



GINNI FILAMENTS LIMITED



Textile



Technical Textile

Annual Report 2012-13

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, Director's 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 holding 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

**BOARD OF DIRECTORS**

Dr. Rajaram Jaipuria - *Chairman & Managing Director*
Shri Shishir Jaipuria - *Vice Chairman & Managing Director*
Shri Saket Jaipuria - *Executive Director*
Shri S. Singhvi - *Director - Finance*
Shri R.R. Maheshwari - *Director - Marketing & Business Development*
Shri J.P. Kundra
Shri. O.P. Vaish
Shri J.K. Bhagat
Shri Nripendra Misra
Dr. H.P. Bhattacharya
Shri N.K. Duggal - *Nominee-IFCI (upto 18th September, 2012)*
Shri Jagdish Garwal - *Nominee-IFCI (w.e.f 12th February, 2013)*

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,
Bahadrad, Haridwar-249 403 (U.K.)

| CONTENTS | |
|--------------------------------------|----|
| Notice | 2 |
| Directors' Report | 4 |
| Report on Corporate Governance | 8 |
| Auditors' Report | 15 |
| Balance Sheet | 18 |
| Profit & Loss Account | 19 |
| Cash Flow Statement | 20 |
| Notes on Financial Statements..... | 21 |



NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of Ginni Filaments Limited will be held on Saturday, the 10th August, 2013 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, 2013 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 O.P. Vaish, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Saket Jaipuria, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider, and if thought fit, to pass, the following resolution, with or without modification(s), as an Ordinary Resolution :

“RESOLVED THAT M/s. P. L. Gupta & Co., Chartered Accountants (Firm Registration No. 011575C), 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.”

NOIDA (U.P.)
16th May, 2013

By Order of the Board
RAJESH K. TRIPATHI
Company Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED MUST REACH THE COMPANY'S REGISTERED OFFICE ATLEAST 48 HOURS BEFORE THE TIME OF THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 3rd August, 2013 to 10th August, 2013 (both days inclusive).
3. All documents referred to in the accompanying Notice 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.
4. 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.
5. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
6. 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.
7. (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 change in email IDs from time to time).

8. 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.
9. 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 & 2004 - 05 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, 2006 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 are as under :

| Financial Year | Amount as on 31.03.2013 | Due Date |
|---------------------|-------------------------|------------|
| 2005 – 06 | ₹ 10,75,759.00 | 05.09.2013 |
| 2006 – 07 (Interim) | ₹ 9,13,852.50 | 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.

10. Appointment / Re-Appointment of Directors :

At the ensuing Annual General Meeting, Shri O.P. Vaish and Shri Saket Jaipuria, retire by rotation and eligible offer themselves for re-appointment.

The information required to be furnished about the appointment / re-appointment of Directors as per the Listing Agreement is as under:

Shri O.P. Vaish

Shri O.P. Vaish aged 83 years is a Sr. Advocate and founder of the law firm – Vaish Associates. Shri Vaish served initially in the Indian Revenue Service and later as Chief, Economics & Law Committee, Federation of Indian Chambers of Commerce & Industry.

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

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

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

Shri Saket Jaipuria

Shri Saket Jaipuria aged 30 years. He holds a BSc in Business Administration Degree from Carnegie Mellon University, Pittsburgh, USA with distinction. Shri Saket Jaipuria has good experience of the vibrant Global Economy and has very sound knowledge of Indian & Global Textile Business.

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

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



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, 2013.

(₹ in Lacs)

| FINANCIAL RESULTS | 2012-13 | 2011-12 |
|--|-----------------|-----------|
| Revenue from Operation | 75460.20 | 71699.14 |
| Profit before Depreciation, Finance Cost & Tax | 9545.80 | 402.71 |
| Less : Finance Cost | 4423.75 | 4386.70 |
| Less : Depreciation and Amortisation Expenses | 2415.66 | 2477.59 |
| Profit / (Loss) before Tax | 2706.39 | (6461.58) |
| Provision for Tax | | |
| - Current | 48.09 | — |
| - Deferred | 904.80 | (2098.64) |
| - Tax Adjustment Relating to earlier years | — | 3.75 |
| Profit / (Loss) after Tax | 1753.50 | (4366.69) |

DIVIDEND

The Directors are unable to recommend dividend for the year.

OPERATIONS

During the year under review your Company's Revenue from Operation has increased from ₹ 71699 lacs to ₹ 75460 lacs and earned cash profit of ₹ 5122 lacs against cash loss of ₹ 3984 lacs during immediately preceding year.

The overall turnaround performance of the Company during the year under review has been possible due to increase in Revenue from Operation, availability of better margins in cotton yarn business and better exchange rate of foreign currency.

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 Panoli, Company has undertaken expansion of its Haridwar unit for manufacturing of Wet Wipes for reputed Global Brands.

DIRECTORS

IFCI Ltd. had withdrawn the nomination of Shri. N. K. Duggal as the IFCI's nominee on the Board of Directors vide its letter dated September 18, 2012 with effect from the same date and further vide its letter dated January 18, 2013 nominated Shri. Jagdish Garwal as the IFCI's nominee on the Board of Directors. Shri. Jagdish Garwal was co-opted on the Board at the meeting of Board of Directors held on February 12, 2013.

Your Directors place on record their deep sense of appreciation for the valuable advice and guidance provided by Shri. N.K. Duggal during his tenure as a Nominee Director.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri O.P. Vaish and Shri Saket Jaipuria, Directors retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

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, 2013 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, 2013 and of the profit of the Company for the year under review.



3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

Your Company is in compliance with the requirements and disclosures with respect to the Code of Corporate Governance as required under Clause 49 of the Listing Agreement entered into with the Stock Exchange(s). As a listed company, necessary measures are taken to comply with the Listing Agreements with the Stock Exchange(s). 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 neither invited nor accepted any fixed deposits from the public and therefore is not required to furnish information in respect of outstanding deposits under Non-Banking Non Financial Companies (Reserve Bank) Directors, 1966 and Companies (Acceptance of Deposits) Rules, 1975.

AUDITORS

M/s. P. L. Gupta & Co., Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of ensuing Annual General Meeting and have expressed their willingness to act as Auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

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

AUDITORS' REPORT

The Auditors Reports on the Annual Accounts of the Company for the year ended 31st March, 2013 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, 2013.

The cost audit reports for the Financial Year 2011–12 which was due to be filed in XBRL mode with the Ministry of Corporate Affairs on or before September 27, 2012 which was further extended up to February 28, 2013 and the same has been filed in time on January 9, 2013.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their appreciation for the cooperation and assistance received from its valued customers, banks, financial institutions, government authorities, investors and stock exchanges. The Directors also wish to place on record their sincere appreciation of the devoted and dedicated services rendered by all Executives, Staff Members and Workmen of the Company.

For and on behalf of the Board of Directors

Noida (U.P.)
May 16, 2013

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 2012-13.

Industry Structure and Development

The Textile industry in India traditionally, after agriculture, is the only industry that is generating huge employment for both skilled and unskilled labour and is one of the leading producer of textile products in the world. India is the second largest producer of fiber in the world and the major fiber produced is cotton. Other fibers produced in India include silk, jute, wool, and man-made fibers. 60% of the Indian textile Industry is cotton based. Indian Textile Industry is predominantly export oriented and earns about 27% of total foreign exchange earned by India. It also contributes about 14% of the total industrial production and 3% of GDP of the country. It offers direct employment to over 35 million in the country and also opens up scope for the other ancillary sectors and also supports agriculture.

The growth of Indian Textile Industry got a boost with economic liberalization of Indian Economy in year 1991. During year 2011-12 steep fluctuation in cotton prices resulted into losses and affected the profitability of Industry but improvements started from 1st quarter of FY 2012-13 and performance of industry for year under review is encouraging.

Investment activity slowed down across the textile value chain in 2011-12 due to uncertain demand and volatile raw material prices which led to tying up of funds in inventories. Demand remained sluggish across the value chain in the said period. For apparel exporters, order sizes reduced, hence volumes fell. However, rupee realisations increased partially due to rupee depreciation against the USD and Euro which resulted in moderate growth in revenues.

The Government of India has announced the foreign trade policy 2009-14 which includes Focus Market and Focus Product and other incentives to increase Indian Shares in the Global trade of textile and clothing. However Power shortage and high power cost is affecting industry adversely. Availability and cost of skilled man power is another area of concern.

Opportunity and Threats

Considering the huge availability of fiber and man power skilled and unskilled, India has huge opportunity to be a leader in Global market. Technical Textiles are an important part of Textile Industry and there is very much possibility to capture market share in the growing Global market subject to support of Government incentives. Better realization of Export earnings is providing the Industry to hold an important role in Indian Export.

The fluctuation in raw material prices and increase in man power cost in India will remain a major threat area for textile Industry. Shortage of Power and increase in power rates will also remain the major concern for the Industry. Besides these threats competition from China and other emerging Textile export countries like Bangladesh, Philippines etc. may always be threat for Indian Textile Companies.

