

# ANNUAL REPORT 2018-2019





## Contents

<b>Particulars</b>	<b>Pages</b>
Company Information .....	2-2
Notice to Shareholders .....	3-18
Director's Report .....	19-28
Extract to Directors Report .....	29-46
<b>STANDALONE FINANCIAL STATEMENTS &amp; NOTES</b>	
Independent Auditors' Report on Financial Statements .....	47-55
Balance Sheet .....	56-56
Profit and Loss Statement .....	57-57
Cash Flow Statement .....	58-58
Significant Accounting Policies .....	59-62
Notes on Financial Statements .....	63-76
<b>CONSOLIDATED FINANCIAL STATEMENTS &amp; NOTES</b>	
Independent Auditors' Report on Consolidated Financial Statements .....	77-82
Consolidated Balance Sheet .....	83-83
Consolidated Profit and Loss Statement .....	84-84
Consolidated Cash Flow Statement .....	85-85
Significant Accounting Policies on Consolidated Accounts .....	86-89
Notes on Consolidated Financial Statements .....	90-103



## COMPANY INFORMATION

## BOARD OF DIRECTORS:

**Ashok Kumar Sethia**  
Chairman and Managing Director  
**Manoj Kumar Sethia**  
Jt. Managing Director  
**Arvind Kumar Sethia**  
Jt. Managing Director  
**Laxmipat Banthia**  
Whole Time Director  
**Tejas Kishore Mashruwala**  
Director  
**Mihir Mehta**  
Independent Director  
**Abhay V. Chhapia**  
Independent Director  
**Rita Ashok Sethia**  
Whole Time Director  
**Parth Singhal**  
Company Secretary

## REGISTERED OFFICE:

A-501 & 502, Lotus Corporate Park,  
Jay Coach Lane, Off. Western Express Highway,  
Goregaon East Mumbai - 400063

## AUDITORS:

M/s Bhuwania & Agrawal Associates.  
Chartered Accountants  
503/505, J. S. Seth Road, 1st Floor,  
Chira Bazaar Mumbai - 400 002

## REGISTRAR AND TRANSFER AGENT

Bigshare Services Pvt. Ltd.  
Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis  
Makwana Road, Marol Andheri (East), Mumbai 400 059.  
Board No 022-6263 8200; Fax No 022-262638299

## BANKERS/NBFCs:

1. Union Bank of India
2. State Bank of India
3. Bank of India
4. IDBI Bank Limited
5. Allahabad Bank
6. Central Bank of India
7. Vijaya Bank
8. Small Industries Development Bank of India
9. Aditya Birla Finance Limited
10. Tata Capital Financial Services Limited
11. STCI Finance Limited
12. Axis Bank Limited
13. The South Indian Bank Limited

## BRANCH OFFICES:

Mumbai, Ahmedabad, Bangalore,  
Delhi, Kolkata, Tripura, Surat,  
& Ulhasnagar

## WAREHOUSING FACILITIES:

Plot No A-15, 16 & 17, Sardar Patel Road No. 2,  
Udhna Udyog Nagar, Surat - 394210, Gujarat  
**Yarn & Elastic Tape Unit**  
Plot No 6, 8 & 9, Unity Industrial Complex, Daman  
Chala Daman Road, Kachigam, Tel: 0260 2241963

**Raschel & Warp Knitted Fabric Unit**

Plot No A-2/11, Sachin Udyog Nagar, Sahakari  
Mandali Dandi Road, Vanzgoan, Sachin, Surat,  
Gujarat Tel – 0261 3291407.

**Embroidery Unit**

Plot No. B-2, 29 & 30, Sachin Udyog Nagar Sahakar  
Mandli, Dandi Road, Vanz Gaon, Sachin Tel:0261 3205280

**Wrap Knitted Fabric Unit**

1. Plot no 87, 88 SUR SEZ, Sachin, Taluka Choryasi, Surat,  
Gujarat, Tel – 0261 3222484
2. Plot No. B-2, 29 & 30, Sachin Udyog Nagar Sahakari  
Mandi, Dandi Road, VanzGoan, Sachin, Surat, Gujarat  
Tel – 0261 3205280

**Torchon Lace Unit**

Plot(s) No : 23, 24, 25, 26, 45, 46, Ghat no 251, Survey No33-82,  
Palghar, Maharashtra, Tel:02525 251447

**Garment Unit**

1. Plot No.61, Apparel Park, Sachin, Gujarat,  
Tel- 0261 3205274
2. Plot No. B- 2, 29 & 30, Sachin Udyog Nagar Sahakari  
Mandli, Dandi Road, VanzGoan, Sachin
3. 1st Floor, C- Wing, Udyog Bhavan No. 2, Plot No. K-2  
Additional Ambernath Industrial Area, Near Anand  
Nagar Village, Jambhavalli Taluka, Ambernath,  
Dist. Thane Tel- 09376168081

**Tape Dyeing Unit & Process House 1**

Plot No. 362, GIDC, Sachin, Surat, Gujarat  
Tel no 0261 3222481

**Value Addition Unit & Process House 2 & Circular Knitting Unit**

Plot No. B-1, B-2, Gujarat Eco Textiles Park Ltd,  
Baleshwar, Palsana, Surat- 395315 Gujarat.

## OTHER INFORMATION:

Telephone No.: +91 (22) 40659600 Fax: 91-22-40659650  
Website: www.ginzalimited.com E-Mail Address: ginza@ginzalimited.com  
CIN: U17297MH1986PLC310814

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT THE 33rd ANNUAL GENERAL MEETING OF GINZA INDUSTRIES LIMITED WILL BE HELD ON 30TH SEPTEMBER, 2019, AT 11.00 A M AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT A-501 & 502, LOTUS CORPOARTE PARK, JAY COACH LANE, OFF. WESTERN EXPRESS HIGHWAY, GOREGAON EAST MUMBAI - 400063 TO TRANSACT THE FOLLOWING BUSINESS:**

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**Ordinary Business:**

1. To receive, consider and adopt the audited Financial Statements and audited consolidated financial statements of the Company for the year ended 31st March, 2019 including and the Reports of the Board of Directors and Auditors' thereon.

**Special Business:****2. RE-APPOINTMENT OF M/S NKJ AND ASSOCIATES, COST ACCOUNTANTS AS COST AUDITOR**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and read together with the Companies (Cost Records and Audit) Rules, 2014, M/s NKJ and Associates, Cost Accountants be and are hereby ratified by the members as the Cost Auditors of the Company bearing membership no. 18869, for the conduct of the audit of the cost accounting records of the Company for the Financial Year 2019-20, as per their scope of work and be paid remuneration of Rs. 50,000/- exclusive of GST and reimbursement of out of pocket expenses incurred, if any.

**3. TO REGULARIZE MR. TEJAS KISHORE MASHRUWALA (DIN:02932573) AS AN DIRECTOR (NON- INDEPENDENT & NON- EXECUTIVE)**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Mr. Tejas Kishore Mashruwala (DIN:02932573) who was appointed as and Additional Director with effect from 27th July, 2019 on the Board of the Company pursuant to Section 161 of the Companies Act, 2013 read with the Companies (Appointment & Qualification of Directors) Rules, 2014, and other applicable provisions of the Companies Act, 2013, who holds office up to the ensuing Annual General Meeting, consent of the members are be and is hereby accorded to appoint Mr. Tejas Kishore Mashruwala (DIN:02932573) as a Director of the Company”

**4. TO RE-APPOINT MR. MIHIR MEHTA (DIN: 00219614) AS INDEPENDENT DIRECTOR FOR A SECOND TERM OF FIVE CONSECUTIVE YEARS**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Special Resolution:

**“RESOLVED THAT** pursuant to provision of Section 149, 152, 178 read along with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Mihir Mehta (DIN:02219614) Independent Director, who was appointed as an Independent Director of the Company for a term of five years up to March 31, 2019, by the members at the 28th Annual General Meeting, in terms of Section 149of the Companies Act, 2013,and recommended by Nomination and Remuneration Committee the consent of the members is hereby given to the Board to re-appointMr. Mihir Mehta (DIN:02219614) as an Independent Director of the Company for a second term of five consecutive years commencing from April 1, 2019 up to March 31, 2024, not liable to retire by rotation.”

**5. TO RE-APPOINT MR. ABHAY VINODRAI CHHAPIA (DIN: 05274546) AS INDEPENDENT DIRECTOR FOR A SECOND TERM OF FIVE CONSECUTIVE YEARS**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Special Resolution:

**“RESOLVED THAT** pursuant to provision of Section 149, 152, 178 read along with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force),Mr. Abhay Vinodrai Chhapiia (DIN 02219614)Independent Director, who was appointed as an Independent Director of the Company for a term of five years up to March 31, 2019, by the members at the 28th Annual General Meeting, in terms of Section 149 of the Companies Act, 2013,and recommended by Nomination and Remuneration Committee the consent of the members is hereby given to the Board to re-appointMr. Abhay Vinodrai Chhapiia (DIN 02219614) as an Independent Director of the Company for a second term of five consecutive years commencing from April 1, 2019 up to March 31, 2024, not liable to retire by rotation.”

**6. TO RE-APPOINT MRS. RITA ASHOK SETHIA (DIN: 07334680) AS WHOLE TIME DIRECTOR**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and Section188 1(f), and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactmentthereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) and recommended by Nomination and

Remuneration Committee, the consent of the members is hereby given to the Board to re appoint Mrs. Rita Ashok Sethia (DIN: 07334680), as Whole Time Director of the Company for a term of further 2 (Two) years with effect from 1st October, 2019 to March 31st September, 2021 as per same terms and conditions.

**7. TO APPROVE REMUNERATION OF MR. ASHOK KUMAR SETHIA (DIN:01283310) MANAGING DIRECTOR OF THE COMPANY AS PER SCHEDULE V TO THE COMPANIES ACT, 2013 FOR FURTHER PERIOD OF TWO YEARS:**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 152, 196, 197, 198, Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof) and subject to such other necessary approval(s), consent(s) or permission(s), as may be required, and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the consent of the Members of the Company be and is hereby accorded to pay remuneration of Rs. 65 lakhs (Rupees Sixty-Five Lakhs) per annum and perquisites upto Rs. 25 Lakhs with increase of Rs. 6 lakhs (Rupees Six Lakhs) every year to Mr. Ashok Kumar Sethia, Managing Director of the Company for further period of two years till 31st March, 2021.

**8. TO APPROVE REMUNERATION OF MR. MANOJ KUMAR SETHIA (DIN: 02528442) JT MANAGING DIRECTOR OF THE COMPANY AS PER SCHEDULE V TO THE COMPANIES ACT, 2013 FOR FURTHER PERIOD OF TWO YEARS:**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Special Resolution:

**RESOLVED THAT** pursuant to the provisions of Sections 152, 196, 197, 198, Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof) and subject to such other necessary approval(s), consent(s) or permission(s), as may be required, and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the consent of the Members of the Company be and is hereby accorded to pay remuneration remuneration of Rs. 57 lakhs (Rupees Fifty-Seven Lakhs) per annum (inclusive of perquisites) with increase of Rs. 6lakhs (Rupees Six Lakhs) every year to Mr. Manoj Kumar Sethia, Jt. Managing Director of the Company for further period of two years till 31st March, 2021.

**9. TO APPROVE REMUNERATION OF MR. ARVIND KUMAR SETHIA (DIN: 02502282) JT MANAGING DIRECTOR OF THE COMPANY AS PER SCHEDULE V TO THE COMPANIES ACT, 2013 FOR FURTHER PERIOD OF TWO YEARS:**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Special Resolution

**RESOLVED THAT** pursuant to the provisions of Sections 152, 196, 197, 198, Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof) and subject to such other necessary approval(s), consent(s) or permission(s), as may be required, and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the consent of the Members of the Company be and is hereby accorded to pay remuneration remuneration of Rs. 57 lakhs (Rupees Fifty-Seven Lakhs) per annum (inclusive of perquisites) with increase of Rs. 6lakhs (Rupees Six Lakhs)every year to Mr. Arvind Kumar Sethia, Jt. Managing Director of the Company for further period of two years till 31st March, 2021.

**10. TO APPROVE REMUNERATION OF MR. LAXMIPAT BANTHIA (DIN: 02464903) WHOLE TIME DIRECTOR OF THE COMPANY AS PER SCHEDULE V TO THE COMPANIES ACT, 2013 FOR FURTHER PERIOD OF TWO YEARS:**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Special Resolution:

**RESOLVED THAT** pursuant to the provisions of Sections 152, 196, 197, 198, Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof) and subject to such other necessary approval(s), consent(s) or permission(s), as may be required, and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the consent of the Members of the Company be and is hereby accorded to pay remuneration remuneration of Rsto Rs. 45 lakhs (Rupees Forty-Five Lakhs) per annum with increase of Rs. 6 lakhs (Rupees Six Lakhs) per annum.to Mr. Laxmipat Bantbia Whole Time Director, of the Company for further period of two years till 31st March, 2021.

**11. TO APPROVE REMUNERATION OF MRS. RITA ASHOK SETHIA (DIN: 07334680) WHOLE TIME DIRECTOR OF THE COMPANY AS PER SCHEDULE V TO THE COMPANIES ACT, 2013 FOR FURTHER PERIOD OF TWO YEARS:**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Special Resolution:



**RESOLVED THAT** pursuant to the provisions of Sections 152, 196, 197, 198, Section II of Part II of Schedule V and Section 188 (1)(f) and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof) and subject to such other necessary approval(s), consent(s) or permission(s), as may be required, and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the consent of the Members of the Company be and is hereby accorded to pay remuneration of Rs. 26 lakhs (Rupees Twenty-Six Lakhs) every year to Mrs Rita Ashok Sethia, Whole time Director of the Company for further period of two years till 31st March, 2021.

**Place: Mumbai**  
**Date: 04.09.2019**

**By Order of the Board of Directors**

**Ashok Kumar Sethia**  
**Managing Director**  
**(DIN 01283310)**



**Notes:**

1. The Explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting under Item No's 2 to 11 of the Notice, is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be lodged with the Company at the registered office, duly completed and signed at least 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Members /Proxies should bring duly-filled Attendance Slips to attend the meeting along with their copy of Annual Report to the meeting.
4. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
5. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a duly certified copy of the Board Resolution authorizing such a representative to attend and vote on their behalf at the Annual General meeting.
6. Members are requested to notify changes, if any, in their registered addresses to the Company's Registrars.
7. All documents referred to in the notice and explanatory statement will be made available for inspection in physical or electronic form between 11. a.m. to 2.00 p.m at the Head Office as well as Corporate Office of the Company.
8. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
9. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Company/Depositories.



10. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.

**Place: Mumbai**  
**Date:04.09.2019**

**By Order of the Board of Directors**

**Ashok Kumar Sethia**  
**Managing Director**  
**(DIN- 01283310)**

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

The following Explanatory Statement, as required by Section 102 of the Companies Act, 2013, sets out all material facts relating to the businesses mentioned under item 2 to 11 of the accompanying notice dated 04.09.2019.

### **ITEM NO. 2**

In accordance with the provisions of Section 148 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force and the Companies (Cost records and Audit) Rules, 2014 (the Rules), the Company is required to appoint cost auditor to audit the cost records for the applicable products of the Company. The remuneration payable to the Cost Auditors is required to be ratified by the members of the Company in accordance to the provisions of the Act and Rule 14 of the Rules.

The Board of Directors of the Company at its meeting held on 04.09.2019, on the recommendation of the Audit Committee had approved the appointment of M/s NKJ and Associates, Practicing Cost Accountants as the Cost Auditor of the Company for the financial year 2019-20 at a remuneration of Rs. 50,000/- exclusive of GST and all out of pocket expenses incurred, if any, in connection with the cost audit.

Accordingly, consent of members is sought for approving the Ordinary Resolution as set out in Item No. 2 for ratification of remuneration payable to the Cost Auditor for conducting the Audit of the Cost records of the Company, for the financial year ended 31st March, 2019.

None of the Directors of the Company or Key Managerial Personnel or their relatives are concerned or interested directly or indirectly in the proposed Ordinary Resolution as set out at Item No. 2.

The Board of Directors approved the Resolution set out at Item No. 3 of the Notice for ratification by the Members.

### **ITEM NO.3**

**MR. TEJAS KISHORE MASHRUWALA (DIN:02932573)** who was appointed as and Additional Director with effect from 27th July, 2019 on the Board of the Company pursuant to Section 161 of the Companies Act, 2013 read with The Companies (Appointment & Qualification of Directors) Rules, 2014, and other applicable provisions of the Companies Act, 2013, who holds office up to the ensuing Annual General Meeting an is eligible for appointment of as a director.

Mr. Tejas Kishore Mashruwlais not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director.

None of the Directors of the Company or Key Managerial Personnel or their relatives are concerned or interested directly or indirectly in the proposed Ordinary Resolution as set out at Item No. 3

#### **ITEM NO 4**

**MR. MIHIR MEHTA (DIN: 00219614)** was appointed as a Director on the Board of the Company on 27/07/2011. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, members of the Company at the 28th Annual General Meeting held on September 25, 2014 approved the appointment of Mr. Mihir Mehta as an Independent Director of the Company for a period of 5 years up to March 31, 2019.

As per the provisions of Section 149 of the Companies Act, 2013, and Schedule IV of the Companies Act, 2013 an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of upto five years, on passing of a special resolution by shareholders.

The Company has received intimation in Form DIR-8 from Mr. Mihir Mehta that, he is not disqualified from being re-appointed as an Independent Director in terms of Section 164 of the Act, declaration that he meets with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and his consent to continue as an Independent Director.

The resolution seeks the approval of members for the re-appointment of Mr. Mihir Mehta as an Independent Director of the Company commencing from April 1, 2019 up to March 31, 2024 in terms of Section 149 and other applicable provisions of the Act and Rules made there under. He is not liable to retire by rotation.

In the opinion of the Board, Mr. Mihir Mehta fulfills the conditions for his re-appointment as an Independent Director as specified in the Act and is independent of the management.

Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of Mr Mihir Mehta, the Board of Directors at its meeting held on March 29, 2019 approved the continuance of office of Mr. Mihir Mehta as mentioned in the resolution.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Mr. Mihir Mehta, to whom there solution relates, is in any way, concerned or interested, financially or otherwise, in the resolution.

Board recommends the resolution set-forth in Item No.4 for approval of the members by way of Special Resolution.

#### **ITEM NO 5**

**MR. ABHAY VINODRAI CHHAPIA (DIN: 05274546)** was appointed as a Director on the Board of the Company on 30/09/2012. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, members of the Company at the 28th Annual General Meeting held on September 25, 2014 approved the appointment of Mr. Abhay Vinodrai Chhapiya as an Independent Director of the Company for a period of 5 years up to March 31, 2019

As per the provisions of Section 149 of the Companies Act, 2013, and Schedule IV of the Companies Act, 2013 an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of upto five years, on passing of a special resolution by shareholders.

The Company has received intimation in Form DIR-8 from Mr. Abhay Vinodrai Chhapiya that, he is not disqualified from being re-appointed as an Independent Director in terms of Section 164 of the Act, declaration that he meets with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and his consent to continue as an Independent Director.

The resolution seeks the approval of members for the re-appointment of Mr. Abhay Vinodrai Chhapiya as an Independent Director of the Company commencing from April 1, 2019 up to March 31, 2024 in terms of Section 149 and other applicable provisions of the Act and Rules made there under. He is not liable to retire by rotation.

In the opinion of the Board, Mr. Abhay Vinodrai Chhapiya fulfills the conditions for his re-appointment as an Independent Director as specified in the Act and is independent of the management.

Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of Mr. Abhay Vinodrai Chhapiya, the Board of Directors at its meeting held on March 29, 2019 approved the continuance of office of Mr. Abhay Vinodrai Chhapiya as mentioned in the resolution.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Mr. Abhay Vinodrai Chhapiya, to whom there solution relates, is in any way, concerned or interested, financially or otherwise, in the resolution.

Board recommends the resolution set-forth in Item No.5 for approval of the members by way of Special Resolution.

#### **ITEM NO 6**

**MRS. RITA ASHOK SETHIA (DIN:07334680)** was appointed as Whole Time Director by the members in the Annual General Meeting on 30th September, 2016 for period of three years as per the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956).

Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Rita Ashok Sethia as Whole Time Director of the company as recommended by Nomination and Remuneration Committee, for the approval by the shareholders of the Company for re-appointing Mrs. Rita Ashok Sethia as Whole Time Director for a term of further 2 (Two) years with effect from 1st October, 2019 to March 31st September, 2021 as per same terms and conditions.

Mrs. Rita Ashok Sethia is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director.



