spinning unit at Panoli to reduce the power cost to some extent.

3. Expected increase in productivity and profits in measurable terms

In addition to steps mentioned above, efforts are being taken up to increase productivity to reduce operational costs and maximize the use of resources available with the company to enhance the operation activities.

IV. DISCLOSURES:

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

By Order of the Board



DIRECTORS' REPORT

Your Directors have pleasure in presenting their report on the business and operation of your Company together with the Audited Accounts for the year ended March 31, 2012.

(₹ in Lacs)

FINANCIAL RESULTS	2011-12	2010-11
Revenue from Operation	71699.14	69427.30
Profit before Depreciation, Finance Cost & Tax	402.71	9157.33
Less : Finance Cost	4386.70	3502.29
Less : Depreciation and Amortisation Expenses	2477.59	2557.36
Profit / (Loss) before Tax	(6461.58)	3097.68
Provision for Tax		
– Current	–	192.35
– Deferred	(2098.64)	1077.92
– Tax Adjustment Relating to earlier years	3.75	–
Profit / (Loss) after Tax	(4366.69)	1827.41

DIVIDEND

The Directors are unable to recommend dividend for the year.

OPERATIONS

During the year under review your Company's Revenue from Operations has increased from ₹ 69427.30 lacs to ₹ 71699.14 lacs.

The performance of the Company during the financial year has been affected mainly on account of unexpected hike in the Cotton prices during season of procurement and thereafter steep fall in Cotton and Cotton Yarn prices resulting into huge stock losses affecting the Company's performance adversely. Increase in finance and power cost have also affected the performance. However current stabilization in the Cotton prices and strengthening of US dollar, it is expected that your company will do better in future.

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 has started commercial production of Baby Wipes at Panoli for a Global brand.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri J. K. Bhagat, Shri Suresh Singhvi and Shri Ram Ratan Maheshwari, Directors retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

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, 2012 the applicable accounting standards have been followed and there were no material departures.
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, 2012 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.



GINNI FILAMENTS LIMITED

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

There was no employee during the year under review, whose particulars are required to be given pursuant to section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

AUDITORS' REPORT

The Auditors Reports on the Annual Accounts of the Company for the year ended 31st March, 2012 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, 2012.

The cost audit reports for the Financial Year 2010-11 which was due to be filed with the Ministry of Corporate Affairs on or before September 27, 2011 was filed in time on September 26, 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 Executives, Staff Members and Workmen of the Company.

For and on behalf of the Board of Directors

Noida (U.P.)
May 29, 2012

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 2011-12.

Industry Structure and Development

The Textile Industry is one of the most important sectors in the Indian Economy and the second largest generator of employment after Agriculture. In 2011-12 there has been wild fluctuation in prices of cotton and cotton yarn. To maintain the quality requirement of cotton yarn, textile industry is required to procure cotton during the cotton season and subsequent fall in prices has resulted into losses and affected the profitability of the industry. Hence the year under review was not healthy for cotton yarn business during first three quarters. New cotton crop has been arrived in the month of November, 2011 and the prices of the same have been stable and reasonable. The performance of the company in cotton yarn business from the month of December, 2011 onwards is improving and future prospects are encouraging.

Various restrictions from Government of India viz cotton and cotton yarn exports has also played important role for adverse situation in the yarn Industry. The knitted fabric and garment sector of Textile Industry, however, has shown its growth in margins.

Opportunity and Threats

There is huge opportunity for the Textile and Clothing Sector to grow in India because of availability of raw materials, other investment incentives provided by Government of India and India's strong base in yarns. The opportunity in technical textile sector will remain high considering enhanced demand in the international market as well as increase in consumption in domestic market because of economic growth and consequent increase in per capita income of people. Company is taking initiatives to capture opportunities available in the consumer products and personal care segment with the tie up with Global players. Company is well equipped to capture opportunity available to the textile sector.

The fluctuation in the prices of raw cotton due to global scenario and government's policies regarding export regulations of cotton and cotton yarn will remain a major threat area for textile industry. Power cost and availability, interest cost and shortage of man-power are some of the major concerns the industry has been facing.

Fluctuation in foreign currency rates may result into opportunity or threat for textile industry since your company is predominantly export oriented.

Segment wise Performance

Company operates in yarn, knitted fabric, garment, technical textile (nonwoven fabric) and consumer products (wipes) made out of nonwoven fabrics segment; during FY 2011-12 all the segment have generated cash profits except yarn business where due huge fluctuation in prices of raw cotton & cotton yarn company suffered losses during first three quarters. During the FY 2011-12 Company has started commercial production of baby wipes at Panoli for a Global brand.

Outlook

Performance of the FY 2011-12 for cotton yarn business was discouraging due to huge fluctuations in cotton and yarn prices, but from December, 2011 onwards the situation is improving and considering the same it can be envisaged that during FY 2012-13 it would show positive growth inter alia strengthening of US dollar. The overall performance of textile considering present scenario looks to be optimistic and growing. India would continue to be one of the major player in the textile industry and growth for Indian textile company seems to be encouraging.

Risk and Concern

The Risk Management Committee comprising of Board Members and Senior Executives periodically reviews risks & concerns and adequate actions are taken on their suggestions to mitigate the same.

Internal Control System

Company believes in maintaining and formulating adequate and effective Internal Control System and implementing the same to safeguard the Company's assets and interests. Proper check and balances are in place for reliability and accuracy of accounting data and the same are improved and modified regularly to meet the changes in business conditions, statutory and accounting requirements.

The Audit Committee of the Board of Directors regularly and actively reviews the adequacy and effectiveness of internal control system and suggests improvements for strengthening them. In addition to the Audit Committee of Board of Directors, Unit and departmental heads are periodically appraised of the internal audit findings to take corrective actions. The Company has also robust Management Information System (MIS) which is an integral part of Internal Control System.

Financial Operation and Performance

During the year under review Company's Revenue from Operations increased from ₹ 69427.30 lacs to ₹ 71699.14 lacs.

The Company has procured cotton during peck cotton season to maintain the quality of cotton yarn as Company is predominantly export oriented. However, the subsequent steep fall in cotton and cotton yarn prices has resulted into substantial stock losses.

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 2202 employees on its roll as on 31st March, 2012.

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, 2012, 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, Five Board Meetings were held on 27th May, 2011, 11th August, 2011, 22nd September, 2011, 14th November, 2011 and 10th February, 2012. 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, 2012
		Board Meeting	Last AGM		Membership	Chairmanship	
Dr. Rajaram Jaipuria	CMD	5	YES	1	—	—	340733
Shri Shishir Jaipuria	MD	4	YES	2	—	—	2864276
Shri J.P. Kundra	I – NED	5	YES	4	3	2	—
Shri O.P. Vaish	I – NED	3	NO	7	3	1	—
Shri J.K. Bhagat	I – NED	1	NO	12	2	1	2281
Shri Saket Jaipuria	WTD	2	NO	2	—	—	6136008
Shri Nripendra Misra	I – NED	5	YES	2	—	1	—
Shri S. Singhvi	WTD	5	YES	1	—	—	—
Shri RR Maheshwari	WTD	5	YES	—	—	—	—
Dr. H.P. Bhattacharya	I – NED	3	NO	—	—	—	—
Shri N. K. Duggal	I – ND	3	YES	4	—	—	—

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.