Segment wise Performance

Company operates in yarn, knit fabric, garment, technical textile (nonwoven fabric) and consumer products (wipes) made out of nonwoven fabrics segment. The performance of all the divisions in Financial Year 2012-13 was satisfactory.

Outlook

Cotton yarn and fabric businesses outlook are stable as they are better positioned in terms of pick-up in demand with upcoming orders from China and lower cotton prices comforting the margins. Garment business is on cautiously stable outlook due to a fall in raw material prices and modest demand growth. However, Foreign Direct Investment (FDI) in retail would also be an additional growth factor for textile industry in India. The Government of India has also allowed Foreign Direct Investment (FDI) in textiles under automatic route, which would again a prospect for the Indian Textile Industry.

Risk and Concern

Risk management is an attempt to identify and then manage threats that could severely impact the business. Generally, this involves reviewing operations of the organization, identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate some actions to address the most likely threats and in this regard a Risk Management Committee comprising of Board Members and Senior Executives of the company has been set up to review the risks & concerns periodically and suggest adequate actions to be taken to mitigate the same.

Internal Control System

Company has created a favorable atmosphere for internal auditors in reporting and highlighting any instances of even minor non-adherence to procedures, manuals and authority. The Audit Committee of the Board of Directors regularly and



actively reviews the adequacy and effectiveness of internal control system / internal audit reports and suggests improvements for strengthening them. To place proper checks and balances company is in the process of implementing the Enterprises Resource Planning (ERP) which provides proper online Inventory Management System.

Financial Operation and Performance

During the year under review Company's Revenue from Operations increased from ₹ 71699 lacs to ₹ 75460 lacs and turned into cash profit of ₹ 5122 lacs against cash loss of ₹ 3984 lacs during immediately preceding year.

During the year under review the overall turnaround performance and profitability of the company could be possible due to increase in demand of cotton yarn, better exchange rate of foreign currency and timely procurement of raw materials inspite of considerable increase in power and manpower cost. The consumer products division manufacturing baby wipes for reputed Global Brands is expected to grow. The demand of baby wipes are likely to increase in India and the Company has completed expansion of wet wipe manufacturing facility.

Human Resources / Industrial Relations

The Company lays due emphasis on all round development of its human resources. Industrial relations continued to be cordial and satisfactory during the year under review. The company had 2219 employees on its roll as on 31st March, 2013.

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. Unforeseen 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, 2013, the Board comprised of Eleven Directors, out of which two are Managing Directors, three Wholetime Directors, one Nominee Director of IFCI Ltd. (IFCI) and five other independent Non Executive Directors.

During the year under review, four Board Meetings were held on 29th May, 2012, 14th August, 2012, 8th November, 2012 and 12th February, 2013. 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, 2013 |
|------------------------|-----------------------|------------------------|----------|---------------------|--|--------------|---|
| | | Board Meeting | Last AGM | | Membership | Chairmanship | |
| Dr. Rajaram Jaipuria | CMD | 4 | YES | 1 | — | — | 340733 |
| Shri Shishir Jaipuria | MD | 4 | YES | 2 | — | — | 2864276 |
| Shri J.P. Kundra | I – NED | 4 | YES | 3 | 4 | 3 | — |
| Shri O.P. Vaish | I – NED | - | NO | 6 | 4 | 2 | — |
| Shri J.K. Bhagat | I – NED | 2 | NO | 12 | 2 | 1 | 2281 |
| Shri Saket Jaipuria | WTD | 1 | NO | 2 | — | — | 6136008 |
| Shri Nripendra Misra | I – NED | 4 | YES | 2 | 2 | 1 | — |
| Shri S. Singhvi | WTD | 4 | YES | 1 | — | — | — |
| Shri RR Maheshwari | WTD | 3 | YES | — | — | — | — |
| Dr. H.P. Bhattacharya | I – NED | 4 | YES | — | — | — | — |
| Shri N. K. Duggal * | I – ND | 1 | NO | — | — | — | — |
| Shri Jagdish Garwal ** | I – ND | 1 | NO | — | — | — | — |

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

* Shri N. K. Duggal ceased to be a Nominee Director of IFCI w.e.f.18.09.2012

** Shri Jagdish Garwal was appointed as Nominee Director of IFCI w.e.f.12.02.2013

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, Shareholder's/Investor's Grievance Committees and Remuneration Committee have been taken into account.

(C) COMMITTEES OF THE BOARD OF DIRECTORS

As on 31st March, 2013 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 (upto 18.09.2012). The Company Secretary of the Company is the Secretary of the Committee. The Statutory Auditors, Cost Auditors and Internal Auditors are invited to the meetings of the Committee. The Committee met four times during the year and the attendance of members at the meetings was as follows:



| Name of the Members | Status | No. of Meetings attended |
|----------------------|----------|--------------------------|
| Shri J.P. Kundra | Chairman | 4 |
| Dr. Rajaram Jaipuria | Member | 4 |
| Shri J. K. Bhagat | Member | 2 |
| Dr. H P Bhattacharya | Member | 4 |
| Shri N.K. Duggal * | Member | 1 |

* Shri N K Duggal ceased to be member w.e.f. 18.09.2012

All the members are financially literate and Shri J.P. Kundra 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 four times during the year and the attendance of members at the meetings was as follows:

| Name of the Members | Status | No. of Meetings attended |
|-----------------------|----------|--------------------------|
| Shri Nripendra Misra | Chairman | 4 |
| Shri J. K. Bhagat | Member | 2 |
| Dr. Rajaram Jaipuria | Member | 4 |
| Shri Shishir Jaipuria | Member | 4 |

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 One complaint 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, 2013.

(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. The Committee met one time during the year and the attendance of members at the meeting was as follows:

| Name of the Members | Status | No. of Meetings attended |
|-----------------------|----------|--------------------------|
| Dr. Rajaram Jaipuria | Chairman | 1 |
| Shri Shishir Jaipuria | Member | — |
| Shri J P Kundra | Member | 1 |
| Shri S Singhvi | Member | 1 |
| Shri R.R. Maheshwari | Member | — |

(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 | 1 |
| Dr. H.P. Bhattacharya | Member | 1 |
| Shri Nripendra Misra | Member | 1 |

(D) Details of Remuneration to Directors for the year 2012-13

Remuneration to Directors for the year ended on March 31, 2013 is as under:

(₹ In Lacs)

| Name of Directors | Salary | Perquisites & Other Benefits | Commission | Sitting Fee | Total |
|------------------------|--------|------------------------------|------------|-------------|-------|
| Dr. Rajaram Jaipuria | 33.00 | 8.24 | 44.30 | — | 85.54 |
| Shri Shishir Jaipuria | 30.00 | 10.57 | 29.53 | — | 70.10 |
| Shri Saket Jaipuria | 18.00 | 2.70 | 14.77 | — | 35.47 |
| Shri S. Singhvi | 19.31 | 2.71 | 1.67 | — | 24.04 |
| Shri R R Maheshwari | 19.15 | 2.64 | 1.67 | — | 23.46 |
| Shri J.P. Kundra | — | — | — | 1.10 | 1.10 |
| Shri O.P. Vaish | — | — | — | — | — |
| Shri J.K. Bhagat | — | — | — | 0.65 | 0.65 |
| Shri Nripendra Misra | — | — | — | 0.85 | 0.85 |
| Shri H.P. Bhattacharya | — | — | — | 1.05 | 1.05 |
| Shri N.K. Duggal | — | — | — | 0.25 | 0.25 |
| Shri Jagdish Garwal | — | — | — | 0.15 | 0.15 |

The appointment of the Managing Directors and Wholtime 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 Wholtime Directors. There is no provision of notice period or severance fee under the resolutions governing the appointments of Managing Directors and Wholtime 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, 2012. | 13 | 4036 |
| Number of shareholders who approached issuer for transfer of shares from suspense account during the year i.e. April 1, 2012 to 31st March, 2013. | 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, 2013. | 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 2012–13.

