

The Gaekwar Mills Limited

**(Incorporated under the Baroda State Companies Act 2 of Samvat Year 1975
and now an existing company under Companies Act, 2013)**

85 th Annual Report

2013 – 2014

The Gaekwar Mills Limited

(Incorporated under the Baroda State Companies Act 2 of Samvat Year 1975
and now an existing company under Companies Act, 2013)

CIN: L17120MH1949PLC007731

HOMI F. MEHTA	Chairman
RATAN N. KARANJIA	Director
OM DUTT PUROHIT	Director
GIRISHBHAI SHAH	Director

Auditors

Messrs M. D. Pandya & Associates
Chartered Accountants

Registrar & Transfer Agent

System Support Services,
209, Shivai Industrial Estate,
Andheri Kurla Road,
Saki Naka, Andheri (E),
Mumbai 400 072.

Registered Office

Shop No.15, Ground Floor,
Patil Building, 38 West, Sion (West),
Mumbai 400 022.

NOTICE

NOTICE is hereby given that the Eighty Fifth Annual General Meeting of the Members of the Company will be held on 26th September 2014 at 11.00 a.m. at Matunga Gujarathi Club Ltd., Nathalal Parekh Marg, Near King Circle, Matunga, Mumbai 400 019 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2014, Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for appointing Mr. Om Dutt Purohit, (DIN A00536078) as an Independent Director of the Company:

“RESOLVED THAT pursuant to the provisions contained in Sec.149, 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri O.D.Purohit (DIN 00041597), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five years from the Eighty Fifth Annual General Meeting till the conclusion of the Ninetieth General Meeting, not liable to retire by rotation”

3. To re-appoint auditors to hold office from the conclusion of the Eighty Fifth Annual General Meeting till the conclusion of the Eighty Sixth Annual General Meeting and to fix their remuneration:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Audit Committee, M D Pandya and Associates, Chartered Accountants, (ICAI Regn. No. 107325 W) who hold office till the conclusion of the Eighty Fifth Annual General Meeting and are eligible for re-appointment, be and are hereby re-appointed as Statutory Auditors, to hold office from the conclusion of the Eighty Fifth Annual General Meeting till the conclusion of the Eighty Sixth Annual General Meeting.”

**By Order of the Board of Directors
For The Gaekwar Mills Ltd**

**Homi F Mehta
Chairman**

Registered Office:

Office No. 15, Ground Floor,
Patil Building, 38 West,
Road No. 6, Sion West,
Mumbai 400022.

Dated: 25th August 2014

NOTES:

1. A Member entitled to attend and vote at this Annual General Meeting is entitled to appoint a proxy to attend and vote, instead of himself/herself. A proxy need not be a Member of the Company. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.
2. The instrument of proxy in order (duly completed & signed) to be effective must reach at the Registered Office of the Company not less than 48 hours before the commencement of meeting.
3. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority authorizing their representative to attend and vote at the Annual General Meeting.
4. A proxy shall not vote except on a poll. A proxy form is appended with the admission slip.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. **Member seeking any clarification on accounts of the Company are requested to send their queries in writing to the Company at registered office addressing to Chairman or through ratankaranjia@gmail.com.** The query must reach to the Company either by mail or e-mail at least seven working days before the date of AGM (excluding the date of AGM).
7. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2014 to 26th September, 2014 (both days inclusive)
8. As a measure of economy, copies of the Annual Report will not be distributed at the Meeting Members are, therefore, requested to bring the copies of Annual Report.
9. Pursuant to Section 72 of the Companies Act, 2013, shareholders desiring to nominate any person in event of their death may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent.
10. Members are requested to send all their communications pertaining to shares & notify change in their address/mandate/bank details to The Registrar & Share Transfer Agent, **M/s. System Support Services** to facilitate better servicing.
11. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to The Registrar & Share Transfer Agent, M/s. System Support Services, for their doing the needful.
12. In furtherance of the Green Initiative and Section 101 of the Companies Act, 2013 read with Rule 18(3) (i) of the Companies (Management & Administration) Rules, 2014 and Rule 11 of the Companies (Accounts) Rules, 2014, the Company urges the Members to register their email address with the its Registrar and Share Transfer Agent, M/s. System Support Services, for receiving the Annual Report and Accounts, Notices etc. in electronic mode. In future all the Annual Report and

Accounts, Notices and other communications etc. will be sent in electronic mode to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member requests for a physical copy of the same. Positive consent letter is attached to the Notice being sent to the Members for giving consent to receive documents in electronic mode.

