

**BOARD OF DIRECTORS**

Dr. Rajaram Jaipuria, *Chairman & Managing Director*  
 Shri Shishir Jaipuria, *Vice Chairman & Managing Director*  
 Shri J.K. Bhagat  
 Shri M.P. Wadhawan  
 Shri J.P. Kundra  
 Dr. H.P. Bhattacharya  
 Shri N.K. Duggal (*Nominee-IFCI*)  
 Shri S. Singhvi (*Whole Time Director*)  
 Shri R.R. Maheshwari (*Whole Time Director*)

**COMPANY SECRETARY**

Shri Arun Kumar Shrivastav

**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,  
 Bahadradab, Haridwar-249 403 (U.K.)

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## NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of Ginni Filaments Limited will be held on Thursday, the 5<sup>th</sup> August, 2010 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 :

- To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2010 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
- To appoint a Director in place of Shri J.P. Kundra, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Shri J.K. Bhagat, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint Auditors and to fix their remuneration and in this regard to consider, and if thought fit, to pass, the following resolution, with or without modification(s), as an Ordinary Resolution :  
"RESOLVED THAT M/s. P. L. Gupta & Co., Chartered Accountants, the retiring Auditors of the Company, be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors of the Company."

### SPECIAL BUSINESS:

- To appoint Shri Suresh Singhvi as a Director liable to retire by rotation and in this regard to consider, and if thought fit, to pass the following resolution, with or without modification(s) as an Ordinary Resolution :  
"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Shri Suresh Singhvi, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and article 100 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation".
- To appoint Shri Suresh Singhvi as a Wholetime Director designated as Director (Finance) and in this regard to consider, and if thought fit, to pass the following resolution, with or without modification(s) as a Special Resolution :  
"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the appointment of Shri Suresh Singhvi, as Director (Finance) of the Company for a period of five years with effect from 1<sup>st</sup> August, 2009 on a remuneration and on the terms and conditions as set out in the Explanatory Statement to this Resolution with liberty to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include the Selection cum Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment in such form and manner or with such modifications as the Board may deem fit and agreed to by Shri Suresh Singhvi.  
RESOLVED FURTHER THAT Shri Suresh Singhvi shall perform duties and draw powers as may be assigned/delegated to him by the Chairman & Managing Director, Managing Director and Board of Directors of the Company from time to time.  
RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolution."
- To appoint Shri Ram Ratan Maheshwari as a Director liable to retire by rotation and in this regard to consider, and if thought fit, to pass the following resolution, with or without modification(s) as an Ordinary Resolution :  
"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Shri Ram Ratan Maheshwari, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and article 100 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation".
- To appoint Shri Ram Ratan Maheshwari as a Wholetime Director designated as Director (Marketing & Business Development) and in this regard to consider, and if thought fit, to pass the following resolution, with or without modification(s) as a Special Resolution :  
"RESOLVED that pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the appointment of Shri Ram Ratan Maheshwari, as Director (Marketing & Business Development) of the Company for a period of five years with effect from 1<sup>st</sup> August, 2009 on a remuneration and on the terms and conditions as set out in the Explanatory Statement to this Resolution with liberty to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include the Selection cum Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment in such form and manner or with such modifications as the Board may deem fit and agreed to by Shri Ram Ratan Maheshwari.  
RESOLVED FURTHER THAT Shri Ram Ratan Maheshwari shall perform duties and draw powers as may be assigned/delegated to him by the Chairman & Managing Director, Managing Director and Board of Directors of the Company from time to time.  
RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolution."

By Order of the Board

NOIDA (U.P.)  
6<sup>th</sup> May, 2010

**Arun Kumar Shivastav**  
Company Secretary

### NOTES

- 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.
- The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
- The Register of Members and Share Transfer Books of the Company will remain closed from 30<sup>th</sup> July, 2010 to 5<sup>th</sup> August, 2010 (both days inclusive).
- All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays between 10.00 A.M. and 1.00 P.M. upto the date of the Annual General Meeting.
- Members are requested to :
  - Notify change in their addresses, if any, to the Company / Share Transfer Agent / Depository Participant.
  - 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.
- Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
- 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.
- 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, 2<sup>nd</sup> Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110 028.
  - Members holding shares in demat form are advised to inform the particulars of their bank account to their respective Depository Participants.



10. Pursuant to Section 205A of the Companies Act, 1956, unclaimed dividends declared upto financial year ended 31<sup>st</sup> March, 1995 had been transferred to the General Revenue Account of the Central Government. Members who have not claimed their dividend pertaining to the said period, may approach the Registrar of Companies, Uttar Pradesh & Uttarakhand, Kanpur for the same.
- 11 Pursuant to provisions contained in Section 205A and 205C of the Companies Act, 1956, the Company has transferred unclaimed dividend for the financial years 1995 - 96 to 1997 - 98 remaining unclaimed for a period of seven years from the date, it first became due for payment, to the Investor Education and Protection Fund (IEPF) constituted by the Central Government and no claim shall lie against the IEPF or the Company in respect of individual amount(s) so credited to the IEPF.

Pursuant to the provisions of the Companies Act, 1956 unpaid dividend for the year ended March 31, 2004 and dividends declared thereafter, remaining unclaimed for a period of seven years, will be transferred by the Company to the IEPF pursuant to Section 205C of the Companies Act, 1956.

Information in respect of such unclaimed dividends due for transfer to the said Fund is given below :

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

Shareholders who have not so far encashed their Dividend Warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company immediately.

12. Appointment/Reappointment of Directors :

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

**(a) Shri J.P. Kundra**

Shri J.P. Kundra, aged around 79 years, is a prominent Banker and an eminent financial consultant having vast experience. He joined the Imperial Bank of India in 1953 and rose to the top position of the successor Bank namely State Bank of India as its Managing Director. He was also Managing Director of State Bank of Bikaner and Jaipur and Chairman – Banking Services Board.

Shri J.P. Kundra is Chairman of Taurus Asset Management Co. Ltd. and also Chairman of Remuneration Committee of the said Company, Director / Member of Audit Committee, Remuneration Committee and Shareholder's/Investors' Grievance Committee of Ratnabali Capital Markets Ltd., Director / Chairman of Audit Committee and Shareholder's/Investors' Grievance Committee and Member of Remuneration Committee of South Asian Petrochem Ltd. and Director / member of Remuneration Committee and Audit Committee of Svit Mines Ltd.

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

**(b) Shri J.K. Bhagat**

Shri J.K. Bhagat, aged around 66 years, is an eminent Industrialist having more than 35 years of experience in managing enterprises of varied interest namely Jute Textiles, Roller Flour & Non Banking Financial Companies.

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

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

Shri J.K. Bhagat is holding 3955 Equity Shares of the Company.

**(c) Shri Suresh Singhvi**

Shri Suresh Singhvi, aged around 57 years, is a Chartered Accountant and also a Law Graduate having around 30 years of experience in finance, accounts and legal matters. Before joining the Company he served for some of the big business groups including Swadeshi Polytext Ltd. He is working with the Company at the top level since long time and has tremendous contribution in the growth of the Company.

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

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

**(d) Shri Ram Ratan Maheshwari**

Shri Ram Ratan Maheshwari, aged around 56 years, is a Chemical Engineer and also M.B.A. is having vast experience in the area of sales and marketing. Before joining the Company he served for some of the big business groups including Swadeshi Polytext Ltd. He is working with the Company at the top level since long time and has contributed a lot in the growth of the Company.

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

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

**ANNEXURE TO NOTICE**

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

**ITEM NO. 5 & 6**

Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Article 100 of the Articles of Association of the Company, the Board at its meeting held on 30<sup>th</sup> July, 2009 had appointed Shri Suresh Singhvi as an Additional Director.

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

The Company has received a notice in writing from a member alongwith deposit of Rs. 500/- for proposing the candidature of Shri Suresh Singhvi for the office of Director of the Company under the provisions of Section 257 of the Act.

Further subject to the approval of the members, the Board had appointed Shri Suresh Singhvi as Whole Time Director designated as Director (Finance) of the Company for the period of 5 years w.e.f. 1<sup>st</sup> August, 2009 on a remuneration as approved by the Selection cum Remuneration Committee of the Board for the period of 3 years as set out below :

- 1. Basic Salary on Scale of** : Rs. 64,000 - 6,400 – 76,800 per month w.e.f. 1<sup>st</sup> August, 2009 for the period of 3 years but the appointment shall be for the period of 5 years.  
First increment will fall due on 1<sup>st</sup> August, 2010.
- 2. H.R.A.** : 55% of Basic Salary.
- 3. Commission** : 1% of the net profits of the Company computed in the manner laid down under section 198 and 309 of the Companies Act, 1956 subject to the maximum limit of Rs.10 Lacs per annum.
- 4. Perquisites** : The Director (Finance) shall be entitled to the following perquisites classified into **Categories 'A' and 'B'** .

**CATEGORY - 'A'**

- (i) **Medical reimbursement** : 8.33% of the Basic Salary
- (ii) **Leave/Travel Allowance Reimbursement** : 8.33% of the Basic Salary
- (iii) **Newspaper/ Magazines Reimbursement**: Upto Rs. 500/- per month
- (iv) **Entertainment Reimbursement** : Upto Rs .1500/- per month
- (v) **Telephone** : Free Telephone facility
- (vi) **Car facility** : Car with driver
- (vii) **Personal Accident / Household Insurance** : As per rules of the Company
- (viii) Membership fee of professional bodies

**CATEGORY - 'B'**

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

**MINIMUM REMUNERATION**

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

Pursuant to the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956, the approval of the members is required to be obtained with regard to the appointment of Shri Suresh Singhvi as Director (Finance) and payment of remuneration as above.

The Directors recommend the resolutions as set out at item no. 5 & 6 of the notice for your approval as an ordinary and special resolution respectively.

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

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

**ITEM NO. 7 & 8**

Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Article 100 of the Articles of Association of the Company, the Board at its meeting held on 30<sup>th</sup> July, 2009 appointed Shri Ram Ratan Maheshwari as an Additional Director.

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

The Company has received a notice in writing from a member alongwith deposit of Rs. 500/- for proposing the candidature of Shri Ram Ratan Maheshwari for the office of Director of the Company under the provisions of Section 257 of the Act.

Further subject to the approval of the members, the Board had appointed Shri Ram Ratan Maheshwari as Whole Time Director designated as Director (Marketing & Business Development) of the Company for the period of 5 years w.e.f. 1<sup>st</sup> August, 2009 on a remuneration as approved by the Selection cum Remuneration Committee of the Board for the period of 3 years as set out below :

1. **Basic Salary on Scale of** : Rs. 62,000 - 6,200 – 74,400 per month w.e.f. 1<sup>st</sup> August, 2009 for the period of 3 years but the appointment shall be for the period of 5 years.  
First increment will fall due on 1<sup>st</sup> August, 2010.
2. **H.R.A.** : 55% of Basic Salary.
3. **Commission** : 1% of the net profits of the Company computed in the manner laid down under section 198 and 309 of the Companies Act, 1956 subject to the maximum limit of Rs.10 Lacs per annum.
4. **Perquisites** : The Director (Marketing & Business Development) shall be entitled to the following perquisites classified into **Categories 'A' and 'B'**.

**CATEGORY - 'A'**

- (i) **Medical Reimbursement** : 8.33% of the Basic Salary
- (ii) **Leave/Travel Allowance Reimbursement** : 8.33% of the Basic Salary
- (iii) **Newspaper/ Magazines Reimbursement**: Upto Rs. 500/- per month
- (iv) **Entertainment Reimbursement** : Upto Rs .1500/- per month
- (v) **Telephone** : Free Telephone facility
- (vi) **Car Facility** : Car with driver
- (vii) **Personal Accident / household Insurance** : As per rules of the Company
- (viii) Membership fee of professional bodies

**CATEGORY - 'B'**

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

**MINIMUM REMUNERATION**

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

Pursuant to the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956, the approval of the members is required to be obtained with regard to the appointment of Shri Ram Ratan Maheshwari as Director (Marketing & Business Development) and payment of remuneration as above.