SHISHIR JAIPURIA
MANAGING DIRECTOR & CEO
16th May, 2013

(H) ANNUAL GENERAL MEETINGS (AGMS)

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

| Year | 2009-10 | 2010-11 | 2011-12 |
|--------------------------------|---|--|--|
| Date & Time | 5th August, 2010 11.30 A.M. | 11th August, 2011 11.30 A.M. | 14th August, 2012 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"> 1. Approval for appointment and remuneration of Shri Suresh Singhvi as Wholetime Director designated as Director (Finance). 2. Approval for appointment and remuneration of Shri Ram Ratan Maheshwari as Wholetime Director designated as Director (Marketing & Business Development). | <ol style="list-style-type: none"> 1. Approval of Appointment and Remuneration of Shri Saket Jaipuria as Wholetime Director designated as Executive Director. | <ol style="list-style-type: none"> 1. Approval for Remuneration of Dr. Rajaram Jaipuria as Managing Director for a period of two years w.e.f. 01.04.2012. 2. Approval for Remuneration of Shri Shishir Jaipuria as Managing Director for a period of two years w.e.f. 01.04.2012. 3. Approval for Remuneration of Shri S Singhvi as Director. (Finance) for a period of two years w.e.f. 01.08.2012. 4. Approval for Remuneration of Shri Ram Ratan Maheshwari as Director (Business Development & Marketing) for a period of two years w.e.f. 01.08.2012. 5. Approval for Appointment of Shri Yash Jaipuria as Executive Officer for a period of three years w.e.f. 11.02.2012 under Section 314 of the Companies Act, 1956. |

No resolution has been passed through Postal Ballot mechanism during the year 2012–13. No Special Resolution is proposed to be passed in the ensuing Annual General Meeting through postal ballot.

(I) DISCLOSURES

1. During the year, there were no significant related party transactions of material nature that could have potential conflict with the interest of the Company.
2. 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.
3. 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

- (i) 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.
- (ii) 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.
- (iii) Designated exclusive e-mail id for investors: secretarial@ginnifilaments.com

(K) GENERAL SHAREHOLDERS INFORMATION

- i. Annual General Meeting is notified to be held on Saturday, the 10th August, 2013 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, 2013 on or before 14th August, 2013
- Quarter ended 30th September, 2013 on or before 14th November, 2013
- Quarter ended 31st December, 2013 on or before 14th February, 2014
- Audited Annual Results on or before 30th May, 2014



iii Date of Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from 3rd August, 2013 to 10th August, 2013 (both days inclusive).

iv Dividend Payment Date :

No Dividend has been proposed by the Board of Directors for the year 2012-13.

v. Listing on Stock Exchange and Stock Code

The Equity shares of the Company are listed at :

NAME OF STOCK EXCHANGE

STOCK CODE

National Stock Exchange of India Ltd.

GINNIFILA

Exchange Plaza, 5th Floor, Plot No. C/1, G-Block,

Bandra - Kurla Complex, Bandra (E), MUMBAI – 400 051

Annual Listing Fee for the year 2013-14 has been paid to National Stock Exchange.

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 2012 – 13 was as follows :

| Month | Company's Share Price at NSE (₹) | | NIFTY Index | |
|-----------------|----------------------------------|------|-------------|---------|
| | High | Low | High | Low |
| April, 2012 | 6.65 | 5.40 | 5378.75 | 5154.30 |
| May, 2012 | 6.75 | 5.05 | 5279.60 | 4788.95 |
| June, 2012 | 6.75 | 5.30 | 5286.25 | 4770.35 |
| July, 2012 | 6.70 | 5.05 | 5348.55 | 5032.40 |
| August, 2012 | 6.50 | 5.50 | 5448.60 | 5164.65 |
| September, 2012 | 6.45 | 5.15 | 5735.15 | 5215.70 |
| October, 2012 | 7.45 | 5.85 | 5815.35 | 4888.20 |
| November, 2012 | 7.80 | 6.55 | 5885.25 | 5548.35 |
| December, 2012 | 7.20 | 6.50 | 5965.15 | 5823.15 |
| January, 2013 | 7.80 | 6.50 | 6111.80 | 5935.20 |
| February, 2013 | 6.80 | 5.90 | 6052.95 | 5671.90 |
| March, 2013 | 6.45 | 4.95 | 5971.20 | 5604.85 |

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, 2013

| No. of Shares | No. of Share-holders | % of Share-holders | No. of Shares held | % of Share holding |
|------------------|----------------------|--------------------|--------------------|--------------------|
| Upto 5000 | 21745 | 81.483 | 4268266 | 6.042 |
| 5001 - 10000 | 2640 | 9.892 | 2215014 | 3.135 |
| 10001 - 20000 | 1151 | 4.313 | 1816256 | 2.571 |
| 20001 – 30000 | 378 | 1.416 | 999401 | 1.415 |
| 30001 – 40000 | 171 | 0.641 | 625397 | 0.885 |
| 40001 – 50000 | 178 | 0.667 | 853227 | 1.208 |
| 50001 – 100000 | 208 | 0.779 | 1563409 | 2.213 |
| 100001 and Above | 216 | 0.809 | 58309095 | 82.531 |
| TOTAL | 26687 | 100.00 | 70650065 | 100.00 |



(x) Shareholding Pattern as on 31st March, 2013

| Category of Shareholder | No. of Shares Held | Percentage of shareholding |
|---|--------------------|----------------------------|
| (A) Shareholding of Promoter and Promoter Group | | |
| Indian | 4,34,77,441 | 61.54 |
| Foreign | – | – |
| 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 | 1,95,831 | 0.28 |
| Bodies Corporate | 20,67,290 | 2.93 |
| Resident Individuals | 2,16,88,894 | 30.69 |
| (C) Shares held by custodians and against which Depository Receipts have been issued | – | – |
| Total (A) + (B) + (C) | 7,06,50,065 | 100.00 |

(xi) Dematerialisation of Shares

| Sl. No. | Mode of Holding | No. of Shares | % age |
|---------|-----------------|-----------------|---------------|
| 1 | NSDL | 63892454 | 90.44 |
| 2 | CDSL | 5738015 | 8.12 |
| 3 | PHYSICAL | 1019596 | 1.44 |
| | TOTAL | 70650065 | 100.00 |

98.56% of Company's paid-up Equity Share Capital has been dematerialised upto March 31, 2013 (98.54% up to March 31, 2012). 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 Member of
Ginni Filaments Limited

We have examined the compliance of conditions of corporate governance by Ginni Filaments Limited for the year ended 31st March 2013 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 : 16th May 2013



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, 2013.

(A) CONSERVATION OF ENERGY

- (a) Energy conservation measures taken: 1. Replacement of Lights/Street Lights with LED Lights (Energy Saver Light)
2. Small Air Compressor for Machine cleaning.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: 3. Replacement of H Plant spray pump (2 Nos.) with High efficiency pumps.
4. Installation of 7.5 KW frequency inverters in Ring Frame.
5. Installation of variable frequency Drives in Pumps
6. Replacement of FRP Fans in place of Metallic Fans.
7. Installation of Automatic Power Factor Control to improve power factor.
8. Installation of Auto Traps in Autoconer air lines.
- (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: The aforesaid steps have resulted in saving in the consumption of energy.
- (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:

FORM-A

| | Current Year 2012-13 | Previous Year 2011-12 |
|---------------------------------------|-------------------------|--------------------------|
| (A) Power and Fuel Consumption | | |
| 1. Electricity | | |
| a) Purchased | | |
| Units (in Lacs) | 655.59 | 551.25 |
| Total Amount (₹ in Lacs) | 3457.28 | 2282.20 |
| Rate per unit (₹) | 5.27 | 4.14 |
| b) Own Generation | | |
| i) Through Diesel Generator | | |
| Units (in Lacs) | 44.58 | 20.29 |
| Units per Ltr. of Diesel/ Furnace Oil | 4.05 | 4.10 |
| Cost/Unit (₹) | 12.96 | 10.23 |
| ii) Through Gas Generator | | |
| Units (in Lacs) | 219.00 | 288.71 |
| Units per Scm of Gas | 3.54 | 3.50 |
| Cost/Unit (₹) | 9.37 | 6.30 |
| 2. Coal | | |
| 3. Furnace Oil | | |
| 4. Others/Internal Generation | | |

(B) Consumption per unit of Production

| | Production unit | Standards (if any) | Current Year 2012 - 13 | Previous Year 2011 - 12 |
|----------------------|-----------------|--------------------|---------------------------|----------------------------|
| 1. Electricity | | | | |
| — Yarn | Kg. | — | 2.68 | 2.73 |
| — Fabric (Grey) | Kg. | — | 0.63 | 0.68 |
| — Fabric (Dyed) | Kg. | — | 1.19 | 1.48 |
| — Fabric (Non-Woven) | Kg. | — | 1.45 | 1.39 |
| — Wipes / Surgical | 1000 pcs | — | 1.24 | 1.42 |
| — Garments | pcs | — | 0.27 | 0.24 |
| 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)
- 1) Specific areas in which R & D carried out by the Company : **Yarn area in which R&D was carried out:**
- Contamination clearer installed for improved yarn quality.
- Development in Ellite, Slub & Compact yarn.
- 2) Benefits derived as a result of the above R & D : **Fabric area in which R&D was carried out :-**
- Development of plated fabric
- Development of dyed fabric with low temperature dyes.
- Development of fabric with special finishes.
- 3) Future plan of action : Increase in value addition.
- Improvement in quality & productivity by Upgradation of machines change of spindles.
- Lycra yarn production to start (value added product)
- 4) Expenditure on R & D :
i) Capital : ₹ 0.41 lacs
ii) Recurring : ₹ 108.21 lacs
iii) Total : ₹ 108.62 lacs
iv) Total R & D expenditure as a percentage of total turnover : 0.14%
- Technology absorption, adaptation and innovation
- 1) Efforts, in brief, made towards technology absorption, adaptation and innovation : Indigenous technology and hence not applicable.
- 2) Benefits derived as a result of the above efforts : N.A.
- 3) Technology imported during the last 5 years : NIL