Except Mr. Ashok Kumar Sethia, Mr. Arvind Kumar Sethia, Mr. Manoj Kumar Sethia and Mrs. Rita Ashok Sethia, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in there solution set out at Item No. 6

### **Explanation for Item No 7 to Item No 11**

Members of the Company at the Annual General Meeting held on 30th September, 2016 approved revise remuneration for Mr. Ashok Kumar Sethia, Managing Director, Mr. Arvind Kumar Sethia, Jt. Managing Director, Mr. Manoj Kumar Sethia, Jt. Managing Director, Mr. Laxmipat Banthia, Whole Time Director and Mrs. Rita Ashok Sethia in terms of Section 197, 198 and Schedule V read with Rule 7 (2) of (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013.

As per Schedule V Part II Section II of the Companies Act, 2013 a special resolution passed for payment of remuneration shall not exceed for period of three years and Shareholder approval is required thereafter for the balance tenure for payment of remuneration.

Approval of member is sought for the payment of remuneration as approved at the Annual General Meeting held on 30thSeptember, 2016 for Mr. Ashok Kumar Sethia, Managing Director, Mr. Arvind Kumar Sethia, Jt. Managing Director, Mr. Manoj Kumar Sethia, Jt. Managing Director, Mr. Laxmipat Banthia, Whole Time Director and Mrs. Rita Ashok Sethia Whole Time Director of the Company for the balance tenure of two years till 31stMarch, 2021

Considering the same, Nomination and Remuneration Committee and Board of Directors at their Meeting held on 04/09/2019 have approved the payment of remuneration as approved by the members.

Information required on the matter pursuant to Section II, Part II of Schedule V to the Act is given as Annexure II A to this notice.

None of the Directors/ Key Managerial Personnel or their relatives, except Mr. Ashok Kumar Sethia, Manoj Kumar Sethia, Arvind Kumar Sethia, Mr. Laxmipat Banthia and Mrs. Rita Ashok Sethia are concerned or interested (whether financially or otherwise) in this resolution.

Board recommends the resolution set-forth in Item No.8 to Item No 12 for approval of the members by way of Special Resolution.

**Place: Mumbai**  
**Date:04.09.2019**

**By order of the Board**

**Ashok Kumar Sethia**  
**Managing Director**  
**(DIN- 01283310)**

**INFORMATION / DISCLOSURE STATEMENT**

**Annexure to the Notice convening the Annual General Meeting to be held on September 4th, 2019 pursuant to Section II, Part II of Schedule V (iv) of the Companies Act, 2013 (the Act) in respect of items of the accompanying Notice pertaining to the revision in remuneration of Managerial Person.**

**I. GENERAL INFORMATION:**

**(1) Nature of Industry:**

Ginza Industries Limited, a Company incorporated on 24th July, 1986, under the Companies Act, 1956, is a leading manufacturer of Warp & Raschel Knitted Fabrics, Laces, Elastic Tapes, Processing, Value Added Fabrics, home textiles and garments (lingerie & Ladies Garment).

**(2) Date or expected date of commencement of commercial production:**

Not applicable as the Company is an existing Company.

**(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not applicable.

**(4) Financial performance based on given indicators – as per audited financial results for the year ended March 31, 2019.**

<b>Particulars</b>	<b>2018-19 Rs. in lacs</b>
Income from operations	34143.38
Other Income	79.19
Profit/(Loss) before interest, depreciation and taxation	4923.29
Net Profit/(Loss)	860.01

**(5) Export performance and net foreign exchange collaborations –  
Rs. 7137.31(F.Y. 2018-19)**

**(6) Foreign Investments or collaboration, if any-**

With the aim of establishing the Company's brand SOIE US in overseas market, Ginza Industries Limited has a Joint Venture in the name and style of SOIE US LLC with the overseas partner Mr. Vivek Baid in the State of New York, U.S.A.

The arrangement is that 51% shares is of Ginza Industries Limited and 49% is of Mr. Vivek Baid. There were no transactions during the Financial Year. 2018-19.

**II (A).INFORMATION ABOUT MR. ASHOK KUMAR SETHIA**

1.	<b>Background details</b>	Mr. Ashok Kumar Sethia, a Chartered Accountant, was responsible to steer GIL in the direction of progress with his vast business experience in the textile industry. Mr. Ashok Kumar Sethia has been in-charge of the overall business since inception. He has also been instrumental in spearheading the entry into new and innovative products through in-house R&D efforts. He has expanded the product portfolio by introducing the lingerie business to the existing product range which has enormous scope in the Indian market Mr. Ashok Kumar Sethia has extensive industry knowledge and has been a mentor to all his employees.
2.	<b>Past remuneration</b>	Salary of Rs. 65 Lakhs p.a
3.	<b>Recognition or awards</b>	-
4.	<b>Remuneration proposed</b>	Same as mentioned in body of Resolution at Item No 7
5.	<b>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person</b>	Taking into consideration the size of the Company, the profile of Mr. Ashok Kumar Sethia, Managing Director, in appreciation of their dedicated efforts which contributed in achieving an excellent performance by the Company and having regard to the increased responsibilities for further improving the Company's performance in a competitive market, the remuneration proposed is commensurate with the remuneration packages paid to similar senior level counterparts in the companies.
6.	<b>Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.</b>	None of the Directors or relatives, except Mr. Arvind Kumar Sethia, Mr. Ashok Kumar Sethia, Manoj Kumar Sethia and Mrs. Rita Ashok Sethia are concerned or interested in this resolution.



**(B).INFORMATION ABOUT Mr. MANOJ KUMAR SETHIA**

1.	<b>Background details</b>	Shri Manoj Kumar Sethia, is a commerce graduate He has more than two decades of experience in the industries. He is overall in-charge of Company's Manufacturing capabilities across different businesses.
2.	<b>Past remuneration</b>	Salary of Rs. 57 Lakhs p.a
3.	<b>Recognition or awards</b>	-
4.	<b>Remuneration proposed</b>	Same as mentioned in body of Resolution at Item No.8
5.	<b>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person</b>	Taking into consideration the size of the Company, the profile of Mr. Manoj Kumar Sethia, JT Managing Director in appreciation of their dedicated efforts which contributed in achieving an excellent performance by the Company and having regard to the increased responsibilities for further improving the Company's performance in a competitive market, the remuneration proposed is commensurate with the remuneration packages paid to similar senior level counterparts in the companies.
6.	<b>Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.</b>	None of the Directors or relatives, except Mr. Arvind Kumar Sethia, Mr. Ashok Kumar Sethia, Manoj Kumar Sethia and Mrs. Rita Ashok Sethia are concerned or interested in this resolution.

**C).INFORMATION ABOUT Mr. MANOJ KUMAR SETHIA**

1.	<b>Background details</b>	Mr. Arvind Kumar Sethia, is a commerce graduate and has experience of over 29 years and looks after overall administration and maintenance of accounts along with supply chain management.
2.	<b>Past remuneration</b>	Salary of Rs. 57 Lakhs p.a
3.	<b>Recognition or awards</b>	-
4.	<b>Remuneration proposed</b>	Same as mentioned in body of Resolution at Item No.9
5.	<b>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person</b>	Taking into consideration the size of the Company, the profile of Mr. Arvind Kumar Sethia, JT Managing Director in appreciation of their dedicated efforts which contributed in achieving an excellent performance by the Company and

		having regard to the increased responsibilities for further improving the Company's performance in a competitive market, the remuneration proposed is commensurate with the remuneration packages paid to similar senior level counterparts in the companies.
6.	<b>Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.</b>	None of the Directors or relatives, except Mr. Arvind Kumar Sethia, Mr. Ashok Kumar Sethia, Manoj Kumar Sethia and Mrs. Rita Ashok Sethia are concerned or interested in this resolution.

**D).INFORMATION ABOUT Mr. LAXMIPAT BANTHIA**

1.	<b>Background details</b>	Mr. Laxmipat Bantia, is a Chartered Accountant, having 11 years of experience in the existing line of business and heads the elastic tapes and yarn manufacturing division of the Company. Further he recently took charge of the domestic apparel and lingerie brand, Soie.
2.	<b>Past remuneration</b>	Salary of Rs. 45 Lakhs p.a
3.	<b>Recognition or awards</b>	-
4.	<b>Remuneration proposed</b>	Same as mentioned in body of Resolution at Item No. 10
5.	<b>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person</b>	Taking into consideration the size of the Company, the profile of Mr. Laxmipat Bantia, Whole Time Director the responsibilities shouldered on him and industry benchmarks and in appreciation of their dedicated efforts which contributed in achieving an excellent performance by the Company and having regard to the increased responsibilities for further improving the Company's performance in a competitive market, the remuneration proposed is commensurate with the remuneration packages paid to similar senior level counterparts in the companies.
6.	<b>Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.</b>	None of the Directors or relatives, except Mr. Arvind Kumar Sethia, Mr. Ashok Kumar Sethia, Manoj Kumar Sethia and Mrs. Rita Ashok Sethia are concerned or interested in this resolution.

**D).INFORMATION ABOUT Mrs RITA ASHOK SETHIA**

1.	<b>Background details</b>	Mrs.Rita Ashok Sethia, is a Bachelor of Science, shehas done Diploma in Fashion Designing from S.N.D.T University. She has around 8 years of experience in Garment Industry. She is well versed with the entire gambit of apparels. She has exposure to International fashion trends and have great knowledge of Indian markets. She takes care of overall development of designs and apparels of SOIE.
2.	<b>Past remuneration</b>	Salary of Rs. 26 Lakhs p.a
3.	<b>Recognition or awards</b>	-
4.	<b>Remuneration proposed</b>	Same as mentioned in body of Resolution at Item No. 11
5.	<b>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person</b>	Taking into consideration the size of the Company, the profile of Mrs Rita Ashok Sethia, Whole Time Director the responsibilities shouldered on her and industry benchmarks and in appreciation of their dedicated efforts which contributed in achieving an excellent performance by the Company and having regard to the increased responsibilities for further improving the Company's performance in a competitive market, the remuneration proposed is commensurate with the remuneration packages paid to similar senior level counterparts in the companies.
6.	<b>Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.</b>	None of the Directors or relatives, except Mr. Arvind Kumar Sethia, Mr. Ashok Kumar Sethia, Manoj Kumar Sethia and Mrs. Rita Ashok Sethia are concerned or interested in this resolution.

Place: Mumbai  
Date:04.09.2019

**By order of the Board**

**Ashok Kumar Sethia**  
**Managing Director**  
**(DIN: 01283310)**

**DIRECTORS' REPORT**

To  
The Members of  
**GINZA INDUSTRIES LIMITED**

The Directors have pleasure to present their Annual Report and the Audited Annual Accounts for the year ended 31st March, 2019.

**RESULTS OF OPERATIONS**

(Amount in lacs)

<b>PARTICULARS</b>	<b>2018-19</b>	<b>2017-18</b>
Total Operational Income	34143.38	33487.63
Other Income	79.19	158.51
Total Income	34222.58	33646.14
Less: Operating Expenditure	29299.29	28900.95
Profit before Interest, Depreciation, Amortization Tax & Exceptional Item	4923.29	4745.19
Less: Depreciation & Amortization	1545.21	1641.73
Less: Finance Cost	2358.91	2103.96
Add: Exceptional items & Extraordinary items.	18.66	
Profit before Tax	1037.83	999.50
Less: Provision for Taxation(incl. liability for earlier years)	237.80	218.80
Less: Deferred Tax Liability/assets	19.41	57.75
Add: MAT credit entitlement	79.39	107.90
Net Profit for the year	860.01	830.85
EPS- Basic & Diluted	6.98	9.35

Notes – Previous year figures has been regrouped wherever necessary to bring them in line with the current year's representation of figures.

**BUSINESS OPERATIONS**

The Company's gross revenue for the financial year ended March 31st,2019 was Rs. 34143.38lacs (previous year Rs.33487.63 lacs) with EBIDTA of Rs. 4923.29lacs(Previous year Rs. 4745.19) and Profit before Tax at Rs. 1037.83(Previous year Rs. 999.50 lacs).

**FUTURE OUTLOOK**

Your Company is emerging strongly from the transitory effects of demonetization and implementation of Goods and Services Tax (GST). The recent Anti – Dumping move of the Government of raising import duty on 328 textile products to curb soaring imports from china depreciation of Indian rupee and recent trade war between US and China would help the local Textile Industry to create more value addition in demand for local products and exports. Your Company is well poised to take advantage of the recent developments.

To drive future growth of the Company, it is implementing a prestigious state of the art project, which has been awarded 'MEGA PROJECT' status by the State Govtof Maharashtra. The location of this project is in Dhule district which is a D+ Zone, having various government incentives This project is being implemented in a Textile Park, where, Company is a Co Promoter having 49% subsidy from State and Central Governments to the tune of Rs. 49 Crores for creating all the infrastructures and factory buildings, making it very cost effective.

Implementation of the project has already begun and Company has already invested more than Rs. 13.00 Crores in this project, Company expects to start trial production from April 2020 and commercial production from July, 2020 in phases.

Your directors are hopeful that with implementation of New Mega Project your Company will be able to produce much improved performance in future years.

The apparel and lingerie's brand of the company 'S.O.I.E' has also started showing strong growth and expected to grow by more than 75% during current year.

Your directors are hopeful that your Company will be able to produce improved performance in current year and will have a big growth from next year.

#### **DIVIDEND**

With a view to conserve the resources and strengthen the reserves for future expansion, your Directors do not recommend any dividend for the year ended March31st, 2019.

#### **TRANSFER TO RESERVES**

The Company has not transferred any amount to the General Reserve out of amount available for appropriations.

#### **SHARE CAPITAL**

The paid-up equity share capital of the Company as on March 31st, 2019 was 8.88 crores. During the year under review, the Company has not issued any shares.

#### **FINANCE**

The Company has repaid installment of Term Loans amounting to Rs. 2641.11 lacs during the current year.

The Company has also made fresh borrowing availed of Rs 686.71 lakhs as on March 31st, 2019.

#### **INTERNAL FINANCIAL CONTROLS**

Your Company has adequate internal control system within the meaning of the explanation of Section 134 (5) (e) of the Companies Act, 2013, which is commensurate with the size, scale

and complexity of its operations. For the year ended March 31st, 2019, the Board is of the opinion that your Company has sound IFC commensurate with the nature of its sound operations; wherein controls are in place and operating effectively and no material weakness exists.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Loans, Guarantees and Investment covered under Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Power) Rules, 2014 form part of the notes to the financial statements provided in this Annual Report.

**DEPOSITS**

Your Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 (“the Act”) read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review. Hence, the requirement for furnishing the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

**EXTERNAL CREDIT RATING:**

The rating of on Long Term Borrowing of the Company is CRISIL/ICRABBB+/Stable and on short term borrowing it is CRISIL A2.

**PARTICULARS OF CONTRACT OR ARRANGEMENTS WITH RELATED PARTIES**

Section 188 of the Companies Act, 2013 deals with related party transaction. During the financial year, your Company has entered into related party transactions which were on an arm's length basis and in the ordinary course of business. All related party transactions have been approved by the Audit Committee of the Board of Directors of your Company and the same are being reviewed by it on a periodic basis.

A detailed disclosure of these transactions with the Related Parties is annexed with this Report in Form AOC-2 in “Annexure - 2.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

<b>CATEGORY</b>	<b>NAME OF THE DIRECTORS &amp; KEY MANAGERIAL PERSONNEL</b>
<b>Promoter Directors</b>	Ashok Kumar Sethia (Chairman & Managing Director) Arvind Kumar Sethia (Jt. Managing Director) Manoj Kumar Sethia (Jt. Managing Director)
<b>Independent Director</b>	Mihir Mehta Abhay V. Chhapia
<b>Executive Director Non Executive &amp; Non Independent Director</b>	Laxmipat Banthia (Whole Time Director) Tejas Kishore Mashruwala
<b>Company Secretary</b>	Parth Shivkumar Singhal

**\*Mr. Ajay Kumar Agrawal resigned from the post of Independent Director with effect from 5th April, 2019**

**\*\*Ms. Nivedita Juvatkar resigned from the post of Company Secretary with effect from 4th April, 2019.**

### **BOARD MEETINGS**

The Board of Directors (herein after called as “the Board”) met for 4 times during the Year under review.

### **STATEMENT ON DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS UNDER SECTION 149 (6) OF THE COMPANIES ACT, 2013**

The Company has received necessary declaration from each independent Director under Section 149(6) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

### **COMMITTEES OF THE BOARD**

During the year, in accordance with the Companies Act, 2013. There are currently five committees of the Board, as follows:

- **Management Committee:** The power has been given by Board to this Committee for taking routine decisions as and when required which is within the powers of the Committee. The Board comprises of three members viz; Mr. Ashok Kumar Sethia, Mr. Manoj Kumar Sethia and Mr. Laxmipat Banthia, Directors of the Company.
- **Audit Committee:** This committee acts in accordance with the terms of reference specified in writing by the Board and as mentioned in Section 177 of the Companies Act, 2013. This Committee comprises of viz; Mr. Mihir Mehta, Independent Director, Mr. Abhay Chhaphia, Independent Director and Mr. Laxmipat Banthia, Whole Time Director of the Company.

Mr. Ajay Agrawal resigned from the post of Independent Director.

### **Acceptance of recommendations of the Audit Committee**

There were no such instances wherein the recommendations of the Audit Committee were rejected by the Board of Directors.

- **Corporate Social Responsibility Committee:** This committee acts in accordance but not restricted to Section 135 of the Companies Act, 2013 to bring about a positive impact in the society. The members of this committee are Mr. Mihir Mehta, Independent Director, Mr. Ashok Kumar Sethia, Managing Director and Mr. Manoj Kumar Sethia, Jt. Managing Director. The committee has registered a trust under name ‘Jeev Foundation’. The approved policy is available on the Company’s website [www.ginzalimited.com](http://www.ginzalimited.com).
- **Nomination and Remuneration Committee:** This committee acts in accordance of Section 178 of the Companies Act, 2013. The members of this committee are Mr. Mihir Mehta, Independent



Director, Mr. Abhay Chhavia, Independent Director and Mr. Tejas Mashruwala, Director.

- **Independent Directors Committee:** This Committee was formed for evaluating the performance of the non-independent Directors, Chairperson of the Company and the Board as a whole. The criteria for evaluating are briefly mentioned in Schedule IV of the Companies Act, 2013.

## **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

The Company does not have any associate company and there is one Joint Venture Company i.e. SOIE LLP. A report on the performance and financial position of each of the subsidiary as per Companies Act, 2013 is provided in **Annexure 1** to the consolidated financial statement.

### **SUBSIDIARY**

#### **Ginza Lifestyles Limited (GLL)**

GLL is engaged in imports of textiles and resale it in the domestic market by leveraging its relationship with overseas Suppliers.

During the financial year 2018-19 sales of the GLL was NIL.

### **JOINT VENTURE COMPANY**

#### **SOIE US LLC**

A Limited Liability Company (LLC) formed by the Company with Mr. Vivek Baid in the State of New York, U.S.A. for establishing the Company's brand SOIE in overseas market. The arrangement of this LLC is that 51% of share is of the Company and 49% is of Mr. Vivek Baid. There were no transactions in the Financial Year 2018-19.

## **AUDITORS AND AUDITORS' REPORT**

### **Statutory Auditors & Auditor's Report:**

Under Section 139 of the Companies Act, 2013 and rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the provisions of Companies Act, 2013. In line with the requirements of the Companies Act 2013, M/s Bhuwania & Agrawal Associates., Chartered Accountants bearing Registration Number: 101483W was appointed as the statutory auditors of the Company to hold office for a period of five consecutive years from the Conclusion of the 32nd AGM of the company held on September 29, 2019, till the Conclusion of 37th AGM to be held in the year 2023. The requirement for the annual ratification of auditors appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018

During the year, the statutory auditors have confirmed that they satisfy the independence criteria required under Companies Act, 2013

The observations made by the Statutory Auditors in their Report read with the relevant notes as given in



the Notes to Accounts for the year ended March 31st, 2019, are self-explanatory and therefore do not call for any further comments.

**Cost Auditor:**

M/s. NKJ & Associates, Practicing Cost Accountant were appointed as Cost Auditor as required under Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Cost Records and Audit) Amendment Rules, 2014, for the financial year ending March 31st, 2019.

The Directors, on the recommendation of the Audit Committee, re-appointed M/s. NKJ & Associates, Practicing Cost Accountant, to audit the cost accounts of the Company for the financial year ending March 31st, 2020 on a remuneration of Rs.50,000/- (Rupees Fifty Thousand Only) plus applicable taxes. The remuneration payable to the Cost Auditor is required to be ratified subsequently by the shareholders at the forthcoming AGM.