13. In future electronic copy of the Notice of General Meetings of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form will be sent to the members whose email IDs are registered with the Company for communication purposes unless any member requests for a physical copy of the same.
14. Members are advised that it is mandatory to furnish copy of PAN Card both side signed as self attested in the following cases:
 - i) Transferees' PAN Cards for transfer of shares,
 - ii) Legal heirs' PAN Cards for transmission of shares,
 - iii) Surviving joint holders' PAN Cards for deletion of name of deceased Shareholder and
 - iv) Joint holders' PAN Cards for transposition of shares.
15. Members may also note that the Notice of the Annual General Meeting and the Annual Report 2013-2014 will also be available on the Company's website http://www.gaekwar_mills.com for being downloaded. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days till the date of the meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id : **ratankaranjia@gmail.com**
16. Process and manner for members opting for E-voting.
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members holding shares in physical form the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).
 - II. Similarly, members opting to vote physically can do the same by remaining present at the meeting and should exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes casted through e-voting shall be only taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid.
 - III. The instructions for e-voting are as under:
 - (i) The e-voting period begins on the **“from 9.30 A.M. on 22nd September 2014 and ends on the same day till 6.00 P.M.** During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on **Cut-Off Date (Record Date) of 29-August-2014** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on “Shareholders” tab.
- (iv) Now, select the “Gaekwar Mills Limited.” from the drop down menu and click on “SUBMIT”
- (v) Now Enter your User ID : Members should enter Folio Number registered with the Company, excluding the special characters.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) Then follow the steps given below:

	For Members holding shares in Physical Form
PAN	Members who have not updated their PAN with the Company / Depository Participant are requested to enter default PAN No SYSSS1234G
DOB	Shareholders will enter date of Birth as 01/01/1990
Dividend Bank Details	enter account no as SYSSUP123

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members will then directly reach the Company selection screen.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the relevant EVSN for “Gaekwar Mills Limited.” on which you choose to vote.
- (xii) On the voting page, you will see “Resolution Description” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvii) Note for Institutional Shareholders

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

17. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on **Cut-Off Date (Record Date) of 29-August-2014**.
18. Mr. Anish Gupta A Practicing Company Secretary, C.P. Membership No. FCS 5733 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
19. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
20. The Results shall be declared on or after the Annual General Meeting (AGM) of the Company. This Notice as well as the Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website and on the website of CDSL within two (2) days of passing of the resolutions at the Annual General Meeting (AGM) of the Company on 26th September, 2014 and communicated to the Stock Exchange(s).

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT/APPOINTMENT AS PER CLAUSE 49 OF THE LISTING AGREEMENT

Name of the Director	Mr. Om Dutt Purohit
Age	85 years
Date of Appointment	09.10.2009
Experience (Yrs)	Over 50 years in Corporate Affairs
Qualification	M.Com, LLB, FCS
List of Public Companies in which Directorship held	<ol style="list-style-type: none"> 1. Shreelekha Global Finance Ltd. 2. Nav Bharat Refrigeration & Industries Ltd. 3. Simplex Paper Ltd. 4. Simplex Mills Co. Ltd.
Committee/Chairmanship/Membership	<p style="text-align: center;">2. Chairman – Nomination & Remuneration Committee</p> <p>Chairman – Audit Committee</p> <p>3. Chairman – Audit Committee Chairman – Stakeholders Relationship Committee</p> <p>4. Chairman – Audit Committee Chairman- Stakeholders Relationship Committee</p> <p>Past Chairman, WIRC of ICSI</p>
Other Positions Held	
Shareholding in the Company	8 equity shares

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

Item No. 2

Shri O. D. Purohit is a Non-Executive Independent Director of the Company. He joined the Board of the Company in October 2009.