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, 2012 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 Committee 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 five 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	5
Dr. Rajaram Jaipuria	Member	5
Shri J. K. Bhagat	Member	1
Dr. H P Bhattacharya	Member	3
Shri N.K. Duggal	Member	4

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 Committee 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. The Committee met Two 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 Nripendra Misra	Chairman	2
Shri J. K. Bhagat	Member	-
Dr. Rajaram Jaipuria	Member	2
Shri Shishir Jaipuria	Member	2

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 received Two complaints related to non receipt of Annual Report/Dividend from the shareholder/investor which were replied / resolved. There was no transfer of shares pending as on 31st March, 2012.

(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 Committee 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. No meeting of the Company was held during the year.

(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 Committee 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 Committee 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	-
Dr. H.P. Bhattacharya	Member	1
Shri Nripendra Misra	Member	1

(D) Details of Remuneration to Directors for the year 2011-12

Remuneration to Directors for the year ended on March 31, 2012 is as under:

(₹ In Lacs)

Name of Directors	Salary	Perquisites & Other Benefits	Commission	Sitting Fee	Total
Dr. Rajaram Jaipuria	30.00	6.71	—	—	36.71
Shri Shishir Jaipuria	24.00	6.57	—	—	30.58
Shri Saket Jaipuria	18.00	2.57	—	—	20.57
Shri S. Singhvi	14.48	3.16	—	—	17.64
Shri R R Maheshwari	14.03	3.45	—	—	17.48
Shri J.P. Kundra	—	—	—	1.30	1.30
Shri O.P. Vaish	—	—	—	0.45	0.45
Shri J.K. Bhagat	—	—	—	0.25	0.25
Shri Nripendra Misra	—	—	—	0.90	0.90
Shri H.P. Bhattacharya	—	—	—	0.80	0.80
Shri N.K. Duggal	—	—	—	0.85	0.85

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, 2011.	13	4036
Number of shareholders who approached issuer for transfer of shares from suspense account during the year i.e. April 1, 2011 to 31st March, 2012.	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, 2012.	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 2011 – 12.

SHISHIR JAIPURIA
 MANAGING DIRECTOR & CEO
 29th May, 2012



(H) ANNUAL GENERAL MEETINGS (AGMS)

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

Year	2008-09	2009-10	2010-11
Date & Time	30th July, 2009 11.30 A.M.	5th August, 2010 11.30 A.M.	11th August, 2011 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	<ol style="list-style-type: none"> Approval for Appointment and Remuneration of Dr. Rajaram Jaipuria as Managing Director. Approval for Appointment and Remuneration of Shri Shishir Jaipuria as Managing Director. Approval for Re-appointment and Remuneration of Shri Saket Jaipuria under Section 314 of the Companies Act, 1956. Approval for issue of Redeemable Preference Shares under Section 81 (1A) of the Companies Act 1956 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. 	<ol style="list-style-type: none"> Approval for appointment and remuneration of Shri Suresh Singhvi as Wholetime Director designated as Director (Finance). Approval for appointment and remuneration of Shri Ram Ratan Maheshwari as Wholetime Director designated as Director (Marketing & Business Development). 	<ol style="list-style-type: none"> Approval of Appointment and Remuneration of Shri Saket Jaipuria as Wholetime Director designated as Executive Director.

No resolution has been passed through Postal Ballot mechanism during the year 2011-12. 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, Agra (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 Tuesday, the 14th August , 2012 at 11.30 A.M. at 110 KM Stone, Delhi-Mathura Road, Chhata, Distt. Mathura (U.P.).

ii. 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, 2012 on or before 14th August, 2012
- Quarter ended 30th September, 2012 on or before 14th November, 2012
- Quarter ended 31st December, 2012 on or before 14th February, 2013
- Audited Annual Results on or before 30th May, 2013

iii. Date of Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from 8th August, 2012 to 14th August, 2012 (both days inclusive).

iv. Dividend Payment Date :

No Dividend has been proposed by the Board of Directors for the year 2011-12.

v. 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 2012-13 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 2011 – 12 was as follows :

Month	Company's Share Price at NSE (₹)		NIFTY Index	
	High	Low	High	Low
April, 2011	13.95	11.70	5944.45	5693.25
May, 2011	13.95	10.30	5775.25	5328.70
June, 2011	11.25	8.55	5657.90	5195.90
July, 2011	9.45	8.20	5740.40	5453.95
August, 2011	9.15	6.50	5551.90	4720.00
September, 2011	8.45	7.15	5169.25	4758.85
October, 2011	8.70	7.00	5399.70	4728.30
November, 2011	8.40	5.25	5326.45	4639.10
December, 2011	5.90	4.60	5099.25	4531.15
January, 2012	7.35	5.05	5217.00	4588.05
February, 2012	7.40	6.20	5629.95	5159.00
March, 2012	6.90	5.05	5499.40	5135.95

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, 2012

No. of Shares	No. of Share-holders	% of Share-holders	No. of Shares held	% of Share holding
Upto 5000	22704	81.344	4493176	6.359
5001 - 10000	2830	10.139	2373799	3.360
10001 - 20000	1202	4.307	1902294	2.693
20001 – 30000	376	1.347	991323	1.403
30001 – 40000	189	0.677	687033	0.972
40001 – 50000	180	0.645	862232	1.220
50001 – 100000	218	0.781	1640995	2.323
100001 and Above	211	0.760	57699213	81.670
TOTAL	27910	100.00	70650065	100.00

(x) Shareholding Pattern as on 31st March, 2012

Category	No. of Shares Held	Percentage of shareholding
(A) Shareholding of Promoter and Promoter Group		
Indian	4,34,77,441	61.54
Foreign	0	0
Total Shareholding of Promoter and Promoter Group	4,34,77,441	61.54
(B) Public Shareholding		
Mutual Funds & UTI	11,000	0.02
Financial Institutions / Banks	32,01,099	4.53
Foreign Institutional Investors	8,510	0.01
Non-Resident Indians	2,49,051	0.35
Bodies Corporate	21,79,283	3.08
Resident Individuals	2,15,23,6810	30.470
(C) Shares held by custodians and against which Depository Receipts have been issued	0	0
Total (A) + (B) + (C)	7,06,50,065	100.00

**(xi) Dematerialisation of Shares**

Sl. No.	Mode of Holding	% age
1	NSDL	91.06
2	CDSL	7.48
3	PHYSICAL	1.46

98.54% of Company's paid-up Equity Share Capital has been dematerialised upto March 31, 2012 (98.50% up to March 31, 2011).

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's Shares is INE 424C01010.

(xii) 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 Bombay Stock Exchange, Mumbai under the Permitted Category.

(xiii) Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and impact on equity : Nil**(xiv) Location of Mills**

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

(xv) Address for correspondence

- Regd. Office :**
Ginni Filaments Ltd.
110 K.M. Stone, Delhi-Mathura Road,
Chhata - 281 401, Distt. Mathura (U.P.)
- 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 2012 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

YUVRAJ SINGH
Partner
Membership No.-071846

Place : Noida
Dated : 29th May, 2012



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, 2012.