**Secretarial Auditor:**

M/s. Pramod S. Shah & Associates, Practicing Company Secretaries, Mumbai were appointed to conduct the secretarial audit for the financial year 2018-19 as required under Section 204 of the Companies Act, 2013 and Rules made there under. M/s. Pramod S. Shah & Associates, Practicing Company Secretaries have issued their Audit report for the financial year ended March 31st, 2019 is attached in **Annexure 4**.

**CHANGE IN THE NATURE OF BUSINESS**

There has been no change in the nature of business of the Company during the year under review.

**ANNUAL RETURN**

The extract of annual return for the financial year 2018-19 is attached in Annexure 3.

**INSURANCE:**

All the insurable interests of your company including inventories, buildings, plant & machinery and office premises are adequately insured against risk of fire and other risks.

**CORPORATE SOCIAL RESPONSIBILITY:**

In terms of the provisions Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility (CSR) Committee which is chaired by Mr. Mihir Mehta. The other Members of the Committee are Mr. Ashok Kumar Sethia, Managing Director and Mr. Manoj Kumar Sethia, Jt. Managing Director. Your Company also has in place a CSR Policy and the same is available on the website of the Company at [www.ginzalimited.com](http://www.ginzalimited.com). The details of the activity undertaken during the year is attached as Annexure 5 to the extract of Director's Report.

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

The information required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are given below:

**Conservation of Energy:** The Company adopts proper steps for conservation of energy in its manufacturing process.

**Technology Absorption, adaptation & Innovation:** The Company has not adopted any technology except installation and addition of the ultra-modern technology-based machines to its manufacturing locations, in order to keep abreast of the latest developments in technology in textiles industry.

Efforts are made towards technology absorption, adaptation and innovation. The Company has been developing in-house modifications/ improvements in process technology in its various manufacturing sections which, when found suitable, are integrated into the regular manufacturing operation.

Benefits derived as a result of the above efforts are: product improvement, cost reduction, product development, import substitution and increased business potential.

### RESEARCH AND DEVELOPMENT

Specific areas in which R & D has been carried out by the Company	The Company has carried out R & D in the area of New product development, improving product quality, cost control and energy conservation
Benefits derived as a result of R & D	Sales and quality of the products has improved substantially
Future plan of action	Continuing work for improvement in quality of the products
Expenditure of R & D 1) Capital 2) Recurring 3) Total R & D Expenditure as a percentage of total turnover	No separate records has been maintained for expenditure incurred for R & D.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. In lacs)

PARTICULARS	2018-19	2017-18
Earnings	7137.31	6691.93
Outflows		
(i) Raw Materials	3938.70	2850.42
(ii) Stores and Spare Parts	23.64	35.70
(iii) Capital Goods	205.28	991.86
Net Foreign Exchange Earnings (NFE)	2969.69	2813.95
NFE/Earnings (%)	+ve	+ve

## **VIGIL MECHANISM**

In compliance with the provisions of Section 177 (10) of the Companies Act, 2013 your Company has in place a vigil mechanism for the directors and employees to report concerns about unethical behaviour, and actual or suspected fraud or violation of your Company's Code of Conduct. Adequate safeguards are provided against victimization to those who avail of the mechanism and access to the Chairman of the Audit Committee in exceptional cases is provided to them.

## **RISK MANAGEMENT**

The Board of Director of your Company have identified industry specific risk and other external, internal, political and technological risk which in opinion of the board are threaten to the Company and Board has formulated the policy for how to manage the risk and what actions are required to take for diminish the adverse effect of the risk.

## **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

During the financial year 2018-19, the company has not received any complaint on sexual harassment. Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various interventions and practices. The Company has always endeavor to create and provide an environment that is free from discrimination and harassment including sexual harassment.

## **PARTICULARS OF EMPLOYEES**

None of the employees of the Company is drawing remuneration in excess of the limits prescribed under Rule (5)(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to sub-section (5) of Section 134 of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained /received from the operating management, your Directors make the following statement and confirm that:

- a) in the preparation of the Annual Accounts for the financial year ended March 31st, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31st, 2019 and of the profit of the Company for that financial year;

- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the Annual Accounts for the financial year ended March 31st, 2019, on a going concern basis; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **ACKNOWLEDGMENT**

Your Directors take this opportunity to thank the Company's Customers, Vendors, Investors and Bankers for their continued support, guidance and co-operation during the year. We also wish to thank the Government of India, the State Governments and various Government Agencies for their immense support. Your Directors also places on record their deep sense of appreciation for the excellent contribution made by Employees through their co-operation, commitment, competence with the view to achieve consistent growth for the Company. The directors are thankful to the esteemed shareholders for their support and the confidence reposed in the Company.

#### **For and behalf of the Board of Directors**

Place: Mumbai  
Date: 04/09/2019

**Ashok Kumar Sethia**  
**Managing Director**  
**DIN: 01283310**

**Laxmipat Banthia**  
**Whole Time Director**  
**DIN: 02464903**

**ANNEXURES TO THE BOARD’S REPORT**

**ANNEXURE 1- STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES**

[Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014- AOC-1]

*Amount in Lacs*

Name of the Subsidiary	Ginza Lifestyles Limited
Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	March 31 <sup>st</sup> , 2019
Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
Share Capital	5.00
Reserves & Surplus	30.08
Total Assets	58.40
Total Liabilities	58.40
Investments	-
Turnover	-
Profit before taxation	-0.58
Provision for taxation	0.03
Profit after taxation	-0.58
Proposed Dividend	-
% of shareholding	100%

**ANNEXURE 2- PARTICULARS OF CONTRACTS/ ARRANGEMENTS MADE WITH RELATED PARTIES**

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm’s length basis:**

There were no contracts or arrangements or transactions entered into during the year ended March 31st, 2019, which were not at arm’s basis.

**2. Details of material contracts or arrangement or transactions at arm’s length basis:**

There were no contracts or arrangements or transactions entered into during the year ended March 31st, 2019, which were at arm’s basis.

**For and on behalf of Board of Directors**

**Ashok Kumar Sethia**  
**Managing Director**  
**DIN-01283310**

**Laxmipat Banthia**  
**Whole Time Director**  
**DIN-02464903**

**ANNEXURE 3- EXTRACT OF ANNUAL RETURN**
**Form No. MGT-9**

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

Details as on Financial Year ended March 31<sup>st</sup>, 2019

**I. REGISTRATION AND OTHER DETAILS:**

i.	Corporate Identity Number (CIN) of the Company	U17297MH1986PLC310814
ii.	Registration Date	July 24 <sup>th</sup> , 1986
iii.	Name of the Company	Ginza Industries Limited
iv.	Category/ sub-category of the Company	Company limited by shares
v.	Address of the registered office and contact details	A-501 & 502, Lotus Corporate Park, Jay Coach Lane, Off Western Express Highway, Goregaon East Mumbai – 400063 Tel no - +91-22-40659645
vi.	Whether listed company	No
vii.	Name, address and contact details of Registrar and transfer agent	Bigshare Services Pvt. Ltd. 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai- 400 072. Board No- 022- 62638200; Fax No 022- 62638299

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

Name and description of main products/ services	NIC code of the product/ service	% of total turnover of the Company
Manufacture of Textiles	Division-13	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Particulars	CIN	Holding/ subsidiary	% holding as at March 31 <sup>st</sup> , 2018	Applicable section
Twistex India Limited	U17111WB1996PLC079636	Holding	58.89	2(46)
Ginza Lifestyles Limited	U17290MH2011PLC215134	Wholly owned subsidiary	100.00	2(87)

**IV. SHAREHOLDING PATTERN (Equity share capital break-up as percentage of total equity):**
**i) Category-wise shareholding**

Category of Shareholders		No of shares held at the beginning of the year				No of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>Promoters</b>										
<b>1. Indian</b>										
a)	Individual/HUF	2658298	142700	2800998	31.53	2658298	146700	2804998	31.57	0.04
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt (s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	5226956	-	5226956	58.84	5231956	-	5231956	58.89	0.06
e)	Banks/ FI	-	-	-	-	-	-	-	-	-
f)	Any other.	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1):-</b>		<b>7885254</b>	<b>142700</b>	<b>8027954</b>	<b>90.37</b>	<b>7890254</b>	<b>146700</b>	<b>8036954</b>	<b>90.47</b>	<b>0.10</b>
<b>2. Foreign</b>										
a)	NRI- Individuals	-	-	-	-	-	-	-	-	-
b)	Other- Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks/ FI	-	-	-	-	-	-	-	-	-
e)	Any other..	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2):-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoters (A)= (A)(1) +(A)(2)</b>		<b>7885254</b>	<b>142700</b>	<b>8027954</b>	<b>90.37</b>	<b>7890254</b>	<b>146700</b>	<b>8036954</b>	<b>90.47</b>	<b>0.10</b>

<b>B. Public Shareholding</b>										
<b>1. Institutions</b>										
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks/ FI	-	-	-	-	-	-	-	-	-
C)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total (B)(1):-</b>		-	-	-	-	-	-	-	-	-
<b>2. Non Institutions</b>										
a)	Bodies Corp.	-	-	-	-	-	-	-	-	-
i)	Indian	-	10002	10002	0.11	-	10002	10002	0.11	-
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals	-	-	-	-	-	-	-	-	-
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	2000	757150	759150	8.54	533000	273150	806150	9.07	0.53
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-



c)	Others (Specify)	-	-	-	-	-	-	-	-	-
	HUF	-	78000	78000	0.88	2000	21000	23000	0.25	-
	Director	-	3000	3000	0.03	-	2000	2000	0.02	-
	Foreign	-	5000	5000	0.06	-	5000	5000	0.06	-
	<b>Sub Total (B)(2):</b>	<b>2000</b>	<b>853152</b>	<b>855152</b>	<b>9.62</b>	<b>535000</b>	<b>311152</b>	<b>846152</b>	<b>9.52</b>	<b>-0.10</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2000</b>	<b>853152</b>	<b>855152</b>	<b>9.62</b>	<b>535000</b>	<b>311152</b>	<b>846152</b>	<b>9.52</b>	<b>-0.10</b>
	<b>C. Shares held by custodians for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	<b>7887254</b>	<b>995852</b>	<b>8883106</b>	<b>100</b>	<b>8425254</b>	<b>457852</b>	<b>8883106</b>	<b>100</b>	<b>-</b>

 ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
Ashok Kumar Sethia	1326898	14.94	-	1326898	14.94	-	-
Manoj Kumar Sethia	142700	1.61	-	146700	1.65	-	0.05
Arvind Kumar Sethia	166600	1.88	-	166600	1.88	-	-
Rita Ashok Sethia	1164800	13.11	-	1164800	13.11	-	-
Twistex India Limited	5226956	58.84	-	5231956	58.89	-	0.05
<b>Total</b>	<b>8027954</b>	<b>90.37</b>	<b>-</b>	<b>8036954</b>	<b>90.47</b>	<b>-</b>	<b>0.10</b>

## iii) Change in Promoter's shareholding

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No of shares	% of total shares of the company	No of shares	% of total shares of the company
<b>Ashok Kumar Sethia</b>				
At the beginning of the year	1326898	14.94	1326898	14.94
Increase/ Decrease	-	-	-	-
At the end of the year	<b>1326898</b>	<b>14.94</b>	<b>1326898</b>	<b>14.94</b>
<b>Manoj Kumar Sethia</b>				
At the beginning of the year	142700	1.61	142700	1.61
Increase (Due to Transfer)	4000	0.04	146700	1.65
At the end of the year	<b>146700</b>	<b>1.65</b>	<b>146700</b>	<b>1.65</b>
<b>Arvind Kumar Sethia</b>				
At the beginning of the year	166600	1.88	166600	1.88
Increase/ Decrease	-	-	-	-
At the end of the year	<b>166600</b>	<b>1.88</b>	<b>166600</b>	<b>1.88</b>
<b>Rita Ashok Kumar Sethia</b>				
At the beginning of the year	1164800	<b>13.11</b>	1164800	<b>13.11</b>
Increase/ Decrease	-	-	-	-
At the end of the year	<b>1164800</b>	<b>13.11</b>	<b>1164800</b>	<b>13.11</b>
<b>Twistex India Limited</b>				
At the beginning of the year	<b>5226956</b>	<b>58.84</b>	<b>5226956</b>	<b>58.84</b>
Increase (Due to Transfer)	5000	0.05	5231956	<b>58.89</b>
At the end of the year	5231956	<b>58.89</b>	5231956	<b>58.89</b>

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

Name of the Shareholder for each of top ten shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No of shares	% of total shares of the company	No of shares	% of total shares of the company
<b>Karuna Sethia</b>				
At the beginning of the year	160000	1.80	160000	1.80
Increase /Decrease	-	-	-	-
At the end of the year	<b>160000</b>	<b>1.80</b>	<b>160000</b>	<b>1.80</b>

<b>Kiran Devi Sethia</b>				
At the beginning of the year	140000	1.58	140000	1.58
Increase /Decrease	-	-	-	-
At the end of the year	<b>140000</b>	<b>1.58</b>	<b>140000</b>	<b>1.58</b>
<b>Amolak Chand Sethia</b>				
At the beginning of the year	87000	0.98	87000	0.98
Increase /Decrease	-	-	-	-
At the end of the year	<b>87000</b>	<b>0.98</b>	<b>87000</b>	<b>0.98</b>
<b>Amrit Sethia</b>				
At the beginning of the year	78300	0.88	78300	0.88
Transfer of Shares	4500	0.05	82800	0.93
At the end of the year	<b>82800</b>	<b>0.93</b>	<b>82800</b>	<b>0.93</b>
<b>Rohit Sethia</b>				
At the beginning of the year	69700	0.78	69700	0.78
Transfer of Shares	4500	0.05	74200	0.83
At the end of the year	<b>74200</b>	<b>0.83</b>	<b>74200</b>	<b>0.83</b>
<b>Bimla Surana</b>				
At the beginning of the year	57000	0.64	57000	0.64
Increase /Decrease:	-	-	-	-
At the end of the year	<b>57000</b>	<b>0.64</b>	<b>57000</b>	<b>0.64</b>
<b>Rai Chand Surana (HUF)</b>				
At the beginning of the year	55000	0.62	55000	0.62
Increase /Decrease	-	-	-	-
At the end of the year	<b>55000</b>	<b>0.62</b>	<b>55000</b>	<b>0.62</b>
<b>Komal Sethia</b>				
At the beginning of the year	47000	0.53	47000	0.53
Increase /Decrease	-	-	-	-
At the end of the year	<b>47000</b>	<b>0.53</b>	<b>47000</b>	<b>0.53</b>
<b>Sarita Baid</b>				
At the beginning of theyear	19000	0.21	19000	0.21
Increase /Decrease	-	-	-	-
At the end of the year	<b>19000</b>	<b>0.21</b>	<b>19000</b>	<b>0.21</b>
<b>Arvind Kumar Sethia- HUF</b>				
At the beginning of the year	16000	0.18	16000	0.18
Increase /Decrease	-	-	-	-
At the end of the year	<b>16000</b>	<b>0.18</b>	<b>16000</b>	<b>0.18</b>

## v) Shareholding of Directors and key managerial personnel:

Name of the Shareholder for each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No of shares	% of total shares of the company	No of shares	% of total shares of the company
<b>Ashok Kumar Sethia</b>				
At the beginning of the year	1326900	14.94	1326900	14.94
Transfer of shares	-	-	-	-
At the end of the year	<b>1326900</b>	<b>14.94</b>	<b>1326900</b>	<b>14.94</b>
<b>Manoj Kumar Sethia</b>				
At the beginning of the year	142700	1.61	146700	1.65
Increase/ Decrease	4000	0.04	146700	1.65
At the end of the year	<b>146700</b>	<b>1.65</b>	<b>146700</b>	<b>1.65</b>
<b>Arvind Kumar Sethia</b>				
At the beginning of the year	166600	1.88	166600	1.88
Increase/ Decrease	-	-	-	-
At the end of the year	<b>166600</b>	<b>1.88</b>	<b>166600</b>	<b>1.88</b>
<b>Abhay Chhopia</b>				
At the beginning of the year	1000	0.01	1000	0.01
Increase/ Decrease	-	-	-	-
At the end of the year	<b>1000</b>	<b>0.01</b>	<b>1000</b>	<b>0.01</b>
<b>Rita Ashok Sethia</b>				
At the beginning of the year	1164800	13.11	1164800	13.11
Increase /Decrease	-	-	-	-
At the end of the year	<b>1164800</b>	<b>13.11</b>	<b>1164800</b>	<b>13.11</b>

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment  
(Rupees in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the</b>				
<b>beginning of the financial year</b>				
i) Principal Amount	20184.33	262.29	-	20446.62
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	35.91	-	-	35.91
<b>Total (i+ii+iii)</b>	<b>20220.24</b>	<b>262.29</b>	<b>-</b>	<b>20482.53</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	70100.87	226.60		70327.47
Reduction	70441.48	87.36		70528.84
<b>Net Change</b>	<b>(340.61)</b>	<b>139.24</b>		<b>(201.37)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	19833.2	401.53	-	20234.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	46.43	-	-	46.43
<b>Total (i+ii+iii)</b>	<b>19879.63</b>	<b>401.53</b>		<b>20281.16</b>

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

(Rupees in Lacs)

Particulars of Remuneration	Name of MD/WTD/Manager					Total Amount
	Ashok Kumar Sethia	Arvind Kumar Sethia	Manoj Kumar Sethia	Laxmipat Banthia	Rita Ashok Sethia	
Gross Salary						
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	51.34	43.59	43.59	45.00	22.89	206.41
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-

Stock option	-	-	-	-	-	-
Sweat Equity	-	-	-	-	-	-
Commission	-	-	-	-	-	-
as % of profit	-	-	-	-	-	-
Ex-Gratia	-	-	-	25.00	-	25.00
Others, please specify	-	-	-	-	-	-
<b>Total (A)</b>	<b>51.34</b>	<b>43.59</b>	<b>43.59</b>	<b>70.00</b>	<b>22.89</b>	<b>231.41</b>
Ceiling as per the Act						

**B. REMUNERATION TO OTHER DIRECTORS:**

(Rupees in lacs)

Particulars of Remuneration	Ajay Agrawal	Mihir Mehta	Abhay Chhapia	Total Amount
<b>1. Independent Directors</b>				
• Fee for attending board/ committee meetings	0.60	0.60	0.60	1.80
• Commission	-	-	-	-
• Others, please specify	-	-	-	-
<b>Total (1)</b>	<b>0.60</b>	<b>0.60</b>	<b>0.60</b>	<b>1.80</b>
<b>2. Other Non-Executive Directors</b>				
• Fee for attending board/ committee meetings	-	-	-	-
• Commission	-	-	-	-
• Others, please specify	-	-	-	-
<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (B)= (1+2)</b>	<b>0.60</b>	<b>0.60</b>	<b>0.60</b>	<b>1.80</b>
<b>Total Managerial Remuneration</b>	<b>0.60</b>	<b>0.60</b>	<b>0.60</b>	<b>1.80</b>
<b>Overall Ceiling as per the Act</b>				

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

(Rupees in lacs)

Particulars of Remuneration	CS	Total Amount
1. Gross Salary	2.18	2.18
a) Salary as per provisions contained in		

section 17 (1) of the		
2. Stock Option	-	-
3. Sweat Equity	-	-
4. Commission	-	-
5. Others, please specify	-	-
<b>Total (1)</b>	2.18	2.18

Ms. Nivedita Juvatkar, Company Secretary of the Company was the Key Managerial Personnel in terms of Section 2(51) read with Section 203(1) of the Companies Act, 2013.

**VII. PENALTIES/ PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties/ punishment/ compounding of offences for the year ending March 31, 2019

**Date – 4th September, 2019**

**For and on behalf of Board of Directors**

**Ashok Kumar Sethia**  
**Managing Director**  
**DIN-01283310**

**Laxmipat Banthia**  
**Whole Time Director**  
**DIN-02464903**

**ANNEXURE 4- SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31st, 2019  
FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

For the Year Ended 31st March 2019

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

To,  
The Members,  
**Ginza Industries Ltd.**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ginza Industries Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2019, complied with the statutory provisions listed hereunder and also that the company has proper board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended 31st March, 2019 according to the provisions of:

- (1) The Companies Act, 2013 ('the Act') and the rules made there under.
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(Not Applicable during the Audit Period);**
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); **(Not Applicable during the Audit Period);**
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable during the Audit Period);**



- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;**(Not Applicable during the Audit Period);**
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable during the Audit Period);**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable during the Audit Period);**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable during the Audit Period);**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable during the Audit Period);**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable during the Audit Period);** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable during the Audit Period);**

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India. (SS-1 & SS-2), which is complied by the Company.