The Directors recommend the resolutions as set out at item no. 7 & 8 of the notice for your approval as an ordinary and special resolution respectively.

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

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

The above may be treated as an abstract of the terms of appointment of Shri Suresh Singhvi as Director (Finance) and Shri Ram Ratan Maheshwari as Director (Marketing & Business Development) under Section 302 of the Companies Act, 1956 .

By Order of the Board

NOIDA (U.P.)  
6<sup>th</sup> May, 2010

**Arun Kumar Shivastav**  
Company Secretary



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

## I. GENERAL INFORMATION :

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

Particulars	(Rs. in Lacs)	
	2009-10	2008-09
Sales and services	50784.21	40863.58
Profit before Depreciation & Interest	6305.79	912.69
Interest	2916.69	3125.76
Gross Profit/(Loss)	3389.10	(2213.07)
Depreciation	2567.73	2561.71
Profit/(Loss) before Tax	821.37	(4774.78)
Provision for Tax		
- Current	0.67	-
- Deferred	309.46	(1641.74)
- Fringe Benefit Tax	-	27.30
- Tax Adjustment Relating to earlier years	22.91	(0.62)
Profit/(Loss) after Tax	488.33	(3159.72)

- Export performance and net foreign exchange collaborations Total export sales (FOB) of the Company during the year 2009 – 10 was Rs. 324.86 Crores (previous year Rs. 253.70 crores). The Company has no Foreign Exchange collaborations.
- Foreign Investments or collaborators, if any The Company has neither made any foreign investments nor has any collaboration from abroad.

## II. INFORMATION ABOUT THE APPOINTEES :

## 1. BACKGROUND

**SHRI SURESH SINGHVI :**

Shri Suresh Singhvi, aged around 57 years, is a Chartered Accountant and also a Law Graduate having around 30 years of experience in finance, accounts and legal matters. Before joining the Company he served for some of the reputed business groups of the Country . He is working with the Company at the top level since long time and has contributed tremendously in growth of the Company.

**SHRI RAM RATAN MAHESHWARI :**

Shri Ram Ratan Maheshwari, aged around 56 years, is a Chemical Engineer and also M.B.A. and is having vast experience in the area of sales and marketing. Earlier he has served for some of the big business houses . He is working with the Company at the top level since long time and has made substantial contribution in the growth of the Company.

## 2. PAST REMUNERATION

Remuneration paid to the Whole Time Directors during the financial year 2009-10 are as under :

Name	(Rs. in Lacs)				
	Salary	Commission	Perquisites	Provident Fund	Total
Shri Suresh Singhvi	13.03	--	2.22	0.92	16.17
Shri Ram Ratan Maheshwari	10.63	--	3.64	0.89	15.18

## 3. RECOGNITION OR AWARDS

NIL

## 4. JOB PROFILE AND THEIR SUITABILITY

**SHRI SURESH SINGHVI :**

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

**SHRI RAM RATAN MAHESHWARI :**

Shri Ram Ratan Maheshwari is handling the overall development of sales and marketing strategies of the Company under the supervision and guidance of CMD, MD and Board of Directors. He was instrumental in almost doubling the turnover of the Company during the period of last 2-3 years. Company's Technical Textile is receiving good response due to his concerted efforts.

## 5. REMUNERATION PROPOSED :

As per details given earlier in the Explanatory Statement.

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

Considering the size of the Company, the profile of the Wholetime Directors, the responsibilities shouldered by them and the industry benchmarks, the aforesaid remuneration is commensurate with the remuneration being drawn by similar position in other companies.

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

Besides the remuneration proposed, both the wholetime Directors have no pecuniary relationship with the Company or its Managerial Personnel.

## III. OTHER INFORMATION :

## 1. Reasons of loss or inadequate profits

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

## 2. Steps taken or proposed to be taken for improvement

Not Applicable.

## 3. Expected increase in productivity and profits in measurable terms

Not Applicable.

## IV. DISCLOSURES:

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

By Order of the Board

Arun Kumar Shrivastav  
Company Secretary

NOIDA (U.P.)  
6<sup>th</sup> May, 2010



## DIRECTORS' REPORT

Your Directors have pleasure in presenting their Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2010.

### FINANCIAL RESULTS

	<b>2009-10</b>	<b>(Rs. in Lacs)</b> 2008-09
Sales and Services (Gross)	<b>50784.21</b>	40863.58
Profit before Depreciation & Interest	<b>6305.79</b>	912.69
Less : Interest	<b>2916.69</b>	3125.76
Gross Profit / (Loss)	<b>3389.10</b>	(2213.07)
Less : Depreciation	<b>2567.73</b>	2561.71
Profit / (Loss) before Tax	<b>821.37</b>	(4774.78)
Provision for Tax		
- Current	<b>0.67</b>	—
- Deferred	<b>309.46</b>	(1641.74)
- Fringe Benefit Tax	—	27.30
- Tax Adjustment Relating to earlier years	<b>22.91</b>	(0.62)
Profit / (Loss) after Tax	<b>488.33</b>	(3159.72)
Prior period Income / (Expenses) net	<b>9.28</b>	(114.21)
Balance brought forward from previous year	<b>(4328.81)</b>	(1054.88)
Profit / (Loss) carried to Balance Sheet	<b>(3831.20)</b>	(4328.81)

### DIVIDEND

The Directors are unable to recommend dividend for the year.

### OPERATIONS

Company's working has improved substantially in the current financial year and after a gap of two financial years the Company earned net profits in this fiscal year.

During the year under review your Company's Sales and Services increased from Rs. 408.64 Crores to Rs. 507.84 Crores and the Company earned cash profits of Rs. 33.89 Crores and net profits of Rs. 4.88 Crores.

This turnaround in the working and profitability has been possible due to better sales realization, timely procurement of the raw material and lower interest cost. The performance of the Company during the year has been better than CDR projections. The recovery in the domestic and global economy is further expected to boost the demand .

### MANAGEMENT DISCUSSION AND ANALYSIS

A separate Report of Management Discussion and Analysis is annexed as a part of this Report.

### EXPANSION / NEW PROJECTS

During the year 2006-07 the Company had installed a Non woven Plant at its Panoli (Gujarat) Unit with an installed capacity of about 12000 Tones per annum. In the current financial year the company has achieved better capacity utilization. The demand of the Non woven fabrics produced by the Company has been increasing and the Government of India is also promoting the Technical Textiles.

Keeping in mind the present scenario, the Board is considering the expansion of Company's Non woven Plant at Panoli by setting up a new line of production with installed capacity of 12000 Tones per annum which will give the benefits of economy of scale and the Company will also be in a position to cater to the growing demand of international and domestic market which is likely to result in improved profitability of the Company in years to come.

The Board is also considering Debottlenecking of existing plant activities and Project cost is being firmed up.

### DIRECTORS

Shri J.P. Kundra and Shri J.K. Bhagat retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The Board deeply condoles the sad demise of Shri Gian Prakash, former Comptroller and Auditor General of India and a Director of the Company and pray the almighty to rest his divine soul in the peace. The Board takes on record his valuable contribution made to the Company during his tenure of office.



## MANAGEMENT

The Board has inducted Shri Suresh Singhvi and Shri Ram Ratan Maheshwari in the Board as the Additional Directors. Further, based on the recommendations of the Selection cum Remuneration Committee of the Company and subject to the approval of the shareholders, the Board has appointed Shri Suresh Singhvi and Shri Ram Ratan Maheshwari as the Wholetime Directors of the company designated as Director (Finance) and Director (Marketing & Business Development) respectively for the period of 5 Years w.e.f. 1<sup>st</sup> August, 2009.

## 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 31<sup>st</sup> March, 2010 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 the end of the financial year 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.

## AMALGAMATION

The Hon'ble High Court, Allahabad vide its order dated 19<sup>th</sup> December, 2009 had approved the scheme of Amalgamation of Abhinav Investments Pvt. Ltd., Ganesh Synthetics Pvt. Ltd., Ginni Power Ltd. and Goodworth Merchants Pvt. Ltd. with the Company.

The scheme of Amalgamation became effective on 16<sup>th</sup> January, 2010 i.e the date on which the order of the Hon'ble High Court, Allahabad was submitted to the Registrar of Companies, (U.P. & Uttarakhand) Kanpur.

As per the said Amalgamation order, the necessary accounting effect has been given in the Audited Annual Accounts of the Company for the year ended 31<sup>st</sup> March, 2010.

## SHARE CAPITAL

Pursuant to the scheme of Amalgamation of Abhinav Investments Pvt. Ltd., Ganesh Synthetics Pvt. Ltd., Ginni Power Ltd. and Goodworth Merchants Pvt. Ltd. (transferor companies) with the Company (transferee company), as approved by the Hon'ble High Court, Allahabad, the Company has allotted 2,22,95,386 equity shares to the eligible shareholders of the transferor Companies. Pursuant to the said Amalgamation 1,09,07,946 equity shares of the Company stood cancelled.

After obtaining shareholders approval in the last Annual General Meeting and in pursuant to the conditions imposed by the Corporate Debt Restructuring(CDR) Cell, the Company has allotted 7,50,000 Preference Shares of Rs. 100 each to the Promoters and their relatives .

During the year the Authorised share capital of the Company has increased from Rs. 75,00,00,000 divided into 7,50,00,000 equity shares of Rs. 10/- each to Rs. 94,28,50,000 divided into 84,28,50,000 equity shares of Rs. 10/- each and 10,00,000 Preference shares of Rs.100/- each and issued, subscribed and paid up Share capital has increased from Rs. 59,26,26,250 divided into 5,92,62,625 equity shares of Rs. 10/- each to Rs. 78,15,00,650 divided into 7,06,50,065 equity shares of Rs. 10/- each and 7,50,000 Preference shares of Rs.100/- each.

## CORPORATE GOVERNANCE

A report on Corporate Governance together with a certificate from M/s. P.L. Gupta & Co., Chartered Accountants, the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance stipulated by Stock Exchange under clause 49 of the Listing Agreement is annexed to this report as **Annexure 'A'** and forms an integral part of the Directors Report.

## VOLUNTARY GUIDELINES ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS

Recently the Ministry of Corporate Affairs (MCA) has introduced voluntary guidelines on Corporate Governance (CG) and Corporate Social Responsibility(CSR).



The Company is already complying with the majority requirements of the Corporate Governance Guidelines and the remaining requirements are likely to be complied with in due course of time, to the extent possible.

The Company has a policy on the Corporate Social Responsibility(CSR) comprising two parts i.e. Guiding Principles and Implementation mechanism. The Company has already undertaken lot of measures towards its social responsibility which are described in details in the separate report on the CSR.

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

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

## **FIXED DEPOSITS**

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

## **AUDITORS**

M/s. P.L. Gupta & Co., Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment.

## **PARTICULARS OF EMPLOYEES**

Information as per Section 217(2A) of the Companies Act, 1956, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Reports and Accounts are being sent to all the Shareholders of the Company excluding the aforesaid information. Any Shareholder interested in obtaining such particulars, may inspect the same at the Registered Office of the Company or write to the Company Secretary at the Corporate Office for a copy.

## **AUDITORS' REPORT**

The Auditors Reports on the recast Accounts (pursuant to the Amalgamation) of the Company for the years ended 31<sup>st</sup> March, 2008 and 31<sup>st</sup> March, 2009 and on the Annual Accounts of the Company for the year ended 31<sup>st</sup> March, 2010 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 and M/s S. Gupta & Co., Cost Accountants as Cost Auditors of the Company to audit the cost accounts maintained by the Company for the year ended 31<sup>st</sup> March 2010.

## **ACKNOWLEDGEMENT**

Your Directors record their appreciation for the co-operation and assistance extended by Financial Institutions, Banks and Government authorities. They also record their appreciation for the devoted services rendered by the Executives, Staff Members and Workmen of the Company.