(C) FOREIGN EXCHANGE EARRINGS AND OUT-GO

- (f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans; : The Company has developed new markets of Dominican Republic, Morocco, Madagascar, Canada, Macedonia, Honduras and Finland. The Company has also increased its export to, USA, Turkey, Egypt, Korea & Bangladesh. The Company proposes to develop new export markets.
- (g) Total Foreign exchange used and earned :
- Used (on cash basis) : ₹ 7546.45 lacs
- Earned (F.O.B. value of export of goods) : ₹ 42040.01 lacs

**AUDITORS' REPORT****TO THE MEMBERS OF GINNI FILAMENTS LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of Ginni Filaments Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 "the Act". This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books;
 - c. 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 ;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

YUVRAJ SINGH
Partner
Membership No.-071846



ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our report of even date on accounts for the year ended 31st March, 2013 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, 2013 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 | FY1998-99, 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 | FY2002-03 and 2003-04 | Commercial Tax Appellate Tribunal, Agra |
| Central Excise Act | Excise Duty | 32.32 | August,2007 to March,2012 | 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 not incurred cash losses during the financial year covered by the audit. It has 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, the term loans availed by the company were, prima facie, applied by the Company during the year for the purpose for which the loans were obtained other than temporary deployment pending application.
- (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 : 16th May 2013

GINNI FILAMENTS LIMITED



BALANCE SHEET AS AT 31ST MARCH, 2013

| | | (₹ in Lacs) | |
|-----------------------------------|----------|---------------------------|---------------------------|
| | Note No. | As At 31st March, 2013 | As At 31st March, 2012 |
| I. EQUITY AND LIABILITIES | | | |
| 1. Shareholders' Funds | | | |
| (a) Share Capital | 3 | 7,815.01 | 7,815.01 |
| (b) Reserves and Surplus | 4 | 2,230.45 | 476.95 |
| | | <u>10,045.46</u> | <u>8,291.96</u> |
| 2. Non-Current Liabilities | | | |
| (a) Long Term Borrowings | 5 | 19,278.17 | 22,714.46 |
| (b) Long Term Provisions | 6 | 512.62 | 404.18 |
| | | <u>19,790.79</u> | <u>23,118.64</u> |
| 3. Current Liabilities | | | |
| (a) Short Term Borrowings | 7 | 15,985.34 | 13,903.45 |
| (b) Trade Payables | 8 | 6,481.88 | 3,284.00 |
| (c) Other Current Liabilities | 9 | 5,295.35 | 4,876.75 |
| (d) Short Term Provisions | 10 | 306.88 | 173.38 |
| | | <u>28,069.45</u> | <u>22,237.58</u> |
| TOTAL | | <u><u>57,905.70</u></u> | <u><u>53,648.18</u></u> |
| II. ASSETS | | | |
| 1. Non Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 11 | 28,191.45 | 29,718.60 |
| (ii) Intangible Assets | 11 | 31.06 | 27.76 |
| (iii) Capital Work in Progress | 12 | 606.79 | 3.80 |
| | | <u>28,829.30</u> | <u>29,750.16</u> |
| (b) Non Current Investments | 13 | 756.81 | 756.81 |
| (c) Deferred Tax Asset (net) | 14 | 301.44 | 1,206.24 |
| (d) Long Term Loans and Advances | 15 | 447.25 | 283.81 |
| | | <u>30,334.80</u> | <u>31,997.02</u> |
| 2. Current Assets | | | |
| (a) Inventories | 16 | 15,814.61 | 12,592.87 |
| (b) Trade Receivables | 17 | 7,740.16 | 5,280.60 |
| (c) Cash and Cash Equivalent | 18 | 639.54 | 393.43 |
| (d) Short Term Loans and Advances | 19 | 3,365.26 | 3,383.81 |
| (e) Other Current Assets | 20 | 11.33 | 0.45 |
| | | <u>27,570.90</u> | <u>21,651.16</u> |
| Total | | <u><u>57,905.70</u></u> | <u><u>53,648.18</u></u> |

Significant Accounting Policies & Notes on Financial Statement 1 to 44

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

YUVRAJ SINGH

Partner

DR. RAJARAM JAIPURIA

Chairman & Managing Director

S. SINGHVI

Director Finance & CFO

SHISHIR JAIPURIA

Vice Chairman & Managing Director

J.P. KUNDRA

J.K. BHAGAT

SAKET JAIPURIA

O.P. VAISH

NRIPENDRA MISRA

DR. H.P. BHATTACHARYA

JAGDISH GARWAL

} Directors

Place : Noida

Dated : 16th May, 2013

RAJESH K. TRIPATHI

Company Secretary

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

| | Note No. | Year Ended 31 st March, 2013 | (₹ in Lacs) Year Ended 31 st March, 2012 |
|---|----------|--|---|
| I. Revenue from Operations | 21 | 75,460.20 | 71,699.14 |
| Less:- Excise Duty | | (988.04) | (484.21) |
| | | 74,472.16 | 71,214.93 |
| II. Other Income | 22 | 181.16 | 832.93 |
| III. Total Revenue (I + II) | | 74,653.32 | 72,047.86 |
| IV. EXPENSES | | | |
| Cost of Materials Consumed | 23 | 43,722.34 | 47,566.14 |
| Purchase of Stock in Trade | 24 | - | 1,081.43 |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 25 | 142.98 | 3,500.87 |
| Employee Benefits Expense | 26 | 3,693.18 | 2,985.96 |
| Finance Cost | 27 | 4,423.75 | 4,386.70 |
| Depreciation and Amortization Expense | | 2,415.66 | 2,477.59 |
| Other Expenses | 28 | 17,549.02 | 16,510.75 |
| Total Expenditure | | 71,946.93 | 78,509.44 |
| V. Profit / (Loss) Before Tax (III-IV) | | 2,706.39 | (6,461.58) |
| VI. Tax Expense | | | |
| - Current Tax | | 48.09 | - |
| - Deferred Tax | | 904.80 | (2,098.64) |
| - Tax Adjustment Relating to Earlier Years | | - | 3.75 |
| | | 952.89 | (2,094.89) |
| VII. Profit / (Loss) After Tax (V - VI) | | 1,753.50 | (4,366.69) |
| VIII. Earnings Per Share - Nominal Value of Share ₹10/- each fully paid-up | | | |
| Basic (₹) | | 2.40 | (6.27) |
| Diluted (₹) | | 2.40 | (6.27) |

Significant Accounting Policies & Notes on Financial Statement 1 to 44

Notes referred to above form an integral part of financial Statement
As per our report of even date attached.

For P. L. GUPTA & CO.

Chartered Accountants

YUVRAJ SINGH

Partner

DR. RAJARAM JAIPURIA

Chairman & Managing Director

S. SINGHVI

Director Finance & CFO

SHISHIR JAIPURIA

Vice Chairman & Managing Director

J.P. KUNDRA

J.K. BHAGAT

SAKET JAIPURIA

O.P. VAISH

NRIPENDRA MISRA

DR. H.P. BHATTACHARYA

JAGDISH GARWAL

} Directors

Place : Noida

Dated : 16th May, 2013

RAJESH K. TRIPATHI

Company Secretary

GINNI FILAMENTS LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

(₹ in Lacs)

| Sl No. | Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|-----------|---|--------------------------------|--------------------------------|
| A. | Cash Flow from Operating Activities: | | |
| | Net Profit after Adjustments relating to Earlier years but before Tax and Extraordinary Items | 2706.39 | (6461.58) |
| | Adjustments for: | | |
| | Depreciation | 2415.66 | 2477.59 |
| | Depreciation Written back | - | (420.34) |
| | Interest Expenses | 4043.05 | 4046.60 |
| | Interest Income | (75.85) | (55.62) |
| | (Profit)/loss on Sale of Fixed Assets (Net) | 4.40 | 126.76 |
| | Bad Debts Written off | 7.12 | 8.18 |
| | Operating Profit before Working Capital Changes | 9100.77 | (278.41) |
| | Adjustments for: | | |
| | Trade & Other receivables | (2616.22) | 2140.53 |
| | Inventories | (3221.74) | 10204.60 |
| | Trade payables | 3217.90 | (4573.35) |
| | Cash generated from operations | 6480.71 | 7493.37 |
| | Direct Taxes Paid | (5.41) | (173.50) |
| | Cash Flow before extraordinary items | 6475.30 | 7319.87 |
| | Extraordinary items | - | - |
| | Net Cash from operating activities | (A) 6475.30 | 7319.87 |
| B. | Cash Flow from Investing Activities: | | |
| | Purchase of Fixed Assets | (1480.07) | (436.15) |
| | Sale of Fixed Assets | 9.29 | 39.95 |
| | Sale of Investments | - | - |
| | Interest Received | 75.85 | 55.62 |
| | Net Cash from investing activities | (B) (1394.93) | (340.58) |
| C. | Cash Flow from Financing Activities: | | |
| | Proceeds from issue of Equity Shares | - | - |
| | Proceeds from borrowings (Net) | (784.55) | (2987.49) |
| | Interest paid | (4045.30) | (4045.72) |
| | Dividend paid | (4.41) | (3.76) |
| | Tax on Dividend | - | - |
| | Net cash from Financing Activities | (C) (4834.26) | (7036.97) |
| | Net Increase/(Decrease) in Cash and Cash equivalents | (A+B+C) 246.11 | (57.68) |
| | Cash and Cash Equivalents (Opening Balance) | 393.43 | 451.11 |
| | Cash and Cash Equivalents (Closing Balance) | 639.54 | 393.43 |