The Company is also complied with all other laws applicable to it.

**We further report that,**

The Board of Directors of the Company is duly constituted as per the provisions of the Companies Act, 2013 (hereinafter referred to as 'The Act').

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the year, all the decisions in the Board Meetings were taken unanimously.

We have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.



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

During the year under the review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that** during the audit period there were no specific events/actions having a major bearing on the Company's affairs.

**Place: Mumbai**

**Date: 21st August, 2019**

**For Pramod S. Shah & Associates**  
**(Practising Company Secretaries)**

**Sd/-**

**Bharat Sompura - Partner**

**Pramod S. Shah & Associates**

**Membership No.: ACS 10540**

**C. O. P. No.: 5540**

**ANNEXURE - I**

To,  
The Members  
**Ginza Industries Ltd**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**ANNEXURE II**

1. Employees Provident Fund Act, 1952 and Rules;
2. Payment of Gratuity Act, 1972;
3. Employees State Insurance Act, 1947;
4. Equal Remuneration Act, 1976;
5. Minimum Wages Act, 1948;
6. Payment of Bonus Act, 1965;
7. Income Tax Act, 1961;
8. Finance Act, 1994;
9. Factories Act, 1948;
10. The Environment (Protection) Act, 1986 and Rules made thereunder;
11. Air (Prevention and Control of Pollution) Act, 1986 and Rules issued by the State Pollution Controls Board;
12. Water (Prevention and Control of Pollution) Act, 1986 and Rules issued by the State Pollution Controls Board.

**Place: Mumbai**  
**Date: 21st August, 2019**

**For Pramod S. Shah & Associates**  
**(Practising Company Secretaries)**

**Sd/-**  
**Bharat Sompura - Partner**  
**Pramod S. Shah & Associates**  
**Membership No.: ACS 10540**  
**C. O. P. No.: 5540**

## ANNEXURE 5- ANNUAL REPORT ON CSR ACTIVITIES

*[Pursuant to Section 135 of the Companies Act, 2013]*

The promoters of the Ginza Industries Limited were always keen on imparting education to the under privileged or less fortune people. The Company always felt that education is a fundamental human right and vital for achieving economic growth, increasing income and sustaining a healthy society. Education is important in helping to improve lives, break the cycle of poverty and ensure that all people, particularly women have control over their destiny. With this aim your Company has associated with Adivasi Vikas & Shaishkanik Sanstha.

‘Adivasi Vikas & Shaishkanik Sanstha’ is a school providing education in rural areas in Zari village Taluka – Talasari Palghar Maharashtra. The aim of the company is to give the students better education & infrastructure for their growth & upliftment and provide all the expenditure required to be done.

The Company has created a Trust named Jeev Foundation on 14.12.2016 registered under Bombay Public Trust Act, 1950 having an object to look after the Corporate Social Responsibility Activities. The Trust has received certificate under Section 12A of the Income Tax Act, 1961 on 24.11.2017. This will help Company to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders. This will also help company to further maintain professional efficiency and create loyal relationship with investors, customers, suppliers, employees and their commitment which leads to long term value for the company.

As per Section 135 of the Companies Act, 2013, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. All the companies are required to spend at least 2% of the average net profits of their three immediately preceding financial years on CSR related activities.

Below are the details of amount spent during the financial year.

**DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:**

(Rupees in lakhs)

Particulars	Amount
Average net profit of the company for last three financial years	905
Prescribed CSR Expenditure (2% of the average net profit as computed above)	18.1
Details of CSR Expenditure during the financial year:	
<ul style="list-style-type: none"> <li>Total Amount to be spent for the financial year 2018-19</li> </ul>	18.1
<ul style="list-style-type: none"> <li>Total Amount remaining unspent for the financial year 2017-18</li> </ul>	14.8
<ul style="list-style-type: none"> <li>Amount spent</li> </ul>	9.34
<ul style="list-style-type: none"> <li>Amount unspent*</li> </ul>	23.56

The manner of amount spent during the financial year is detailed below:

CSR Project/ activity/ beneficiary	Sector	Location of the project/ program	Amount outlay (Budget)	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period	Amount spent direct/ implementing agency
Cuddles Foundation	Healthcare	Mumbai	2,16,000/-	2,16,000/-	2,16,000/-	Direct
Lok Vikash Sanstha	NGO	Surat, Gujarat	25,000/-	25,000/-	25,000/-	Direct
Adivasi Vikas & Shaishanik, Sanstha	Education	Zari, Maharashtra	6,47,500/-	6,47,500/-	6,47,500/-	Direct
Vivek college of Commerce	Education	Mumbai	5,005/-	5,005/-	5,005/-	Direct
Awareness Charitable Trust		Gujarat	25,000/-	25,000/-	25,000/-	Direct



\*In case company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report –

Ginza considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society. Ginza CSR initiatives are on the focus areas approved by the Board benefitting the community. However, the company has just embarked on the journey of ascertained CSR programs. For this reason, during the year, the Company's spend on the CSR activities has been less than the limits prescribed under Companies Act, 2013. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavor to spend the complete amount on CSR activities in accordance with the statutory requirements.

The CSR Committee of the Board of Directors hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and CSR Policy of the Company.

For **Ginza Industries Limited**

**Ashok Kumar Sethia**  
**Managing Director**  
**(DIN: 01283310)**

**Mihir Mehta**  
**Chairperson, CSR Committee**  
**(DIN:00219614)**

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF GINZA INDUSTRIES LIMITED

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Ginza Industries Limited** ("the Company") which comprises the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and its profit and its cash flows for the year ended on that date.

#### Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We would like to draw the attention on the Company's policy of providing for gratuity on the payment basis and not on the actuarial valuation as per AS 15, as has also been stated in Note No. 29 of the financial statements.

Our opinion is not qualified in respect of above matters.

#### Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the management discussion & analysis and director's report included in the annual report but does not include the financial statements and our auditor's report thereon. The above information is expected to be made available to us after the date of this auditor's report.



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the above other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of the financial statements that give a true and fair view of the financial position, financial performance including cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss, the statement of cash flows and dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, except as stated above in “Emphasis of Matter”;
  - (e) on the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting;
  - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;
  - (h) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) the Company does not have any pending litigations and therefore no impact or disclosure in relation to the same has been made in the financial statement;
    - (ii) the Company does not see any foreseeable losses on long-term contracts as on the balance sheet date and the Company has not entered into any derivative contracts, therefore no provision has been made in relation to the same;
    - (iii) the Company has not declared any dividends either in the current year or during any of the previous years and therefore transferring of the amounts in the Investor Education and Protection Fund by the Company does not arise.



2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "B" a statement on the matters specified in the paragraph 3 and 4 of the Order.

**For BHUWANIA & AGRAWAL ASSOCIATES**

(Chartered Accountants)

(Firm Registration no. 101483W)

(Partner) : N. K . Agrawal  
Membership No. : 034659  
UDIN : 19034659AAAGL337  
Date : 4th September 2019  
Place : Mumbai

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Ginza Industries Limited** (“the Company”) as of 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

## For BHUWANIA & AGRAWAL ASSOCIATES

(Chartered Accountants)

(Firm Registration no. 101483W)

(Partner) : N. K . Agrawal  
Membership No. : 034659  
UDIN : 19034659AAAGL337  
Date : 4th September 2019  
Place : Mumbai

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

**Report on the statement on the matters specified in the paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2016:**

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a programme of physical verification of its fixed assets by which fixed assets are verified. In accordance with this programme, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted one unsecured loans to subsidiary companies covered under the register maintained under section 189 of the Companies Act in respect of which
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.
  - (c) Their loan amount is not overdue as at the year-end as the loan is repayable on demand.
- (iv) According to the information and explanations given to us, the Company has granted one interest free unsecured loans to its subsidiary company, however the company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company did not accept any deposits during the year and therefore compliance with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder may not be applicable to the Company.

- (vi) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act, for the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been found to be regular in depositing undisputed statutory dues such as provident fund, income tax, sales tax, duty of customs, and other statutory dues as applicable.
  - b) According to the records of the Company, and information and explanations given to us there are no dues of income tax, sales tax, service tax, customs duty, excise duty, value added tax which has not been deposited on account of disputes and are pending.
- (viii) As per the information and explanations given to us and based on our audit, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) The Company has not raised any money by way of initial public offer or by further public offer (including debt instruments). Further in our opinion and according to the information and the explanations given to us, the term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
- (x) According to the information and explanations given to us, no material fraud by or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The managerial remuneration under Section 197 is not applicable to private limited company and therefore paragraph 3(xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and the explanations given to us, the transactions with the related parties were in compliance with Sec 177 and 188 of the Companies Act and the details of the same have been disclosed in Note 31 of the Financial Statements in conformity with Accounting Standard 18.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review under section 42 of the Companies Act, 2013 and therefore paragraph 3(xiv) of the Order is not applicable to the Company.



- (xv) The Company has not entered into any non cash transactions with the directors or persons connected with him and therefore paragraph 3(xv) of the Order is not applicable to the Company.
  
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore paragraph 3(xvi) of the Order is not applicable to the Company.

**For BHUWANIA & AGRAWAL ASSOCIATES**

(Chartered Accountants)

(Firm Registration no. 101483W)

(Partner) : N. K . Agrawal  
Membership No. : 034659  
UDIN : 19034659AAAGL337  
Date : 4th September 2019  
Place : Mumbai



Ginza Industries Limited CIN:U17297MH1986PLC310814 Balance Sheet as at 31st March, 2019				
				Amt. in Rs. Lacs
S No.	Particulars	Notes	As at 31st March 2019	As at 31st March 2018
<b>I. EQUITY AND LIABILITIES</b>				
(1)	<b>Shareholder's Funds</b>			
	(a) Share Capital	2	888.31	888.31
	(b) Reserve and Surplus	3	10,887.01	10,063.49
	(c) Money Received against Share Warrants		75.01	75.01
			<b>11,850.33</b>	<b>11,026.81</b>
(2)	<b>Non-Current Liabilities</b>			
	(a) Long-Term Borrowings	4	6,401.60	8,013.68
	(b) Deferred Tax Liabilities (Net)	5	1,016.75	997.34
			<b>7,418.35</b>	<b>9,011.02</b>
(3)	<b>Current Liabilities</b>			
	(a) Short-Term Borrowings	6	10,785.15	9,344.99
	(b) Trade Payables	7		
	-Due to MSME Creditors		19.39	17.62
	-Due to Other Creditors		4,919.36	3,365.25
	(c) Other Current Liabilities	8	3,891.63	4,352.69
			<b>19,615.53</b>	<b>17,080.55</b>
	<b>TOTAL</b>		<b>38,884.21</b>	<b>37,118.38</b>
<b>II ASSETS</b>				
(1)	<b>Non-Current Assets</b>			
	(a) <b>Property, Plant &amp; Equipment</b>			
	(i) Tangible Assets	9	15,525.74	15,983.42
	(ii) Intangible Assets		95.12	122.20
	(iii) Capital Work-in-Progress		900.33	844.23
	(b) Non-Current Investments	10	117.35	47.35
	(c) Long Term Loans and Advances	11	520.32	555.90
			<b>17,158.86</b>	<b>17,553.10</b>
(2)	<b>Current Assets</b>			
	(a) Inventories	12	9,319.36	8,582.07
	(b) Trade Receivables	13	8,353.83	7,773.77
	(c) Cash and Bank Balances	14	287.82	493.99
	(d) Short-term Loans and Advances	15	3,008.96	2,032.87
	(e) Other Current Assets	16	755.38	682.58
			<b>21,725.35</b>	<b>19,565.28</b>
	<b>TOTAL</b>		<b>38,884.21</b>	<b>37,118.38</b>
Significant Accounting Policies		1		
Other notes to the Financial Statements		2-34		
The accompanying Notes form integral part of the financial statements.				
As per our Report of even date attached				
<b>For Bhuwania &amp; Agrawal Associates</b>		<b>For &amp; On behalf of the Board</b>		
<b>Chartered Accountants</b>		<b>Ginza Industries Limited</b>		
<b>Firm Registration No 101483W</b>				
<b>N.K.Agrawal</b>		<b>Ashok Kumar Sethia</b>		
<b>Partner</b>		<b>Chairman &amp; Managing Director</b>		
<b>M.No-034659</b>		<b>DIN:01283310</b>		
<b>Mumbai</b>				
<b>04th September 2019</b>		<b>Laxmipat Banthia</b>		
<b>UDIN:19034659AAAGL337</b>		<b>Whole time Director</b>		
		<b>DIN:02464903</b>		

Ginza Industries Limited CIN:U17297MH1986PLC310814 Statement of Profit And Loss For The Year Ended 31st March, 2019				
Amt. in Rs. Lacs				
S No.	Particulars	Notes	For the year ended 31st March 2019	For the year ended 31st March 2018
I	Revenue from Operations	17	34,143.39	33,487.63
II	Other Income	18	79.19	158.51
III	<b>Total (I+II)</b>		<b>34,222.58</b>	<b>33,646.14</b>
IV	<b>Expenses</b>			
	Cost of Raw Material Consumed	19	14,594.70	13,580.27
	Changes in Inventories of Finished Goods, Work-in-progress & Stock in Trade	20	(440.46)	(930.88)
	Employee Benefits Expenses	21	8,822.88	9,443.15
	Finance Cost	22	2,358.91	2,103.96
	Depreciation & amortization expenses	9	1,545.21	1,641.73
	Other Expenses	23	6,322.17	6,805.04
	<b>Total</b>		<b>33,203.41</b>	<b>32,643.27</b>
V	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>1,019.17</b>	<b>1,002.87</b>
VI	<b>Exceptional items &amp; Extraordinary items</b> (Profit)/ Loss on sale of Asset		(18.66)	3.38
VII	<b>Profit before Tax (V-VI)</b>		<b>1,037.83</b>	<b>999.49</b>
VIII	<b>Tax Expenses</b>			
	Current Tax Provision		237.80	218.80
	MAT Credit Entitlement		(79.39)	(107.90)
	Deferred Tax Provision		19.41	57.75
IX	<b>Profit for the year (VII-VIII)</b>		<b>860.01</b>	<b>830.84</b>
X	<b>Earnings per Equity Share</b> Basic & Diluted	24	9.68	9.35
	Significant Accounting Policies	1		
	Other notes to the Financial Statements	2-34		
	The accompanying Notes form integral part of the financial statements. As per our Report of even date attached			
	<b>For Bhuwania &amp; Agrawal Associates</b> Chartered Accountants Firm Registration No 101483W		<b>For &amp; On behalf of the Board</b> Ginza Industries Limited	
	N.K.Agrawal Partner M.No-034659 Mumbai 04th September 2019 UDIN:19034659AAAGL337		Ashok Kumar Sethia Chairman & Managing Director DIN:01283310	
			Laxmipat Banthia Whole time Director DIN:02464903	

Ginza Industries Limited CIN:U17297MH1986PLC310814 Cash Flow Statement for the year ended 31st March 2019				
Particulars	Amt. in Rs. Lacs			
	Year Ended 31st March 2019	Year Ended 31st March 2019	Year Ended 31st March 2018	Year Ended 31st March 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net profit before tax	1,037.81		999.49	
<b>Add : Adjustment for : -</b>				
Depreciation	1,545.20		1,641.73	
Profit on Sale of Assets	(18.66)		3.38	
Interest Paid	2,358.91		2,103.96	
<b>Operating Profit/ Loss before Working Capital Changes</b>		4,923.26		4,748.56
<b>Add : Adjustment for : -</b>				
Trade and Other Receivables	(580.06)		(758.22)	
Inventories	(737.28)		(947.21)	
Loans and Advances	(904.64)		(1,378.01)	
Trade Payables & Other Current Liabilities	1,483.31	(738.67)	1,462.35	(1,621.09)
<b>Cash Generated from Operations</b>		4,184.59		3,127.47
Income Tax Paid		(267.08)		(70.21)
<b>Net Cash Flow from Operating Activities :</b>		3,917.51		3,057.26
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets (Net)	(1,190.73)		(2,849.37)	
Sale of Fixed Assets	92.85		43.25	
Investment Made	(70.00)			
<b>Net Cash Flow from Investing Activities</b>		(1,167.88)		(2,806.12)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Capital Reserve	(36.48)		(36.48)	
Long Term Borrowings (Paid)	(2,000.57)		(742.43)	
Short Term Borrowings (Net)	1,440.16		2,621.43	
Increase in other Long Term Liabilities	-		108.92	
Interest Paid	(2,358.91)		(2,103.96)	
<b>Net Cash Flow from Financing Activities</b>		(2,955.80)		(152.52)
<b>Net Increase/ Decrease in Cash and Cash Equivalents (A+B+C)</b>		(206.17)		98.62
<b>Cash and Cash Equivalent ( Opening Balance)</b>		493.99		395.37
<b>Cash and Cash Equivalent ( Closing Balance )</b>		287.82		493.99
As per our Report of even date attached herewith				
For Bhuwania & Agrawal Associates Chartered Accountants Firm Registration No 101483W		For & on behalf of the Board Ginza Industries Limited		
N.K.Agrawal Partner M.No-034659 Mumbai 04th September 2019 UDIN:19034659AAAGL337	Ashok Kumar Sethia Chairman & Managing Director DIN:01283310	Laxmipat Banthia Whole time Director DIN:02464903		

**GINZA INDUSTRIES LIMITED****1 Notes forming part of the financial statements for the year ended 31st March 2019  
Statement of Significant Accounting Policies & Practices****1.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The financial statements have been prepared as per the requirements of the Schedule III to the Companies Act, 2013. The Schedule III introduces some significant conceptual changes as well as new disclosures. These include classification of all assets and liabilities into current and non-current.

**1.2 Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP require the Management to make estimates and assumptions considered in the reported amounts of assets & liabilities (including contingent liabilities) and the reported income & expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise. Any revision to accounting estimates is recognized prospectively in current and future periods.

**1.3 Revenue recognition**

Revenue from sale of goods is recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

**1.4 Other income**

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established. Other income/ claims are recognized only when it is reasonably certain that the ultimate collection will be made.

**1.5 Tangible assets**

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Fixed assets acquired and put to use for project purpose are capitalised and

depreciation thereon is included in the project cost till commissioning of the project.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

### **1.6 Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

### **1.7 Depreciation and amortisation**

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 on written down method, except in respect of the following categories of assets.

### **1.8 Impairment of assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use.

### **1.9 Inventories**

Raw materials, work-in-progress, stock-in-trade and packing materials are valued at the lower of value derived on FIFO and net realizable value.

Finished goods are valued at the lower of weighted average cost and net realizable value.

Cost of finished goods and work-in-progress includes cost of materials, direct labour and an appropriate portion of overheads. Stores and maintenance spares are valued at average cost.

Inventory lying more than three years has been valued as zero or Rupees one."

### **1.10 Investments**

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

### **1.11 Employee benefits**

Employee benefits include provident fund, compensated absences, long service awards.

Defined contribution plans

The Company's contribution to provident fund is considered as a defined contribution plan and is charged as an expense as it falls due based on the amount of contribution required to

be made.

#### Defined benefit plans

For defined benefit plans in the form of gratuity, only the amount of expenses actually paid during the year with regard to gratuity obligations payable to the employees has been recognised in the Statement of Profit and Loss.

### **1.12 Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### **1.13 Government grants, subsidies and export incentives**

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

### **1.14 Insurance claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims if any.

### **1.15 Foreign currency transactions and translations**

#### **Initial recognition**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

#### **Measurement of foreign currency monetary items at the Balance Sheet date**

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

#### **Treatment of exchange differences**

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss. The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets.

### **1.16 Taxes on income**

Current tax is the amount of tax payable on the taxable income for the current year as determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

### **1.17 Derivative contracts**

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations. Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting. All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

### **1.18 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **1.19 Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.