For and on behalf of the Board of Directors

NOIDA (U.P.)  
6<sup>th</sup> May , 2010

**DR. RAJARAM JAIPURIA**  
Chairman & Managing Director



## MANAGEMENT DISCUSSION AND ANALYSIS

The Management of the Company is pleased to present its Report on Industry scenario including Company's performance during the year 2009-10.

### Industry Structure & Development:

The Textile & Clothing Industry of India contributes significantly to our GDP, industrial production, exports and above all to employment generation. The sector currently employs about 35 million workers directly and 47 million workers in allied sectors. Besides, this is the only sector, which uses around 95% of the indigenous raw material and hence provides maximum value addition to our own raw material.

Over the last two years the industry was finding itself at a crossroads because of stagnation of growth and depletion of profits. The main factors attributed to its adversity were global recession, indiscriminate increase in raw material prices, frequent fluctuations in foreign currency rates, power shortage in various states and significant increase in wage costs.

However because of timely action of the government and increase in demand from both from export and domestic markets the situation has started improving which has resulted in escalation of prices in recent months and has helped in retrieving some lost ground.

At present the Indian Textile Industry is on a revival path with production of fibre, yarn and cloth showing positive growth.

### Opportunities & Threats:

Under the changing scenario, Indian Textile and clothing sector will have to adapt to the fast changing market needs by developing new product offering with a focus on design content and providing not only acceptable but also competitive solutions. Textile Industry will have to recognize innovation as a part of continuous business process in shorter cycles and far more cost effective. Indian Industry must also focus on flushing out inefficiencies in the whole supply chain, put higher emphasis on value, delivery and service rather than only on prices considerations.

Indian export had a hit in the recent time. The demand contraction in the global markets was a major contributor for downward in India's export. There are countries like China, Vietnam and Bangladesh who have posted positive growth in major markets. It is high time that both the Government and the industry need to introspect where we are lagging behind in our efforts and augment our production capabilities and efficiencies.

Apart from this, indiscriminate export of cotton is creating scarcity and cotton is not available to domestic industry in adequate quantities at competitive prices. It has led to sharp increase in cotton prices that is why exports should be calibrated to curb this price hike. This will protect the interest of the farmers and industry in the long term.

### Segmentwise Performance:

The Company started production of wipes made of spunlace fabric in addition to its operation in the main segment of 'textiles'. The sales of new segment contribute small portion of the total sales of the Company. Continuous efforts are being made in developing the market for this product and the Company has been able to develop relationship with many big brands. The future of this segment looks to be quite promising.

### Outlook:

The demand is slowly picking up and the textile mills in the country are looking forward to a further recovery in the European Textile Industry.

The Company has shown substantial growth in turnover in the last 2-3 years and the bottom-line has started showing improvements presently. The Company has restructured its entire loans through CDR package and is benefited by saving in financial cost apart from achieving operational efficiency. Overall long term prospects of the Company as well as the industry are expected to be encouraging.

### Risk and Concerns :

Your Company has set up a risk management committee comprising of the Board members and senior executives to lay down procedure to mitigate various business risks.

### Internal Control System:

The Company maintains a system of internal control including suitable monitoring procedures. Comprehensive internal Audit is also carried out by independent Internal Auditors to ensure compliance and identify weaknesses in the system. Findings of the Internal Auditors are regularly reviewed by the Audit Committee.

### Financial and Operational Performance :

Company's working has improved substantially in the current financial year and after a gap of two financial years the Company earned net profits in this fiscal year.

During the year under review your Company's Sales and Services increased from Rs 408.64 Crores to Rs. 507.84 Crores and the Company earned cash profits of Rs.33.89 Crores and net profits of Rs.4.88 Crores.

This turnaround in the working and profitability could be possible due to better sales realization, timely procurement of the raw material and lower interest cost. The recovery in the domestic and global economy is further expected to boost the demand.

### Human Resources :

The company lays due emphasis on all round development of its human resources. Industrial relations continued to be cordial and satisfactory during the year. The company had 2157 employees on its rolls as on 31/03/2010.

### Cautionary Note:

Certain statements in the "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, 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 emphasises 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 31<sup>st</sup> March, 2010, the Board comprised of ten Directors, out of which two are Managing Directors, one Nominee Director of IFCI Ltd. (IFCI), five other independent Non Executive Directors and two Wholetime(Executive) Directors.

During the year under review, Four Board Meetings were held on 29<sup>th</sup> May, 2009, 30<sup>th</sup> July, 2009, 31<sup>st</sup> October, 2009 and 30<sup>th</sup> January, 2010. 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 :

NAME OF DIRECTORS	CATEGORY OF DIRECTORS	ATTENDANCE PARTICULARS		OTHER DIRECTORSHIPS	COMMITTEE POSITION HELD IN OTHER COMPANIES		NO OF SHARES/ CONVERTIBLE INSTRUMENTS HELD AS ON 31 <sup>ST</sup> MARCH, 2010
		Board Meeting	Last AGM		Membership	Chairmanship	
Dr. Rajaram Jaipuria	CMD (Promoter)	4	YES	2	--	--	340733
Shri Shishir Jaipuria	MD (Promoter)	2	YES	3	--	--	2860950
Shri J.K. Bhagat	I – NED	3	YES	11	2	1	3955
Shri Gian Prakash*	I – NED	--	NO	--	--	--	--
Shri M.P. Wadhawan	I – NED	4	YES	--	--	--	--
Shri J.P. Kundra	I – NED	4	YES	4	3	2	--
Dr. H.P. Bhattacharya	I – NED	2	NO	--	--	--	--
Shri N. K. Duggal	I – ND	3	YES	1	--	--	--
Shri S. Singhvi **	WTD	3	NO	1	--	--	--
Shri RR Maheshwari **	WTD	3	NO	--	--	--	--

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

\* Shri Gian Prakash has passed away on 16.04.2010.

\*\* Shri S. Singhvi and Shri R. R. Maheshwari were appointed as Whole Time Directors w.e.f. 01.08.2009.

CMD - Chairman & Managing Director

MD - Managing Director

I - NED - Independent - Non Executive Director

I- ND - Independent - Nominee Director (IFCI)

WTD - Whole Time Director

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

**(C) COMMITTEES OF THE BOARD OF DIRECTORS**

As on 31<sup>st</sup> March, 2010 the Company had five Committees of the Board namely :

- Audit Committee
- Shareholders'/Investors' Grievance Committee
- Committee of Directors
- Disinvestment Committee
- 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. The Company Secretary of the Company is the Secretary of the Committee. The Statutory Auditors, Cost Auditors and Internal Auditors are invited to the meetings of the Committee. The Committee met four times during the year and the attendance of members at the meetings was as follows:

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

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 M.P. Wadhawan (Chairman of the Committee) and Shri J.K.Bhagat and two Executive Directors namely Dr. Rajaram Jaipuria and Shri Shishir Jaipuria. The Company Secretary of the Company is the Secretary of the Committee. The Committee met two times during the year and the attendance of the members at the meetings was as follows :

Name of the Members	Status	No. of Meetings attended
Shri M.P. Wadhawan	Chairman	2
Dr. Rajaram Jaipuria	Member	2
Shri Shishir Jaipuria	Member	2
Shri J. K. Bhagat	Member	--

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

During the year, the Company had not received any complaint from the shareholders / investors and no complaint was pending as on 31<sup>st</sup> March, 2010.

**(iii) COMMITTEE OF DIRECTORS****(a) Terms of reference :**

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

**(b) Composition :**

The Board has reconstituted the Committee of Directors on 30<sup>th</sup> July, 2009 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 two times during the year and the attendance of members at the meeting was as follows:

Name of the Members	Status	No. of Meetings attended
Dr. Rajaram Jaipuria	Chairman	2
Shri Shishir Jaipuria	Member	2
Shri J. P. Kundra	Member	2
Shri Suresh Singhvi	Member	2
Shri R. R. Maheshwari	Member	2

**(iv) DISINVESTMENT COMMITTEE****(a) Terms of reference :**

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

**(b) Composition :**

The Board has reconstituted the Disinvestment Committee on 30<sup>th</sup> July, 2009 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 Gian Prakash and Shri M.P. Wadhawan. 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	--
Shri M. P. Wadhawan	Member	1
Shri Gian Prakash *	Member	--
Shri Suresh Singhvi	Member	1
Shri R. R. Maheshwari	Member	1

\* Shri Gian Prakash has died on 16.04.2010

**(v) SELECTION CUM REMUNERATION COMMITTEE****(a) Terms of reference :**

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

**(b) Composition :**

The board has reconstituted the Committee on 30<sup>th</sup> July, 2009 comprising of four Non Executive Independent Directors namely Shri M. P. Wadhawan (Chairman of the Committee), Shri J. K. Bhagat, Dr. H. P. Bhattacharya and 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 member at the meeting was as follows :

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

**(C) Details of Remuneration paid to Directors for the year 2009 - 10**

(i) Dr. Rajaram Jaipuria, Chairman & Managing Director, Shri Shishir Jaipuria, Vice Chairman & Managing Director, Shri S. Singhvi, Director (Finance) and Shri R. R. Maheshwari, Director (Marketing & Business Development) were paid remuneration for the year 2009-10 as per details given below : (Rs. in Lacs)

Particulars	Dr. Rajaram Jaipuria	Shri Shishir Jaipuria	Shri S. Singhvi	Shri R. R. Maheshwari
Salary	30.00	24.00	13.03	10.63
Contribution to Provident Fund	3.60	2.88	0.92	0.89
Other perquisites	2.89	4.64	2.22	3.64
Total	36.49	31.52	16.17	15.18



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

- (ii) Non Executive Directors are paid sitting fee for attending the Board Meetings and apart from sitting fee there was no other payment to them. The sitting fees paid to the Non Executive Directors for the year ended 31<sup>st</sup> March, 2010 was Rs. 90,000/- to Shri M. P. Wadhawan, Rs. 1,10,000/- to Shri J.P. Kundra, Rs. 50,000/- to Dr. H.P. Bhattacharya, Rs. 85,000/- to Shri Jugal Kishore Bhagat and Rs. 45,000/- to Shri N. K. Duggal for attending the meetings of the Board of Directors/ Committees of the Board of 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.

#### (D) 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.

#### (E) 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 time of opening the account.	13	4036
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, 2010.	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.

#### (F) 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 2009 – 10.

SHISHIR JAIPURIA  
MANAGING DIRECTOR & CEO  
6<sup>th</sup> May, 2010"

#### (G) Annual General Meetings (AGMs)

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

Year	2006-07	2007-08	2008-09
Date & Time	28 <sup>th</sup> July, 2007 11.30 A.M.	31 <sup>st</sup> July, 2008 11.30 A.M.	30 <sup>th</sup> July, 2009 11.30 A.M.
Venue	110 K.M. Stone Delhi-Mathura Road, Chhata Distt. Mathura (U.P.)	110 K.M. Stone Delhi-Mathura Road, Chhata Distt. Mathura (U.P.)	110 K.M. Stone Delhi-Mathura Road, Chhata Distt. Mathura (U.P.)
Details of Special Resolutions	1. Approval of Remuneration of Dr. Rajaram Jaipuria as Managing Director. 2. Approval of Remuneration of Shri Shishir Jaipuria as Managing Director. 3. Re-appointment and Remuneration of Shri Saket Jaipuria under Section 314 of the Companies Act 1956.	1. Approval for Appointment and Remuneration of Shri Saket Jaipuria as "Chief Executive" of the Company U/s 314 of the Companies Act 1956.	1. Approval for Appointment and Remuneration of Dr. Rajaram Jaipuria as Managing Director. 2. Approval for Appointment and Remuneration of Shri Shishir Jaipuria as Managing Director. 3. Approval for Re-appointment and Remuneration of Shri Saket Jaipuria under Section 314 of the Companies Act, 1956. 4. Approval for issue of Redeemable Preference Shares under Section 81 (1A) of the Companies Act 1956 5. Approval for amendment in the capital clause of the Memorandum and Articles of Association of the Company under section 16, 94 and other provisions of the Companies Act, 1956.