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
SAKET JAIPURIA
O.P. VAISH
NRIPENDRA MISRA
DR. H.P. BHATTACHARYA
JAGDISH GARWAL

} Directors

Place : Noida
Dated : 16th May, 2013

RAJESH K. TRIPATHI
Company Secretary

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013****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 kalan (UP), Panoli (Gujarat), Noida (U.P.) and Haridwar (Uttarakhand).

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) | | | |
|---|--|-------------------------------|--|-------------------------------|--|
| | | As at | | As at | |
| | | 31st March, 2013 | | 31st March, 2012 | |
| Note 3 | | | | | |
| SHARE CAPITAL | | | | | |
| 1. Authorised | | | | | |
| 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> | |
| | | <u>As At 31st March, 2013</u> | | <u>As At 31st March, 2012</u> | |
| (a) Reconciliation of No. of shares Outstanding: | | <u>No of Share</u> | | <u>Amount</u> | |
| Equity Shares | | | | | |
| Opening Outstanding Shares | | 70,650,065 | | 7,065.01 | |
| Closing Outstanding Shares | | 70,650,065 | | 7,065.01 | |
| Preference Shares | | | | | |
| Opening Outstanding Shares | | 750,000 | | 750.00 | |
| Closing Outstanding Shares | | 750,000 | | 750.00 | |
| | | <u>As At 31st March, 2013</u> | | <u>As At 31st March, 2012</u> | |
| (b) Shareholders holding more than 5% of total shares | | <u>No of Share held</u> | | <u>% of holding</u> | |
| Name of Shareholder | | | | | |
| Equity Shares | | | | | |
| 1. Suniti Devi Jaipuria | | 21,419,294 | | 30.32 | |
| 2. Sunita Jaipuria | | 5,675,716 | | 8.03 | |
| 3. Saket Jaipuria | | 6,136,008 | | 8.69 | |
| 4. Yash Jaipuria | | 5,720,847 | | 8.10 | |
| 5. Vinod H. Punwani | | 4,112,600 | | 5.82 | |
| Preference Shares | | | | | |
| 1. Raghukul Trading Pvt. Ltd. | | 750,000 | | 100.00 | |



(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, 2013 | As at 31st March, 2012 |
|---|---------------------------|---------------------------|
| Alloted during FY 2009-10 as fully paid shares 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 at 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, 2013 is ₹ 205 lacs (previous year ₹ 145 lacs) | | |

Note 4

RESERVES AND SURPLUS

| | As at 31st March, 2013 | (₹ in Lacs) As at 31st March, 2012 |
|--|---------------------------|--|
| 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 | | |
| Balance as per last financial statement | (6,370.48) | (2,003.79) |
| Profit (Loss) for the year | 1,753.50 | (4,366.69) |
| | (4,616.98) | (6,370.48) |
| Total | 2,230.45 | 476.95 |

Note 5

LONG TERM BORROWINGS

| | | |
|---|-----------|-----------|
| 1. Debentures (Secured) | | |
| (a) 4,29,750 - Non Convertible Debentures of ₹ 100/- each fully paid up | 351.75 | 429.75 |
| (b) 7,87,875 - Non Convertible Debentures of ₹ 100/- each fully paid up | 644.87 | 787.87 |
| (c) 35,209 - Zero Rate Debentures of ₹ 100/- each fully paid up. | 28.81 | 35.21 |
| 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) Redeemable in 21 quarterly instalments from 30th June, 2013 to 30th June, 2018 | | |
| 2. Term Loans (Secured) | | |
| (a) From Financial Institution | | |
| (i) Foreign Currency Loans | 345.11 | 397.82 |
| (ii) Indian Rupee Loans | 3,235.05 | 3,704.00 |
| (b) From Banks- Indian Rupee Loan | 12,395.08 | 15,359.81 |
| (c) From others- Indian Rupee Loan | 27.50 | - |
| (A) Term Loans of ₹ 17446.06 Lacs * are (i) secured by mortgage by deposit of the Title Deeds of immovable properties (pending mortgage for term loan of ₹ 39.92 Lacs) 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 ₹ 59.53 Lacs (previous year 68.83 Lacs) and further secured by pledge of 115.45 lacs shares of the company held by promoters' and relatives for Term Loans of ₹ 17406.14 Lacs (Previous Year ₹ 20055.59 Lacs) ranking pari pasu with the Debentures and working capital loans. (iv) Term loans of ₹ 17406.14 Lacs are repayable in 21 quarterly instalments from 30th June, 2013 to 30th June, 2018 & term loan of ₹ 39.92 Lacs is repayable in 25 quarterly instalments from 31st Dec, 2013 to 31st Dec, 2019. | | |



| | As at 31st March, 2013 | (₹ in Lacs) As at 31st March, 2012 |
|--|---------------------------|--|
| (B) Working Capital Term Loans of ₹ 2077.00 lacs* (previous year ₹ 2396.00 lacs) are secured by third charge on current & fixed assets of the company and guaranteed by 2 Directors and repayable in 21 quarterly instalments from 30th June, 2013 to 30th June, 2018 | | |
| (C) Loan of ₹ 32.92 Lacs* (previous year -Nil) from other is secured against hypothecation of vehicles and repayable in 5 years. * including current maturities shown in Note-9 | | |
| 3. Loans and Advances from Related Parties (unsecured) | 2,250.00 | 2,000.00 |
| (Interest Free Loan ₹ 700 Lacs (previous year ₹ 700 Lacs) Repayable after 30th June, 2018 and ₹ 250 Lacs repayable after 31st Dec, 2019 and Interest Bearing Loan ₹ 1300 Lac (Previous Year ₹ 1300 Lacs) repayable on or after 1st April, 2014) | | |
| Total | 19,278.17 | 22,714.46 |
| 5.1 All due instalment and interest during the year has been paid on time. | | |
| 5.2 Interest rates on Debentures and term loan, varies during the period ie. 01.04.2012 to 19.09.2012 @12.25%, 20.09.2012 to 03.02.2013 @12.00%, 04.02.2013 to 31.03.2013 @ 11.95% p.a. except the term loan of ₹ 39.92 Lacs is subject to interest rate @ 13.95% p.a. and Loan of ₹ 32.92 Lacs is subject to interest rate @ 10.25 to 10.50 % p.a. during the year. | | |
| 5.3 Interest on Foreign currency loan charged @Libor +3% p.a. | | |
| 5.4 The above Interest Rate are subject to benefit under T.U.F. Scheme of Government of India, wherever applicable. | | |
| Note 6 | | |
| LONG TERM PROVISIONS | | |
| Provision for Employment Benefit | 512.62 | 404.18 |
| Note 7 | | |
| SHORT TERM BORROWINGS | | |
| 1. Working Capital Loans From Banks (Secured) | 15,650.34 | 13,608.45 |
| (A) Interest is charged @ 9.75% to 14.05% p.a. on rupees loan & libor + 3% to 4% on foreign currency loans during the year (B) (i) Secured to the extent of ₹ 15650.34 Lacs (Previous Year ₹ 13608.45 Lacs) by Hypothecation of Inventories & Book debts, second charge on the fixed assets of the company. (ii) Further guaranteed by 2 Directors and by pledge of aforesaid of 115.45 Lacs shares (Previous Year 115.45 lacs shares) of the company held by promoter's and relatives ranking pari pasu with the debentures and all term loans. | | |
| 2. Interest bearing loans from Related Parties repayable on demand (Unsecured) | 335.00 | 295.00 |
| Total | 15,985.34 | 13,903.45 |
| (Interest due during the year has been paid on time) | | |
| Note 8 | | |
| TRADE PAYABLES | | |
| Trade Paybles | 6,481.88 | 3,284.00 |
| Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 | | |
| 1. Principal Amount Remaining unpaid | 14.25 | 15.24 |
| 2. Interest | Nil | Nil |
| 3. Total of 1 & 2 | 14.25 | 15.24 |
| 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. | | |



| | As at | (₹ in Lacs) |
|---|------------------|---------------------------|
| | 31st March, 2013 | As at 31st March, 2012 |
| Note 9 | | |
| OTHER CURRENT LIABILITIES | | |
| Current Maturities of Long Term Debts (Secured) | 3,780.65 | 3,182.38 |
| Interest accrued but not due on borrowings | 13.06 | 15.31 |
| Unpaid dividends | 19.90 | 24.31 |
| Other Payables | | |
| – Creditors for Capital Goods | 87.03 | 39.63 |
| – Advance from Customers | 129.59 | 347.71 |
| – Statutory Dues Payable | 181.87 | 193.94 |
| – Other Payables | 1,083.25 | 1,073.47 |
| Total | 5,295.35 | 4,876.75 |