Shri O.D.Purohit is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Shri O.D.Purohit being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years upto the conclusion of the Ninetieth Annual General Meeting. A notice has been received from a member proposing Shri O.D.Purohit as a candidate for the office of Director of the Company. Copy of the draft letter for appointment of Shri O.D.Purohit as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day. The requisite consent under Sec.152 of the Companies Act, 2013 has been filed with the Company and Shri O.D.Purohit holds -8- shares of the Company.

Except Shri O.D.Purohit, none of the other Director is concerned or interested in the aforesaid Resolution No. 2. The Board commend the Resolution to your approval.

THE GAEKWAR MILLS LIMITED
DIRECTORS' REPORT

To.

The Members,

The Directors present their 85th Annual Report and Audited Accounts for the year ended 31st March, 2014.

Scheme of Compromise/Arrangement

The members are aware, a Scheme of Compromise and / Arrangement between The Company and its shareholders, creditors and workers under sections 391 to 393 of the Companies Act, 1956 was approved by the Hon. Bombay High Court on 10th September 2009. The Scheme was further modified by the orders of the Hon. Bombay High Court dated 6th January 2010, 7th January 2010, 8th April 2010, 8th February 2013 and 15th January 2014. Pursuant to sanction of the aforesaid Scheme the Board of Directors has been constituted for implementing the said scheme.

Accounts for the year ended 31st March 2014

Loss for the year was Rs. 218.24 lakhs which has been added to Rs.3240.09 lakhs carried forward from the previous year.

Increase in Share Capital

New Equity Shares and Debentures were allotted on 22nd April 2013:

- a) Increase in paid-up share capital from Rs 89 lakhs to Rs 200 lakhs by making preferential allotment to existing Strategic Investor, M/s Platinum Square Pvt. Ltd. as well as to another Strategic Investor, M/s Mukesh Babu Financial Services Ltd.
- b) Issue of 0% Secured Redeemable Debentures having face value of Rs 5 crores to M/s Mukesh Babu Financial Services Ltd.

Plans for the Company

The Company's plans for development of an ultra modern township on 60% of the land at Bilimora are is pending for approval of Billimora development plan by Government of Gujarat which is expected shortly after which the work on company's land will commence may be during the year 2014/15.

Directors

Mr. Om Dutt Purohit, Director of the Company, retires by rotation at the ensuing Annual General Meeting. It is proposed to appoint him as an Independent Director of the Company

for a period of five years from the date of the Annual General Meeting. He is a person of integrity and possesses relevant expertise and experience. The Board has also opined that he has fulfilled the conditions specified in Section 149 of the Companies Act, 2013 and rules made thereunder and that he is independent of management.

Directors' Responsibility Statement

"Pursuant to the requirement u/s 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. That in the preparation of the Annual Accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the statement of affairs of the Company at the end of financial year and of the Loss of the Company for the year under review .
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956, for safe guarding the Assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability.
4. that the Directors have prepared the accounts for the financial year ended 31st March, 2014, on a going concern basis, taking into account the fact that as on date of preparation of the accounts the Company has been revived and its net worth will turn positive upon completion of all actions envisaged in the Scheme of Compromise."

Auditors

M/s M. D. Pandya & Associates, Chartered Accountants, the Statutory Auditors of the Company are due to retire at the ensuing Annual General Meeting. The Company has received a certificate from the Statutory Auditors, under 224(1)(b) of the Companies Act, 1956, stating that they are eligible for re-appointment and the said re-appointment, if made, will be within the prescribed limits.

Particulars of Employees

Particulars of the employees as required under Section 217(2A) of the Companies Act, 1956 are not applicable as the Company did not have any employee during the year.

Observations on Remarks in the Auditors' Report:

The fullest information and explanation of the respective matters have already been given in the Notes included by your Directors as a part of Accounts submitted to you for the year under Report as also by the Auditors themselves in the said Report.