No resolution has been passed through Postal Ballot mechanism during the year 2009 - 10. No Special Resolution is proposed to be passed in the ensuing Annual General Meeting through postal ballot .

**(H) 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.

**(I) 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 (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

**(J) GENERAL SHAREHOLDERS INFORMATION**

- i Annual General Meeting is notified to be held on Thursday, the 5<sup>th</sup> August, 2010 at 11.30 A.M. at 110 KM Stone, Delhi-Mathura Road, Chhata, Distt. Mathura (UP) .

**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 30<sup>th</sup> June, 2010 : Before 15th August, 2010
- Quarter ended 30<sup>th</sup> September, 2010 : Before 15th November, 2010
- Quarter ended 31<sup>st</sup> December, 2010 : Before 15th February, 2011
- Audited Annual Results : Before 31st May, 2011

**iii Date of Book Closure**

The Register of Members and Share Transfer Books of the Company shall remain closed from 30<sup>th</sup> July, 2010 to 5<sup>th</sup> August, 2010 (both days inclusive).

**iv Dividend Payment Date :**

No Dividend has been proposed by the Board of Directors for the year 2009 - 10.

**v. Listing on Stock Exchange and Stock Code**

The Equity shares of the Company are listed at :

**NAME OF STOCK EXCHANGE** : National Stock Exchange of India Ltd.  
**STOCK CODE** : GINNIFILA  
 Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1, G-Block,  
 Bandra-Kurla Complex, Bandra (E), **MUMBAI – 400 051**

Annual Listing Fee for the year 2010-11 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 2009 – 10 was as follows :

Month	Company's Share Price at NSE (Rs.)		NIFTY Index	
	High	Low	High	Low
April, 2009	5.10	4.10	3517.25	2965.70
May, 2009	7.75	4.10	4509.40	3478.70
June, 2009	9.95	6.30	4693.20	4143.25
July, 2009	7.60	5.60	4669.75	3918.75
August, 2009	7.70	6.05	4743.75	4353.45
September, 2009	8.40	7.00	5087.60	4576.60
October, 2009	9.25	7.25	5181.95	4687.50
November, 2009	10.25	6.50	5138.00	4538.50
December, 2009	10.50	8.30	5221.85	4943.95
January, 2010	15.30	9.45	5310.85	4766.00
February, 2010	12.45	10.45	4992.00	4675.40
March, 2010	12.60	9.90	5329.55	4935.35

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

Link Intime India Pvt. Ltd.  
 A-40, 2<sup>nd</sup> 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 completed in all respect.

ix. Distribution of Shareholding as on 31<sup>st</sup> March, 2010

No. of Shares	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Upto 5000	24525	81.332	5012162	7.094
5001 - 10000	3134	10.393	2614213	3.700
10001 - 20000	1298	4.305	2049538	2.901
20001 – 30000	399	1.323	1046946	1.482
30001 – 40000	174	0.577	636693	0.901
40001 – 50000	183	0.607	875049	1.239
50001 – 100000	230	0.763	1751494	2.479
100001 and Above	211	0.700	56663970	80.204
<b>Total</b>	<b>30154</b>	<b>100.00</b>	<b>70650065</b>	<b>100.00</b>

x. Shareholding Pattern as on 31<sup>st</sup> March, 2010

Category	No. of Shares held	Percentage of shareholding
Promoters	4,34,71,884	61.53
Mutual Funds & UTI	11,000	0.01
Financial Institutions / Banks	32,05,463	4.54
Foreign Institutional Investors	8,510	0.01
Non-Resident Indians	2,36,679	0.34
Bodies Corporate	31,02,126	4.39
Resident Individuals	2,06,14,403	29.18
<b>Total</b>	<b>7,06,50,065</b>	<b>100.00</b>

xii. The persons constituting "Group" for the purpose of regulation 3(1)(e)(i) of the SEBI (Substantial acquisition of shares and takeover) Regulations, 1997 include Dr. Rajaram Jaipuria, Smt. Suniti Devi Jaipuria, Shri. Shishir Jaipuria, Smt. Sunita Jaipuria, Shri. Saket Jaipuria, Shri Yash Jaipuria, Shri Sharad Jaipuria, Smt. Archana Khaitan, Laxmi Texnit Pvt. Ltd., Ginni Biotex Pvt. Ltd., Kanpur Builders Pvt. Ltd., Shree Bhawani Anand Pvt. Ltd., Kanpur Construction Pvt. Ltd., Ginni Non Wovens Pvt. Ltd. and Raghukul Properties & Investments Pvt. Ltd.

## xiii Dematerialisation of Shares

As on 31<sup>st</sup> March, 2010, 82.10% (\*) shares of the Company were held in dematerialized form.

(\*) Pursuant to the scheme of Amalgamation duly approved by the Hon'ble High Court, Allahabad 2,22,95,386 equity shares were allotted by the Company to the eligible shareholders out of which 2,11,18,345 equity Shares have been allotted by the company in Demat form which are being credited in the respective Demat Accounts of the shareholders in due course of time and 1,09,07,946 equity shares stood cancelled out of which 1,08,80,846 Equity Shares were held in Demat form which are being debited in the depository system.

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

## xiv Liquidity of Shares

Equity Shares of the Company are listed at National Stock Exchange of India Ltd. However, the Equity Shares of the Company are also traded at The Stock Exchange, Mumbai under the Permitted Category.

xv Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and impact on equity : Nil

## xvi Location of Mills

1. 110 K.M. Stone, Delhi-Mathura Road, Chhata- 281 401 Distt. Mathura (U.P.)	2 Plot No. 205 – 207, GIDC Industrial Area, Panoli Ankleshwar-394 116 Distt. Bharuch (Gujarat)	3 H-6, Sector – 63, NOIDA-201 307 (U.P.)	4. D-38, Industrial Area, Bahadradab, Haridwar-249 403 (Uttarakhand)
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## xvii Address for correspondence

## (a) Regd. Office

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

## (b) Corporate Office :

Ginni Filaments Ltd.  
H-6, Sector – 63, NH – 24  
NOIDA - 201 307 (U.P.)

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
Ginni Filaments Ltd.

We have examined the compliance of conditions of corporate governance by Ginni Filaments Limited for the year ended 31<sup>st</sup> March, 2010 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

YUVRAJ SINGH  
Partner  
Membership No.71846

Place : NOIDA (U.P.)  
Dated : 6<sup>th</sup> May, 2010



## ANNEXURE 'B'

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010.

## A. CONSERVATION OF ENERGY

- (a) Energy conservation measures taken:
  1. Installation of Effimax on Boiler for Husk saving.
  2. Installation of Effimax on Thermopac.
  3. Heat Recovery from E.T.P. hot Water.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:
  1. Modification in B/R Line 3&4 WCS.
  2. B/R line 3&4 Filter Plant Frequency Drive Modification in main Stream Fan.
  3. Energy Saving through modification in KTTM R/F suction Fan.
  4. Saving in M/C CLG. Compressed Air through conservation.
- (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 above steps have resulted in saving in consumption of power.
- (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

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

(A) Power and Fuel Consumption		Current Year 2009-10	Previous Year 2008-09
1. Electricity			
a) Purchased			
Units (in Lacs)		523.87	403.84
Total Amount (Rs. in Lacs)		1938.24	1509.98
Rate per unit (Rs.)		3.70	3.74
b) Own Generation			
i) Through Diesel Generator			
Units (in Lacs)		67.87	115.60
Units per Ltr. of Diesel/ Furnace Oil		4.06	4.14
Cost/Unit (Rs.)		7.28	6.10
ii) Through Gas Generator			
Units (in Lacs)		303.16	275.04
Units per Scm of Gas		3.52	3.57
Cost/Unit (Rs.)		3.78	3.08
2. Coal			
3. Furnace Oil			
4. Others/Internal Generation			

## (B) Consumption per unit of Production

	Production unit	Standards (if any)	Current Year 2009 - 10	Previous Year 2008 - 09
1. Electricity				
— Yarn	Kg.	—	2.80	2.92
— Fabric (Grey)	Kg.	—	0.64	0.97
— Fabric (Dyed)	Kg.	—	1.39	1.45
— Fabric (Non-Woven)	Kg.	—	1.29	1.43
— Wipes	1000 pcs	—	1.56	1.88
— Garments	pcs	—	0.59	0.43
2. Furnace Oil				
3. Coal				
4. Others				

## B. TECHNOLOGY ABSORPTION

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

## FORM-B

- 1) Research and Development (R&D) Specific areas in which R & D carried out by the Company
- In producing high quality Combed / Rotor Yarn, Knitted Fabrics. Yarn areas in which R & D was carried out.  
- Development in organic yarn in hosiery.  
- Development in slub & C.C. yarn.  
Fabric areas in which R & D was carried out  
- Development & application of special finishes  
- Development of structured knitted fabrics.
- 2) Benefits derived as a result of the above R & D  
Improved quality of finished yarn.
- 3) Future plan of action  
This is an ongoing process and continuous improvements are being carried out in the plant and machinery maintenance and the quality of the finished product.
- 4) Expenditure on R & D
- i) Capital —  
ii) Recurring Rs. 72.89 lacs  
iii) Total Rs. 72.89 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  
Not applicable
- 3) Technology imported during the last 5 years  
Nil

## C. FOREIGN EXCHANGE EARNINGS AND OUT - GO

- (f) Activities relating to exports initiatives taken to increase exports, development of new export markets for products and services and export plans  
The Company has developed new markets of Argentina, Colombia, Philippines and Germany. The Company has also increased its exports to China, Hong Kong, Israel, Korea, Nepal, Peru, Portugal and Turkey. The export plans of the Company are to increase overall exports.
- (g) Total Foreign exchange used and earned :  
- Used (on cash basis) Rs. 4926.70 lacs  
- Earned (F.O.B. value of export of goods) Rs. 32486.05 lacs

For and on behalf of the Board of Directors

DR. RAJARAM JAIPURIA  
Chairman & Managing Director

NOIDA (U.P.)  
6<sup>th</sup> May, 2010



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

1. We have audited the attached Balance Sheet of Ginni Filaments Limited as at 31<sup>st</sup> March, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, subject to our comments hereinafter, the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report, comply with the Accounting Standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956.
  - (v) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and Notes on Accounts, in Schedule '21' particularly Note No. 14 (d) in the aforesaid Schedule regarding amount of share premium on amalgamation as per Hon'ble High Court Order and read together with other notes thereon give the information required by the companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
    - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010,
    - b. in the case of the Profit & Loss Account, of the Profit for the year ended on that date; and
    - c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place : Noida (U.P.)  
Dated: 6<sup>th</sup> May 2010

**YUVRAJ SINGH**  
Partner  
Membership No. 71846

**ANNEXURE TO AUDITORS' REPORT**

Referred to in paragraph 3 of our report of even date,

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The company has physically verified certain assets during the year in accordance with a programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern status of the company.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. We are informed that the discrepancies identified on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) (a) As informed to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956. Consequently, the requirements of clauses (iii) (b), (c) and (d) of paragraph 4 of the Order are not applicable.
- (b) The company has not taken any loans, secured or unsecured 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) (f) and (g) of paragraph 4 of the Order are not applicable.
- (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) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts/arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding value of Rs.5,00,000 in respect of each party during the year have been made at price which appear reasonable as per information available with the Company.
- (vi) The company has not accepted any deposit from the public during the year.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such accounts and records.
- (ix) (a) According to the records of the company, undisputed statutory dues including provident fund, investor education and protection fund, Income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2010 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us the statutory dues that have not been deposited on account of matters pending before appropriate authorities are as under:

Name of the Statute	Nature of dues	Amount (Rs. in lacs)	Forum where dispute is Pending
Income Tax Act	Interest	2.02	Allahabad High Court
Income Tax Act	Interest	1.96	CIT (Appeal) Agra
Sales Tax Act	Entry Tax	34.63	High Court, Allahabad
Sales Tax Act	Entry Tax	2.00	Jt.Commissioner (Appeal),Mathura
Sales Tax Act	Entry Tax	35.06	Jt.Commissioner (Appeal),Mathura
Service Tax Act	Service Tax / Penalty	4.71	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, no term loans are availed by the company during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investment other than temporary deployment pending application.
- (xviii) The company has allotted during the year preference shares on preferential basis to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. The price at which these preference shares have been issued has been determined by the Board of Directors, which in our opinion are not prima facie prejudicial to the interest of the Company.
- (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

Place : Noida (U.P.)  
Dated: 6<sup>th</sup> May, 2010

**YUVRAJ SINGH**  
**Partner**  
Membership No. 71846

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2010**

		(Rupees in lacs)	
	Schedule	As at 31 <sup>st</sup> March, 2010	As at 31 <sup>st</sup> March, 2009
<b>I. SOURCES OF FUNDS</b>			
1. Shareholders' Funds			
Share Capital	1	7815.01	5926.26
Reserves and Surplus	2	6847.43	6209.74
2. Loan Funds	3		
Secured Loans		38284.10	36358.78
Unsecured Loans		386.95	2650.00
3. Deferred Tax Liability		-	-
Total		<u>53333.49</u>	<u>51144.78</u>
<b>II. APPLICATION OF FUNDS</b>			
1. Fixed Assets	4		
Gross Block		51082.98	51258.37
Less : Depreciation		<u>17740.91</u>	<u>15442.64</u>
Net Block		33342.07	35815.73
Capital Work-in-Progress	5	<u>73.54</u>	<u>17.37</u>
		33415.61	35833.10
2. Investments	6	756.81	1045.44
3. Deferred Tax Assets		185.53	494.99
4. Current Assets, Loans and Advances			
Inventories	7	14446.53	5075.04
Sundry Debtors	8	5263.28	4156.46
Cash and Bank Balances	9	476.80	729.42
Other Current Assets	10	1.93	2.71
Loans and Advances	11	<u>4023.09</u>	<u>4349.09</u>
		<u>24211.63</u>	<u>14312.72</u>
Less:			
Current Liabilities and Provisions	12	<u>9077.98</u>	<u>4891.67</u>
Net Current Assets		15133.65	9421.05
5. Miscellaneous Expenditure (To the extent not written off or adjusted)	13	10.69	21.39
6. Profit & Loss Account		3831.20	4328.81
Total		<u>53333.49</u>	<u>51144.78</u>
Accounting Policies & Notes on Accounts	21		

Schedules referred to above form an integral part of accounts.

As per our Report of even date attached.

For P. L. GUPTA & CO.  
Chartered Accountants

YUVRAJ SINGH  
Partner

Camp: NOIDA (U.P.)  
Dated: 06<sup>th</sup> May, 2010

DR. RAJARAM JAIPURIA  
Chairman & Managing Director

S. SINGHVI  
Director Finance & CFO

ARUN KUMAR SHRIVASTAV  
Company Secretary

SHISHIR JAIPURIA  
Vice Chairman & Managing Director

J.P. KUNDRA  
J.K. BHAGAT  
M.P. WADHAWAN  
N.K. DUGGAL  
DR. H.P. BHATTACHARYA  
R.R. MAHESHWARI  
Directors


**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010**

		<b>As at</b>	<b>(Rupees in lacs)</b>
	Schedule	<b>31<sup>st</sup> March, 2010</b>	<b>As at 31<sup>st</sup> March, 2009</b>
<b>I. INCOME</b>			
Sales and Services (Gross)	14	<b>50784.21</b>	40863.58
Less : Excise Duty		<b>63.37</b>	58.20
Sales and Services (Net)		<b>50720.84</b>	40805.38
Other Income	15	<b>249.15</b>	613.30
Accretion/(Decretion) in Stock	16	<b>327.04</b>	(606.49)
Total		<b>51297.03</b>	40812.19
<b>II. EXPENDITURE</b>			
Material and Manufacturing Expenses	17	<b>38320.82</b>	31530.16
Payments and Benefits to Employees	18	<b>2404.81</b>	2217.47
Administration, Selling and Other Expenses	19	<b>4265.61</b>	6151.87
Interest	20	<b>2916.69</b>	3125.76
Total		<b>47907.93</b>	43025.26
Profit/(Loss) before Depreciation & Tax		<b>3389.10</b>	(2213.07)
Depreciation		<b>2567.73</b>	2561.71
Profit/(Loss) before Tax		<b>821.37</b>	(4774.78)
Provision for Tax :			
Current Tax		<b>0.67</b>	—
Deferred Tax		<b>309.46</b>	(1641.74)
Fringe Benefit Tax		—	27.30
Tax Adjustment Relating to earlier years		<b>22.91</b>	(0.62)
Profit/(Loss) after Tax		<b>488.33</b>	(3159.72)
Prior Period Income/(Expenses) - Net		<b>9.28</b>	(114.21)
Balance Brought Forward from Previous Year		<b>(4328.81)</b>	(1054.88)
Profit / (Loss) Carried to Balance Sheet		<b>(3831.20)</b>	(4328.81)
<b>Earnings per share :</b>			
(on nominal value of share of Rs.10 each)			
Basic & Diluted		<b>0.67</b>	(5.52)
Accounting Policies & Notes on Accounts	21		

Schedules referred to above form an integral part of accounts.

As per our Report of even date attached.

For P. L. GUPTA & CO.  
Chartered Accountants

YUVRAJ SINGH  
Partner

Camp: NOIDA (U.P.)  
Dated: 06<sup>th</sup> May, 2010

DR. RAJARAM JAIPURIA  
Chairman & Managing Director

S. SINGHVI  
Director Finance & CFO

ARUN KUMAR SHRIVASTAV  
Company Secretary

SHISHIR JAIPURIA  
Vice Chairman & Managing Director

J.P. KUNDRA  
J.K. BHAGAT  
M.P. WADHAWAN

N.K. DUGGAL  
DR. H.P. BHATTACHARYA  
R.R. MAHESHWARI  
Directors



## SCHEDULES FORMING PART OF ACCOUNTS

(Rupees in lacs)

	As at 31 <sup>st</sup> March, 2010	As at 31 <sup>st</sup> March, 2009
<b>1. SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
84285000 (Previous year 75000000) Equity Shares of Rs. 10/- each.	8428.50	7500.00
1000000 (Previous year Nil) 8% Redeemable Cumulative Preference Shares of Rs. 100/- each.	1000.00	-
<b>Total</b>	<b>9428.50</b>	<b>7500.00</b>
<b>ISSUED AND SUBSCRIBED</b>		
70650065 (Previous year 59262625) Equity Shares of Rs. 10/- each fully paid-up (of the above 11387440 (net of cancellation) shares were allotted as fully paid up in pursuant to the amalgamation without payment being received in cash)	7065.01	5926.26
750000 (Previous year Nil) 8% Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid	750.00	-
<b>Total</b>	<b>7815.01</b>	<b>5926.26</b>
<b>2. RESERVES AND SURPLUS</b>		
Securities Premium Account As per last account	5649.74	5649.74
Add: On Amalgamation (See Note -14 of Schedule - 21)	637.69	
Debenture Redemption Reserve : As per last account	550.00	550.00
State Investment Subsidy As per last account	10.00	10.00
<b>Total</b>	<b>6847.43</b>	<b>6209.74</b>
<b>3. LOAN FUNDS</b>		
<b>A. SECURED LOANS</b>		
<b>(i) DEBENTURES</b>		
(a) 579750 - 9.75%* Non Convertible Debentures of Rs.100/- each - fully paid up	579.75	597.75
(b) 1062875 - 9.75%* Non Convertible Debentures of Rs.100/- each - fully paid up	1062.88	1095.88
(c) 47509.12 - Zero Rate Debentures of Rs. 100/- each - fully paid up	47.51	48.99
* Rate of interest decreased from 10.25% to 9.75% w.e.f. 29th June, 2009.		
<b>(ii) TERM LOANS</b>		
(a) From Financial Institutions		
(i) Foreign Currency Loans	470.67	550.64
(ii) Rupee Loans	5333.70	5502.23
(b) From Banks		
- Rupee Loan	20387.06	21061.14
(I). Debentures and Term Loans are (a) Secured by mortgage by deposit of Title Deeds of immovable properties and by Hypothecation of Company's movable properties, ranking pari-passu, subject to prior charge on current assets in favour of Company's bankers for working capital (b) guaranteed to the extent of Rs.27881.57 lacs by two Directors (previous year Rs.28816.92 lacs) and (c) secured by pledge of 61.55 lacs equity shares of the Company held by promoter and relative for Term Loans of Rs.80.66 Lacs and further secured by pledge of 115.45 Lacs shares of the company held by promoters' relatives for term loan of Rs. 27881.57 Lacs (previous year Rs.28856.63 lacs).		
(II). Debentures and ZRDs are redeemable in 33 quarterly instalments from 30th June, 2010 to 30th June, 2018.		
<b>(iii) WORKING CAPITAL LOANS FROM BANKS</b>		
Secured by hypothecation of inventories & book debts, second charge on the fixed assets of the company to the extent of Rs.10229.02 Lacs (pending to the extent of Rs.174 Lacs) and guaranteed by two Directors	10402.53	7502.15
<b>Total</b>	<b>38284.10</b>	<b>36358.78</b>
<b>B. UNSECURED LOANS</b>		
From Corporate Bodies : Other than Short Term	386.95	2650.00
<b>Total</b>	<b>386.95</b>	<b>2650.00</b>

**4. FIXED ASSETS**

(Rupees in lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Additions	Deductions/ Adjustments	As at 31.03.2010	Upto 31.03.2009	For the Year	Deductions/ Adjustments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land (Lease Hold)	486.48	-	-	486.48	15.57	4.91	-	20.48	466.00	470.91
Land (Free Hold)	213.88	-	-	213.88	-	-	-	-	213.88	213.88
Lease Hold improvements	36.69	0.18	-	36.87	9.96	3.68	-	13.64	23.23	26.73
Buildings	5071.72	5.16	-	5076.88	946.93	161.31	-	1108.24	3968.64	4124.79
Plant & Machinery	43356.40	221.07	425.00	43152.47	13811.60	2274.05	248.10	15837.55	27314.92	29544.80
Electrical Installation	1406.63	16.99	-	1423.62	353.72	67.80	-	421.52	1002.10	1052.91
Office & Other Equipments	283.22	24.39	-	307.61	136.64	22.23	-	158.87	148.74	146.58
Furniture & Fittings	194.21	5.08	-	199.29	92.62	15.04	-	107.66	91.63	101.59
Vehicles	209.14	12.97	36.23	185.88	75.60	18.71	21.36	72.95	112.93	133.54
<b>Total</b>	<b>51258.37</b>	<b>285.84</b>	<b>461.23</b>	<b>51082.98</b>	<b>15442.64</b>	<b>2567.73</b>	<b>269.46</b>	<b>17740.91</b>	<b>33342.07</b>	<b>35815.73</b>
Previous Year	50481.11	1147.22	369.96	51258.37	13030.02	2561.71	149.09	15442.64	35815.73	-

Note : (A) Additions to Plant & Machinery is net of capital subsidy Rs.Nil (previous year Rs.61.86 lacs ).

(B) Deductions to Plant & Machinery include adjustment of Rs.64.49 lacs (Additions Previous year Rs.62.23 lacs) on account of exchange rate fluctuation in the liability of foreign currency loans availed for acquiring certain fixed assets.