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

Note 10

SHORT TERM PROVISIONS

| | | |
|--------------------------------|---------------|---------------|
| Provision for Employee Benefit | 257.45 | 172.86 |
| Provision for Taxation | 49.43 | 0.52 |
| Total | 306.88 | 173.38 |

Note 11

FIXED ASSETS

(₹ in Lacs)

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|--------------------------|-----------------------------|---------------|----------------------------|------------------------------|-----------------------------|-----------------|---------------------------|-----------------------------|------------------------------|------------------------------|
| | As at 1st April, 2012 | Additions | Deductions/ Adjustments | As at 31st March, 2013 | Upto 31st March, 2012 | For the Year | Deduction/ Adjustments | upto 31st March, 2013 | As at 31st March, 2013 | As at 31st March, 2012 |
| Tangible Assets | | | | | | | | | | |
| Land (Lease Hold) | 486.48 | - | - | 486.48 | 30.30 | 4.91 | - | 35.21 | 451.27 | 456.18 |
| Land (Free Hold) | 213.88 | - | - | 213.88 | - | - | - | - | 213.88 | 213.88 |
| Lease Hold Improvements | 179.25 | 1.76 | - | 181.01 | 94.03 | 18.92 | - | 112.95 | 68.06 | 85.22 |
| Buildings | 5059.37 | 20.53 | - | 5079.90 | 1361.99 | 150.71 | - | 1512.70 | 3567.20 | 3697.38 |
| Plant & Machinery | 43071.28 | 505.45 | 0.53 | 43576.20 | 19040.57 | 2109.75 | 0.64 | 21149.68 | 22426.52 | 24030.71 |
| Electrical Installation | 1490.35 | 251.89 | - | 1742.24 | 562.32 | 76.29 | - | 638.61 | 1103.63 | 928.03 |
| Office Equipments | 148.15 | 13.75 | 2.19 | 159.71 | 62.86 | 8.99 | 0.75 | 71.10 | 88.61 | 85.29 |
| Computers | 177.61 | 6.09 | - | 183.70 | 138.00 | 10.62 | 0.04 | 148.58 | 35.12 | 39.61 |
| Furniture & Fittings | 212.69 | 7.47 | - | 220.16 | 124.74 | 10.75 | 0.00 | 135.49 | 84.67 | 87.95 |
| Vehicles | 186.10 | 88.83 | 33.70 | 241.23 | 91.75 | 18.29 | 21.30 | 88.74 | 152.49 | 94.35 |
| | 51225.16 | 895.77 | 36.42 | 52084.51 | 21506.56 | 2409.23 | 22.73 | 23893.06 | 28191.45 | 29718.60 |
| Intangible Assets | | | | | | | | | | |
| Softwares | 11.80 | 0.28 | - | 12.08 | 4.24 | 1.61 | - | 5.85 | 6.23 | 7.56 |
| Licences | 21.82 | 9.45 | - | 31.27 | 1.62 | 4.82 | - | 6.44 | 24.83 | 20.20 |
| | 33.62 | 9.73 | - | 43.35 | 5.86 | 6.43 | - | 12.29 | 31.06 | 27.76 |
| Total | 51258.78 | 905.50 | 36.42 | 52127.86 | 21512.42 | 2415.66 | 22.73 | 23905.35 | 28222.51 | 29746.36 |
| Previous Year | 50870.93 | 932.57 | 544.72 | 51258.78 | 19833.18 | 2477.59 | 798.35 | 21512.42 | 29746.36 | - |

Note: Addition to Plant & Machinery includes adjustment of Rs.28.42 lacs (Previous Year Rs.63.43 lacs) on account of exchange rate fluctuation in the liability of foreign currency loans availed for acquiring certain fixed assets.

Note 12

CAPITAL WORK IN PROGRESS

| | As at | (₹ in Lacs) |
|---|------------------|---------------------------|
| | 31st March, 2013 | As at 31st March, 2012 |
| Building under construction | 85.92 | 3.80 |
| Machinery under Erection | 459.64 | - |
| Electric Installation under Erection | 29.38 | - |
| Preoperative Expenditure pending allocation | 31.85 | - |
| Total | 606.79 | 3.80 |



| | As at 31st March, 2013 | As at 31st March, 2012 |
|--|---------------------------|---------------------------|
| (₹ in Lacs) | | |
| Note 13 | | |
| NON CURRENT INVESTMENTS | | |
| Investment in Equity Instrument (at Cost) | | |
| Trade & Quoted | | |
| 4160450 - Equity Shares of ₹ 10/- each (fully paid) of Ginni International Limited | 738.93 | 738.93 |
| Non Trade & Unquoted at Cost | | |
| 178750 - Equity Shares of ₹ 10/- each (fully paid) of Narmada Clean Tech Limited | 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 |
| Note 14 | | |
| DEFERRED TAX ASSETS (NET) | | |
| Deferred Tax Liabilities- on account of | | |
| Depreciation | 4,596.92 | 4,653.45 |
| Gross Deferred Tax Liabilities | 4,596.92 | 4,653.45 |
| Deferred Tax Assets- on account of | | |
| Unabsorbed Depreciation | 4,275.21 | 4,275.21 |
| Employee Benefits | 249.85 | 187.22 |
| Provision for doubtful debts | - | 2.65 |
| Unabsorbed Business Losses | 373.30 | 1,394.61 |
| Gross Deferred Tax Assets | 4,898.36 | 5,859.69 |
| Deferred Tax Asset (Net) | 301.44 | 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 15 | | |
| LONG TERM LOANS AND ADVANCES | | |
| (Unsecured, Considered Good) | | |
| Capital Advances | 171.80 | 66.68 |
| Security Deposits | 235.47 | 183.38 |
| Other Loans & Advances | | |
| Advance Income Tax And Tax Deducted At Source | 39.98 | 33.75 |
| Total | 447.25 | 283.81 |
| Note 16 | | |
| INVENTORIES | | |
| Raw Materials | 10,245.42 | 6,810.90 |
| Work In Progress | 1,674.83 | 1,245.43 |
| Finished Goods | 2,387.91 | 2,583.06 |
| Stores and Spares | 678.17 | 747.97 |
| Goods-in-transit-Finished Goods | 828.28 | 1,205.51 |
| Total | 15,814.61 | 12,592.87 |
| Note 17 | | |
| TRADE RECEIVABLES | | |
| Outstanding for a period exceeding six months from the date they are due for payment. | | |
| Unsecured, Considered Good : | | |
| Doubtful | 297.45 | 407.06 |
| Less: Provision for Doubtful Debts | - | 8.18 |
| | - | (8.18) |
| | 297.45 | 407.06 |
| Others | | |
| Unsecured, Considered Good : | 7,442.71 | 4,873.54 |
| Total | 7,740.16 | 5,280.60 |