ANNEXURE TO THE DIRECTORS' REPORT :

(Additional information given in terms of Notification No.1029 of 31-12-1988, issued by the Department of Company Affairs).

No information can be given with regard to Disclosure in respect of Conservation of Energy Technology Absorption, Foreign Exchange Earnings and Outgo, etc. as the Company had no operations during the year under review.

On behalf of the Board of Directors

Om Dutt Purohit Ratan Karanjia
Directors

Registered Office :

**Office No. 15, Ground Floor,
Patil Building, 38 West,
Sion West,
Mumbai 400022.**

Dated: 30th May, 2014

Corporate Governance Report for the year ended 31st March 2014

Board of Directors

During the year 1st April 2013 to 31st March 2014 the composition of the Board was as follows:

Director	Executive/Non-Executive/Independent
Mr. Homi F. Mehta	Chairman – Non-Executive & Promoter
Mr. Ratan N Karanjia	Non-Executive Director
Mr. Om Dutt Purohit	Non-Executive Director
Mr. Girishbhai Shah	Non-Executive Director

Name of Director	Attendance Board	AGM	Other Directorships Director	Committee
Mr. Homi F Mehta	5	No	1	1
Mr. Ratan N Karanjia	8	Yes	none	none
Mr. Om Dutt Purohit	8	Yes	4	6
Mr. Girishbhai Shah	none	No	2	none

The other directorships exclude the directorship of private companies.

No sitting fees or other remuneration was paid to any director.

1. No. of Board Meetings held and dates

During F.Y. 2013-14 8 Board Meeting were held on the following dates:

22 April 2013, 14th May 2013, 31st May 2013, 14th August 2013, 26th August 2013, 15th November 2013, 28th January 2014, 14th February 2014.

2. Committees of the Board

As no activity was undertaken by the Company during the year no Committees of the Board were set up during the year under review. However, Committees have been set up during 2014/15.

3. Means of Communication

The quarterly, half-yearly and annual results of the Company are published in leading newspapers. The Company has set up its website www.gaekwarmills.com. Results as well as any press releases, issued by the Company from time to time, are displayed on the website.

4. Disclosures

A. During the year there were no financial and commercial transactions where management had personal interest that may have a potential conflict with the interest of the Company at large.

B. Details of Non-Compliance

There has been no instance of non-compliance with any legal requirement nor have there been any strictures imposed by BSE, SEBI or any statutory authority, on any matters relating to the capital market since 10th September 2009, the date on which the Scheme of Com[promise/Arrangement was approved by the Hon. Bombay High Court.

C. No. of shares held by non-executive directors:

Mr. Homi F. Mehta	548	equity shares
Mr. Ratan N Karanjia	1	equity share
Mr. Om Dutt Purohit	8	equity shares

5. General Shareholder Information

AGM for Financial Year ended 31st March 2014 is convened for 26th September 2014

Dates of Book Closure	24 th to 26 th September 2014
Dividend Payment Date	No dividend declared
Listing on Stock Exchange	The Company's equity shares are listed on the Bombay Stock Exchange though no trades were recorded during the year.
Stock Code	502850
Demat ISIN Numbers	Shares not dematerialized

Market Price Data

No trades have taken place in the Company's shares after 8th September 2010.

Share Transfer System

As the Company has not been granted permission to get its shares dematerialized, all shares continue to be in physical form. Transfer documents can be lodged with the Registrar & Share transfer Agent, M/s System Support Services, at the address given below. Transfer of shares is normally processed within 15 days from the date of receipt, if the documents are complete in all respects.