(A) CONSERVATION OF ENERGY

- | | | |
|---|----------------------------------|---|
| <p>(a) Energy conservation measures taken:</p> <p>(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:</p> <p>(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:</p> <p>(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:</p> | <p style="font-size: 4em;">}</p> | <ol style="list-style-type: none"> 1. Replacement of existing higher KW motor with lower KW in blow room line. 2. Replacement of existing Lights with LED lights (energy saver lights) 3. Splicing valves replaced to control Air leakage in Autoconer Machines 4. Existing monorail replaced with continuous duty EOT cranes for faster movement in packing area. 5. Reduced 100 KW load permanently in Panoli Spinning by balancing GG Sets loads. 6. Modification in cooling line for better jacket cooling with energy saving. <p>The aforesaid steps have resulted in saving in the consumption of Energy.</p> |
|---|----------------------------------|---|

FORM-A

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

(A) Power and Fuel Consumption

	Current Year 2011-12	Previous Year 2010-11
1. Electricity		
a) Purchased		
Units (in Lacs)	551.25	535.24
Total Amount (₹ in Lacs)	2282.20	2216.53
Rate per unit (₹)	4.14	4.14
b) Own Generation		
i) Through Diesel Generator		
Units (in Lacs)	20.29	53.26
Units per Ltr. of Diesel/ Furnace Oil	4.10	4.39
Cost/Unit (₹)	10.23	9.74
ii) Through Gas Generator		
Units (in Lacs)	288.71	298.61
Units per Scm of Gas	3.50	3.56
Cost/Unit (₹)	6.30	4.81
2. Coal		
3. Furnace Oil	—	—
4. Others/Internal Generation		

(B) Consumption per unit of Production

			Current Year 2011 - 12	Previous Year 2010 - 11
1. Electricity	Production unit	Standards (if any)		
— Yarn	Kg.	—	2.73	2.82
— Fabric (Grey)	Kg.	—	0.68	0.60
— Fabric (Dyed)	Kg.	—	1.48	1.36
— Fabric (Non-Woven)	Kg.	—	1.39	1.24
— Wipes / Surgical	1000 pcs	—	1.42	1.10
— Garments	pcs	—	0.24	0.26
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

Research and Development (R&D)

- | | | |
|--|----------------------------------|---|
| <ol style="list-style-type: none"> 1) Specific areas in which R & D carried out by the Company 2) Benefits derived as a result of the above R & D 3) Future plan of action 4) Expenditure on R & D <ol style="list-style-type: none"> i) Capital ii) Recurring iii) Total iv) Total R & D expenditure as a percentage of total turnover <p>Technology absorption, adaptation and innovation</p> <ol style="list-style-type: none"> 1) Efforts, in brief, made towards technology absorption, adaptation and innovation 2) Benefits derived as a result of the above efforts 3) Technology imported during the last 5 years | <p style="font-size: 4em;">}</p> | <ul style="list-style-type: none"> - Recycling of waste to reduce Raw Material cost in Open End Yarn - Development in slub yarn, CC yarn and compact yarn - Development of Dyed Fabric with low temperature dyes - Development of Fabric with special finishes <p>: Value Addition in Products</p> <p>: Improvement in quality and productivity by up gradation of machines i.e. conversion of combers and change of ring frame spindles.</p> <p>: ₹ 0.87 lacs</p> <p>: ₹ 112.83 lacs</p> <p>: ₹ 113.70 lacs</p> <p>: 0.16%</p> <p>: Indigenous technology and hence not applicable.</p> <p>: Not applicable</p> <p>: Nil</p> |
|--|----------------------------------|---|

(C) FOREIGN EXCHANGE EARNINGS AND OUT-GO

- | | | |
|---|----------------------------------|--|
| <ol style="list-style-type: none"> (f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans; (g) Total Foreign exchange used and earned <ul style="list-style-type: none"> - Used (on cash basis) - Earned (F.O.B. value of export of goods) | <p style="font-size: 4em;">}</p> | <p>: The Company has developed new markets of Canada, Czech Republic, U.A.E. and Guatemala. The Company has also increased its export to, Poland, Egypt, Peru & Egypt. The export plans of the Company are to increase overall exports.</p> <p>: ₹ 6454.66 lacs</p> <p>: ₹ 43427.54 lacs</p> |
|---|----------------------------------|--|



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, 2012, the Statement of Profit and Loss 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 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 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, Statement of Profit and Loss 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, Statement of Profit and Loss 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, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 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 financial statements read together with Significant Accounting Policies and Notes thereon and attached thereto 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, 2012,
 - b. in the case of the Statement of Profit and Loss, of the loss 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 : 29th May 2012

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date on accounts for the year ended 31st March, 2012 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) As informed to us, the company has not granted/taken any loans, secured or unsecured to/from 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), (d), (f) and (g) of paragraph 4 of the Order are not applicable for the current year.
- (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.
- (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 or arrangements exceeding the value of Rupees five lakhs in respect of any party during the year 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 with a view to determine whether they are accurate or complete.
- (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, 2012 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 (₹ in lacs)	Period to which the amount relates	Forum where dispute is Pending
Income Tax Act	Interest	2.02	AY - 2001-02	High Court, Allahabad
Income Tax Act	TDS	1.34	AY-2007-08 to AY-2009-10	Assessing Officer, Agra
Income Tax Act	TDS and Interest	0.27	AY-2009-10	CIT (Appeal), Ghaziabad
Income Tax Act	TDS and Interest	2.30	AY-2010-11 to AY-2011-12	Assessing Officer, Noida & Mathura
Sales Tax Act	Entry Tax	30.52	FY 1998-99, 1999-2000 2007-08 and 2008-09	High Court, Allahabad
Sales Tax Act	Entry Tax	2.00	FY-2000-01 and 2003-04	Commercial Tax Appellate Tribunal, Agra
Sales Tax Act	Entry Tax	35.06	FY 2002-03 and 2003-04	Commercial Tax Appellate Tribunal, Agra
Service Tax Act	Service Tax/Penalty	4.71	FY-2002-03 and 2003-04	Asstt. Commissioner, Aligarh
Central Excise Act	Excise Duty	99.01	November, 2006 to January, 2009	Commissioner (Appeal), Surat
Central Excise Act	Excise Duty	63.69	March, 1991 to January, 1995	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 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 : 29th May 2012



BALANCE SHEET AS AT 31ST MARCH, 2012

(₹ in Lacs)

	Note No.	As at 31 st March, 2012	As at 31 st March, 2011
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	3	7,815.01	7,815.01
(b) Reserves and Surplus	4	476.95	4,843.64
		8,291.96	12,658.65
2. Non Current Liabilities			
(a) Long Term Borrowings	5	22,714.46	24,603.29
(b) Deferred Tax Liabilities (Net)	6	–	892.40
(c) Long Term Provisions	7	404.18	379.16
		23,118.64	25,874.85
3. Current Liabilities			
(a) Short Term Borrowings	8	13,903.45	15,523.32
(b) Trade Paybles	9	3,284.00	7,192.51
(c) Other Current Liabilities	10	4,876.75	4,941.88
(d) Short Term Provisions	11	173.38	408.77
		22,237.58	28,066.48
Total		53,648.18	66,599.98
II. ASSETS			
1. Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	29,718.60	31,034.76
(ii) Intangible Assets	12	27.76	2.99
(iii) Capital Work in Progress	13	3.80	436.79
		29,750.16	31,474.54
(b) Non Current Investments	14	756.81	756.81
(c) Deferred Tax Asset (net)	15	1,206.24	–
(d) Long Term Loans and Advances	16	283.81	380.29
		31,997.02	32,611.64
2. Current Assets			
(a) Inventories	17	12,592.87	22,797.47
(b) Trade Receivables	18	5,280.60	5,834.73
(c) Cash and Cash Equivalent	19	393.43	451.11
(d) Short Term Loans and Advances	20	3,383.81	4,903.13
(e) Other Current Assets	21	0.45	1.90
		21,651.16	33,988.34
Total		53,648.18	66,599.98

Significant Accounting Policies & Notes on Financial Statement 1 to 46

Notes referred to above form an integral part of financial Statements

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
J.K. BHAGAT
NRIPENDRA MISRA
R.R. MAHESHWARI
DR. H.P. BHATTACHARYA
N.K. DUGGAL