**5. CAPITAL WORK IN PROGRESS**

(Rupees in lacs)

	As at 31 <sup>st</sup> March, 2010	As at 31 <sup>st</sup> March, 2009
Building under Construction	13.91	-
Machinery under Erection	59.63	0.99
Advances Against Capital Expenditure	-	16.38
	(A)	17.37
<b>Pre-Operative Expenditure</b>		
Expenditure incurred upto Previous Year	-	3.44
Salaries, Wages and Other Benefits	-	11.26
Job Work Charges	-	1.68
Rates and Taxes	-	0.12
Travelling and Conveyance	-	1.90
Communication Expenses	-	0.26
Miscellaneous Expenses	-	0.54
	(B)	19.20
<b>Less (Capitalised) :</b>	(A+B)	36.57
Plant and Machinery	-	19.20
	(C)	19.20
<b>Total</b>	(A+B-C)	17.37

**6. INVESTMENTS**

Long Term Investments (in fully paid shares)		
Trade		
Quoted		
4160450 (Previous year 5292000) Equity Shares of Rs 10/- each of Ginni International Limited	738.93	952.56
Unquoted		
75000 17.5% Cumulative Redeemable Preference Shares of Rs 100/- each of Ginni International Ltd.	-	75.00
Non Trade		
Unquoted		
178750 Equity Shares of Rs.10/- each of Bharuch Eco-Aqua Infrastructure Ltd	17.88	17.88
<b>Total</b>	<b>756.81</b>	<b>1045.44</b>
Aggregate Value of		
Quoted Investments	738.93	952.56
Unquoted Investments	17.88	92.88
Aggregate Market Value of Quoted Investments	738.48	939.33
(Based on latest available quotation dated 29.03.2000)		



	As at 31 <sup>st</sup> March, 2010	(Rupees in lacs) As at 31 <sup>st</sup> March, 2009
<b>7. INVENTORIES</b>		
Raw Materials	10593.42	1724.40
Stores and Spare Parts	506.93	331.50
Stock in Transit	4.40	-
Stock-in-Trade	2188.54	2079.95
Stock-in-Process	1153.24	939.19
Total	<u>14446.53</u>	<u>5075.04</u>
<b>8. SUNDRY DEBTORS</b>		
(Unsecured, Considered good unless otherwise stated)		
a) Over Six Months		
Considered Good	530.23	578.09
Considered Doubtful	<u>68.31</u>	<u>68.31</u>
	598.54	646.40
Less : Provision for Doubtful Debts	<u>68.31</u>	<u>68.31</u>
	530.23	578.09
b) Others	4733.05	3578.37
Total	<u>5263.28</u>	<u>4156.46</u>
<b>9. CASH AND BANK BALANCES</b>		
Cash in Hand	13.85	6.82
With Scheduled Banks:		
In Current Account	293.01	309.20
In Fixed Deposit Account*	0.11	0.11
In Unpaid Dividend Account	28.11	28.20
In Margin Money Deposit Account	141.72	385.09
* Pledged with excise authorities for Rs. 0.11 Lacs (Previous Year Rs. 0.11 Lacs)		
Total	<u>476.80</u>	<u>729.42</u>
<b>10. OTHER CURRENT ASSETS</b>		
Interest Receivable	1.93	2.71
Total	<u>1.93</u>	<u>2.71</u>
<b>11. LOANS AND ADVANCES</b>		
(Unsecured, Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	716.78	1604.26
Balance with Excise Authorities / cenvat credits and receivables from Govt. & other authorities	3008.17	2495.89
Payments of Income tax & Wealth tax	<u>298.14</u>	<u>248.94</u>
Total	<u>4023.09</u>	<u>4349.09</u>
<b>12. CURRENT LIABILITIES AND PROVISIONS</b>		
A. Current Liabilities		
Sundry Creditors :		
Micro and Small Enterprises	12.13	19.18
Others	7997.57	3578.67
Advance from Customers	232.25	490.39
Other Liabilities	104.89	99.16
Interest Accrued but not Due	14.05	75.69
Unpaid Dividend	28.11	28.20
(There is no amount due and outstanding as at Balance Sheet date to be credited to Investor Education and Protection Fund)		
	<u>8389.00</u>	<u>4291.29</u>
B. Provisions		
Income Tax	195.42	165.98
Fringe Benefit Tax	52.23	52.22
Wealth Tax	2.59	1.96
Retirement Benefits	438.74	380.22
	<u>688.98</u>	<u>600.38</u>
Total	<u>9077.98</u>	<u>4891.67</u>



	As at 31 <sup>st</sup> March, 2010	(Rupees in lacs) As at 31 <sup>st</sup> March, 2009
<b>13. MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Deferred Revenue Expenses	10.69	21.39
Total	<u>10.69</u>	<u>21.39</u>
<b>14. SALES AND SERVICES</b>		
Sales	48211.78	39235.38
Export Incentives	2482.53	1465.68
Conversion Charges (TDS Rs.4.06 Lacs, Previous year Rs.7.69Lacs)	89.90	162.52
Total	<u>50784.21</u>	<u>40863.58</u>
<b>15. OTHER INCOME</b>		
Interest from Banks (TDS Rs. 2.12 Lacs, Previous year Rs. 5.54 Lacs)	14.83	27.82
Interest from Customers (TDS Rs. 0.38 Lacs, Previous year Rs. 0.19 Lacs)	18.15	60.60
Interest - Others (TDS Rs. 0.35 Lacs, Previous year Rs. 0.05 Lacs)	6.88	0.37
Insurance Claims	15.80	3.08
Foreign Exchange Rate Fluctuation Gains on Forward Contracts	58.95	-
Foreign Exchange Rate Fluctuation Gains - Others	2.51	27.53
Liabilities of earlier years Written Back	9.46	24.45
Profit on Sale of Fixed Asset	22.58	2.38
Profit on Sale of Investment	17.13	-
Miscellaneous Income	82.86	467.07
Total	<u>249.15</u>	<u>613.30</u>
<b>16. ACCRETION/(DECRETION) IN STOCK</b>		
<b>Closing Stock</b>		
Stock-in-Process	1153.24	939.19
Stock-in-Transit	4.40	-
Stock-in-Trade	2188.54	2079.95
	<u>3346.18</u>	<u>3019.14</u>
<b>Less : Opening Stock</b>		
Stock-in-Process	939.19	891.13
Stock-in-Trade	2079.95	2734.50
	<u>3019.14</u>	<u>3625.63</u>
	<u>327.04</u>	<u>(606.49)</u>
<b>17. MATERIAL AND MANUFACTURING EXPENSES</b>		
Purchase of Trading Goods	93.69	-
Raw Material	31222.96	25872.53
Packing Material	938.26	757.08
Stores and Spares	1194.65	847.23
Power & Fuel	3699.40	3257.05
Job Work Charges	871.68	597.12
Excise duty on Increase / (Decrease) of finished goods	39.92	(27.83)
Freight and Handling Charges	100.44	84.75
Machine Hiring Charges	3.09	-
Repairs :		
Plant and Machinery	134.41	118.56
Building	22.32	23.67
Total	<u>38320.82</u>	<u>31530.16</u>
<b>18. PAYMENTS AND BENEFITS TO EMPLOYEES</b>		
Salaries, Wages and Bonus	2126.04	1958.42
Contribution to Provident and Other Funds	151.59	151.14
Workmen and Staff Welfare	127.18	107.91
Total	<u>2404.81</u>	<u>2217.47</u>



	As at 31 <sup>st</sup> March, 2010	(Rupees in lacs) As at 31 <sup>st</sup> March, 2009
<b>19. ADMINISTRATION, SELLING AND OTHER EXPENSES</b>		
Rent	151.90	141.61
Rates and Taxes	35.81	36.68
Insurance	133.21	112.73
Freight & Other Selling Expenses	2096.63	2102.68
Commission on Sales	607.31	421.79
Bad Debt W/off	-	4.00
Bank Charges	376.39	359.47
Travelling & Conveyance	276.30	287.45
Communication	60.92	61.46
Repairs - Others	76.67	44.40
Directors' Sitting Fee	3.80	5.30
Wealth Tax	0.63	0.95
Loss on Sale of Fixed Assets	3.91	41.63
Miscellaneous Expenses	377.79	352.03
Deferred Revenue Expenses Written Off	10.69	14.66
Goodwill written off	27.63	-
Foreign Exchange Rate Difference	19.05	-
Foreign Currency Forward Booking Loss	-	722.75
Loss on Derivative Transactions	-	1405.26
Sundry Balances / Claims Written Off	6.89	32.96
Sales Tax Paid	0.08	4.06
Total	<u>4265.61</u>	<u>6151.87</u>
<b>20. INTEREST</b>		
On Non Convertible Debentures	166.96	156.46
On Term Loans	1536.36	1539.98
On Others	1213.37	1429.32
Total	<u>2916.69</u>	<u>3125.76</u>

## 21. ACCOUNTING POLICIES & NOTES ON ACCOUNTS

### A. SIGNIFICANT ACCOUNTING POLICIES

#### 1. ACCOUNTING CONCEPTS

The company follows the mercantile system of accounting and recognizes income and expenses on accrual basis. The accounts are prepared on historical cost basis as a going concern. Accounting policies not referred to otherwise are consistent with generally accepted accounting principles and the provisions of the Companies Act, 1956.

#### 2. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

#### 3. FIXED ASSETS

Fixed Assets are stated at cost less accumulated depreciation / impairment loss, if any. Cost includes freight, duties, taxes, and other incidental expenses. Pre-operative expenses including eligible borrowing cost incurred during construction period are charged to Capital Work-in-Progress and on completion, the cost is allocated to the respective fixed assets. Machinery spares which are specific to a particular item of the fixed assets and if their use is expected to be irregular are capitalized as applicable.

#### 4. DEPRECIATION/AMORTISATION

Depreciation on fixed assets is provided on straight line method at the rate and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Cost of leasehold land is amortized over the period of lease. Lease hold improvements are amortized over the primary period of lease.

#### 5. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying amount of an asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist.

#### 6. LEASES

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

#### 7. RESEARCH AND DEVELOPMENT

Revenue expenditure is charged as an expense in the year it is incurred. Capital expenditure is taken as fixed assets and depreciation is provided on such assets as per the provisions of the Companies Act, 1956.

#### 8. INVENTORIES

Raw materials, stores and spares are valued at lower of cost and net realisable value. work in progress and finish goods are valued at lower of cost and net realizable value. The costs of work in progress and finished goods include costs of raw material, conversion cost and other costs incurred in bringing the inventories to their present location and condition. Waste is valued at net realizable value.

Cost of inventories is computed on weighted average/FIFO basis.

**9. INVESTMENTS**

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

**10. GOVERNMENT GRANTS**

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

**11. PROVISION AND CONTINGENCIES**

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

**12. FOREIGN CURRENCY TRANSACTIONS**

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

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

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

**13. SALES**

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

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

**14. EMPLOYEE BENEFITS**

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

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

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

**15. CLAIMS**

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

**16. MISCELLANEOUS EXPENDITURE**

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

**17. BORROWING COST**

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

**18. TAXATION**

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

**19. FINANCIAL DERIVATIVES HEDGING TRANSACTIONS**

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

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

<b>B. NOTES ON ACCOUNTS</b>	<b>2009-2010</b>	<b>(Rs. in Lacs) 2008-2009</b>
<b>1. Contingent liabilities not provided for:</b>		
i) Bills discounted with banks	<b>3288.97</b>	4574.49
ii) Disputed demands under excise, income tax, sales tax and electricity etc	<b>88.41</b>	69.11
iii) Claims against the company not acknowledged as debt	<b>61.19</b>	45.45
<b>2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) :</b>	<b>95.41</b>	175.85
<b>3. Balance of some debtors, creditors and advances are subject to confirmation and /or reconciliation.</b>		
<b>4. Sales include Net Loss of Rs.95.72 lacs (previous year Net Gain of Rs. 2.18 lacs) on account of exchange rate fluctuation and adjustment of Rs.246.93 lacs (previous year Rs. 221.72 lacs) on account of discounts, rebate and claims.</b>		



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

Sr. No.	Particulars	As at 31 <sup>st</sup> March 10	As at 31 <sup>st</sup> March 09
1.	Principal amount remaining unpaid	<b>Rs. 1.81 lacs</b>	Rs. 0.86 lacs
2.	Interest due on above	<b>Nil</b>	Nil
3.	Total of (1) and (2)	<b>Rs. 1.81 lacs</b>	Rs 0.86 lacs
4.	Interest paid in term of Section 16	<b>Nil</b>	Nil
5.	Interest due and payable for the period of delay in payment	<b>Nil</b>	Nil
6.	Interest accrued and remaining unpaid	<b>Nil</b>	Nil
7.	Interest due and payable even in succeeding years	<b>Nil</b>	Nil

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

6. 8% Cumulative Redeemable Preference Shares are redeemable at par on or before 31<sup>st</sup> Dec, 2018. Accumulated dividend on Preference Shares for the year is Rs. 25 lacs.