Address for Correspondence

System Support Services (Unit: The Gaekwar Mills Ltd)
209, Shivai Industrila Estate,
Andheri Kurla Road, Sakinaka,
Andheri(E), Mumbai 400072

Distribution of Shareholding & Category-wise distribution

Pattern of Shareholding by share class as on 31st March, 2014

<u>Shareholding Class</u>	<u>No. of Shareholders</u>	<u>No. of Shares Held</u>	<u>Shareholding %</u>
Upto to 500			
501 to 1,000	1,054	15,050	7.52
1,001 to 2,000	4	2,443	1.22
2,001 to 3,000	1	1,875	0.94
3,001 to 4,000	1	2,517	1.26
4,001 to 10,000	1	3,142	1.57
10,001 & above	-	-	-
	4	1,74,973	87.49
Total	1,065	2,00,000	100.00

Pattern of Shareholding by Ownership as on 31st March, 2014

<u>Category</u>	<u>No. of Equity Shares held</u>	<u>Shareholding %</u>
Promoters	27,103	13.56
Insurance Companies	4,392	2.19
Banks	486	0.24
Bodies Corporate	1,51,464	75.73
Individuals	16,555	8.28
Total	2,00,000	100.00

6. Details of Directors appointed and re-appointed during the year

The brief profile of Mr. Om Dutt Purohit, seeking appointment as Independent Director is given in the Notice convening the ensuing Annual General Meeting.

7. General Body Meetings

F.Y.		Location	Date	Time
2008-09	AGM	Matunga Gujarati Club Ltd. Nathalal Parikh Marg Mumbai 400019	08/06/10	11.30 am
2009-10	AGM	do	08/06/10	12 noon
2010-11	AGM	do	28/09/11	11 am
2011-12	AGM	do	28/09/12	11 am
2012-13	AGM	do	26/09/13	11 am

On behalf of the Board of Directors

Om Dutt Purohit Ratan Karanjia
Directors

Registered Office :
Office No 15, Ground Floor,
Patil Building, 38 West,
Sion West, Mumbai 400022.

Dated: 30th May, 2014

FORM
[SEE RULE 3]
Compliance Certificate

Registration No. : L17120MH1949PLC007731
Nominal Capital : Rs. 20,000,000/-
Paid up Capital : Rs. 20,000,000/-

To,
The Members
Gaekwar Mills Limited
Mumbai

We have examined the registers, records, books and papers of **M/s Gaekwar Mills Limited having its Registered Office situated at Office No.15, Ground Floor, Patil Building, 38 West, Sion (West), Mumbai-400022** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and 98 sections of Companies Act, 2013 notified vide Ministry of Corporate Affairs Gazette Notification No. S.O. 2754(E) dated September 12, 2013 and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company, for the financial year ended on **31st March, 2014** (Financial Year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

Note: The Company was wound by an order dated 4.2.2008 passed by the Hon. Bombay High Court upon the opinion expressed by the Hon.BIFR. Subsequent to the winding up order, shareholders and promoters propounded a scheme u/s 391, 392 & 393 of the Companies Act, 1956 for the revival of the Company. The Hon. Bombay High Court vide its order dated 10th September, 2009 and further modified order dated 6th January, 2010, 7th January, 2010 and 8th April, 2010 has accorded sanction to a scheme of Compromise/Arrangement under section 391 to 393 of the Companies Act, 1956, inter alia, for revival of the Company.

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Acts and rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under except as mentioned in Annexure B.
3. The company being a Public limited company has the minimum paid-up capital.
4. The Board of Directors duly met 8 (Eight) times respectively on **22.04.2013, 14.5.2013, 31.05.2013, 14.08.2013, 26.08.2013, 15.11.2013, 28.01.2014 and 14.02.2014** in respect of these meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company has closed its Register of Members from 24th September, 2013 to 26th September, 2013 in accordance with the provision of Section 154 of the Companies Act, 1956 during the financial year under review.
6. The Annual General Meeting for the Financial Year ended 31st March, 2013 was held on 26th September, 2013 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra ordinary meeting(s) was held during the financial year under review.