} Directors

Place : Noida
Dated : 29th May, 2012

RAJESH K. TRIPATHI
Company Secretary


STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	Year Ended 31 st March, 2012	Year Ended 31 st March, 2011
(₹ in Lacs)			
I. Revenue from Operations	22	71,699.14	69,427.30
Less:- Excise Duty		(484.21)	(128.50)
		71,214.93	69,298.80
II. Other Income	23	832.93	679.77
III. Total Revenue (I + II)		72,047.86	69,978.57
IV. EXPENSES			
Cost of Materials Consumed	24	47,566.14	44,601.53
Purchase of Stock in Trade	25	1,081.43	4,535.70
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	3,500.87	(5,170.08)
Employee Benefits Expense	27	2,985.96	2,865.75
Finance Cost	28	4,386.70	3,502.29
Depreciation and Amortization Expense		2,477.59	2,557.36
Other Expenses	29	16,510.75	13,988.34
Total Expenditure		78,509.44	66,880.89
V. Profit / (Loss) Before Tax (III-IV)		(6,461.58)	3,097.68
VI. Tax Expense			
– Current Tax		–	192.35
– Deferred Tax		(2,098.64)	1,077.92
– Tax Adjustment Relating to Earlier Years		3.75	–
		(2,094.89)	1,270.27
VII. Profit / (Loss) After Tax (V - VI)		(4,366.69)	1,827.41
VIII. Earnings Per Share - Nominal Value of Share ₹ 10/- each fully paid-up			
Basic (₹)		(6.27)	2.50
Diluted (₹)		(6.27)	2.50

Significant Accounting Policies & Notes on Financial Statement 1 to 46

Notes referred to above form an integral part of financial Statements

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
J.K. BHAGAT
NRIPENDRA MISRA
R.R. MAHESHWARI
DR. H.P. BHATTACHARYA
N.K. DUGGAL

} Directors

 Place : Noida
Dated : 29th May, 2012

 RAJESH K. TRIPATHI
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lacs)

Sl. No.	Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
A.	Cash Flow from Operating Activities:		
	Net Profit after Adjustments relating to Earlier years but before Tax and Extraordinary Items	(6461.58)	3097.68
	Adjustments for:		
	Depreciation	2477.59	2557.36
	Depreciation Written back	(420.34)	-
	Interest Expenses	4046.60	3107.47
	Interest Income	(55.62)	(55.48)
	(Profit)/loss on Sale of Fixed Assets (Net)	126.76	41.58
	(Profit)/loss on Sale of Investments (Net)	-	(0.09)
	Deferred Revenue Expenses written off	-	10.69
	Provision for Doubtful Debts	8.18	-
	Operating Profit before Working Capital Changes	(278.41)	8759.21
	Adjustments for:		
	Trade & Other receivables	2140.53	(1949.13)
	Inventories	10204.60	(8350.94)
	Trade payables	(4573.35)	1303.56
	Cash generated from operations	7493.37	(237.30)
	Direct Taxes Paid	(173.50)	(7.93)
	Cash Flow before extraordinary items	7319.87	(245.23)
	Extraordinary items	-	-
	Net Cash from Operating Activities	(A) 7319.87	(245.23)
B.	Cash Flow from Investing Activities:		
	Purchase of Fixed Assets	(436.15)	(928.08)
	Sale of Fixed Assets	39.95	145.87
	Sale of Investments	-	0.09
	Interest Received	55.62	55.48
	Paid for Goodwill amalgamation	-	-
	Net Cash from Investing Activities	(B) (340.58)	(726.64)
C.	Cash Flow from Financing Activities:		
	Proceeds from issue of Equity Shares	-	-
	Proceeds from borrowings (Net)	(2987.49)	4053.31
	Interest paid	(4045.72)	(3107.09)
	Dividend paid	(3.76)	(0.04)
	Tax on Dividend	-	-
	Net cash from Financing Activities	(C) (7036.97)	946.18
	Net Increase/(Decrease) in Cash and Cash equivalents	(A+B+C) (57.68)	(25.69)
	Cash and Cash Equivalents (Opening Balance)	451.11	476.80
	Cash and Cash Equivalents (Closing Balance)	393.43	451.11

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
J.K. BHAGAT
NRIPENDRA MISRA
R.R. MAHESHWARI
DR. H.P. BHATTACHARYA
N.K. DUGGAL

} Directors

Place : Noida
Dated : 29th May, 2012RAJESH K. TRIPATHI
Company Secretary



GINNI FILAMENTS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Note 1

COMPANY OVERVIEW

Ginni Filaments Ltd is a textile company manufacturing cotton yarn, knitted fabric, non-woven fabric garments and wipes at its factories located at Kosi (UP), Panoli (Gujarat), Noida and Haridwar.

Note 2

SIGNIFICANT ACCOUNTING POLICIES

2.1 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.

2.2 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.

2.3 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.

2.4 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.

2.5 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.

2.6 LEASES

Lease payments under an operational lease are recognized as expense in the statement of Profit and Loss as per terms of lease agreement.

2.7 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.

2.8 INVENTORIES

Raw materials, stores and spares are valued at lower of cost and net realizable value.

Work in progress and finished goods, stock in trade and stock in transit 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. The excise duty in respect of closing inventory of finish goods is included as part of finished goods.

Cost of inventories is computed on weighted average/FIFO/specific identification, as applicable.

2.9 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.

2.10 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.

2.11 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.

2.12 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.

Forward contract are fair valued at each reporting date and resultant gain or loss from these transaction are recognize in the statement of profit & loss.

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.

2.13 REVENUE RECOGNITION

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.



2.14 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.

2.15 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.

2.16 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.

2.17 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.

2.18 INCOME TAXES

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.

2.19 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.

(₹ In Lacs)

Note 3

SHARE CAPITAL

1. Authorised

	As at 31 st March, 2012	As at 31 st March, 2011
8,42,85,000 - Equity Shares of ₹ 10/- each	8,428.50	8,428.50
10,00,000 - Redeemable Preference Shares of ₹ 100/- each	1,000.00	1,000.00
	<u>9,428.50</u>	<u>9,428.50</u>

2. Issued, Subscribed and Paid Up

7,06,50,065 - Equity Shares of ₹ 10/- each fully paid-up	7,065.01	7,065.01
7,50,000 - 8% Redeemable Cumulative Preference Shares (RCPS) of ₹ 100/- each fully paid-up.	750.00	750.00
Total	<u>7,815.01</u>	<u>7,815.01</u>

	As At 31st March, 2012		As At 31st March, 2011	
	No of Share	Amount	No of Share	Amount
(a) Reconciliation of No. of shares Outstanding:				
Equity Shares				
Opening outstanding Shares	70,650,065	7,065.01	70,650,065	7,065.01
Closing Outstanding Shares	70,650,065	7,065.01	70,650,065	7,065.01
Preference Shares				
Opening outstanding Shares	750,000	750.00	750,000	750.00
Closing Outstanding Shares	750,000	750.00	750,000	750.00

	As At 31st March, 2012		As At 31st March, 2011	
	No of Share held	% of holding	No of Share held	% of holding
(b) Shareholders holding more than 5% of total shares				

Name of Shareholder

Equity Shares

1. Suniti Devi Jaipuria	21,419,294	30.32	21,419,294	30.32
2. Sunita Jaipuria	5,675,716	8.03	5,675,716	8.03
3. Saket Jaipuria	6,136,008	8.69	6,136,008	8.69
4. Yash Jaipuria	5,720,847	8.10	5,720,847	8.10
5. Vinod H. Punwani	4,112,600	5.82	4,092,501	5.79