## 2 SHARE CAPITAL

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Authorised</b>		
2,60,00,000 Equity Shares of Rs.10/- each (Previous year 2,60,00,000 Equity Shares of Rs 10/- each)	2,600.00	2,600.00
<b>Issued, Subscribed and Fully Paid up :</b>		
88,83,106 Equity Shares of Rs.10/- each (Previous year 88,83,106 Equity Shares of Rs 10/- each)	888.31	888.31
<b>Total</b>	<b>888.31</b>	<b>888.31</b>

### 2.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	31st March 2019		31st March 2018	
	No. of Shares	Amount (Rs.) in Lacs	No. of Shares	Amount (Rs.) in Lacs
At the beginning of the period	8,883,106	888.31	8,883,106	888.31
Add : Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Add : Other movements during the year	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>8,883,106</b>	<b>888.31</b>	<b>8,883,106</b>	<b>888.31</b>

### 2.2 Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having par value of Rs.10/- per share. Each holder of Equity Share is entitled to one vote per Share.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

### 2.3 Details of Shareholders holding more than

Name o Shareholders	31st March, 2019		31st March, 2018	
	No. of Shares	% of holding in the class	No. of Shares	% of holding in the class
Twistex India Limited	5,231,956	58.90%	5,22,6956	58.84%
Ashok Kumar Sethia	1,326,898	14.94%	1,326,898	14.94%
Rita Ashok Sethia	1,164,800	13.11%	1,164,800	13.11%

## 3 RESERVES AND SURPLUS

Particulars	31st March, 2018 (Rs.) in Lacs	Addition during the year	Deletion during the year	31st March, 2019 (Rs.) in Lacs
Capital Reserve	164.17	-	36.48	127.68
Securities Premium Account	123.05	-	-	123.05
General Reserve	500.00	-	-	500.00
Surplus Balance in the Statement of Profit and Loss	9,276.27	859.62	-	10,135.89
<b>Total</b>	<b>10,063.49</b>	<b>859.62</b>	<b>36.48</b>	<b>10,886.62</b>

\* Transferred to Profit & Loss account on the basis of useful life to the asset



**4 LONG TERM BORROWINGS**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Secured</b>		
<b>Term Loan</b>		
From Banks	2,582.10	3,229.86
From NBFCS	3,440.30	4,538.94
<b>Total</b>	<b>6,022.40</b>	<b>7,768.80</b>
<b>Unsecured</b>		
From Banks	372.19	232.05
From Parent Company	3.97	10.54
From Directors	3.05	2.29
<b>Total</b>	<b>379.21</b>	<b>244.88</b>
<b>Total</b>	<b>6,401.61</b>	<b>8,013.68</b>

<b>Nature of Securities and terms of repayment for long term Borrowings including current maturities shown in Note No. 8</b>		
<b>Name of the Bank</b>	<b>Outstandings</b>	<b>Amount of Instalment Pending</b>
<b>Secured Loan</b>		
Union Bank of India	Rs.184.73 lacs (P.Y.:Rs.308.12 lacs)	Rs. 11.11 lacs monthly installments payable in 16 months.
Bank of India	Rs.623.54 lacs (P.Y.:Rs.816.37 lacs)	Rs.16.07 lacs monthly installment payable in 39 months
Central Bank of India	Rs.504.12 lacs (P.Y.:Rs.717.55 lacs)	Rs.53.35 lacs quarterly installment repayable in 9 quarter and Rs.24.00 lacs in last quarter
Vijaya Bank	Rs.361.83 lacs (P.Y.:Rs.574.88 lacs)	Rs.22.55 lacs monthly installment including interest repayable in 20 months.
The South Indian Bank Limited	Rs.1486.03 lacs (P.Y.:Rs.1205.46 lacs)	Rs. 30.37 lacs monthly installment including interest repayable in 60 months.
STCI Finance Limited	Rs.1000.00 lacs (P.Y.:Rs.1333.33 lacs)	Rs. 83.33 lacs quarterly installment repayable in 12 quarters.
Aditya Birla Finance Limited	Rs.1200.00 lacs (P.Y.:Rs.1400.00 lacs)	Rs. 50.00 lacs quarterly installment repayable in 24 quarters.
<b>All the above loans are secured by way of first pari passu charge over the company's entire fixed assets (except specified assets) both present &amp; future, on pari passu basis and second charge on all current assets of the company both present &amp; future.</b>		
SIDBI	Rs.198.00 lacs (P.Y.:Rs.318.00 lacs)	Rs.10.00 lacs monthly installment payable in 19 month and last instalment for Rs.8.00 lacs
<b>The above loan is secured by way of exclusive charge on land at Palghar and residual charges on all current assets of the Company both present &amp; future.</b>		
SIDBI	Rs.343.71 lacs (P.Y.:Rs.414.27 lacs)	Rs.5.60 lacs & Rs.0.28 lacs monthly installment repayable in 59 months
SIDBI	Rs.100.00 lacs (P.Y.:Rs. Nil)	Rs.2.80 lacs monthly installment repayable in 36 months
<b>The above loan is secured by way of exclusive charge charge on the machineries financed and secured by charge on the land at Palghar</b>		
Aditya Birla Finance Limited	Rs.1434.48 lacs (P.Y.:Rs.1535.47 lacs)	Rs.22.42 lacs installment including interest repayable in 93 months
<b>The above loan is secured by way of exclusive charge on the Land and Building and machineries at Plot No. B-1, 2, Gujarat Eco Textiles Park Ltd., At Baleshwar, Tal. Palsana, Dist: Surat, Gujarat- 395315</b>		
Aditya Birla Finance Limited	Rs.372.54 lacs (P.Y.:Rs. 471.95 lacs)	Rs.12.29 lacs monthly installment including interest repayable in 35 months.

Aditya Birla Finance Limited      Rs.143.13 lacs (P.Y.:Rs. 177.72 lacs)      Rs.4.40 lacs monthly installment including interest repayable in 38 months.		
<b>The above loan is secured by way of exclusive charge on the office at A,501&amp; 502, Lotus Corporate Park, Jay Coach Lane, Off Western Express Highway, Goregaon East, Mumbai-400063</b>		
Tata Capital Finance Limited      Rs.175.58 lacs (P.Y.:Rs. 275.92 lacs)      Rs.8.35 lacs monthly installment repayable in 21 months		
<b>The facility is secured on exclusive charge of machines financed.</b>		
Dailmer Finance Limited	Rs.18.89 lacs (P.Y.:Rs.33.40 lacs)	Rs. 1.43 lacs monthly installment including interest repayable in 14 months.
Vijaya Bank	Rs. 5.95 lacs (P.Y.:Rs. 8.05 lacs)	Rs. 0.23 lacs monthly installment including interest repayable in 30 months.
Union Bank of India	Rs. 9.63 lacs (P.Y.:Rs.19.37 lacs)	Rs. 0.92 lacs monthly installment including interest repayable in 12 months.
Bank of India	Rs.2.94 lacs (P.Y.:Rs. 4.50 lacs)	Rs. 0.16 lacs monthly installment including interest repayable in 20 months.
<b>Vehicle Loan amounting to is secured by way of vehicle financed</b>		
<b>(All the above Term Loans are guaranteed by Mr. Ashok Kumar Sethia, Mr. Arvind Kumar Sethia, Mr. Manoj Kumar Sethia i.e. Directors of the company)</b>		
<b>Unsecured Loan</b>		
Deutsche Bank	Rs.113.67 lacs (P.Y.:Rs.121.87 lacs)	Rs. 1.67 lacs monthly Installments including interest repayable in 132 months.
Deutsche Bank	Rs.80.40 lacs (P.Y.: Nil)	Rs. 0.88 lacs monthly Installments including interest repayable in 172 months.
Deutsche Bank	Rs.81.38 lacs (P.Y.: Nil)	Rs. 0.88 lacs monthly Installments including interest repayable in 172 months.
Deutsche Bank	Rs.119.08 lacs (P.Y.:Rs.127.60 lacs)	Rs. 1.75 lacs monthly Installments including interest repayable in 132 months.
Unseruced loan from others	Rs.7.01 lacs ( P.Y.:Rs.12.83 lacs)	Repayable in 1-3 years

**5 DEFERRED TAX LIABILITY (NET)**
**Particulars**
**As at**
**As at**
**31st March, 2019**
**31st March, 2018**
**Opening Deferred Tax Liability**

997.34

939.59

Related to Fixed Assets

19.41

57.75

**Total**
**1,016.75**
**997.34**
**6 SHORT TERM BORROWINGS**
**Particulars**
**As at**
**As at**
**31st March, 2019**
**31st March, 2018**
**Secured Loans**
**Loans Repayable on Demand**

From Banks- Cash Credit

10,785.15
9,344.99
**Total**
**10,785.15**
**9,344.99**

**Nature of Securities and terms of repayment for Short term secured Borrowings**
**Nature of Security**

Working Capital Borrowings is secured by way of first charge over Company's entire stock of Raw Material, Semi Finished & Finished Goods, Book Debts and other specified current assets both present & future on Pari Passu basis and second charge on all fixed and movable assets (except specified assets) of the Company, both present & future and are guaranteed by Directors i.e. Mr. Ashok Kumar Sethia, Mr. Arvind Kumar Sethia, Mr. Manoj Kumar Sethia).

**Terms of Repayment**

**On Demand**

**7 TRADE PAYABLES**
**Particulars**
**In Ordinary course of Business**

1) Due to Micro, Small and Medium Enterprises	19.39	17.62
2) Due to other creditors	4,036.43	2,830.84
Creditors under Acceptance of Letter of Credit	882.93	534.41
<b>Total</b>	<b>4,938.75</b>	<b>3,382.87</b>

**As at  
31st March, 2019**

**As at  
31st March, 2018**

**8 OTHER CURRENT LIABILITIES**
**Particulars**

Current maturities of long term borrowings #	2,165.04	2,553.54
Interest accrued but not due	46.43	35.91
Statutory Dues	128.73	171.13
Payables for Capital Goods	115.45	154.22
Trade Deposits	138.25	229.67
Advance received from customers	97.86	71.86
Payable to Employees	1,055.25	1,039.35
Other Payables	144.62	97.01
<b>Total</b>	<b>3,891.63</b>	<b>4,352.69</b>

**As at  
31st March, 2019**

**As at  
31st March, 2018**

**9. Property, Plant & Equipment** (Rs. in lacs)

Nature of Assets	Gross Block				Depreciation			Net Block	
	Gross Block as On 01/04/2018	Additions During the Period	Sales / Discard During the Period	Gross Block as On 01/04/2019	Depn As On 01/04/2018	Depn for the Period	Acc. Dep on FA Sold / Discarded	Net Block As On 31/03/2019	Net Block as on 31/03/2018
<b>(A) Tangible Assets</b>									
Land	733.98	-	-	733.98	30.32	-	-	703.66	703.66
Factory Building	5,596.27	259.72	3.31	5,852.68	1,685.51	181.28	1.28	3,987.17	3,910.76
Office Building	1,107.20	-	-	1,107.20	112.73	17.48	-	976.99	994.47
Residential Flats	62.84	-	-	62.84	13.27	0.98	-	48.59	49.57
Plant & Machinery	24,319.38	817.76	432.90	24,704.24	15,058.85	1,108.94	361.57	8,898.02	9,260.53
Electrical Installations	644.70	2.42	1.00	646.12	510.28	23.84	1.00	113.00	134.42
Furniture & Fixtures	880.65	28.73	-	909.38	417.66	67.88	-	423.84	462.99
Air Conditioners	188.37	4.89	0.62	192.64	139.21	13.67	0.49	40.25	49.16
Office Equipments	215.72	6.38	0.05	222.05	162.09	17.57	0.01	42.40	53.63
Computers	240.80	7.93	-	248.73	218.42	8.46	-	21.85	22.38
Vehicles	950.08	3.12	2.36	950.84	608.22	74.34	1.69	269.97	341.86
<b>Sub Total (A)</b>	<b>34,939.99</b>	<b>1,130.95</b>	<b>440.24</b>	<b>35,630.70</b>	<b>18,956.56</b>	<b>1,514.44</b>	<b>366.04</b>	<b>15,525.74</b>	<b>15,983.42</b>
<b>(B) Intangible Assets</b>									
Goodwill	94.36	-	-	94.36	18.87	9.44	-	66.05	75.49
Computer Software	293.75	3.69	-	297.44	247.04	21.33	-	29.07	46.71
<b>Sub Total (B)</b>	<b>388.11</b>	<b>3.69</b>	<b>-</b>	<b>391.80</b>	<b>265.91</b>	<b>30.77</b>	<b>-</b>	<b>95.12</b>	<b>122.20</b>
<b>Grand Total (A+B)</b>	<b>35,328.10</b>	<b>1,134.64</b>	<b>440.24</b>	<b>36,022.50</b>	<b>19,222.47</b>	<b>1,545.21</b>	<b>366.04</b>	<b>15,620.86</b>	<b>16,105.62</b>
<i>Pervious Year</i>	33,518.20	2,087.20	277.31	35,328.10	17,811.42	1,641.73	230.67	16,105.61	15,706.78
<b>Capital WIP</b>	<b>844.23</b>	<b>417.14</b>	<b>361.04</b>	<b>900.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Pervious Year</i>	82.06	937.20	175.03	844.23	-	-	-	-	-

**10 NON CURRENT INVESTMENTS**

Particulars	31st March, 2019	31st March, 2019	31st March, 2018	31st March, 2018
	No of shares	(Rs.)	No of shares	(Rs.)
<b>Unquoted(Trade)</b>				
<b>Investment in Subsidiaries</b>				
Ginza Lifestyles Limited	50,000	5.00	50,000	5.00
Equity Shares of Rs 10/- each				
SOIE US LLC	-	16.24	-	16.24
<b>Investment in Associate Enterprise</b>				
Shree Ganesh Integrated Textiles				
Park Private Limited	700,000	70.00	-	-
Equity Shares of Rs 10/- each				
<b>Investment in Others</b>				
Cosmos Co-operative Bank Limited	1,000	1.00	1,000	1.00
Equity Shares of Rs. 100/- each				
Gujarat Eco-Textile Park Limited	176,059	17.61	176,059	17.61
Equity Shares of Rs 10/- each				
Sachin Infra Environment Limited	75,000	7.50	75,000	7.50
Equity Shares of Rs 10/- each				
<b>Total</b>		<b>117.35</b>		<b>47.35</b>
<b>Aggregate Book Value - Unquoted</b>		<b>117.35</b>		<b>47.35</b>

\* The company holds 51% in  
SOIE US LLC

**11 LONG TERM LOANS AND ADVANCES**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good unless otherwise stated		
Security deposits	520.32	555.90
<b>Total</b>	<b>520.32</b>	<b>555.90</b>

**12 INVENTORIES (Valued at lower of cost or net realizable value)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw-Materials	2,398.28	2,094.29
Work in progress	1,939.44	1,824.88
Finished Goods	4,751.36	4,425.46
Stores & Spares	230.28	237.44
<b>Total</b>	<b>9,319.36</b>	<b>8,582.07</b>

**13 TRADE RECEIVABLES**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured Considered Good	-	-
Unsecured Considered Good	7,992.59	7,567.24
Significant increase in Credit Risk	361.24	206.53
Credit Impaired	-	-
<b>Total</b>	<b>8,353.83</b>	<b>7,773.77</b>
Less:- Provision for Doubtful Debts	-	-
<b>Total</b>	<b>8,353.83</b>	<b>7,773.77</b>

<b>14</b>	<b>CASH, CASH EQUIVALENT AND BANK BALANCES</b>		
	<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
	<b>Cash &amp; Cash Equivalents</b>		
	Cash in Hand	14.90	14.93
	Balance with Banks	10.99	67.22
	Term Deposits as Margin Money with Banks	261.93	411.84
	<b>Total</b>	<b><u>287.82</u></b>	<b><u>493.99</u></b>
<b>15</b>	<b>SHORT TERM LOANS &amp; ADVANCES</b>		
	<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
	Loan to Subsidiary Company	23.23	-
	Interest Subsidy Receivable	85.90	77.87
	Receivable from Government Authorities	1,391.16	1,242.55
	Advance Income Tax	60.65	31.27
	Advances towards purchase of Goods & Services	96.89	214.29
	Security deposits	1,321.58	405.50
	Advance to Employees	29.65	61.39
	<b>Total</b>	<b><u>3,008.96</u></b>	<b><u>2,032.87</u></b>
<b>16</b>	<b>OTHER CURRENT ASSETS</b>		
	<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
	Prepaid Expenses	54.74	53.75
	MAT credit entitlement	677.07	597.68
	Other	23.57	31.15
	<b>Total</b>	<b><u>755.38</u></b>	<b><u>682.58</u></b>
<b>17</b>	<b>REVENUE FROM OPERATIONS</b>		
	<b>Particulars</b>	<b>For the year ended 31st March 2019</b>	<b>For the year ended 31st March 2018</b>
	Sale of Products		
	Domestic	26,487.18	26,164.59
	Exports	7,137.31	6,691.93
		<b><u>33,624.49</u></b>	<b><u>32,856.52</u></b>
	Other Operating Income		
	Foreign Exchange Fluctuation Profit (Net)	137.43	89.96
	Export Incentive	381.47	541.15
		<b><u>518.90</u></b>	<b><u>631.11</u></b>
	<b>Total</b>	<b><u>34,143.39</u></b>	<b><u>33,487.63</u></b>
<b>18</b>	<b>OTHER INCOME</b>		
	<b>Particulars</b>	<b>For the year ended 31st March 2019</b>	<b>For the year ended 31st March 2018</b>
	Interest Received	32.92	48.28
	Foreign Exchange Fluctuation Profit (Net)	-	39.62
	Rent Received	9.41	5.69
	Reversal of Capital Subsidy received	36.48	36.48
	Misc Income	0.38	28.44
	<b>Total</b>	<b><u>79.19</u></b>	<b><u>158.51</u></b>

<b>19</b>	<b>COST OF RAW MATERIALS CONSUMED</b>		
	<b>Particulars</b>	<b>For the year ended 31st March 2019</b>	<b>For the year ended 31st March 2018</b>
	Inventory at the beginning of the year	2,094.29	1,979.00
	Add: Purchases	1,4898.69	13,695.56
	Less: Inventory at the end of the year	<u>2,398.28</u>	<u>2,094.29</u>
	<b>Cost of raw materials consumed during the year</b>	<b><u>14,607.10</u></b>	<b><u>13,580.27</u></b>
<b>20</b>	<b>CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>		
	<b>Particulars</b>	<b>For the year ended 31st March 2019</b>	<b>For the year ended 31st March 2018</b>
	<b>Opening Stock:</b>		
	Finished Goods	4,425.46	3,812.61
	Work in progress	<u>1,824.88</u>	<u>1,506.85</u>
		<b><u>6,250.34</u></b>	<b><u>5,319.46</u></b>
	<b>Closing Stock:</b>		
	Finished Goods	4,786.28	4,425.46
	Work in progress	<u>4,751.36</u>	<u>1,824.88</u>
		<b><u>6690.80</u></b>	<b><u>6,250.34</u></b>
	<b>Change in Inventory of Finished Goods &amp; Work in Progress</b>	<b><u>(440.46)</u></b>	<b><u>(930.88)</u></b>
<b>21</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	<b>Particulars</b>	<b>For the year ended 31st March 2019</b>	<b>For the year ended 31st March 2018</b>
	Salaries, Wages ,Bonus, etc	8,282.92	8,727.04
	Contribution to Provident Fund and other funds	434.11	594.62
	Staff Welfare Expenses	<u>105.85</u>	<u>121.49</u>
	<b>Total</b>	<b><u>8,822.88</u></b>	<b><u>9,443.15</u></b>
<b>22</b>	<b>FINANCE COSTS</b>		
	<b>Particulars</b>	<b>For the year ended 31st March 2019</b>	<b>For the year ended 31st March 2018</b>
	<b>Interest Expenses</b>		
	on Borrowings	2,040.08	1,838.32
	on others	<u>233.67</u>	<u>210.43</u>
	<b>Other Borrowing Costs</b>		
	Loan facilitation and processing charges	<u>85.16</u>	<u>55.21</u>
	<b>Total</b>	<b><u>2,358.91</u></b>	<b><u>2,103.96</u></b>

<b>23 OTHER EXPENSES</b>			
<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>	
	<b>31st March 2019</b>	<b>31st March 2018</b>	
<b>Manufacturing Expenses</b>			
Power & Fuel	2,505.74	2,677.49	
Processing, Printing & Cutting Charges	607.19	645.83	
Consumption of Stores & Spares	248.54	359.50	
<b>Administrative Expenses</b>			
Insurance Expenses	19.40	21.53	
Legal & Professional Charges	90.76	113.94	
Postage & Courier Expenses	118.30	105.24	
Printing & Stationery	38.04	52.92	
Rates & Taxes	71.91	77.37	
Rent Paid	248.10	258.63	
Repairs & Maintenance	486.78	353.18	
Security & House Keeping Expenses	81.92	85.93	
Telephone & Fax Charges	28.52	31.12	
Travelling & Conveyance Expenses	136.20	148.36	
Vehicle Running & Maintenance Expenses	198.63	157.08	
Foreign Exchange Fluctuation Profit (Net)	33.04	-	
Bad Debts W/off	28.47	-	
CSR Contribution	9.34	8.38	
Auditors Remuneration #	8.50	7.62	
General Exp	54.46	64.80	
<b>Selling &amp; Distribution Expenses</b>			
Advertisement & Sales Promotion Expenses	172.99	284.31	
Commission & Brokerage	103.03	152.92	
Freight and Clearing & Forwarding Charges	82.49	199.73	
Packing & Forwarding Expenses	634.16	681.77	
Rebates & Claim	315.66	317.38	
<b>Total</b>	<b><u>6,322.17</u></b>	<b><u>6,805.03</u></b>	
<b>#Auditors Remuneration</b>			
Audit Fees	7.00	6.00	
Tax Audit fee	1.50	1.50	
Fee for Certification	-	0.12	
<b>Total</b>	<b><u>8.50</u></b>	<b><u>7.62</u></b>	
<b>24 EARNING PER SHARE</b>			
<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>	
	<b>31st March 2019</b>	<b>31st March 2018</b>	
Net Profit as per Statement of Profit and Loss	859.62	830.83	
Net Profit available to Equity Share Holders	859.62	830.83	
No. of Equity Shares at year end	88.83	88.83	
Weighted average number of Equity shares used as denominator for calculating EPS	88.83	88.83	
Basic and Diluted Earning per Share	9.68	9.35	
Face value per Equity Share	10.00	10.00	



**25 CONTINGENT LIABILITY & CAPITAL COMMITMENT**

**Contingent Liability**

- i) There is contingent liability to the extent of Rs. 119.14 lacs. The Company had imported machinery on subsidized rate of duty under Export Promotion Capital Goods Scheme (EPCG). Accordingly the Company is under an obligation to export to the extent of Rs.536.13 lacs, i.e. 75% of six times of the duty saved of Rs. 119.14 lacs, in six years from the date of issue of authorization. . If the Company is unable to fulfill the full export obligation within the stipulated period, it would be liable to pay proportionate duty saved along with interest at the rate of 18% p.a.
- ii) The Banker of the Company has given Guarantee amounting to Rs. 33.24 (PY: Rs. 29.03 lacs) Lacs for which the Company has given Counter Guarantee and a deposit of Rs.4.28 lacs (PY:Rs. 6.95 lacs)

**Capital Commitment**

Outstanding Capital Commitment is Rs. 9.68 lacs (PY. 276.15 lacs)

**26 PROVISION FOR INCOME TAX**

Provision for Income Tax of Rs. 237.70 lacs (PY: Rs.218.80 lacs) has been has been computed on the basis of MAT under Section 115JB

**27 SEGMENT REPORTING**

The company operates in a single major segment of manufacturing of Textiles and ready made garments .The Company does not fall under any of the criteria laid down under AS –17 and hence segment reporting is not applicable.