| | As at | As at |
|--|-------------------------|-------------------------|
| | 31st March, 2013 | 31st March, 2012 |
| (₹ in Lacs) | | |
| Note 18 | | |
| CASH AND CASH EQUIVALENTS | | |
| Cash-in-Hand | 21.18 | 11.64 |
| Balances with Banks | | |
| In Current account | 253.22 | 171.39 |
| In Fixed Deposit Account (Pledged with excise authorities) | 0.11 | 0.11 |
| In Unpaid Dividend Account | 19.90 | 24.31 |
| Other Bank balances | | |
| Margin money deposit against LC's and BG | 345.00 | 185.98 |
| Cheques in hand | 0.13 | - |
| Total | 639.54 | 393.43 |
| Note 19 | | |
| SHORT TERM LOANS AND ADVANCES | | |
| Others (Unsecured Considered Good) | | |
| Security Deposits | - | 37.45 |
| Balances with Statutory / Govt Authorities | 2,565.24 | 2,149.47 |
| Others | 800.02 | 1,196.89 |
| Total | 3,365.26 | 3,383.81 |
| Note 20 | | |
| OTHER CURRENT ASSETS | | |
| Interest Receivable | 11.33 | 0.45 |
| Total | 11.33 | 0.45 |
| Note 21 | | |
| REVENUE FROM OPERATIONS | Year Ended | (₹ in Lacs) |
| | 31st March, 2013 | Year Ended |
| | | 31st March, 2012 |
| Sale of Product | | |
| Yarn | 41,541.58 | 37,580.48 |
| Fabric | 5,703.81 | 6,561.79 |
| Garments | 7,057.41 | 8,038.83 |
| Non Woven Fabric | 15,631.24 | 13,821.50 |
| Wipes & Other | 3,967.79 | 2,573.14 |
| Trading Goods - Cotton | - | 846.58 |
| Sale of Services | 43.31 | 167.93 |
| Other Operating Revenue | 1,515.06 | 2,108.89 |
| Total | 75,460.20 | 71,699.14 |
| Sales include Net Gain of ₹ 515.86 lacs (previous year Net Loss of ₹ 47.27 lacs) on account of exchange rate fluctuation and adjustment of ₹ 165.96 lacs (previous year ₹ 335.61 lacs) on account of discounts, rebate and claims. | | |
| Note 22 | | |
| OTHER INCOME | | |
| Interest Income | 75.85 | 55.62 |
| Profit on sale of Fixed Assets | 0.74 | - |
| Foreign Currency Forward Booking Gain | 11.06 | - |
| Exchange Rate Difference Others | 3.90 | - |
| Insurance Claims Received | - | 66.02 |
| Prior Period Income (Net) | - | 359.06 |
| Miscellaneous Income | 89.61 | 352.23 |
| Total | 181.16 | 832.93 |
| Note 23 | | |
| COST OF MATERIAL CONSUMED | | |
| Cotton / Polyester / Viscose | 39,727.27 | 43,072.08 |
| Yarn | 2,267.02 | 2,908.01 |
| Fabric | 408.31 | 155.66 |
| Others | 1,319.74 | 1,430.39 |
| Total | 43,722.34 | 47,566.14 |



| | Year Ended 31st March, 2013 | (₹ in Lacs) Year Ended 31st March, 2012 |
|--|--------------------------------|---|
| Note 24 | | |
| PURCHASE OF STOCK IN TRADE | | |
| Cotton | - | 1,081.43 |
| Total | - | 1,081.43 |
| Note 25 | | |
| CHANGE IN INVENTORY | | |
| Closing Stocks | | |
| Stock in Process | 1,674.83 | 1,245.43 |
| Finished Goods | 3,216.19 | 3,788.57 |
| Sub-total | 4,891.02 | 5,034.00 |
| Opening Stocks | | |
| Stock in Process | 1,245.43 | 1,481.95 |
| Finished Goods | 3,788.57 | 7,034.31 |
| Stock Production in Trial Run | - | 18.61 |
| Sub-total | 5,034.00 | 8,534.87 |
| Net (Increase) / Decrease In Inventory | 142.98 | 3,500.87 |
| Note 26 | | |
| EMPLOYEE BENEFIT EXPENSES | | |
| Salaries, Bonus & Wages | 3,306.80 | 2,637.83 |
| Contribution to Provident Fund & Other Funds | 193.70 | 184.15 |
| Workmen and Staff Welfare Expenses | 192.68 | 163.98 |
| Total | 3,693.18 | 2,985.96 |
| Note 27 | | |
| FINANCE COST | | |
| Interest Expense | 4,043.05 | 4,046.60 |
| Other Borrowing Cost | 380.70 | 340.10 |
| Total | 4,423.75 | 4,386.70 |
| Note 28 | | |
| OTHER EXPENSES | | |
| Consumption of Stores & Spares | 2,152.57 | 1,705.03 |
| Consumption of Packing Material | 1,782.82 | 1,452.98 |
| Power & Fuel | 6,407.63 | 4,788.41 |
| Job Work Charges | 1,516.98 | 1,729.55 |
| Rent | 157.84 | 169.12 |
| Insurance | 71.88 | 122.94 |
| Rates & Taxes | 69.03 | 45.34 |
| Repairs - Plant & Machinery | 189.17 | 185.58 |
| Repairs - Buildings | 87.87 | 27.00 |
| Repairs - Others | 139.07 | 151.79 |
| Outward Freight, handling & Other Selling Expenses | 3,230.14 | 2,614.86 |
| Commission on Sales | 717.51 | 621.80 |
| Auditors' Remuneration | 10.77 | 10.16 |
| Excise duty on Stock of Finished Goods | (23.02) | 25.53 |
| Foreign Exchange Rate Difference | - | 7.78 |
| Foreign Currency Forward Booking Loss | - | 179.58 |
| Prior Period Expenses (Net) | 35.42 | - |
| Loss On Settlement of Cotton Contracts | - | 1,551.72 |
| Loss on Sale of Fixed Assets | 5.14 | 126.76 |
| Miscellaneous Expenses | 991.08 | 986.64 |
| Bad Debt Written off | 7.12 | 8.18 |
| Total | 17,549.02 | 16,510.75 |



| | Year Ended 31st March, 2013 | (₹ in Lacs) Year Ended 31st March, 2012 |
|--------------------------------|--------------------------------|---|
| Note 29 | | |
| PAYMENT TO AUDITORS' | | |
| Audit fee | 7.86 | 7.30 |
| Tax Audit Fee | 0.84 | 0.79 |
| Certification & Other Services | 1.52 | 1.52 |
| Reimbursement of Expenses | 0.55 | 0.55 |
| Total | 10.77 | 10.16 |

| | 2012-13 | 2011-12 |
|---|---------|---------|
| Note 30 | | |
| CONTINGENT LIABILITIES | | |
| 1. Contingent liabilities not provided for: | | |
| i) Bills discounted with banks | 5789.43 | 5722.94 |
| ii) Disputed demands under excise, income tax, sales tax and electricity etc | 182.26 | 253.65 |
| iii) Claims against the company not acknowledged as debt | 100.34 | 84.48 |
| 2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) : | 1303.48 | 745.76 |

Note 31
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) 2012-13 | Gratuity (Unfunded) 2011-12 | Leave Encashment (Unfunded) 2012-13 | Leave Encashment (Unfunded) 2011-12 |
| Defined Benefit obligation beginning of the year | 31040279 | 28511540 | 22729286 | 22187224 |
| Current Service Cost | 9139263 | 6973368 | 9385308 | 6346923 |
| Interest Cost | 2544161 | 2234131 | 1528876 | 1408469 |
| Actuarial gain / (loss) | 1095901 | (4346767) | (547574) | (4581090) |
| Benefits paid | (2706885) | (2331993) | (2986873) | (2632240) |
| Defined Benefit obligation at year end | 41112719 | 31040279 | 30109023 | 22729286 |

II. Reconciliation of fair value of assets and obligations.

| | | | | |
|------------------------------------|----------|----------|----------|----------|
| Present value of obligation | 41112719 | 31040279 | 30109023 | 22729286 |
| Amount recognized in Balance Sheet | 41112719 | 31040279 | 30109023 | 22729286 |

III. Expense recognized during the year.

| | | | | |
|-------------------------|----------|-----------|----------|-----------|
| Current Service Cost | 9139263 | 6973368 | 9385308 | 6346923 |
| Interest Cost | 2544161 | 2234131 | 1528876 | 1408469 |
| Actuarial gain / (loss) | 1095901 | (4346767) | (547574) | (4581090) |
| Net Cost | 12779325 | 4860732 | 10366610 | 3174303 |

IV. Actuarial assumptions.

| Mortality Table (LIC) | 2012-2013 (1994-1996) (Ultimate) | 2011-2012 (1994-1996) (Ultimate) | 2012-2013 (1994-1996) (Ultimate) | 2011-2012 (1994-1996) (Ultimate) |
|--|--|--|--|--|
| Discount Rate | 8.07% | 8.57% | 8.06% | 8.57% |
| 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.