	As At 31st March, 2012		As At 31st March, 2011	
	No of Share held	% of holding	No of Share held	% of holding
Preference Shares				
1. Raghukul Trading Pvt. Ltd. (Erstwhile known as Raghukul Properties & Investment Pvt. Ltd.)	750,000	100.00	600,000	80.00
2. Dr. Rajaram Jaipuria	-	-	50,000	6.67
3. Smt. Suniti Devi Jaipuria	-	-	40,000	5.33

(c) Aggregate no. of share issued for consideration other than cash during the period of 5 years immediately preceding the reporting date

Particulars	As at 31st March, 2012	As at 31st March, 2011
Alloted during FY 2009-10 as fully paid pursuant to amalgamation without payment being received in cash	11,387,440	11,387,440
(3.1) The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share.		
(3.2) In the liquidation of the company, the holder of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders		
(3.3) 8% Cumulative Redeemable Preference Shares are redeemable at par on or before 31st December 2018. Accumulated dividend on preference shares upto 31st March, 2012 is ₹ 145 lacs (Previous year ₹ 85 lacs)		

Note 4

RESERVES AND SURPLUS

	As at 31st March, 2012	As at 31st March, 2011
1. Securities Premium Reserve		
As Per Last Balance Sheet	6,287.43	6,287.43
2. Debenture Redemption Reserve		
As Per Last Balance Sheet	550.00	550.00
3. Other Reserve (State Investment Subsidy)		
As Per Last Balance Sheet	10.00	10.00
4. Surplus	(2,003.79)	(3,831.20)
Balance as per last financial statement	(4,366.69)	1,827.41
Profit (Loss) for the year	(6,370.48)	(2,003.79)
Total	476.95	4,843.64

(₹ In Lacs)

Note 5

LONG TERM BORROWINGS

1. Debentures (Secured)

(a) 4,95,750 - Non Convertible Debentures of ₹ 100/- each fully paid up	429.75	495.75
(b) 9,08,873 - Non Convertible Debentures of ₹ 100/- each fully paid up	787.87	908.88
(c) 40,621 - Zero Rate Debentures of ₹ 100/- each fully paid up.	35.21	40.61

All Debentures are (i) secured by mortgage by deposit of the 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. (ii) guaranteed by 2 Directors. (iii) secured by pledge of 115.45 lacs shares of the company held by promoters' and relatives, ranking pari pasu with all term loans and working capital loans. (iv) Reedemable in 25 quarterly instalments from 30th June, 2012 to 30th June, 2018

2. Term Loans (Secured)

(a) From Financial Institution		
(i) Foreign Currency Loans	397.82	400.59
(ii) Indian Rupee Loans	3,704.00	4,272.79
(b) From Banks- Indian Rupee Loan	15,359.81	17,719.67

(i) All Term Loans are (i) secured by mortgage by deposit of the 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. (ii) guaranteed by 2 Directors (iii) secured by pledge of 61.55 lacs equity shares of the company held by promoter and relative for Term Loan of ₹ 68.83 Lacs (previous Year Rs 76.44 Lacs) and further secured by pledge of 115.45 lacs shares of the company held by promoters' and relatives for Term Loans of ₹ 21500.84 Lacs (previous year ₹ 23779.03 Lacs) ranking pari pasu with the debentures and working capital loans. Further (iv) Working Capital Term Loans of ₹ 2396.00 Lacs (previous year ₹ 2657.00 lacs) are secured by third charge on current & fixed assets of the company (v) Repayable in 25 quarterly instalments from 30th June, 2012 to 30th June, 2018.



3. Loans and Advances from Related Parties (unsecured) (Interest Free Loan ₹ 700 Lacs (Previous Year ₹ 700 Lacs) Repayable on or after 30 June, 2018 and Interest Bearing Loan ₹ 1300 Lac (Previous Year ₹ 65 Lacs) Repayable on or after 1st April, 2013)	2,000.00	765.00
	<u>22,714.46</u>	<u>24,603.29</u>

- 5.1 All due instalment and interest during the year has been paid on time.
 5.2 Interest rates on term loan and debentures, varies during the period ie. 01.04.2011 to 24.04.2011 @ 10.50%, 25.04.2011 to 11.05.2011 @ 10.75%, 12.05.2011 to 10.07.2011 @ 11.50%, 11.07.2011 to 12.08.2011 @ 11.75% and 13.08.2011 to 31.03.2012 @ 12.25% pa
 5.3 Interest on Foreign currency loan charged @ Libor +3% pa
 5.4 The above Interest Rate are subject to benefit under T.U.F. Scheme of Government of India

Note 6

DEFERRED TAX LIABILITY (NET)

	As at 31 st March, 2012	(₹ in Lacs) As at 31 st March, 2011
Deferred Tax Liabilities- on account of Depreciation	-	4,645.45
Gross Deferred Tax Liabilities	-	4,645.45
Deferred Tax Assets- on account of Unabsorbed Depreciation	-	3,532.73
Employee Benefits	-	197.63
Provision for doubtful debts	-	22.69
Unabsorbed Business Losses	-	-
Gross Deferred Tax Assets	-	3,753.05
Deferred Tax Liability	<u>-</u>	<u>892.40</u>

Note 7

LONG TERM PROVISIONS

Provision from Employment Benefit	<u>404.18</u>	<u>379.16</u>
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Note 8

SHORT TERM BORROWINGS

1. Working Capital Loans From Banks (Secured) (A) Interest is charged @ 12% to 13.05% p.a. during the year. (B) (i) Secured to the extent of ₹ 13608.45 Lacs (Previous year - ₹ 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 ₹ NIL (Previous Year - ₹ 242.34 lacs)). (ii) Secured to the extent of ₹ NIL (Previous Year - ₹ 1999.67 Lacs) by pledge of warehouse receipts of raw material. (iii) Further guaranteed by two Directors and by pledge of aforesaid of 115.45 Lacs (Previous Year 115.45 lacs) shares of the company held by promoter's relatives ranking pari pasu with the debentures and all term loans.	13,608.45	15,523.32
2. Interest bearing loans from Related Parties repayable on demand (Unsecured)	295.00	-
	<u>13,903.45</u>	<u>15,523.32</u>

Note 9

TRADE PAYABLES

Trade Payables	<u>3,284.00</u>	<u>7,192.51</u>
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Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006

1. Principal Amount Remaining unpaid	15.24	3.63
2. Interest	Nil	Nil
3. Total of 1 & 2	15.24	3.63
4. Interest in term of Sec 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.

Note 10

OTHER CURRENT LIABILITIES

Current Maturities of Long Term Debts (Secured)	3,182.38	2,597.74
Interest accrued but not due on borrowings	15.31	14.43
Unpaid dividends	24.31	28.07
Other Payables		
— Creditors for Capital Goods	39.63	240.07
— Advance from Customers	347.71	1,033.80
— Statutory Dues Payable	193.94	164.16
— Other Payables	1,073.47	863.61
	<u>4,876.75</u>	<u>4,941.88</u>

There is no Amount Due and Outstanding as on Balance Sheet Date to be Credited to Investor Education and Protection Fund

GINNI FILAMENTS LIMITED



Note 11

SHORT TERM PROVISIONS

Provision for Employee Benefit
Provision for Taxation

	As at 31 st March, 2012	(₹ in Lacs) As at 31 st March, 2011
	172.86	215.83
	0.52	192.94
	173.38	408.77