**28 RETIREMENT BENEFITS**

The Company has not gone for actuarial valuation of long tern retirement benefits of employee as per AS-15. In previous year company has open a fund with LIC for payment of gratuity, however during the year company has not made any provision for the same.

**29** In the opinion of management, value on realization of current assets, loans & advances in the ordinary course of business will be at least equal to the amount at which they have been stated in the financial statements.

**30 RELATED PARTY DISCLOSURE:-**

- (I) **List of Related “Party & Relationship Disclosures” for the year ended 31st March 2019, are given below (as identified by Management)**

**1 Key Management Personnel and Their Relative.**

Mr. Ashok Kumar Sethia	Chairman & Managing Director
Mr. Arvind Kumar Sethia	Joint Managing Director
Mr. Manoj Kumar Sethia	Joint Managing Director
Mr. Laxmipat Banthia	Whole-time Director
Mr Amolak Chand Sethia	Relative of Director
Mrs. Kiran Devi Sethia	Relative of Director
Mrs.Rita Sethia	Whole-time Director
Mr. Amrit Sethia	Relative of Director
Mr. Rohit Sethia	Relative of Director
Mrs. Apeksha Dugar Sethia	Relative of Director
Mrs. Pallavi Mehra Sethia	Relative of Director
Mr. Vinay Chajjer	Relative of Director
Mrs. Meha Chajjer	Relative of Director
Mrs. Komal Samsukha	Relative of Director
Mr. Piyush Samsukha	Relative of Director
Mrs. Karuna Sethia	Relative of Director
Ms. Garima Sethia	Relative of Director
Mrs. Ritu Sethia	Relative of Director
Ms. Megha Sethia	Relative of Director
Mr Rakesh Banthia	Relative of Director



**2 Organisation where Key Management personnel & their Relatives have significant Influence.**

Twistex India Limited - Holding Company

Ginza Lifestyles Limited- Wholly Owned Subsidiary Company

Shree Ganesh Integrated Textiles Park Private Limited-Associate Enterprises

Welcome Friends Productions LLP-Associate Enterprises

Vineet Enterprises-Associate Enterprises

## (II) List of Related "Party &amp; Relationship Disclosures" are given below (as identified by Management)

Particulars	Holding Company	Subsidiary	Associate Enterprises	Key Management Personnel	Relatives of Key Management Personnel
<b>Loans and Advances</b>	-	-	-	-	-
	-	-	-	-	-
<b>Loans Taken</b>	-	-	-	-	-
Balance as at 1st April	10.54	-	-	2.29	-
Previous Year	66.14	-	-	1.84	-
Taken during the year(Including Interest)	0.33	-	-	36.96	-
Previous Year	0.84	-	-	60.10	-
Paid during the year	6.90	-	-	36.20	-
Previous Year	56.44	-	-	59.65	-
Balance as at 31st March	3.97	-	-	3.04	-
Previous Year	10.54	-	-	2.29	-
	-	-	-	-	-
<b>Loans Granted</b>	-	-	-	-	-
Balance as at 1st April	-	-	-	-	-
Previous Year	-	-	-	-	-
Granted during the year	-	23.23	-	-	-
Previous Year	-	-	-	-	-
Received during the year	-	-	-	-	-
Previous Year	-	-	-	-	-
Balance as at 31st March	-	-	-	-	-
Previous Year	-	23.23	-	-	-
	-	-	-	-	-
<b>Investments</b>	-	-	-	-	-
Balance as at 1st April	-	-	-	-	-
Previous Year	-	-	-	-	-
Investment made during the year	-	-	70.00	-	-
Previous Year	-	-	-	-	-
Received during the year	-	-	-	-	-
Previous Year	-	-	-	-	-
Balance as at 31st March	-	-	70.00	-	-
Previous Year	-	-	-	-	-
	-	-	-	-	-
<b>Income</b>	-	-	-	-	-
Sales of Goods/Job Charges	-	-	-	-	0.49
Previous Year	-	-	8.87	-	0.26
Rental Income	-	-	1.20	-	-
Previous Year	-	-	1.20	-	-
	-	-	-	-	-
<b>Expenditure</b>	-	-	-	-	-
Purchase of Goods	-	-	-	-	-
Previous Year	-	343.54	-	-	-
Job Charges/Services/Commission	-	-	-	-	-
Previous Year	-	-	-	-	4.00
Remuneration	-	-	-	213.51	125.24
Previous Year	-	-	-	246.22	108.63
Interest Paid	0.36	-	-	-	-
Previous Year	0.93	-	-	-	-

**(III) Out of the above items, transaction in**

Sr. No.	Current Year	Previous Year
a		
<b>Transaction</b>		
<b><u>Loans Taken</u></b>		
Received /(Adjusted) during the year (net)		
Twistex India Limited	6.57	(55.60)
Arvind Kumar Sethia	0.12	1.60
Manoj Kumar Sethia	0.63	(1.15)
<b><u>Loans Given</u></b>		
Given/(Received) during the year(net)		
Ginaz Lifestyles Limited	23.23	-
<b><u>Investment</u></b>		
Shre Ganesh integrated Textiles		
Park Private Limited	70.00	-
<b><u>Expenditure</u></b>		
Purchase of Goods:-		
1. Ginza Lifestyles Limited	-	343.54
Commission Paid on Sales:-		
1. Rakesh Kumar Banthia (HUF)	-	4.00
<b><u>Sales</u></b>		
1. Vineet Enterprises	-	8.68
2. Welcome Friends Productions LLP	-	0.20
3. Karuna Sethia	0.48	0.26
<b><u>Income</u></b>		
Rental Income :-		
Welcome Friends Productions LLP	1.20	1.20
<b><u>Remuneration:-</u></b>		
1. Mr. Ashok Kumar Sethia	57.33	57.33
2. Mr. Arvind Kumar Sethia	43.59	47.48
3. Mr. Manoj Kumar Sethia	43.59	47.48
4. Mr. Laxmipat Banthia	45.00	70.00
5. Mrs. Rita Sethia	24.00	23.94
6. Mr. Amrit Sethia	29.87	23.78
7. Mrs. Apeksha Dugar Sethia	8.12	7.96
8. Mr. Rohit Sethia	29.87	23.78
9. Mrs. Pallavi Mehra Sethia	3.55	0.86
10. Mr. Piyush Samsukha	12.00	12.00
11. Mrs. Komal Samsukha	8.57	-
12. Mr. Vinay Chajjer	14.85	14.85
13. Mrs. Meha Chajjer	6.98	7.35
14. Ms. Megha Sethia	0.33	-
15. Ms. Garima Sethia	4.49	3.20
16. Mr. Rakesh Banthia	6.60	6.60
<b><u>Interest Paid</u></b>		
	0.36	0.93

<b>31</b>	<b>VALUE OF IMPORTS (INCLUDING IN TRANSIT) CALCULATED ON C.I.F BASIS IN RESPECT OF</b>		
	<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>
		<b>31st March, 2019</b>	<b>31st March, 2018</b>
	(i) Raw Materials	3,938.70	2,850.42
	(ii) Stores and Spares Parts	23.64	35.70
	(iii) Capital Goods	205.28	991.86
<b>32</b>	<b>EXPENDITURE IN FOREGN CURRENCY</b>		
	<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>
		<b>31st March, 2019</b>	<b>31st March, 2018</b>
	Travelling	24.65	23.74
<b>33</b>	<b>EARNINGS IN FOREIGN EXCHANGE</b>		
	<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>
		<b>31st March, 2019</b>	<b>31st March, 2018</b>
	FOB Value of Exports	7,137.31	6,691.93
34	Previous year's figures have been regrouped / rearranged, wherever considered necessary.		

**As per our Report of even date attached**

**For Bhuwania & Agrawal Associates**  
**Chartered Accountants**  
**Firm Registration No 101483W**

**N.K.Agrawal**  
**Partner**  
**M.No-034659**  
**Mumbai**  
**04th September 2019**

**For & On behalf of the Board**  
**Ginza Industries Limited**

**Ashok Kumar Sethia**  
**Chairman & Managing Director**  
**DIN:01283310**

**Laxmipat Banthia**  
**Whole time Director**  
**DIN:02464903**

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF GINZA INDUSTRIES LIMITED

#### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Ginza Industries Limited (“the Company”) and its subsidiaries (the Company and its subsidiaries together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (‘the Act’) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March 2019, and consolidated profit and its consolidated cash flows for the year ended on that date.

#### Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Other Matters

We did not audit the financial statements of one subsidiary, namely Ginza Lifestyles Limited, whose financial statements reflect total assets of Rs. 58.41 lacs as at 31st March 2019, total net loss of Rs. 0.58 lacs and net cash outflow amounting to Rs. 0.45 lacs for the year then ended on that date, as considered in the consolidated financial statements. This financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiaries, our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements and our report on other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditor.

### **Information other than the Consolidated Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the management discussion & analysis and director's report included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The above information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the above other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Management's Responsibility for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of the consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- (c) the consolidated balance sheet, the consolidated statement of profit and loss and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors of the company as on 31st March 2019 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act |
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;



- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) the Group does not have any pending litigations and therefore no impact or disclosure in relation to the same has been made in the financial statement;
  - (ii) the Group does not see any foreseeable losses on long-term contracts as on the balance sheet date and the Company has not entered into any derivative contracts, therefore no provision has been made in relation to the same;
  - (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For BHUWANIA & AGRAWAL ASSOCIATES**

(Chartered Accountants)

(Firm Registration no. 101483W)

(Partner) : N. K. Agrawal  
Membership No. : 034659  
UDIN : 19034659AAAGL337  
Date : 4th September 2019  
Place : Mumbai

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Ginza Industries Limited (“the Company”) and its subsidiary companies, as of 31st March 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

## For BHUWANIA & AGRAWAL ASSOCIATES

(Chartered Accountants)

(Firm Registration no. 101483W)

(Partner) : N. K. Agrawal  
Membership No. : 034659  
UDIN : 19034659AAAGL337  
Date : 4th September 2019  
Place : Mumbai

Ginza Industries Limited CIN:U17297MH1986PLC310814 Consolidated Balance Sheet as at 31st March, 2019				
				Amt. in Rs. Lacs
S No.	Particulars	Notes	As at 31st March 2019	As at 31st March 2018
<b>I. EQUITY AND LIABILITIES</b>				
(1)	<b>Shareholder's Funds</b>			
	(a) Share Capital	2	888.31	888.31
	(b) Reserve and Surplus	3	10,917.08	10,094.15
	(c) Money Received against Share Warrants		75.01	75.01
			<b>11,880.40</b>	<b>11,057.47</b>
(2)	<b>Non-Current Liabilities</b>			
	(a) Long-Term Borrowings	4	6,401.61	8,013.68
	(b) Deferred Tax Liabilities (Net)	5	1,016.75	997.34
			<b>7,418.36</b>	<b>9,011.02</b>
(3)	<b>Current Liabilities</b>			
	(a) Short-Term Borrowings	6	10,785.15	9,344.99
	(b) Trade Payables	7		
	-Due to MSME Creditors		19.39	17.62
	-Due to Other Creditors		4,919.46	3,330.00
	(c) Other Current Liabilities	8	3,891.63	4,352.69
			<b>19,615.63</b>	<b>17,045.30</b>
	<b>TOTAL</b>		<b>38,914.39</b>	<b>37,113.79</b>
<b>II ASSETS</b>				
(1)	<b>Non-Current Assets</b>			
	<b>(a) Property, Plant &amp; Equipment</b>			
	(i) Tangible Assets	9	15,525.74	15,983.42
	(ii) Intangible Assets		95.12	122.20
	(iii) Capital Work-in-Progress		900.33	844.23
	(b) Non-Current Investments	10	112.35	42.35
	(c) Long Term Loans and Advances	11	578.34	556.20
			<b>17,211.88</b>	<b>17,548.40</b>
(2)	<b>Current Assets</b>			
	(a) Inventories	12	9,319.36	8,582.07
	(b) Trade Receivables	13	8,353.83	7,773.77
	(c) Cash and Bank Balances	14	288.11	494.73
	(d) Short-term Loans and Advances	15	2,985.82	2,031.59
	(e) Other Current Assets	16	755.38	683.23
			<b>21,702.50</b>	<b>19,565.39</b>
	<b>TOTAL</b>		<b>38,914.38</b>	<b>37,113.79</b>
	Significant Accounting Policies	1		
	Other notes to the Financial Statements	2-34		
	The accompanying Notes form integral part of the financial statements.			
	As per our Report of even date attached			
	<b>For Bhuwania &amp; Agrawal Associates</b>		<b>For &amp; On behalf of the Board</b>	
	<b>Chartered Accountants</b>		<b>Ginza Industries Limited</b>	
	<b>Firm Registration No 101483W</b>			
	<b>N.K.Agrawal</b>		<b>Ashok Kumar Sethia</b>	
	<b>Partner</b>		<b>Chairman &amp; Managing Director</b>	
	<b>M.No-034659</b>		<b>DIN:01283310</b>	
	<b>Mumbai</b>			
	<b>04th September 2019</b>		<b>Laxmipat Banthia</b>	
	<b>UDIN :19034659AAAGL337</b>		<b>Whole time Director</b>	
			<b>DIN:02464903</b>	

Ginza Industries Limited CIN:U17297MH1986PLC310814 Consolidated Statement of Profit And Loss For The Year Ended 31st March, 2019				
Amt. in Rs. Lacs				
S No.	Particulars	Notes	For the year ended 31st March 2019	For the year ended 31st March 2018
I	Revenue from Operations	17	34,143.39	33,487.63
II	Other Income	18	79.19	177.89
III	<b>Total (I+II)</b>		<b>34,222.58</b>	<b>33,665.52</b>
IV	<b>Expenses</b>			
	Cost of Raw Material Consumed	19	14,594.70	13,590.81
	Changes in Inventories of Finished Goods, Work-in-progress & Stock in Trade	20	(440.46)	(930.88)
	Employee Benefits Expenses	21	8,822.88	9,443.15
	Finance Cost	22	2,358.92	2,104.74
	Depreciation & amortization expenses	9	1,545.21	1,641.73
	Other Expenses	23	6,322.75	6,808.35
	<b>Total</b>		<b>33,204.00</b>	<b>32,657.90</b>
V	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>1,018.58</b>	<b>1,007.62</b>
VI	<b>Exceptional items &amp; Extraordinary items</b> (Profit)/ Loss on sale of Asset		(18.66)	3.38
VII	<b>Profit before Tax (V-VI)</b>		<b>1,037.24</b>	<b>1,004.24</b>
VIII	<b>Tax Expenses</b>			
	Current Tax Provision		237.80	220.10
	MAT Credit Entitlement		(79.39)	(107.90)
	Deferred Tax Provision		19.41	57.75
IX	<b>Profit for the year (VII-VIII)</b>		<b>859.42</b>	<b>834.29</b>
X	<b>Earnings per Equity Share</b> Basic & Diluted	24	9.67	9.39
Significant Accounting Policies		1		
Other notes to the Financial Statements		2-34		
The accompanying Notes form integral part of the financial statements. As per our Report of even date attached				
For Bhuwania & Agrawal Associates Chartered Accountants Firm Registration No 101483W		For & On behalf of the Board Ginza Industries Limited		
N.K.Agrawal Partner M.No-034659 Mumbai 04th September 2019 UDIN :19034659AAAGL337		Ashok Kumar Sethia Chairman & Managing Director DIN:01283310		
		Laxmipat Banthia Whole time Director DIN:02464903		

Ginza Industries Limited CIN:U17297MH1986PLC310814 Consolidated Cash Flow Statement for the year ended 31st March 2019				
				Amt. in Rs. Lacs
Particulars	Year Ended 31st March 2019	Year Ended 31st March 2019	Year Ended 31st March 2018	Year Ended 31st March 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net profit before tax	1,037.22		999.49	
<b>Add : Adjustment for : -</b>				
Depreciation	1,545.20		1,641.73	
Profit on Sale of Assets	(18.66)		3.38	
Interest Paid	2,358.92		2,103.96	
<b>Operating Profit/ Loss before Working Capital Changes</b>		4,922.68		4,748.56
<b>Add : Adjustment for : -</b>				
Trade and Other Receivables	(580.06)		(758.22)	
Inventories	(737.28)		(947.21)	
Loans and Advances	(938.56)		(1,378.01)	
Trade Payables & Other Current Liabilities	1,518.66	(737.24)	1,462.35	(1,621.09)
<b>Cash Generated from Operations</b>		4,185.44		3,127.47
Income Tax Paid		(268.38)		(70.21)
<b>Net Cash Flow from Operating Activities :</b>		3,917.06		3,057.26
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets (Net)	(1,190.74)		(2,849.37)	
Sale of Fixed Assets	92.85		43.25	
Investment Made	(70.00)			
<b>Net Cash Flow from Investing Activities</b>		(1,167.89)		(2,806.12)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Capital Reserve	(36.48)		(36.48)	
Long Term Borrowings (Paid)	(2,000.57)		(742.43)	
Short Term Borrowings (Net)	1,440.16		2,621.43	
Increase in other Long Term Liabilities	-		108.92	
Interest Paid	(2,358.92)		(2,103.96)	
<b>Net Cash Flow from Financing Activities</b>		(2,955.81)		(152.52)
<b>Net Increase/ Decrease in Cash and Cash Equivalents (A+B+C)</b>		(206.64)		98.62
<b>Cash and Cash Equivalent ( Opening Balance)</b>		494.74		396.11
<b>Cash and Cash Equivalent ( Closing Balance )</b>		288.10		494.73
As per our Report of even date attached herewith				
<b>For Bhuwania &amp; Agrawal Associates</b> Chartered Accountants Firm Registration No 101483W		<b>For &amp; on behalf of the Board</b> Ginza Industries Limited		
N.K.Agrawal Partner M.No-034659 Mumbai 04th September 2019 UDIN :19034659AAAGL337	Ashok Kumar Sethia Chairman & Managing Director DIN:01283310	Laxmipat Banthia Whole time Director DIN:02464903		

**GINZA INDUSTRIES LIMITED****1 Notes forming part of the financial statements for the year ended 31st March 2019  
Statement of Significant Accounting Policies & Practices****1.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

The financial statements have been prepared as per the requirements of the Schedule III to the Companies Act, 2013. The Schedule III introduces some significant conceptual charges as well as new disclosures. These include classification of all assets and liabilities into current and non-current. "

**1.2 Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP require the Management to make estimates and assumptions considered in the reported amounts of assets & liabilities (including contingent liabilities) and the reported income & expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise. Any revision to accounting estimates is recognized prospectively in current and future periods.