8. During the period under review, the company has not given any fresh loan to firms and companies in which directors are interested referred to in the Section 295 of the Act.
9. The Company has not entered into any contracts within the purview of Section 297 of the Act.
10. The Company is not required to make entries in the register maintained under section 301 of the Act.
11. As there were no instances falling under the preview of Section 314 of the Act, the Company has not obtained any approvals from its Directors, members or the Central Government as the case may be.
12. The Company has not issued any duplicate share certificates during the financial year under review.
13. The Company has:
 - (i) delivered all certificate on allotment of shares and lodgment of transfer of shares and debentures after complying with procedures of the act.
 - (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year under review.
 - (iii) not posted warrants to any member of the company as no dividend was declared during the financial year under review.
 - (iv) the company was not required to transfer any amounts in respect of any dividend, interest etc as given under section 205C of the Companies Act, 1956, which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund during the period under review.
 - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of any additional directors, alternate directors and directors to fill casual vacancies during the year under review.
15. The company has not appointed any Managing Director, Whole Time Director, Managers pursuant to section 269 read with Schedule XIII of the Act during the period under review.
16. The company has not appointed any sole-selling agents during the financial year under review.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies or such other authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms and companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has issued 1,11,000 equity shares of Rs. 100/- each at par in the Board Meeting held on 22.4.2013 during the financial year under review.
20. The company has not bought back any shares during the financial year ending 31st March, 2014.
21. There was no redemption of preference shares or debentures during the financial year under review.
22. There were no transaction necessitating the company to keep in abeyance the rights to dividend / rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. * The borrowings of the Company was in pursuant the scheme of compromise / Arrangement approved by the Hon. Bombay High Court vide its order dated 10th September, 2009. The company has further enhanced the limit of borrowings by passing resolution under section 293(1)(a) of the Companies Act, 1956 (As per Note 1).

25. The company has not made any fresh loans to or investments, guarantee in other bodies corporate during the period under review.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the financial year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the financial year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the financial year under scrutiny.
29. * The company has altered the provisions of the memorandum with respect to share capital of the company during the financial year under scrutiny (As per Note 1).
30. * The company has altered its articles of association during the financial year under review (As per Note 1).
31. There was no prosecutions initiated against or show cause notices received by the company during the financial year under review for offences under the Act.
32. The company has not received any amount as security from its employees during the financial year under certification.
33. The provision related to Provident Fund is not applicable to the Company.

*** Note1:**

The resolution was passed through postal ballot dated 25th April, 2011 subject to the order passed by the Hon'ble High Court, Bombay. The Hon'ble High Court, Bombay passed the order on 08th February, 2013 and the Certified true copy was issued on 7th May, 2013. Thus, it is assumed that the resolution passed by the company through postal ballot will be effective from the date of issue of the certified true copy of the court order by the Hon'ble High Court, Bombay i.e. 7th May, 2013.

**For Anish Gupta & Associates
Company Secretaries**

**Place : Mumbai
Date 30th May, 2014**

**Anish Gupta
Proprietor**

Annexure A

Registers maintained by the Company

1. Register of Members u/s 150 of the Act.
2. Register and Returns u/s 163 of the Act.
3. Books of Accounts and other Records u/s 209 of the Act.
4. Register of Directors u/s 303 of the Act.
5. Register of Directors' Shareholding u/s 307 of the Act.
6. Register of Contracts u/s 301.
7. Register of Share Transfer.
8. Register of Charges.

Annexure B

The Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ending on 31st March, 2014.

Sr. No.	Form No./ Return	Filed under Section	For	Challan No.	Date of filing	Whether filed within prescribed time yes/no	If delay in filing whether requisite additional fee paid Yes/No.
1.	Form 23AC & ACA XBRL	220	31.03.2013	Q21103734	30.10.2013	No	Yes
2.	Form 66	383A	31.03.2013	Q11963287	01.10.2013	Yes	-
3.	Form 66	383A	31.03.2013	Q20912853	30.10.2013	No	Yes
4.	Form 20B	159	26.09.2013	Q26924076	20.12.2013	No	Yes
5.	Form 23B	224(1B)	31.03.2014	S22745608	03.10.2013	-	-
6.	Form 21	391 to 393	07.05.2013	B74822514	13.05.2013	Yes	-
7.	Form 23	192	07.05.2013	B76624949	07.06.2013	No	Yes
8.	Form 5	94	07.05.2013	B76532837	6.06.2013	Yes	-
9.	Form 10	132	21.05.2013	B76065549	30.5.2013	Yes	-
10.	Form 2	75	22.04.2013	S21290945	18.6.2013	No	Yes