Note 12

FIXED ASSETS

(₹ in lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2011	Additions	Deductions/ Adjustments	As at 31st March, 2012	Upto 31st March, 2011	For the Period	Deductions/ Adjustments	Upto 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Tangible Assets										
Land (Lease Hold)	486.48	-	-	486.48	25.39	4.91	-	30.30	456.18	461.09
Land (Free Hold)	213.88	-	-	213.88	-	-	-	-	213.88	213.88
Lease Hold Improvements	179.25	-	-	179.25	75.18	18.85	-	94.03	85.22	104.07
Buildings	4974.29	85.08	-	5059.37	1212.66	149.33	-	1361.99	3697.38	3761.63
Plant & Machinery	42817.56	787.68	533.96	43071.28	17650.11	2179.97	789.51	19040.57	24030.71	25167.45
Electrical Installation	1490.22	0.13	-	1490.35	490.89	71.43	-	562.32	928.03	999.33
Office Equipments	146.14	4.02	2.01	148.15	56.25	7.44	0.83	62.86	85.29	89.89
Computers	169.43	9.34	1.16	177.61	124.21	14.80	1.01	138.00	39.61	45.22
Furniture & Fittings	205.47	7.10	(0.12)	212.69	117.74	10.04	3.04	124.74	87.95	87.73
Vehicles	182.51	11.30	7.71	186.10	78.04	17.63	3.92	91.75	94.35	104.47
	50865.23	904.65	544.72	51225.16	19830.47	2474.40	798.31	21506.56	29718.60	31034.76
Intangible Assets										
Softwares	5.70	6.10	-	11.80	2.71	1.57	0.04	4.24	7.56	2.99
Licences	0.00	21.82	-	21.82	-	1.62	-	1.62	20.20	0.00
	5.70	27.92	0.00	33.62	2.71	3.19	0.04	5.86	27.76	2.99
Total	50870.93	932.57	544.72	51258.78	19833.18	2477.59	798.35	21512.42	29746.36	31037.75
Previous Year	51082.98	440.49	652.54	50870.93	17740.91	2557.36	465.09	19833.18	31037.75	-

Note :

- (A) Additions to Plant & Machinery is net of capital subsidy ₹ Nil (Previous year ₹ 9.43 lacs).
(B) Addition to Plant & Machinery includes adjustment of ₹ 63.43 lacs (Deductions Previous year ₹ 1.71 lacs) on account of exchange rate fluctuation in the liability of foreign currency loan availed for acquiring certain fixed assets.

Note 13

CAPITAL WORK IN PROGRESS

Building under Construction
Machinery under Erection
Preoperative Expenditure pending allocation

	As at 31 st March, 2012	(₹ in Lacs) As at 31 st March, 2011
	3.80	40.84
	-	386.85
	-	9.10
Total	3.80	436.79

Note 14

NON CURRENT INVESTMENTS

Investment in Equity Instrument (at Cost)
Trade & Quoted
4160450 - Equity Shares of ₹ 10/- each (fully paid) of Ginni International Limited
Non Trade & Unquoted at Cost
178750 - Equity Shares of ₹ 10/- each (fully paid) of Narmada Clean Tech Limited

	738.93	738.93
	17.88	17.88
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 (based on last available quotation dated 29.03.2000)	738.48	738.48



	As at 31 st March, 2012	(₹ in Lacs) As at 31 st March, 2011
Note 15		
DEFERRED TAX ASSETS (NET)		
Deferred Tax Liabilities- on account of		
Depreciation	4,653.45	-
Gross Deferred Tax Liabilities	4,653.45	-
Deferred Tax Assets- on account of		
Unabsorbed Depreciation	4,275.21	-
Employee Benefits	187.22	-
Provision for doubtful debts	2.65	-
Unabsorbed Business Losses	1,394.61	-
Gross Deferred Tax Assets	5,859.69	-
Deferred Tax Asset	1,206.24	-
Based on 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 recognised.		
Note 16		
LONG TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Capital Advances	66.68	156.99
Security Deposits	183.38	166.88
Other Loans & Advances		
Advance Income Tax and Tax Deducted at Source	33.75	56.42
Total	283.81	380.29
Note 17		
INVENTORIES		
Raw Materials	6,810.90	13,579.35
Work in Progress	1,245.43	1,481.95
Finished Goods	2,583.06	5,170.88
Stores and Spares	747.97	701.86
Goods-in-transit-Finished Goods	1,205.51	1,863.43
Total	12,592.87	22,797.47
Note 18		
TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment.		
Unsecured, Considered Good :	407.06	359.65
Doubtful	8.18	68.31
Less: Provision for Doubtful Debts	(8.18)	(68.31)
	407.06	359.65
Others		
Unsecured, Considered Good :	4,873.54	5,475.08
Total	5,280.60	5,834.73
Note 19		
CASH AND CASH EQUIVALENTS		
Cash-in-Hand	11.64	13.58
Balances with Banks		
In Current account	171.39	218.69
In Fixed Deposit Account	0.11	0.11
(Pledged with excise authorities)		
In Unpaid Dividend Account	24.31	28.07
Other Bank balances		
Margin money deposit against LC's and BG	185.98	190.66
Total	393.43	451.11



	As at 31 st March, 2012	(₹ in Lacs) As at 31 st March, 2011
Note 20		
SHORT TERM LOANS AND ADVANCES		
Others (Unsecured considered good)		
Security Deposits	37.45	37.48
Balances with Statutory / Govt Authorities	2,149.47	2,660.73
Others	1,196.89	2,204.92
Total	3,383.81	4,903.13
Note 21		
OTHER CURRENT ASSETS		
Interest Receivable	0.45	1.90
Total	0.45	1.90
	Year Ended	Year Ended
	31st March, 2012	31st March, 2011
Note 22		
REVENUE FROM OPERATIONS		
Sale of Product		
Yarn	37,580.48	36,081.72
Fabric	6,561.79	6,215.39
Garments	8,038.83	5,253.50
Non Woven Fabric	13,821.50	13,841.79
Wipes & Other	2,573.14	1,669.36
Trading Goods		
— Yarn / Fabric	-	5,207.43
— Cotton	846.58	130.16
Sale of Services	167.93	102.83
Other Operating Revenue	2,108.89	925.12
Total	71,699.14	69,427.30
Sales include Net Loss of ₹ 47.27 lacs (previous year Net Gain of ₹ 23.07 lacs) on account of exchange rate fluctuation and adjustment of ₹ 335.61 lacs (previous year ₹ 341.79 lacs) on account of discounts, rebate and claims.		
Note 23		
OTHER INCOME		
Interest Income	55.62	55.48
Profit on sale of Fixed Assets	-	10.84
Foreign Currency Forward Booking Gain	-	231.56
Insurance Claims Received	66.02	77.90
Prior Period Income (Net)	359.06	-
Miscellaneous Income	352.23	303.99
Total	832.93	679.77
Note 24		
COST OF MATERIAL CONSUMED		
Cotton / Polyester / Viscose	43,055.65	39,894.42
Yarn	2,908.01	3,202.28
Fabric	155.66	342.42
Non-Woven Fabric	16.43	7.15
Others	1,430.39	1,155.26
Total	47,566.14	44,601.53