**1.3 Revenue recognition**

Revenue from sale of goods is recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

**1.4 Other income**

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established. Other income/ claims are recognized only when it is reasonably certain that the ultimate collection will be made.

**1.5 Tangible assets**

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard

of performance. Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project. "

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

### **1.6 Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

### **1.7 Depreciation and amortisation**

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 on written down method, except in respect of the following categories of assets.

### **1.8 Impairment of assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use.

### **1.9 Inventories**

Raw materials, work-in-progress, stock-in-trade and packing materials are valued at the lower of value derived on FIFO and net realizable value. Finished goods are valued at the lower of weighted average cost and net realizable value. Cost of finished goods and work-in-progress includes cost of materials, direct labour and an appropriate portion of overheads. Stores and maintenance spares are valued at average cost. Inventory lying more than three years has been valued as zero or Rupees one."

### **1.10 Investments**

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

### **1.11 Employee benefits**

Employee benefits include provident fund, compensated absences, long service awards.

Defined contribution plans

The Company's contribution to provident fund is considered as a defined contribution plan



and is charged as an expense as it falls due based on the amount of contribution required to be made.

#### Defined benefit plans

For defined benefit plans in the form of gratuity, only the amount of expenses actually paid during the year with regard to gratuity obligations payable to the employees has been recognised in the Statement of Profit and Loss.

### **1.12 Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### **1.13 Government grants, subsidies and export incentives**

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

### **1.14 Insurance claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims if any.

### **1.15 Foreign currency transactions and translations**

#### Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

#### Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

#### Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss. The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets."

### **1.16 Taxes on income**

Current tax is the amount of tax payable on the taxable income for the current year as determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

### **1.17 Derivative contracts**

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations. Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting. All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

### **1.18 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **1.19 Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

**2 SHARE CAPITAL**

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Authorised</b>		
2,60,00,000 Equity Shares of Rs.10/- each (Previous year 2,60,00,000 Equity Shares of Rs 10/- each)	2,600.00	2,600.00
<b>Issued, Subscribed and Fully Paid up :</b>		
88,83,106 Equity Shares of Rs.10/- each (Previous year 88,83,106 Equity Shares of Rs 10/- each)	888.31	888.31
<b>Total</b>	<b>888.31</b>	<b>888.31</b>

**2.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

Particulars	31st March 2019	Amount 31st	March 2018	Amount
	No. of Shares	(Rs.) in Lacs	No. of Shares	(Rs.) in Lacs
At the beginning of the period	8,883,106	888.31	8,883,106	888.31
Add : Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Add : Other movements during the year	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>8,883,106</b>	<b>888.31</b>	<b>8,883,106</b>	<b>888.31</b>

**2.2 Terms/Rights attached to Equity Shares**

The Company has only one class of Equity Shares having par value of Rs.10/- per share. Each holder of Equity Share is entitled to one vote per Share.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

**2.3 Details of Shareholders holding more than**
**5% Equity Shares in the Company**

Name o Shareholders	31st March, 2019		31st March, 2018	
	No. of Shares	% of holding in the class	No. of Shares	% of holding in the class
Twistex India Limited	5,231,956	58.90%	5,22,6956	58.84%
Ashok Kumar Sethia	1,326,898	14.94%	1,326,898	14.94%
Rita Ashok Sethia	1,164,800	13.11%	1,164,800	13.11%

**3 RESERVES AND SURPLUS**

Particulars	31st March, (Rs.) in Lacs	Addition during year	Deletion during the year	31st March, 2019 (Rs.) in Lacs
Capital Reserve	164.17	-	36.48	127.68
Securities Premium Account	123.05	-	-	123.05
General Reserve	500.00	-	-	500.00
Surplus Balance in the Statement of Profit and Loss	9,306.93	859.42	-	10,166.35
<b>Total</b>	<b>10,094.15</b>	<b>859.42</b>	<b>36.48</b>	<b>10,917.08</b>

\* Transferred to Profit & Loss account on the basis of useful life to the asset

**4 LONG TERM BORROWINGS****Particulars****As at  
31st March, 2019****As at  
31st March, 2018****Secured****Term Loan**

From Banks

2,582.10

3,229.86

From NBFCS

3,440.30

4,538.94

**Total****6,022.40****7,768.80****Unsecured**

From Banks

372.19

232.05

From Parent Company

3.97

10.54

From Directors

3.05

2.29

**Total****379.21****244.88****Total****6,401.61****8,013.68****Nature of Securities and terms of repayment for long term Borrowings including current maturities shown in Note No. 8**

<b>Name of the Bank</b>	<b>Outstandings</b>	<b>Amount of Instalment Pending</b>
<b>Secured Loan</b>		
Union Bank of India	Rs.184.73 lacs (P.Y.:Rs.308.12 lacs)	Rs. 11.11 lacs monthly installments payable in 16 months.
Bank of India	Rs.623.54 lacs (P.Y.:Rs.816.37 lacs)	Rs.16.07 lacs monthly installment payable in 39 months
Central Bank of India	Rs.504.12 lacs (P.Y.:Rs.717.55 lacs)	Rs.53.35 lacs quarterly installment repayable in 9 quarters and Rs.24.00 lacs in last quarter
Vijaya Bank	Rs.361.83 lacs (P.Y.:Rs.574.88 lacs)	Rs.22.55 lacs monthly installment including interest repayable in 20 months.
The South Indian Bank Limited	Rs.1486.03 lacs (P.Y.:Rs.1205.46 lacs)	Rs. 30.37 lacs monthly installment including interest repayable in 60 months.
STCI Finance Limited	Rs.1000.00 lacs (P.Y.:Rs.1333.33 lacs)	Rs. 83.33 lacs quarterly installment repayable in 12 quarters.
Aditya Birla Finance Limited	Rs.1200.00 lacs (P.Y.:Rs.1400.00 lacs)	Rs. 50.00 lacs quarterly installment repayable in 24 quarters.
<b>All the above loans are secured by way of first pari passu charge over the company's entire fixed assets (except specified assets) both present &amp; future, on paripassu basis and second charge on all current assets of the company both present &amp; future.</b>		
SIDBI	Rs.198.00 lacs (P.Y.:Rs.318.00 lacs)	Rs.10.00 lacs monthly installment payable in 19 months and last instalment for Rs.8.00 lacs
<b>The above loan is secured by way of exclusive charge on land at Palghar and residual charges on all current assets of the Company both present &amp; future.</b>		
SIDBI	Rs.343.71 lacs (P.Y.:Rs.414.27 lacs)	Rs.5.60 lacs & Rs.0.28 lacs monthly installment repayable in 59 months
SIDBI	Rs.100.00 lacs (P.Y.:Rs. Nil)	Rs.2.80 lacs monthly installment repayable in 36 months
<b>The above loan is secured by way of exclusive charge charge on the machineries financed and secured by charge on the land at Palghar</b>		
Aditya Birla Finance Limited	Rs.1434.48 lacs (P.Y.:Rs.1535.47 lacs)	Rs.22.42 lacs installment including interest repayable in 93 months
<b>The above loan is secured by way of exclusive charge on the Land and Building and machineries at Plot No. B-1, 2, Gujarat Eco Textiles Park Ltd., At Baleshwar, Tal. Palsana, Dist: Surat, Gujarat- 395315</b>		

Aditya Birla Finance Limited	Rs.372.54 lacs (P.Y.:Rs. 471.95 lacs)	Rs.12.29 lacs monthly installment including interest repayable in 35 months.
Aditya Birla Finance Limited	Rs.143.13 lacs (P.Y.:Rs. 177.72 lacs)	Rs.4.40 lacs monthly installment including interest repayable in 38 months.
<b>The above loan is secured by way of exclusive charge on the office at A,501&amp; 502, Lotus Corporate Park, Jay Coach Lane, Off Western Express Highway, Goregaon East, Mumbai-400063</b>		
Tata Capital Finance Limited	Rs.175.58 lacs (P.Y.:Rs. 275.92 lacs)	Rs.8.35 lacs monthly installment repayable in 21 months
<b>The facility is secured on exclusive charge of machines financed.</b>		
Dailmer Finance Limited	Rs.18.89 lacs (P.Y.:Rs.33.40 lacs)	Rs. 1.43 lacs monthly installment including interest repayable in 14 months.
Vijaya Bank	Rs. 5.95 lacs (P.Y.:Rs. 8.05 lacs)	Rs. 0.23 lacs monthly installment including interest repayable in 30 months.
Union Bank of India	Rs. 9.63 lacs (P.Y.:Rs.19.37 lacs)	Rs. 0.92 lacs monthly installment including interest repayable in 12 months.
Bank of India	Rs.2.94 lacs (P.Y.:Rs. 4.50 lacs)	Rs. 0.16 lacs monthly installment including interest repayable in 20 months.
<b>Vehicle Loan amounting to is secured by way of vehicle financed</b>		
<b>(All the above Term Loans are guaranteed by Mr. Ashok Kumar Sethia, Mr. Arvind Kumar Sethia, Mr. Manoj Kumar Sethia i.e. Directors of the company)</b>		
<b>Unsecured Loan</b>		
Deutsche Bank	Rs.113.67 lacs (P.Y.:Rs.121.87 lacs)	Rs. 1.67 lacs monthly Installments including interest repayable in 132 months.
Deutsche Bank	Rs.80.40 lacs (P.Y.: Nil)	Rs. 0.88 lacs monthly Installments including interest repayable in 172 months.
Deutsche Bank	Rs.81.38 lacs (P.Y.: Nil)	Rs. 0.88 lacs monthly Installments including interest repayable in 172 months.
Deutsche Bank	Rs.119.08 lacs (P.Y.:Rs.127.60 lacs)	Rs. 1.75 lacs monthly Installments including interest repayable in 132 months.
Unseruced loan from others	Rs.7.01 lacs ( P.Y.:Rs.12.83 lacs)	Repayable in 1-3 years

**5 DEFERRED TAX LIABILITY (NET)**
**Particulars**
**As at**
**As at**
**31st March, 2019**
**31st March, 2018**
**Opening Deferred Tax Liability**

997.34

939.59

Related to Fixed Assets

19.41

57.75

**Total**
1,016.75
997.34
**6 SHORT TERM BORROWINGS**
**Particulars**
**As at**
**As at**
**31st March, 2019**
**31st March, 2018**
**Secured Loans**
**Loans Repayable on Demand**

From Banks- Cash Credit

10,785.15
9,344.99
**Total**
10,785.15
9,344.99

<b>7</b>	<b>TRADE PAYABLES</b>		
	<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
	<b><u>In Ordinary course of Business</u></b>		
	1) Due to Micro, Small and Medium Enterprises	19.39	17.62
	2) Due to other creditors	4,036.53	2,795.59
	Creditors under Acceptance of Letter of Credit	882.93	534.41
	<b>Total</b>	<b><u>4,938.85</u></b>	<b><u>3,347.62</u></b>
<b>8</b>	<b>OTHER CURRENT LIABILITIES</b>		
	<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
	Current maturities of long term borrowings #	2,165.04	2,553.54
	Interest accrued but not due	46.43	35.91
	Statutory Dues	128.73	171.13
	Payables for Capital Goods	115.45	154.22
	Trade Deposits	138.25	229.67
	Advance received from customers	97.86	71.86
	Payable to Employees	1,055.25	1,039.35
	Other Payables	144.62	97.01
	<b>Total</b>	<b><u>3,891.63</u></b>	<b><u>4,352.69</u></b>

9. Property, Plant & Equipment		Gross Block						Depreciation			Net Block	
		Gross Block as on 01/04/2018	Additions During the Period	Sales / Discard During the Period	Gross Block as on 01/04/2019	Depn As On 01/04/2018	Depn for the Period	Acc. Depn on FA Sold / Discarded	Total Depn as on 31/03/2019	Net Block as on 31/03/2019	Net Block as on 31/03/2018	
<b>(A) Tangible Assets</b>												
Land	733.98	-	-	733.98	30.32	-	-	-	30.32	703.66	703.66	
Factory Building	5,596.27	259.72	3.31	5,852.68	1,685.51	181.28	1.28	1,865.51	3,987.17	3,910.76		
Office Building	1,107.20	-	-	1,107.20	112.73	17.48	-	130.21	976.99	994.47		
Residential Flats	62.84	-	-	62.84	13.27	0.98	-	14.25	48.59	49.57		
Plant & Machinery	24,319.38	817.76	432.90	24,704.24	15,058.85	1,108.94	361.57	15,806.22	8,898.02	9,260.53		
Electrical Installations	644.70	2.42	1.00	646.12	510.28	23.84	1.00	533.12	113.00	134.42		
Furniture & Fixtures	880.65	28.73	-	909.38	417.66	67.88	-	485.54	423.84	462.99		
Air Conditioners	188.37	4.89	0.62	192.64	139.21	13.67	0.49	152.39	40.25	49.16		
Office Equipments	215.72	6.38	0.05	222.05	162.09	17.57	0.01	179.65	42.40	53.63		
Computers	240.80	7.93	-	248.73	218.42	8.46	-	226.88	21.85	22.38		
Vehicles	950.08	3.12	2.36	950.84	608.22	74.34	1.69	680.87	269.97	341.86		
<b>Sub Total (A)</b>	<b>34,939.99</b>	<b>1,130.95</b>	<b>440.24</b>	<b>35,630.70</b>	<b>18,956.56</b>	<b>1,514.44</b>	<b>366.04</b>	<b>20,104.96</b>	<b>15,525.74</b>	<b>15,983.42</b>		
<b>(B) Intangible Assets</b>												
Goodwill	94.36	-	-	94.36	18.87	9.44	-	28.31	66.05	75.49		
Computer Software	293.75	3.69	-	297.44	247.04	21.33	-	268.37	29.07	46.71		
<b>Sub Total (B)</b>	<b>388.11</b>	<b>3.69</b>	<b>-</b>	<b>391.80</b>	<b>265.91</b>	<b>30.77</b>	<b>-</b>	<b>296.68</b>	<b>95.12</b>	<b>122.20</b>		
<b>Grand Total (A+B)</b>	<b>35,328.10</b>	<b>1,134.64</b>	<b>440.24</b>	<b>36,022.50</b>	<b>19,222.47</b>	<b>1,545.21</b>	<b>366.04</b>	<b>20,401.64</b>	<b>15,620.86</b>	<b>16,105.62</b>		
<i>Previous Year</i>	33,518.20	2,087.20	277.31	35,328.10	17,811.42	1,641.73	230.67	19,222.48	16,105.61	15,706.78		
<b>Capital WIP</b>	<b>844.23</b>	<b>417.14</b>	<b>361.04</b>	<b>900.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<i>Previous Year</i>	82.06	937.20	175.03	844.23	-	-	-	-	-	-		

**10 NON CURRENT INVESTMENTS**

Particulars	31st March, 2019	31st March, 2019	31st March, 2018	31st March, 2018
	No of shares	(Rs.)	No of shares	(Rs.)
<b>Unquoted(Trade)</b>				
<b>Investment in Subsidiaries</b>				
SOIE US LLC	-	16.24	-	16.24
<b>Investment in Associate Enterprise</b>				
Shree Ganesh Integrated Textiles Park Private Limited	700,000	70.00	-	-
Equity Shares of Rs 10/- each				
<b>Investment in Others</b>				
Cosmos Co-operative Bank Limited	1,000	1.00	1,000	1.00
Equity Shares of Rs. 100/- each				
Gujarat Eco-Textile Park Limited	176,059	17.61	176,059	17.61
Equity Shares of Rs 10/- each				
Sachin Infra Environment Limited	75,000	7.50	75,000	7.50
Equity Shares of Rs 10/- each				
<b>Total</b>		<b>112.35</b>		<b>42.35</b>
<b>Aggregate Book Value - Unquoted</b>				
<b>Total</b>		<b>112.35</b>		<b>42.35</b>

\* The company holds 51% in SOIE  
US LLC

**11 LONG TERM LOANS AND ADVANCES**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good unless otherwise stated		
Advance against Land Purchase	57.72	-
Security deposits	520.62	556.20
<b>Total</b>	<b>578.34</b>	<b>556.20</b>

**12 INVENTORIES (Valued at lower of cost or net realizable value)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw-Materials	2,398.28	2,094.29
Work in progress	1,939.44	1,824.88
Finished Goods	4,751.36	4,425.46
Stores & Spares	230.28	237.44
<b>Total</b>	<b>9,319.36</b>	<b>8,582.07</b>

**13 TRADE RECEIVABLES**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured Considered Good	-	-
Unsecured Considered Good	7,992.59	7,567.24
Significant increase in Credit Risk	361.24	206.53
Credit Impaired	-	-
<b>Total</b>	<b>8,353.83</b>	<b>7,773.77</b>
Less:- Provision for Doubtful Debts	-	-
<b>Total</b>	<b>8,353.83</b>	<b>7,773.77</b>





<b>14</b>	<b>CASH, CASH EQUIVALENT AND BANK BALANCES</b>		
	<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
	<b>Cash &amp; Cash Equivalents</b>		
	Cash in Hand	14.90	14.97
	Balance with Banks	11.28	67.92
	Term Deposits as Margin Money with Banks	261.93	411.84
	<b>Total</b>	<b><u>288.11</u></b>	<b><u>494.73</u></b>
<b>15</b>	<b>SHORT TERM LOANS &amp; ADVANCES</b>		
	<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
	Loan to Subsidiary Company	-	-
	Interest Subsidy Receivable	85.90	77.87
	Receivable from Government Authorities	1,391.25	1,242.57
	Advance Income Tax	60.55	29.97
	Advances towards purchase of Goods & Services	96.89	214.29
	Security deposits	1,321.58	405.50
	Advance to Employees	29.65	61.39
	<b>Total</b>	<b><u>2,985.82</u></b>	<b><u>2,031.59</u></b>
<b>16</b>	<b>OTHER CURRENT ASSETS</b>		
	<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
	Prepaid Expenses	54.74	53.75
	MAT credit entitlement	677.07	597.68
	Other	23.57	31.80
	<b>Total</b>	<b><u>755.38</u></b>	<b><u>683.23</u></b>
<b>17</b>	<b>REVENUE FROM OPERATIONS</b>		
	<b>Particulars</b>	<b>For the year ended 31st March 2019</b>	<b>For the year ended 31st March 2018</b>
	Sale of Products		
	Domestic	26,487.18	26,164.59
	Exports	7,137.31	6,691.93
		<b><u>33,624.49</u></b>	<b><u>32,856.52</u></b>
	Other Operating Income		
	Foreign Exchange Fluctuation Profit (Net)	137.43	89.96
	Export Incentive	381.47	541.15
		<b><u>518.90</u></b>	<b><u>631.11</u></b>
	<b>Total</b>	<b><u>34,143.39</u></b>	<b><u>33,487.63</u></b>
<b>18</b>	<b>OTHER INCOME</b>		
	<b>Particulars</b>	<b>For the year ended 31st March 2019</b>	<b>For the year ended 31st March 2018</b>
	Interest Received	32.92	48.28
	Foreign Exchange Fluctuation Profit (Net)	-	44.92
	Rent Received	9.41	5.69
	Reversal of Capital Subsidy received	36.48	36.48
	Misc Income	0.38	42.52
	<b>Total</b>	<b><u>79.19</u></b>	<b><u>177.89</u></b>