Note 32
SEGMENT INFORMATION:

(₹ in Lacs)

| Particulars | 2012-13 | | | 2011-12 | | |
|---|--|---------|----------|-----------|---------|-----------|
| | Textiles | Others | Total | Textiles | Others | Total |
| A) Primary Segment (Business Segment) | | | | | | |
| REVENUE: | | | | | | |
| External Sales | 71405.08 | 3067.08 | 74472.16 | 69873.20 | 1341.73 | 71214.93 |
| RESULTS: | | | | | | |
| Segment Results before Interest & finance Cost | 6716.50 | 413.64 | 7130.14 | (2130.41) | 55.53 | (2074.88) |
| Interest and Finance Cost | | | 4423.75 | | | 4386.70 |
| Profit/ (Loss) from ordinary activities | | | 2706.39 | | | (6461.58) |
| Extra ordinary items | | | - | | | - |
| Net Profit/ (Loss) | | | 2706.39 | | | (6461.58) |
| OTHER INFORMATION: | | | | | | |
| Segment Assets | 55369.80 | 2234.45 | 57604.25 | 50994.67 | 1447.27 | 52441.94 |
| Segment Liabilities | 7970.29 | 250.78 | 8221.07 | 4881.21 | 230.39 | 5111.61 |
| Segment Depreciation/Amortization | 2376.06 | 39.60 | 2415.66 | 2449.98 | 24.61 | 2477.59 |
| Capital Expenditure | 697.34 | 208.16 | 905.50 | 651.39 | 281.18 | 932.57 |
| Non-cash expenses other than depreciation | | - | - | | - | - |
| B) Secondary Segment (Geographical By Customers) | | | | | | |
| SEGMENT REVENUE: | | | | | | |
| In India | | | 30380.71 | | | 26339.57 |
| Outside India | | | 44091.45 | | | 44875.36 |
| Note: | 1. The Company has disclosed business segments as the primary segment. Segments have been identified taking into account the nature of the products, differential risks and returns, the organizational structure and internal reporting system. The company's operations predominantly relate to manufacturing of textiles. | | | | | |
| | 2. Types of products and services in each business segment: Textiles: Yarn, Fabric, Nonwoven Fabrics and Garments. Others: Consumer Products i.e. Wipes and Others. | | | | | |

Note 33
LEASE TERMS

Operating Lease

As Lessee:

Operating lease rentals charged to revenue for right to use following assets are:

Office / Residential Premises

| | 2012-2013 | 2011-2012 |
|-------------------------------|---------------|---------------|
| Office / Residential Premises | 157.84 | 169.12 |
| Total | 157.84 | 169.12 |

The agreement are executed for a period of 11 to 120 months with a renewable clause and also provide for termination at will by either party giving a prior notice period of 1 to 3 months. Minimum lease payments under non-cancellable operating lease fall due as follows:-

| | | |
|---|---------------|---------------|
| Not later than one year | 178.09 | 165.36 |
| Later than one year and not later than five years | 451.90 | 556.94 |
| Later than five years | - | 9.41 |
| Total | 629.99 | 731.71 |

Note 34
PRIOR PERIOD INCOME / EXPENSES
Prior period Income (Expenses) represents:

| | | |
|---|----------------|---------------|
| Debit relating to earlier years | (95.69) | (111.44) |
| Credit relating to earlier years | 59.68 | 50.16 |
| Excess depreciation provided written back | 0.59 | 420.34 |
| Total | (35.42) | 359.06 |

Note 35
RESEARCH AND DEVELOPMENT/EXPENDITURE

Capital

Revenue expenses

| | | |
|------------------|---------------|---------------|
| Capital | 27.86 | 22.66 |
| Revenue expenses | 125.57 | 112.84 |
| Total | 153.43 | 135.50 |



Note 36

DISCLOSURE IN RESPECT OF DERIVATIVE INSTRUMENTS:

Forward booking and derivative contracts entered into by the Company and have remained outstanding as on 31/03/2013 are as under:

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|---------------------------------|----------------------------|------------------------------|
| Forward booking against exports | US\$ 5.00 Lacs EURO Nil | US\$ 170.01 Lacs EURO 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 31st March, 2013 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 37

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

- 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
- Associates and joint ventures: Nil
- 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.
 - Key management personnel :**
 - Dr. Rajaram Jaipuria,
 - Shri Shishir Jaipuria,
 - Shri Saket Jaipuria
 - Shri S. Singhvi
 - Shri R. R. Maheshwari
 - Relative :**
 - Smt. Suniti Devi Jaipuria
 - Smt. Sunita Jaipuria
 - Smt. Anika Jaipuria
 - Shri Yash Jaipuria
 - Shri Sharad Jaipuria
 - Smt. Archana Khaitan
- Enterprises over which Key Management personnel are able to exercise significant influence:
 - Shree Bhawani Anand Pvt.Ltd.
 - Ginni Edu Services Pvt. Ltd.
 - Kanpur Builders Pvt.Ltd.
 - Raghukul Trading Pvt. Ltd
 - Lochan Agro Pvt. Ltd.
 - Ginni Nonwoven Pvt. Ltd.

3. Details of Transactions with above related parties:-

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|-----------------|------------------|
| 1. Remuneration to Key Management Personnel | | |
| (a) Dr. Rajaram Jaipuria | 85.54 | 36.71 |
| (b) Shri Shishir Jaipuria | 70.10 | 30.58 |
| (c) Shri Saket Jaipuria | 35.47 | 20.57 |
| (d) Shri S. Singhvi | 24.04 | 17.64 |
| (e) Shri R. R. Maheshwari | 23.46 | 17.48 |
| Total | 238.61 | 122.98 |
| 2. Remuneration to Relative of Key Management Personnel | | |
| (a) Shri Yash Jaipuria | 8.64 | 1.16 |
| Total | 8.64 | 1.16 |
| 3. Interest (To others) | | |
| (a) Raghukul Trading Pvt.Ltd | 87.61 | 51.20 |
| (b) Lochan Agro Pvt. Ltd. | 99.01 | 73.16 |
| Total | 186.62 | 124.36 |
| 4. Loan [Net-(Taken) / Repaid] From/to others | | |
| (a) Raghukul Trading Pvt.Ltd | (276.00) | (665.00) |
| (b) Lochan Agro Pvt. Ltd. | (14.00) | (1165.00) |
| Total | (290.00) | (1830.00) |
| 5. Year End Payable to others | | |
| (a) Raghukul Trading Pvt.Ltd | 1406.00 | 1130.00 |
| (b) Lochan Agro Pvt. Ltd. | 1179.00 | 1165.00 |
| Total | 2585.00 | 2295.00 |



Note 38 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.

| | (₹ in Lacs) | |
|--|----------------|------------------|
| | 2012-13 | 2011-12 |
| (a) Amount used as numerator in calculating basic and diluted EPS | | |
| Profit/(Loss) after tax | 1753.50 | (4366.69) |
| Less/(Add) Dividend on Cumulative Preference Shares | (60.00) | (60.00) |
| Profit/(Loss) for the year | <u>1693.50</u> | <u>(4426.69)</u> |
| (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 ₹ (Basic/Diluted) | 2.40 | (6.27) |

Note 39 EARNINGS IN FOREIGN EXCHANGE DURING THE YEAR :

| | | |
|------------------------------------|----------|----------|
| (a) F.O.B. value of goods Exported | 42040.01 | 43427.54 |
|------------------------------------|----------|----------|

Note 40 CIF VALUE OF IMPORTS :

| | | |
|--------------------------|---------|---------|
| (a) Raw Materials | 5815.98 | 5428.76 |
| (b) Capital goods | 534.09 | 100.91 |
| (c) Stores & Spare Parts | 732.82 | 613.14 |

Note 41 EXPENDITURE PAID IN FOREIGN CURRENCY :

(Only payments directly in foreign currencies considered)

| | | |
|----------------------------------|--------|--------|
| (a) Traveling | 39.62 | 36.38 |
| (b) Commission | 400.92 | 224.10 |
| (c) Professional fees and others | 23.02 | 51.37 |

Note 42 VALUE OF RAW MATERIALS CONSUMED :

| | 2012-2013 | | 2011-2012 | |
|------------|-----------------|---------------|-----------------|---------------|
| | ₹ in Lacs | % | ₹ in Lacs | % |
| Imported | 5769.79 | 13.20 | 6920.97 | 14.55 |
| Indigenous | 37952.55 | 86.80 | 40645.17 | 85.45 |
| | <u>43722.34</u> | <u>100.00</u> | <u>47566.14</u> | <u>100.00</u> |

Note 43 VALUE OF STORES AND SPARE PARTS CONSUMED :

| | | | | |
|------------|----------------|---------------|----------------|---------------|
| Imported | 736.30 | 34.21 | 676.82 | 39.70 |
| Indigenous | 1416.27 | 65.79 | 1028.21 | 60.30 |
| | <u>2152.57</u> | <u>100.00</u> | <u>1705.03</u> | <u>100.00</u> |

Note 44

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

Note no. 1 to 44 referred to above form an integral part of financial Statements
As per our report of even date attached.

For P. L. GUPTA & CO.

DR. RAJARAM JAIPURIA

Chartered Accountants

Chairman & Managing Director

YUVRAJ SINGH

S. SINGHVI

Partner

Director Finance & CFO

Place : Noida

RAJESH K. TRIPATHI

Dated : 16th May, 2013

Company Secretary

SHISHIR JAIPURIA

Vice Chairman & Managing Director

J.P. KUNDRA

J.K. BHAGAT

SAKET JAIPURIA

O.P. VAISH

NRIPENDRA MISRA

DR. H.P. BHATTACHARYA

JAGDISH GARWAL

Directors



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 Thirtieth 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 Saturday the 10th August, 2013.

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



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 Thirtieth Annual General Meeting of the Company to be held on Saturday, the 10th August, 2013 at 11.30 A.M. and at any adjournment thereof.

AS WITNESS my/our hand is/are affixed this.....day of.....2013

Signed by the said..... Signature.....



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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GINNI FILAMENTS LIMITED

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