	Year Ended 31 st March, 2012	(₹ in Lacs) Year Ended 31 st March, 2011
Note 25		
PURCHASE OF STOCK IN TRADE		
Cotton	1,081.43	106.23
Yarn & Fabric	-	4,429.47
Total	1,081.43	4,535.70
Note 26		
CHANGE IN INVENTORY		
Closing Stocks		
Stock in Process	1,245.43	1,481.95
Finished Goods	3,788.57	7,034.31
Sub-total	5,034.00	8,516.26
Opening Stocks		
Stock in Process	1,481.95	1,153.24
Finished Goods	7,034.31	2,192.94
Stock Production in Trial Run	18.61	-
Sub-total	8,534.87	3,346.18
Net (Increase) / Decrease In Inventory	3,500.87	(5,170.08)
Note 27		
EMPLOYEE BENEFIT EXPENSES		
Salaries, Bonus & Wages	2,637.83	2,551.32
Contribution to Provident Fund & Other Funds	184.15	162.09
Workmen and Staff Welfare Expenses	163.98	152.34
Total	2,985.96	2,865.75
Note 28		
FINANCE COST		
Interest Expense	4,046.60	3,107.47
Other borrowing cost	340.10	394.82
Total	4,386.70	3,502.29
Note 29		
OTHER EXPENSES		
Consumption of Stores & Spares	1,705.03	1,425.63
Consumption of Packing Material	1,452.98	1,152.79
Power & Fuel	4,788.41	4,497.61
Job Work Charges	1,729.55	1,389.89
Rent	169.12	166.35
Insurance	122.94	150.87
Rates & Taxes	45.34	53.78
Repairs - Plant & Machinery	185.58	142.51
Repairs - Buildings	27.00	48.74
Repairs - Others	151.79	129.58
Outward Freight, handling & Other Selling Expenses	2,614.86	2,865.22
Commission on Sales	621.80	774.58
Auditors' Remuneration	10.16	8.56
Excise duty on Stock of Finished Goods	25.53	39.79
Foreign Exchange Rate Difference	7.78	2.36
Foreign Currency Forward Booking Loss	179.58	-
Prior Period Expenses (Net)	-	194.33
Loss On Settlement of Cotton Contracts	1,551.72	-
Loss on Sale of Fixed Assets	126.76	52.50
Miscellaneous Expenses	994.82	893.25
Total	16,510.75	13,988.34



	Year Ended 31 st March, 2012	(₹ in lacs) Year Ended 31 st March, 2011
Note 30		
PAYMENT TO AUDITORS'		
Audit fee	7.30	5.52
Tax Audit Fee	0.79	0.77
Certification & Other Services	1.52	1.82
Reimbursement of Expenses	0.55	0.45
Total	10.16	8.56

	2011-2012	(₹ in lacs) 2010-2011
Note 31		
CONTINGENT LIABILITIES		
1. Contingent liabilities not provided for:		
i) Bills discounted with banks	5,722.94	6,702.01
ii) Disputed demands under excise, income tax, sales tax and electricity etc	253.65	92.02
iii) Claims against the company not acknowledged as debt	84.48	68.99
2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) :		
	745.76	625.96

Note 32

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 ₹			
	Gratuity (Unfunded) 2011-12	Gratuity (Unfunded) 2010-11	Leave Encashment (Unfunded) 2011-12	Leave Encashment (Unfunded) 2010-11
Defined Benefit obligation beginning of the year	28511540	25034348	22187224	18839824
Current Service Cost	6973368	6621734	6346923	6519637
Interest Cost	2234131	1915268	1408469	1145060
Actuarial gain / (loss)	(4346767)	(2872798)	(4581090)	(2317868)
Benefits paid	(2331993)	(2187012)	(2632240)	(1999429)
Defined Benefit obligation at year end	31040279	28511540	22729286	22187224

II. Reconciliation of fair value of assets and obligations

Present value of obligation	31040279	28511540	22729286	22187224
Amount recognized in Balance Sheet	31040279	28511540	22729286	22187224

III. Expense recognized during the year

Current Service Cost	6973368	6621734	6346923	6519637
Interest Cost	2234131	1915268	1408469	1145060
Actuarial gain / (loss)	(4346767)	(2872798)	(4581090)	(2317868)
Net Cost	4860732	5664204	3174303	5346829

IV. Actuarial assumptions

	2011-2012 (1994-1996) (Ultimate)	2010-2011 (1994-1996) (Ultimate)	2011-2012 (1994-1996) (Ultimate)	2010-2011 (1994-1996) (Ultimate)
Discount Rate	8.57%	8.17%	8.57%	8.17%
Rate of escalation in salary (per annum)	7.00%	7.00%	7.00%	7.00%
Withdrawal Rate	5.00%	5.00%	5.00%	5.00%

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.



Note 33

SEGMENT INFORMATION:

(₹ in Lacs)

Particulars	2011-12			2010-11		
	Textiles	Others	Total	Textiles	Others	Total
A) Primary Segment (Business Segment)						
REVENUE:						
External Sales	69873.20	1341.73	71214.93	68590.12	708.68	69298.80
RESULTS:						
Segment Results before Interest & Finance Cost	(2130.41)	55.53	(2074.88)	6585.59	14.38	6599.97
Interest and Finance Cost			4386.70			3502.29
Profit/ (Loss) from ordinary activities			(6461.58)			3097.68
Extra ordinary items			-			-
Net Profit/ (Loss)			(6461.58)			3097.68
OTHER INFORMATION:						
Segment Assets	50994.67	1447.27	52441.94	65646.30	953.68	66599.98
Segment Liabilities	4881.21	230.39	5111.61	9929.30	152.37	9709.97
Segment Depreciation/Amortization	2449.98	27.61	2477.59	2539.05	18.31	2557.36
Capital Expenditure	651.39	281.18	932.57	395.89	44.60	440.49
Non-cash expenses other than depreciation		-	-		-	10.69
B) Secondary Segment (Geographical By Customers)						
SEGMENT REVENUE:						
In India			26339.57			19713.54
Outside India			44875.36			49585.26
Note:	<p>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.</p> <p>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</p>					

Note 34

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:

	2011-2012	2010-2011
Not later than one year	165.36	166.89
Later than one year and not later than five years	556.94	641.16
Later than five years	9.41	84.98
Total	731.71	893.03

Note 35

PRIOR PERIOD INCOME / EXPENSES

Prior period Income (Expenses) represents:

Debit relating to earlier years	(111.44)	(273.19)
Credit relating to earlier years	50.16	78.86
Excess depreciation provided written back	420.34	-
	359.06	(194.33)

Note 36

RESEARCH AND DEVELOPMENT/EXPENDITURE

Capital	22.66	4.11
Revenue expenses	112.84	91.42
	135.50	95.53



Note 37

DISCLOSURE IN RESPECT OF DERIVATIVE INSTRUMENTS:

Forward booking and derivative contracts entered into by the Company and have remained outstanding as on 31/03/2012 are as under:

Particulars	As at 31/03/2012		As at 31/03/2011	
	US\$	EURO	US\$	EURO
Forward booking against exports	170.01	Nil	229.06	Nil

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 31/03/2012 are fully hedged for exports receivable and imports and other foreign currency expenses. Foreign currency loans are not hedged for its full repayment periods.

Note 38

RELATED PARTIES DISCLOSURE

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.

Them

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. Lt
- iii) Kanpur Builders Pvt.Ltd.
- iv) Raghukul Trading Pvt.Ltd
- v) Lochan Agro Pvt. Ltd.
- vi) Ginni Nonwoven Pvt. Ltd.