## 7. Secured loans of Rs. 1443.24 lacs are repayable within next twelve months.

8. **Defined Benefit Plan**

Consequent upon adoption of Accounting Standard on 'Employees benefits' (AS-15) (Revised 2005) issued by the Institute of Chartered Accountants of India, as required by the Standard, the following disclosures are made:

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

(Amount in Rs.)

	Gratuity (Unfunded) 2009-10	Gratuity (Unfunded) 2008-09	Leave Encashment (Unfunded) 2009-10	Leave Encashment (Unfunded) 2008-09
Defined Benefit obligation beginning of the year	22561481	20756314	15460527	12893126
Current Service Cost	6023784	4779454	6780327	7522611
Interest Cost	1522004	1517195	866853	775676
Actuarial gain / (loss)	(3435813)	(908720)	(3093472)	(3329672)
Benefits paid	(1637108)	(3582762)	(1174411)	(2401214)
Defined Benefit obligation at year end	25034348	22561481	18839824	15460527

**II- Reconciliation of fair value of assets and obligations**

Present value of obligation	25034348	22561481	18839824	15460527
Amount recognized in Balance Sheet	25034348	22561481	18839824	15460527

**III- Expense recognized during the year**

Current Service Cost	6023784	4779454	6780327	7522611
Interest Cost	1522004	1517195	866853	775676
Actuarial gain/(loss)	(3435813)	(908720)	(3093472)	(3329672)
Net Cost	4109975	5387929	4553708	4968615

**IV- Actuarial assumptions**

Mortality Table (LIC)	2009-2010 1994-96 (Ultimate)	2008-2009 1994-96 (Ultimate)	2009-2010 1994-96 (Ultimate)	2008-2009 1994-96 (Ultimate)
Discount Rate	8.00%	7%	8.00%	7%
Rate of escalation in salary (per annum)	7.00%	7%	7.00%	7%
Withdrawal Rate	5.00%	5%	5.00%	5%

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

9. **Segment Information:**

(Rs. In Lacs)

Particulars	2009-10			2008-09		
	Textiles	Others	Total	Textiles	Others	Total
<b>A) Primary Segment (Business Segment)</b>						
<b>REVENUE:</b>						
External Sales	50216.86	503.98	50720.84	40385.08	420.30	40805.38
<b>RESULTS:</b>						
Segment Results before Interest & finance Cost	3767.82	(29.76)	3738.06	(1584.07)	(64.95)	(1649.02)
Interest and Finance Cost			2916.69			3125.76
Profit/ (Loss) from ordinary activities			821.37			(4774.78)
Extra ordinary items			-			-
Net Profit/ (Loss)			821.37			(4774.78)
<b>OTHER INFORMATION:</b>						
Segment Assets	57871.80	697.78	58569.58	51041.34	644.91	51686.25



Segment Liabilities	<b>8699.88</b>	<b>85.70</b>	<b>8785.58</b>	4480.50	87.12	4567.62
Segment Depreciation/Amortization	<b>2548.63</b>	<b>19.10</b>	<b>2567.73</b>	2544.15	17.56	2561.71
Capital Expenditure	<b>275.25</b>	<b>10.59</b>	<b>285.84</b>	1033.88	113.34	1147.22
Non-cash expenses other than depreciation	<b>38.32</b>	-	<b>38.32</b>	14.66	-	14.66
<b>B) Secondary Segment (Geographical By Customers)</b>						
<b>SEGMENT REVENUE:</b>						
In India		<b>17232.82</b>		14282.54		
Outside India		<b>33488.02</b>		26522.84		
Note: 1- The Company has disclosed business segments as the primary segment. Segments have been identified taking into account the nature of the products, differential risks and returns, the organizational structure and internal reporting system. The company's operations predominantly relate to manufacturing of textiles. 2- Types of products and services in each business segment: Textiles: Yarn, Fabric Nonwoven Fabrics and Garments. Others: Consumer Products i.e. Wipes and Others						

**10. General description of Lease Terms:**

Lease rental are charged on the basis of agreed terms.

Assets are taken on lease over a period of one year.

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

	<b>2009-10</b>	2008-09
	<b>(Rs. In lacs)</b>	(Rs. In lacs)
Not later than one year	<b>144.16</b>	115.81
Later than one year and not later than five years	<b>613.58</b>	632.19
Later than five years	<b>243.92</b>	192.09
Total	<b>1001.66</b>	940.09
11. a) Prior period Income (Expenses) represents:		
Debit relating to earlier years	<b>(60.41)</b>	(179.43)
Credit relating to earlier years	<b>69.69</b>	51.41
Depreciation adjustment	<b>-</b>	13.81
	<b>9.28</b>	(114.21)
b) Research and development expenditure.		
Capital	<b>-</b>	1.69
Revenue expenses	<b>72.89</b>	72.93

**12. Disclosure in respect of derivative instruments:**

Forward booking and derivative contracts entered into by the Company and have remained outstanding as on 31/03/2010 are as under:

Particulars	<b>As at 31.03.2010</b>	As at 31.03.2009
Forward booking against exports	<b>US\$ 135 Lacs</b>	US\$ 90 Lacs
	<b>EURO 7.50 Lacs</b>	-

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

Net foreign exchange exposures as on 31/03/2010 are fully hedged for exports receivable and imports and other foreign currency expenses. Foreign currency loans are not hedged for its full repayment periods.

**13. Pursuant to clause 46 of Accounting Standard-11, the company has exercised the option to capitalize the exchange differences arising on long term foreign currency loans. Had this option not been exercised, the current year profit of the company would have been increased by Rs. 64.49 Lacs.****14. Disclosure regarding amalgamation:**

Ganesh Synthetics Private Limited, Abhinav Investments Private Limited, Goodworth Merchants Private Limited, engaged in investment activities and Ginni Power Limited, engaged in power generation business (the transferee Companies) have been amalgamated with the company. The Scheme of amalgamation (the Scheme) was sanctioned by the Hon'ble High Court of Judicature at Allahabad vide its order dated 19<sup>th</sup> December 2009 issued on 5<sup>th</sup> January 2010. The scheme became effective on 16<sup>th</sup> January 2010, the Appointed Date of the Scheme being 30<sup>th</sup> November 2007. In accordance with the said scheme and as per approval of the Hon'ble High Court:

- The assets, liabilities, rights and obligations of transferee Companies have been transferred to and vested with the company with effect from 30<sup>th</sup> November 2007 and have been recorded at their respective carrying amounts under the Purchase Method of accounting for amalgamation.
- 2,22,95,386 Equity Shares of Rs. 10/- each have been issued to the eligible Equity shareholders of the transferee Companies whose names are registered in the register of members on record date, without payment being received in cash
- 1,09,07,946 Equity Shares of Rs. 10/- each held by transferee Companies have been cancelled.
- The share premium of Rs. 637.69 lacs has been accounted for on net equity share issued after cancellation as per scheme of amalgamation approved by Hon'ble High Court at Allahabad.
- The difference between the assets and liabilities acquired of the transferee Companies amounting to Rs.27.63 Lacs has been recognized as Goodwill which has been written off and charged to Profit and Loss Account in the year ended 31st March 2010.
- The transferee Companies carried on all its business and activities for the benefit of and in trust for, the company from the Appointed Date. Thus the profit or income accruing or arising to Transferee Companies, or expenditure or losses arising or incurred by them from the Appointed Date are treated as the profit or income or expenditure or loss, as the case may be, of the Company. The Scheme has accordingly been given effect to in these accounts.
- Net Loss of Rs 14.02 lacs for the period from 01.12.2007 to 31.03.2009 has been accounted for during the year on account of amalgamation.



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

**Related Parties & Relationship**

- a) Enterprises that directly, or indirectly through one or more intermediaries, control or are controlled by or are under common control with the company (this includes holding companies, subsidiaries and fellow subsidiaries): Nil
- b) Associates and joint ventures: Nil
- c) Key management personnel and Individuals owning directly or indirectly, an interest in the voting power that give them control or significant influence over the company, and the relatives of such individuals.
- 1) Key management personnel :
- i) Dr. Rajaram Jaipuria,  
ii) Shri Shishir Jaipuria,  
iii) Shri S. Singhvi  
iv) Shri R. R. Maheswari
- 2) Relative
- i) Smt. Suniti Devi Jaipuria  
ii) Smt. Sunita Jaipuria  
iii) Shri Saket Jaipuria  
iv) Shri Yash Jaipuria  
v) Shri Sharad Jaipuria  
vi) Smt. Archana Khaitan
- d) Enterprises over which Key Management personnel are able to exercise significant influence:
- i) Shree Bhawani Anand Pvt.Ltd.  
ii) Ginni Biotex Pvt. Ltd.  
iii) Kanpur Builders Pvt.Ltd.  
iv) Raghukul Properties & Investments Pvt.Ltd

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

Nature of Transaction	Relating to (a)	Relating to (b)	Relating to (c)	Rs in lacs Relating to (d)
i) Remuneration	-	-	<b>113.25</b>	-
ii) Interest	(-)	(-)	(69.85)	(-)
iii) Loan [Net-(taken)/repaid]	-	(-)	-	<b>28.23</b> (65.96)
iv) Dividend	(-)	(-)	(-)	<b>633.05</b> (294.50)
v) Equity share issued on premium (net)	(-)	(-)	<b>1590.72</b>	-
vi) Preference share	(-)	(-)	<b>130.00</b>	<b>1.36</b> (-)
vii) Year end payable	(-)	(-)	(-)	<b>386.95</b> (2650.00)

Figures in brackets relate to previous year.