**For Anish Gupta & Associates
Company Secretaries**

**Place : Mumbai
Date : 30th May, 2014**

**Anish Gupta
Proprietor**

M. D. PANDYA & ASSOCIATES
Chartered Accountants
107-B, Anand Nagar, Forjet Street, Mumbai 400 036.

Partners:

M. D. Pandya
B. Com., F.C.A.

A. D. Pandya
B. Com., F.C.A.

Independent Auditor's Report

To the Members of THE GAEKWAR MILLS LTD

We have audited the accompanying financial statements of **THE GAEKWAR MILLS LTD** which comprises of Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September 2013 issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An

M. D. PANDYA & ASSOCIATES
Chartered Accountants
107-B, Anand Nagar, Forjet Street, Mumbai 400 036.

audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- (i) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2014;
- (ii) in the case of the Statement of Profit and Loss Account of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement of the cash flows for the year.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003, (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 (hereinafter to referred to as ('the Act') we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
2. As required by section 227(3) of the Act, we report that:
 - (i.) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii.) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

M. D. PANDYA & ASSOCIATES
Chartered Accountants
107-B, Anand Nagar, Forjet Street, Mumbai 400 036.

- (iii.) The Balance Sheet, Statement of Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
- (iv.) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards notified under the Act read with General Circular 15/2013 dated 13th September 2013 issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- (v.) On the basis of written representations received from the directors, as on 31st March, 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi.) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **M D PANDYA & ASSOCIATES**
Chartered Accountants
Reg. No. 107325 W
M. D. PANDYA
Partner
Membership no. 33184

MUMBAI
DATED: 30th May, 2014.

M. D. PANDYA & ASSOCIATES
Chartered Accountants
107-B, Anand Nagar, Forjet Street, Mumbai 400 036.

Partners:

M. D. Pandya

B. Com., F.C.A.

A. D. Pandya

B. Com., F.C.A.

REFERRED TO IN PARAGRAPH 3 OF OUR AUDITOR REPORT OF EVEN DATE

As required by the Companies (Auditors Report) Order, 2003 issued under section 227(4) of the Companies Act, 1956, we make on the basis of such checks the books and records as we considered appropriate, the following statement on such of the matters specifies in the said order as are applicable to the Company:

- i) (a) The Company has only Fixed Asset in form of land. The Company has maintained proper records to show full particulars including quantitative details and situation of the land.
- i (b) The Company has not disposed off any Fixed Asset during the year.
- ii. The Company does not carry any stock of finished goods, stores, spare parts and raw materials. In view of foregoing the provisions of 4(ii) of the order is not applicable.
- iii. The company has not taken or granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register under section 301 of the Companies Act, 1956. Therefore the provisions of clause 4(iii) (a) to (g) are not applicable to the Company.
- iv. Having regard to the fact that there was no operation during the year, the internal control procedures were commensurate with the size of the Company.
- v. The Company has not entered into any transactions within pursuance of any contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956. Therefore the provisions of clause 4(v) (a) & (b) are not applicable to the Company.
- vi. The Company has not accepted any deposits from the public. Accordingly clause 4 (vi) of the order is not applicable.
- vii. The company did not have an internal audit system as there were no operations during the year.