3. Details of Transactions with above related parties:-

(₹ in Lacs)

	2011-12	2010-11
1. Remuneration to Key Management Personnel		
(a) Dr. Rajaram Jaipuria	36.71	89.42
(b) Shri Shishir Jaipuria	30.58	65.59
(c) Shri Saket Jaipuria	20.57	19.56
(d) Shri S. Singhvi	17.64	20.39
(e) Shri R. R. Maheshwari	17.48	19.51
Total	122.98	214.47
2. Remuneration to Relative of Key Management Personnel		
(a) Shri Yash Jaipuria	1.16	-
Total	1.16	-
3. Interest (To others)		
(a) Raghukul Trading Pvt.Ltd	51.20	0.30
(b) Lochan Agro Pvt. Ltd.	73.16	-
Total	124.36	0.30
4. Loan [Net-(Taken) / Repaid] From/to others		
(a) Raghukul Trading Pvt.Ltd	(665.00)	(78.05)
(b) Lochan Agro Pvt. Ltd.	(1165.00)	-
Total	(1830.00)	(78.05)
5. Year End Payable to others		
(a) Raghukul Trading Pvt.Ltd	1130.00	465.00
(b) Lochan Agro Pvt. Ltd.	1165.00	-
Total	2295.00	465.00

Note 39

EARNING PER SHARE

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-



	2011-2012	(₹ in Lacs) 2010-2011
(a) Amount used as numerator in calculating basic and diluted EPS		
Profit-(Loss) after tax - (₹ in lacs)	(4366.69)	1827.41
(Add)/Less Dividend on Cumulative Preference Shares	(60.00)	60.00
Profit/(Loss) or the year	(4426.69)	1767.41
(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)	(6.27)	2.50

Note 40

EARNINGS IN FOREIGN EXCHANGE DURING THE YEAR :

(a) F.O.B. value of goods Exported	43427.54	47524.45
------------------------------------	-----------------	----------

Note 41

CIF VALUE OF IMPORTS :

(a) Raw Materials	5428.76	4504.04
(b) Capital goods	100.91	233.88
(c) Stores & Spare Parts	613.14	646.90

Note 42

EXPENDITURE PAID IN FOREIGN CURRENCY :

(Only payments directly in foreign currencies considered)

(a) Traveling	36.38	46.81
(b) Commission	224.10	327.54
(c) Professional fees and others	51.37	56.67

Note 43

VALUE OF RAW MATERIALS CONSUMED :

	2011-2012		2010-2011	
	₹ in Lacs	%	₹ in Lacs	%
Imported	6920.97	14.55	4440.31	09.96
Indigenous	40645.17	85.45	40161.22	90.04
	47566.14	100.00	44601.53	100.00

Note 44

VALUE OF STORES AND SPARE PARTS CONSUMED :

	2011-2012		2010-2011	
	₹ in Lacs	%	₹ in Lacs	%
Imported	676.82	39.70	632.74	44.51
Indigenous	1028.21	60.30	792.89	55.49
	1705.03	100.00	1425.63	100.00

Note 45

Balance of debtors, creditors and advances are subject to confirmation and /or reconciliation.

Note 46

The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly the previous year figures have also been reclassified to confirm to this year's classifications.

Notes referred to above form an integral part of financial Statements

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
J.K. BHAGAT
NRIPENDRA MISRA
R.R. MAHESHWARI
DR. H.P. BHATTACHARYA
N.K. DUGGAL

} Directors

Place : Noida
Dated : 29th May, 2012

RAJESH K. TRIPATHI
Company Secretary



GINNI FILAMENTS LIMITED

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

To the Shareholders

ABSTRACT AND MEMORANDUM OF INTEREST UNDER SECTION 302 OF THE COMPANIES ACT, 1956

The Board of Directors of the Company at its meeting held on 29th May, 2012, has approved the remuneration of Shri Suresh Singhvi, Director (Finance) and Shri Ram Ratan Maheshwari, Director (Marketing & Business Development) of the Company for a further period of 2 years w.e.f. 1st August, 2012, subject to the approval of the shareholders at the General Meeting.

Abstract of the major terms and conditions of remuneration of Shri Suresh Singhvi, Director (Finance) is as under:

- 1. Basis Salary** : ₹ 85,000/- per month with annual increment of ₹ 10,000/- Increment will fall due on 1st August, 2013.
- 2. H.R.A.** : 55% of Basic Salary.
- 3. Special Incentive** : ₹ 5,00,000/- per annum w.e.f. 1st August, 2012 on completion of the relevant years.
- 4. Perquisites** : The Director (Finance) shall be entitled to the following perquisites classified into **Categories 'A' and 'B'**.

CATEGORY - 'A'

- (i) Medical reimbursement** : 8.33% of the Basic Salary
- (ii) Leave Travel Allowance reimbursement** : 8.33% of the Basic Salary
- (iii) Newspaper/ magazines reimbursement** : Upto ₹ 1,000/- per month
- (iv) Entertainment reimbursement** : Upto ₹ 5,000/- per month
- (v) Telephone** : Free Telephone facility
- (vi) Car facility** : Car with driver
- (vii) Personal Accident / household Insurance** : As per rules of the Company
- (viii) Membership fee of professional bodies**

CATEGORY – 'B'

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

MINIMUM REMUNERATION

In the absence or inadequacy of profits in any financial year, the total remuneration to Shri Suresh Singhvi, Director (Finance) by way of salary, incentive and perquisites shall be governed by the limits prescribed in Part II, Section II of Schedule XIII of the Companies Act, 1956.

MEMORANDUM OF INTEREST

Except Shri Suresh Singhvi, none of the Directors is concerned or interested in the abovesaid payment of remuneration.

Abstract of the major terms and conditions of remuneration of Shri Ram Ratan Maheshwari, Director (Marketing & Business Development) is as under :

- 1. Basis Salary** : ₹ 85,000/- per month with annual increment of ₹ 10,000/- Increment will fall due on 1st August, 2013.
- 2. H.R.A.** : 55% of Basic Salary.
- 3. Special Incentive** : ₹ 5,00,000/- per annum w.e.f. 1st August, 2012 on completion of the relevant years.
- 4. Perquisites** : The Director (**Marketing & Business Development**) shall be entitled to the following perquisites classified into **Categories 'A' and 'B'**.

CATEGORY - 'A'

- (i) **Medical reimbursement** : 8.33% of the Basic Salary
- (ii) **Leave Travel Allowance reimbursement** : 8.33% of the Basic Salary
- (iii) **Newspaper / magazines reimbursement** : Upto ₹ 1,000/- per month
- (iv) **Entertainment reimbursement** : Upto ₹ 5,000/- per month
- (v) **Telephone** : Free Telephone facility
- (vi) **Car facility** : Car with driver
- (vii) **Personal Accident / household Insurance** : As per rules of the Company
- (viii) **Membership fee of professional bodies**

CATEGORY – 'B'

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

MINIMUM REMUNERATION

In the absence or inadequacy of profits in any financial year, the total remuneration to Shri Ram Ratan Maheshwari, Director (Marketing & Business Development) by way of salary, incentive and perquisites shall be governed by the limits prescribed in Part II, Section II of Schedule XIII of the Companies Act, 1956.

MEMORANDUM OF INTEREST

Except Shri Ram Ratan Maheshwari, none of the Directors is concerned or interested in the abovesaid payment of remuneration.

NOTE : Copy of the resolutions passed by the Board of Directors at its meeting held on 29th May, 2012 and other relevant documents in respect of the remuneration of Shri Suresh Singhvi and Shri Ram Ratan Maheshwari are available for inspection at the Registered Office of the Company on all working days between 10.00 A.M. to 2.00 P.M.

By Order of the Board
for **GINNI FILAMENTS LTD.**

Date : 29th May, 2012
Place : NOIDA

RAJESH 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 NINTH 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 Tuesday, the 14th August, 2012.

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 Ninth Annual General Meeting of the Company to be held on Tuesday, the 14th August, 2012 at 11.30 A.M. and at any adjournment thereof.

AS WITNESS my/our hand is/are affixed this.....day of.....2012

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.



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BOOK POST

If undelivered, please return to:



GINNI FILAMENTS LIMITED

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