<b>19</b>	<b>COST OF RAW MATERIALS CONSUMED</b>		
	<b>Particulars</b>	<b>For the year ended 31st March 2019</b>	<b>For the year ended 31st March 2018</b>
	Inventory at the beginning of the year	2,094.29	1,979.00
	Add: Purchases	14,898.69	13,706.10
	Less: Inventory at the end of the year	<u>2,398.28</u>	<u>2,094.29</u>
	<b>Cost of raw materials consumed during the year</b>	<b><u>14,594.70</u></b>	<b><u>13,590.81</u></b>
<b>20</b>	<b>CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>		
	<b>Particulars</b>	<b>For the year ended 31st March 2019</b>	<b>For the year ended 31st March 2018</b>
	<b>Opening Stock:</b>		
	Finished Goods	4,425.46	3,812.61
	Work in progress	<u>1,824.88</u>	<u>1,506.85</u>
		<b><u>6,250.34</u></b>	<b><u>5,319.46</u></b>
	<b>Closing Stock:</b>		
	Finished Goods	4,751.36	4,425.46
	Work in progress	1,939.44	1,824.88
		<u>6,690.80</u>	<u>6,250.34</u>
	<b>Change in Inventory of Finished Goods &amp; Work in Progress</b>	<b><u>(440.46)</u></b>	<b><u>(930.88)</u></b>
<b>21</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	<b>Particulars</b>	<b>For the year ended 31st March 2019</b>	<b>For the year ended 31st March 2018</b>
	Salaries, Wages, Bonus, etc	8,282.92	8,727.04
	Contribution to Provident Fund and other funds	434.11	594.62
	Staff Welfare Expenses	<u>105.85</u>	<u>121.49</u>
	<b>Total</b>	<b><u>8,822.88</u></b>	<b><u>9,443.15</u></b>
<b>22</b>	<b>FINANCE COSTS</b>		
	<b>Particulars</b>	<b>For the year ended 31st March 2019</b>	<b>For the year ended 31st March 2018</b>
	<b>Interest Expenses</b>		
	on Borrowings	2,040.08	1,838.32
	on others	233.68	211.21
	<b>Other Borrowing Costs</b>		
	Loan facilitation and processing charges	<u>85.16</u>	<u>55.21</u>
	<b>Total</b>	<b><u>2,358.92</u></b>	<b><u>2,104.74</u></b>

<b>23 OTHER EXPENSES</b>			
<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>	
	<b>31st March 2019</b>	<b>31st March 2018</b>	
<b>Manufacturing Expenses</b>			
Power & Fuel	2,505.74	2,677.49	
Processing, Printing & Cutting Charges	607.19	645.83	
Consumption of Stores & Spares	248.54	359.50	
<b>Administrative Expenses</b>			
Insurance Expenses	19.40	21.53	
Legal & Professional Charges	91.10	114.99	
Postage & Courier Expenses	118.30	105.24	
Printing & Stationery	38.04	52.92	
Rates & Taxes	72.04	79.18	
Rent Paid	248.10	258.63	
Repairs & Maintenance	486.78	353.18	
Security & House Keeping Expenses	81.92	85.93	
Telephone & Fax Charges	28.52	31.12	
Travelling & Conveyance Expenses	136.21	148.36	
Vehicle Running & Maintenance Expenses	198.63	157.08	
Foreign Exchange Fluctuation Profit (Net)	33.04	0.25	
Bad Debts W/off	28.47	-	
CSR Contribution	9.34	8.38	
Auditors Remuneration #	8.60	7.82	
General Exp	54.46	64.80	
<b>Selling &amp; Distribution Expenses</b>			
Advertisement & Sales Promotion Expenses	172.99	284.31	
Commission & Brokerage	103.03	152.92	
Freight and Clearing & Forwarding Charges	82.49	199.73	
Packing & Forwarding Expenses	634.16	681.77	
Rebates & Claim	315.66	317.38	
<b>Total</b>	<b><u>6,322.75</u></b>	<b><u>6,808.34</u></b>	
<b>#Auditors Remuneration</b>			
Audit Fees	7.00	6.00	
Tax Audit fee	1.50	1.50	
Fee for Certification	-	0.12	
<b>Total</b>	<b><u>8.50</u></b>	<b><u>7.62</u></b>	
<b>24 EARNING PER SHARE</b>			
<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>	
	<b>31st March 2019</b>	<b>31st March 2018</b>	
Net Profit as per Statement of Profit and Loss	859.41	834.29	
Net Profit available to Equity Share Holders	859.41	834.29	
No. of Equity Shares at year end	88.83	88.83	
Weighted average number of Equity shares used as denominator for calculating EPS	88.83	88.83	
Basic and Diluted Earning per Share	9.67	9.39	
Face value per Equity Share	10.00	10.00	

**25 CONTINGENT LIABILITY & CAPITAL COMMITMENT****Contingent Liability**

i) There is contingent liability to the extent of Rs. 119.14 lacs. The Company had imported machinery on subsidized rate of duty under Export Promotion Capital Goods Scheme (EPCG). Accordingly the Company is under an obligation to export to the extent of Rs.536.13 lacs, i.e. 75% of six times of the duty saved of Rs. 119.14 lacs, in six years from the date of issue of authorization. . If the Company is unable to fulfill the full export obligation within the stipulated period, it would be liable to pay proportionate duty saved along with interest at the rate of 18% p.a.

ii) The Banker of the Company has given Guarantee amounting to Rs. 33.24 (PY: Rs. 29.03 lacs) Lacs for which the Company has given Counter Guarantee and a deposit of Rs.4.28 lacs (PY:Rs. 6.95 lacs)

**Capital Commitment**

Outstanding Capital Commitment is Rs. 9.68 lacs (PY. 276.15 lacs)

**26 PROVISION FOR INCOME TAX**

Provision for Income Tax of Rs. 237.70 lacs (PY: Rs.218.80 lacs) has been has been computed on the basis of MAT under Section 115JB

**27 SEGMENT REPORTING**

The company operates in a single major segment of manufacturing of Textiles and readymade garments .The Company does not fall under any of the criteria laid down under AS -17 and hence segment reporting is not applicable.

**28 RETIREMENT BENEFITS**

The Company has not gone for actuarial valuation of long tern retirement benefits of employee as per AS-15. In previous year company has open a fund with LIC for payment of gratuity, however during the year company has not made any provision for the same.

**29** In the opinion of management, value on realization of current assets, loans & advances in the ordinary course of business will be at least equal to the amount at which they have been stated in the financial statements.

**30 RELATED PARTY DISCLOSURE:-**

**(I) List of Related "Party & Relationship Disclosures" for the year ended 31st March 2019, are given below (as identified by Management)**

**1 Key Management Personnel and Their Relative.**

Mr. Ashok Kumar Sethia	Chairman & Managing Director
Mr. Arvind Kumar Sethia	Joint Managing Director
Mr. Manoj Kumar Sethia	Joint Managing Director
Mr. Laxmipat Banthia	Whole-time Director
Mr Amolak Chand Sethia	Relative of Director
Mrs. Kiran Devi Sethia	Relative of Director
Mrs.Rita Sethia	Whole-time Director
Mrs. Aarti Sethia	Relative of Director
Mr. Amrit Sethia	Relative of Director
Mr. Rohit Sethia	Relative of Director
Mrs. Apeksha Dugar Sethia	Relative of Director
Mrs. Pallavi Mehra Sethia	Relative of Director
Mr. Vinay Chajjer	Relative of Director
Mrs. Meha Chajjer	Relative of Director
Mrs. Komal Samsukha	Relative of Director
Mr. Piyush Samsukha	Relative of Director
Mrs. Karuna Sethia	Relative of Director
Ms. Garima Sethia	Relative of Director
Mrs. Ritu Sethia	Relative of Director
Ms. Megha Sethia	Relative of Director
Mr Rakesh Banthia	Relative of Director

**2 Organisation where Key Management personnel & their Relatives have significant Influence.**

Twistex India Limited - Holding Company  
 Ginza Lifestyles Limited- Wholly Owned Subsidiary Company  
 Shree Ganesh Integrated Textiles Park Private Limited-Associate Enterprises  
 Welcome Friends Productions LLP-Associate Enterprises  
 Vineet Enterprises-Associate Enterprises

## (II) List of Related "Party &amp; Relationship Disclosures" are given below (as identified by Management)

Particulars	Holding Company	Subsidiary	Associate Enterprises	Key Management Personnel	Relatives of Key Management Personnel
<b>Loans and Advances</b>	-	-	-	-	-
	-	-	-	-	-
<b>Loans Taken</b>	-	-	-	-	-
Balance as at 1st April	10.54	-	-	2.29	-
Previous Year	66.14	-	-	1.84	-
Taken during the year(Including Interest)	0.33	-	-	36.96	-
Previous Year	0.84	-	-	60.10	-
Paid during the year	6.90	-	-	36.20	-
Previous Year	56.44	-	-	59.65	-
Balance as at 31st March	3.97	-	-	3.04	-
Previous Year	10.54	-	-	2.29	-
	-	-	-	-	-
<b>Loans Granted</b>	-	-	-	-	-
Balance as at 1st April	-	-	-	-	-
Previous Year	-	-	-	-	-
Granted during the year	-	-	-	-	-
Previous Year	-	-	-	-	-
Received during the year	-	-	-	-	-
Previous Year	-	-	-	-	-
Balance as at 31st March	-	-	-	-	-
Previous Year	-	-	-	-	-
	-	-	-	-	-
<b>Investments</b>	-	-	-	-	-
Balance as at 1st April	-	-	-	-	-
Previous Year	-	-	-	-	-
Investment made during the year	-	-	70.00	-	-
Previous Year	-	-	-	-	-
Received during the year	-	-	-	-	-
Previous Year	-	-	-	-	-
Balance as at 31st March	-	-	70.00	-	-
Previous Year	-	-	-	-	-
	-	-	-	-	-
<b>Income</b>	-	-	-	-	-
Sales of Goods/Job Charges	-	-	-	-	0.49
Previous Year	-	-	8.87	-	0.26
Rental Income	-	-	1.20	-	-
Previous Year	-	-	1.20	-	-
	-	-	-	-	-
<b>Expenditure</b>	-	-	-	-	-
Purchase of Goods	-	-	-	-	-
Previous Year	-	343.54	-	-	-
Job Charges/Services/Commission	-	-	-	-	-
Previous Year	-	-	-	-	4.00
Remuneration	-	-	-	213.51	125.24
Previous Year	-	-	-	246.22	108.63
Interest Paid	0.36	-	-	-	-
Previous Year	0.93	-	-	-	-

## (III) Out of the above items, transaction in

Transaction	Current Year	Previous Year
<b><u>Loans Taken</u></b>		
Received /(Adjusted) during the year (net)		
Twistex India Limited	-	(55.60)
Arvind Kumar Sethia	6.57	1.60
Manoj Kumar Sethia	0.12	(1.15)
	0.63	
<b><u>Loans Given</u></b>		
Given/(Received) during the year(net)		
Ginaz Lifestyles Limited	23.23	-
<b><u>Investment</u></b>		
Shre Ganesh integrated Textiles Park Private Limited	70.00	-
<b><u>Expenditure</u></b>		
Purchase of Goods:-		
1. Ginza Lifestyles Limited	-	343.54
Commission Paid on Sales:-		
1. Rakesh Kumar Banthia (HUF)	-	4.00
<b><u>Sales</u></b>		
1. Vineet Enterprises	-	8.68
2. Welcome Friends Productions LLP	-	0.20
3. Karuna Sethia	0.48	0.26
<b><u>Income</u></b>		
Rental Income :-		
Welcome Friends Productions LLP	1.20	1.20
<b><u>Remuneration:-</u></b>		
1. Mr. Ashok Kumar Sethia	57.33	57.33
2. Mr. Arvind Kumar Sethia	43.59	47.48
3. Mr. Manoj Kumar Sethia	43.59	47.48
4. Mr. Laxmipat Banthia	45.00	70.00
5. Mrs. Rita Sethia	24.00	23.94
6. Mr. Amrit Sethia	29.87	23.78
7. Mrs. Apeksha Dugar Sethia	8.12	7.96
8. Mr. Rohit Sethia	29.87	23.78
9. Mrs. Pallavi Mehra Sethia	3.55	0.86
10. Mr. Piyush Samsukha	12.00	12.00
11. Mrs. Komal Samsukha	8.57	-
12. Mr. Vinay Chajjer	14.85	14.85
13. Mrs. Meha Chajjer	6.98	7.35
14. Ms. Megha Sethia	0.33	-
15. Ms. Garima Sethia	4.49	3.20
16. Mr. Rakesh Banthia	6.60	6.60
<b><u>Interest Paid</u></b>	0.36	0.93

<b>31</b>	<b>VALUE OF IMPORTS (INCLUDING IN TRANSIT) CALCULATED ON C.I.F BASIS IN RESPECT OF</b>		
	<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>
		<b>31st March, 2019</b>	<b>31st March, 2018</b>
	(i) Raw Materials	3,938.70	2,850.42
	(ii) Stores and Spares Parts	23.64	35.70
	(iii) Capital Goods	205.28	991.86
<b>32</b>	<b>EXPENDITURE IN FOREGN CURRENCY</b>		
	<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>
		<b>31st March, 2019</b>	<b>31st March, 2018</b>
	Travelling	24.65	23.74
<b>33</b>	<b>EARNINGS IN FOREIGN EXCHANGE</b>		
	<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>
		<b>31st March, 2019</b>	<b>31st March, 2018</b>
	FOB Value of Exports	7,137.31	6,691.93
<b>34</b>	Previous year's figures have been regrouped / rearranged, wherever considered necessary.		

**As per our Report of even date attached**

**For Bhuwania & Agrawal Associates  
Chartered Accountants  
Firm Registration No 101483W**

**N.K.Agrawal  
Partner  
M.No-034659  
Mumbai  
04th September 2019  
UDIN: 19034659AAAGL337**

**For & On behalf of the Board  
Ginza Industries Limited**

**Ashok Kumar Sethia  
Chairman & Managing Director  
DIN:01283310**

**Laxmipat Banthia  
Whole time Director  
DIN:02464903**



**Form No. MGT 11****Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**GINZA INDUSTRIES LIMITED**

CIN- U17297MH1986PLC310814

Regd Office: A-501 & 502, Lotus Corporate Park, Jay Coach Lane, Off. Western Express Highway, Gore gaon East Mumbai - 400063 Email: ginza@vsnl.com; Website: www.ginzalimited.com

Name of the Member (s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

Email Id : \_\_\_\_\_

Folio No/Client ID: \_\_\_\_\_

DP ID: \_\_\_\_\_

I/We being the member (s) of ..... shares of the above named Company, hereby appoint

Sr No.	Name	Address	Email Id	Signature
1.				
2.				
3.				

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the Monday, September 30th, 2019 at 11.00 a.m. at the Registered Office of the Company situated at A-501 & 502, Lotus Corporate Park, Jay Coach Lane, Off. Western Express Highway, Goregaon East Mumbai – 400 063 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution		For	Against
<b>Ordinary Resolution</b>			
1.	Adoption of Balance Sheet, Statement of Profit & Loss, Report of the Board of Directors and Auditors for the financial year ended March 31, 2019		
2.	Re-appointment of M/s. NKJ & Associates; Practicing Cost Auditor as Auditor of the Company for F.Y. 2018-19.		
3.	To regularize Mr. Tejaskishore Mashruwala (DIN : 02932573) as an director (non- independent & non- executive		
<b>Special Resolution</b>			
4.	To re-appoint Mr. Mihir Mehta (DIN: 00219614) as Independent Director for a Second Term of Five Consecutive Years		
5.	To re-appoint Mr. Abhay Vinodrai Chhappia (DIN : 05274546) as Independent Director for a second term of five consecutive years		
6.	To re-appoint Mrs. Rita Ashok Sethia (DIN: 07334680) as Whole Time Director		
7.	To approve remuneration of Mr. Ashok Kumar Sethia (DIN: 01283310) Managing Director of the Company as per Schedule V to the Companies Act, 2013 for further period of two years:		
8.	To approve remuneration of Mr. Manoj Kumar Sethia (DIN: 02528442) JT Managing Director OF the Company as per Schedule V to the Companies Act, 2013 for further period of two years:		
9.	To approve remuneration of Mr. Arvind Kumar Sethia (DIN: 02502282) JT Managing Director of the Company as per Schedule V to the Companies Act, 2013 for further period of two years		
10.	To approve remuneration of Mr. Laxmipat Banthia (DIN: 02464903) whole time director of the company as per Schedule V to the Companies Act, 2013 for further period of two years:		
11.	To approve remuneration of Mrs. Rita Ashok Sethia (DIN: 07334680) whole time director of the Company as per Schedule V to the Companies Act, 2013 for further period of two years:		

Signed this..... day of..... 2019

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue stamp
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Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



**GINZA INDUSTRIES LIMITED**

CIN- U17297MH1986PLC310814

Regd Office: A-501/502, Lotus Corporate Park, Jay Coach Lane,

Off Western Express Highway, Goregaon East, Mumbai - 400 063

Tel: 022- 40659600 Fax: 91-22-40659650 Email: ginza@vsnl.com Website: www.ginzalimited.com

**Attendance Slip**

Registered Folio / DP ID & Client ID.....

Name.....

Address of Shareholder.....

No. of Shares held.....

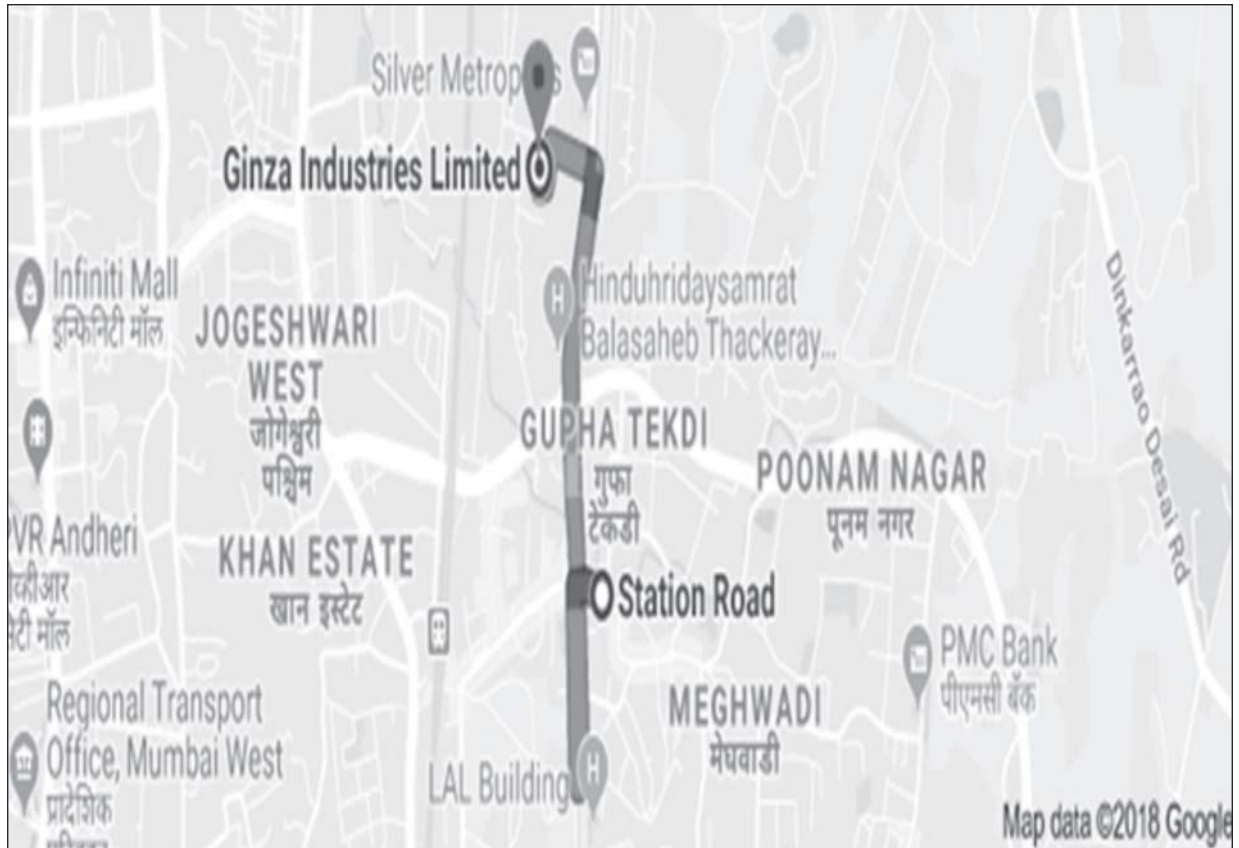
I/We hereby record my/our presence at the Annual General Meeting of the Company at its Registered Office at A-501 & 502, Lotus Corporate Park, Jay Coach Lane, Off. Western Express Highway, Goregaon East, Mumbai - 400063 on Saturday, September 30th, 2019 at 11.00 a.m.

Signature of Shareholder / Proxy Present.....

- Note:
1. You are requested to sign and hand this over at the entrance.
  2. If you are attending the meeting in person or by proxy please bring copy of notice and annual report for reference at the meeting

**Route Map of Venue of Annual General Meeting of Ginza Industries Limited**

**A-501 & 502 LOTUS CORPORATE PARK, JAY COACH LANE, OFF. WESTERN EXPRESS HIGHWAY,  
GOREGAON EAST MUMBAI - 400063**





A-501 & 502 Lotus Corporate Park, Jay Coach Lane

Off Western Express Highway Goregaon (East), Mumbai, 400063 India

Telephone No.: +91 (22) 40659600 Fax: 91-22-40659650

Website: [www.ginzalimited.com](http://www.ginzalimited.com)