16. 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:-

	2009-2010 Rs. In Lacs	2008-2009 Rs. In Lacs
a) Amount used as numerator in calculating basic and diluted EPS:		
Profit after tax-(Rs.in lacs)	<b>497.61</b>	(3273.93)
Less Dividend on Cumulative Preference Shares	<b>25.00</b>	-
Profit for the year	<b>472.61</b>	<u>(3273.93)</u>
b) Weighted average number of equity shares used as the Denominator in calculating EPS. (Nos in lacs)	<b>706.50</b>	592.63
c) Earnings per share in Rupees (Basic/Diluted)	<b>0.67</b>	(5.52)

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

	Rs. In Lacs As on 31.03.10	Rs. in Lacs As on 31.03.09
<b>Deferred tax liabilities</b>		
Depreciation –Timing Difference	<b>4705.32</b>	4495.12
<b>Deferred tax assets</b>		
Unabsorbed Depreciation	<b>3727.91</b>	3727.91
Employees benefits	<b>161.75</b>	142.56
Provision for doubtful debts	<b>23.22</b>	23.22
Unabsorbed Business Losses	<b>977.97</b>	1096.42
	<b>4890.85</b>	4990.11
Net Deferred tax (Assets) Liability :	<b>(185.53)</b>	(494.99)
Provided up to Previous year	<b>(494.99)</b>	1146.75
Provided (written back) during the year	<b>309.46</b>	(1641.74)

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

# GINNI FILAMENTS LIMITED



18. Auditors' Remuneration -#	2009-2010	2008-2009
	(Rs. in Lacs )	(Rs. in Lacs)
Statutory Auditor		
Audit Fee	<b>6.30*</b>	3.86
Tax Audit Fee	<b>0.77</b>	0.66
Certification & Other services	<b>2.37</b>	1.38
Reimbursement of Expenses	<b>0.45</b>	0.40
*Includes Rs. 0.78 lacs of transferee companies.		
#Including Service tax		
<b>19. Managing Directors'/Whole time Directors' remuneration :</b>		
Salaries	<b>82.20*</b>	54.00
Contribution to provident fund	<b>8.29</b>	6.48
Other perquisites	<b>13.41</b>	4.38
The above figures for the year do not include Provision for gratuity liabilities & leave encashment as separate figures in actuarial valuation are not available for Managing Director and whole time Directors.		
*Including Rs. 4.53 lacs of transferee companies.		
	<b>103.90</b>	64.86

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

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

**(A) Class of goods manufactured :**

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

**(B) Capacities :**

	Unit		2009-2010	Installed*	2008-2009
(i) Spindles	Nos.	NA	<b>89808</b>		89808
(ii) Rotors	Nos.	NA	<b>1680</b>		1680
(iii) Knitting Machines	Nos.	NA	<b>41</b>		41
(iv) Processed Fabrics	Kg/Batch	NA	<b>3600</b>		3600
(v) Nonwoven fabric	MT/annum	NA	<b>12000</b>		12000
(vi) Garments	Pcs.Lacs/annum	NA	<b>24</b>		24
(vii) Wipes & others	Pcs.Lacs/annum	NA	<b>1283.87</b>		1283.87

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

**(C) Actual Production :**

	Unit	2009-2010	2008-2009
		Quantity	Quantity
(i) Yarn	Kg.in Lacs	<b>252.89</b>	221.12
(ii) Fabrics-Grey	Kg.in Lacs	<b>26.61</b>	25.29
(iii) Processed Fabrics	Kg.in Lacs	<b>24.42</b>	20.87
(iv) Garments	Pcs.in Lacs	<b>17.89</b>	15.41
(v) Nonwoven Fabrics	Kg.in Lacs	<b>88.96</b>	56.90
(vi) Wipes and Others	Pcs.in Lacs	<b>561.25</b>	459.67

**(D) PURCHASES OF FINISHED GOODS:**

		2009-2010	2008-2009	
		Quantity	Quantity	Amount
				Rs.in Lacs
(i) Yarn	Kg.in Lacs	<b>0.83</b>	-	-
(ii) Fabrics-Grey	Kg.in Lacs	-	-	-
(iii) Processed Fabrics	Kg.in Lacs	-	-	-
(iv) Nonwoven Fabrics	Kg.in Lacs	-	-	-
(v) Garments	Pcs.	-	-	-
(vi) Wipes and Others	Pcs.	-	-	-

**(E) SALES:**

		2009-2010	Amount	2008-2009	Amount
		Quantity	Rs.in Lacs	Quantity	Rs.in Lacs
(i) Yarn	Kg.in Lacs	<b>237.79@</b>	<b>26398.37</b>	208.19	22169.71
(ii) Fabrics-Grey	Kg.in Lacs	<b>1.19#</b>	<b>175.67</b>	3.16	479.00
(iii) Processed Fabrics	Kg.in Lacs	<b>19.45##</b>	<b>5284.50</b>	16.46	4329.76
(iv) Conversion Charges	Kg.in Lacs	-	<b>99.80</b>	-	162.52
(v) Garments	Pcs.in Lacs	<b>19.85</b>	<b>3214.66</b>	14.69	2110.90
(vi) Wipes and Others	Pcs.in Lacs	<b>574.50</b>	<b>503.98</b>	450.40	412.59
(vii) Nonwoven Fabric	Kg.in Lacs	<b>85.09\$</b>	<b>11556.48</b>	60.51	8639.23
(viii) Waste			<b>1077.44</b>	-	1092.01
Total			<b>48310.90**</b>		<b>39395.72</b>

**(F) STOCK PARTICULARS OF FINISHED GOODS:****(a) OPENING STOCK**

(i) Yarn	Kg.in Lacs	9.92	961.23	10.90	1134.94
(ii) Fabrics-Grey	Kg.in Lacs	0.76	118.82	1.16	150.44
(iii) Processed Fabric	Kg.in Lacs	1.05	219.52	0.77	205.92
(iv) Nonwoven Fabric	Kg.in Lacs	3.24	365.87	7.78	849.63
(v) Garments	Pcs.in Lacs	2.65	301.07	1.93	265.30
(vi) Wipes and Others	Pcs.in Lacs	36.95	32.62	27.68	21.31
(vii) Waste		-	80.82	-	106.96
Total			<u>2079.95</u>		<u>2734.50</u>

**(b) CLOSING STOCK**

(i) Yarn	Kg.in Lacs	8.53	996.53	9.92	961.23
(ii) Fabrics-Grey	Kg.in Lacs	0.58	104.54	0.76	118.82
(iii) Processed Fabrics	Kg.in Lacs	0.56	105.92	1.05	219.52
(iv) Nonwoven Fabrics	Kg.in Lacs	5.87	689.85	3.24	365.87
(v) Garments	Pcs in Lacs	0.69	80.90	2.65	301.07
(vi) Wipes and Others	Pcs.in Lacs	23.70	32.09	36.95	32.62
(vii) Waste		-	178.71	-	80.82
Total			<u>2188.54</u>		<u>2079.95</u>

@ excluding 17.32 lacs kg. (Previous year 13.91 lacs kg) for captive consumption.

\*\* excludes exchange fluctuation (Refer Note No.4 above) and includes Excise Duty of Rs.63.37lacs (previous year Rs. 58.20 lacs) and excludes export incentives Rs.2482.53 lacs (previous year Rs.1465.68 lacs).

# excluding 25.60 lacs kgs (Previous year 22.53 lacs kgs.) for captive consumption.

## excluding 5.46 lacs kgs (Previous year 4.13 lacs kgs.) for captive consumption

\$ excluding 1.24 lacs kgs (Previous year 0.93 lacs) for captive consumption.

**(G) Raw Materials consumed :**

	2009-2010		2008-2009	
	Kg. In Lacs	Rs. In Lacs	Kg. In Lacs	Rs. In Lacs
Cotton/Polyester/Viscose	392.33	27278.85	328.91	22963.32
Yarn	11.83	2242.80	10.93	1860.31
Fabrics-Nonwoven	1.13	167.71	3.01	26.03
Processed Fabrics	0.52	63.81	0.59	148.11
Others	-	542.32	-	100.18
Dyes & Chemical	-	927.47	-	774.58
<b>(H) Value of raw materials consumed :</b>	<b>Rs. In Lacs</b>	<b>%</b>	<b>Rs. In Lacs</b>	<b>%</b>
Imported	4669.05	14.95	3765.75	14.56
Indigenous	26553.91	85.05	22106.78	85.44
<b>(I) Value of stores and spare parts consumed :</b>				
Imported	396.61	33.20	324.12	38.26
Indigenous	798.04	66.80	523.11	61.74
<b>(J) Earnings in foreign exchange during the year :</b>		<b>Rs. In Lacs</b>		<b>Rs. In Lacs</b>
F.O.B. value of goods Exported		32486.05		25370.42
<b>(K) CIF Value of Imports :</b>				
Raw Materials		4156.07		2829.59
Capital goods		24.83		71.83
Stores & Spare Parts		407.75		324.07
<b>(L) Expenditure paid in foreign currency :</b>				
(Only payments directly in foreign currencies considered)				
Traveling		41.64		33.46
Commission		257.60		214.96
Professional fees and others		38.70		21.74





## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010

SL. NO.	PARTICULARS	(Rs. in Lacs)	
		YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
<b>A.</b>	<b>Cash Flow from Operating Activities:</b>		
	Net Profit after Adjustments relating to Earlier years but before Tax and Extraordinary Items	830.65	(4888.99)
	<b>Adjustments for:</b>		
	Depreciation	2567.73	2561.71
	Interest Expenses	2916.69	3125.76
	Interest Income	(39.86)	(88.79)
	(Profit)/loss on Sale of Fixed Assets (Net)	(18.67)	39.25
	(Profit)/loss on Sale of Investments (Net)	(17.13)	-
	Goodwill written off	27.63	-
	Deferred Revenue Expenses written off	10.70	14.65
	Operating Profit before Working Capital Changes	<u>6277.74</u>	<u>763.59</u>
	<b>Adjustments for:</b>		
	Trade & Other receivables	(730.84)	(657.15)
	Inventories	(9371.49)	704.42
	Trade payables	<u>4217.96</u>	<u>(1517.44)</u>
	Cash generated from operations	<u>393.37</u>	<u>(706.58)</u>
	Direct Taxes Paid	<u>(42.70)</u>	<u>(41.39)</u>
	Cash Flow before extraordinary items	<u>350.67</u>	<u>(747.97)</u>
	Extraordinary items	-	-
	Net Cash from operating activities	(A) <u><u>350.67</u></u>	<u><u>(747.97)</u></u>
<b>B.</b>	<b>Cash Flow from Investing Activities:</b>		
	Purchase of Fixed Assets	(342.01)	(916.61)
	Sale of Fixed Assets	210.44	181.62
	Sale of Investments	305.76	-
	Interest Received	39.86	88.79
	Paid for Goodwill amalgamation	(27.63)	-
	Net Cash from investing activities	(B) <u><u>186.42</u></u>	<u><u>(646.20)</u></u>
<b>C.</b>	<b>Cash Flow from Financing Activities:</b>		
	Proceeds from issue of Equity Shares	2526.44	-
	Proceeds from borrowings (Net)	(337.73)	4631.32
	Interest paid	(2978.33)	(3130.44)
	Dividend paid	(0.09)	(0.20)
	Tax on Dividend	-	-
	Net cash from Financing Activities	(C) <u><u>(789.71)</u></u>	<u><u>1500.68</u></u>
	Net Increase/(Decrease) in Cash and Cash equivalents	(A+B+C) <u><u>(252.62)</u></u>	<u><u>106.51</u></u>
	Cash and Cash Equivalents (Opening Balance)	729.42	622.91
	Cash and Cash Equivalents (Closing Balance)	<u><u>476.80</u></u>	<u><u>729.42</u></u>

As per our Report of even date attached.

For P. L. GUPTA & CO.  
Chartered Accountants

YUVRAJ SINGH  
Partner

Camp: NOIDA (U.P.)  
Dated: 06<sup>th</sup> May, 2010

DR. RAJARAM JAIPURIA  
Chairman & Managing Director

S. SINGHVI  
Director Finance & CFO

ARUN KUMAR SHRIVASTAV  
Company Secretary

SHISHIR JAIPURIA  
Vice Chairman & Managing Director

J.P. KUNDRA  
J.K. BHAGAT  
M.P. WADHAWAN  
N.K. DUGGAL  
DR. H.P. BHATTACHARYA  
R.R. MAHESHWARI  
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 TWENTY SEVEN 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 - 281401, Distt. : Mathura (U.P.) at 11.30 A.M. on Thursday, the 5<sup>th</sup> August, 2010.

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

----- TEAR HERE -----



# GINNI FILAMENTS LIMITED

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

## PROXY FORM

DP ID\* \_\_\_\_\_

Folio No. \_\_\_\_\_

Client ID\* \_\_\_\_\_

No. of Shares \_\_\_\_\_

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

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

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

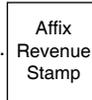
of.....

as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Twenty Seven Annual General Meeting of the Company to be held on Thursday, the 5<sup>th</sup> August, 2010 at 11.30 A.M. and at any adjournment thereof.

AS WITNESS my/our hand is/are affixed this ..... day of .....2010.

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.

**BOOK POST**

*If undelivered please return to :*  
**GINNI FILAMENTS LIMITED**  
Corporate Office : H-6, Sector 63, NH 24,  
NOIDA (U.P.)- 201 307