M. D. PANDYA & ASSOCIATES
Chartered Accountants
107-B, Anand Nagar, Forjet Street, Mumbai 400 036.

- viii. The Company did not carry on any activity during the year and hence question of maintenance of cost records as prescribed under section 209 (1) (d) of the Companies Act, 1956 does not arise.
- ix. According to the records of the Company examined by us and the information and explanation given to us, the company is regular in depositing statutory dues with the appropriate authorities, as determined by the Scheme of Compromise/Arrangement under section 391 to 393 of the Companies Act, 1956, sanctioned by the Hon. Bombay High Court vide its order dated 10th September, 2009 and modified by its orders dated 6th January, 2010, 7th January, 2010 and 8th April 2010.
- x. The Company has incurred a cash loss and its accumulated losses at the end of the financial year are more than 50% of its net worth.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the company has not defaulted in the payment of dues to any financial institution, banks or debenture holders as determined by the Scheme of Compromise/Arrangement under section 391 to 393 of the Companies Act, 1956, sanctioned by the Hon. Bombay High Court vide its order dated 10th September, 2009 and modified by its orders dated 6th January, 2010, 7th January, 2010 and 8th April 2010.
- xii. In our opinion and according to the information and explanation given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.
- xiii. The Company is not a chit fund or nidhi/mutual benefit fund/society, therefore the provisions of clause 4 (xiii) of the Companies (Auditors Report) order 2003 are not applicable to the Company.
- xiv. According to information and explanation given to us, the Company has no dealing or trading in shares, securities, debentures and other investments, therefore the provisions of clause 4 (xiv) of the Companies (Auditors Report) order 2003 are not applicable to the Company.
- xv. According to information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi. According to information and explanation given to us, no new term loans were raised during the year.

M. D. PANDYA & ASSOCIATES
Chartered Accountants
107-B, Anand Nagar, Forjet Street, Mumbai 400 036.

- xvii. According to information and explanation given to us, and on overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
- xviii. The Company has not made preferential allotment of shares to parties and companies covered in register maintained under Section 301 of the Act.
- xix. According to the scheme of Compromise/Arrangement under section 391 to section 393 of the Companies Act, 1956, for the revival of the company, as sanctioned by the Hon. Bombay High Court, the company has allotted 500 Non Convertible Debentures (Series B) of face value of Rs. 1,00,000/- aggregating to Rs.5,00,00,000/- during the year.
- xx. The Company has not raised any money through a public issue during the year.
- xxi. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

FOR M.D. PANDYA & ASSOCIATES
Chartered Accountants
Reg No 107325 W

(M. D. PANDYA)
Partner.
Mem no 033184

PLACE: MUMBAI
DATE: 30th May, 2014

THE GAEKWAR MILLS LIMITED

Balance Sheet as at 31st March, 2014

Amounts in Rupees(₹)

Particulars	Note No.	As At 31ST MARCH, 2014	As At 31ST MARCH, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	20,000,000	8,900,000
(b) Reserves and Surplus	3	(345,834,215)	(324,009,562)
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	350,000,000	301,000,000
(b) Long term provisions	5	7,308,495	7,640,682
(3) Current Liabilities			
(a) Other current liabilities	6	4,110,419	16,529,681
Total		35,584,699	10,060,801
II. Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	7	26,307	26,307
(ii) Capital work-in-progress	8	2,864,427	2,202,627
(b) Non-current investments	9	12,453	12,453
(2) Current assets			
(a) Cash and Bank Balances	10	2,736,307	19,414
(b) Short-term loans and advances	11	29,300,000	7,800,000
(c) Other Current Assets	12	645,205	
Total		35,584,699	10,060,801

As per our Report of even date attached
FOR M.D.PANDYA & ASSOCIATES
Chartered Accountants
(Registration No 107325 W)

FOR AND ON BEHALF OF THE BOARD

(M.D. PANDYA)
Partner

R.N. Karanjia

O.D. Purohit
(Directors)

MUMBAI

DATED: 30th May, 2014

THE GAEKWAR MILLS LIMITED

Profit and Loss statement for the year ended 31st March, 2014

Amounts in Rupees (₹)

Particulars	Note No.	For the Year ended 31st March 2014	For the Year ended 31st March 2013
I. Revenue from operations		-	-
II. Other Income	13	7,212,346	21,309
III. Total Revenue (I +II)		7,212,346	21,309
<i>IV. Expenses:</i>			
Employee benefit expense	14	-	24,000
Financial costs	15	27,000,000	12,797,260
Other expenses	16	2,036,999	1,637,028
Total Expenses		29,036,999	14,458,288
V. Profit before exceptional and extraordinary items and tax	(III - IV)	(21,824,653)	(14,436,979)
VI. Exceptional Items		-	-
VII. Profit before tax	(V-VI)	(21,824,653)	(14,436,979)
VIII. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
		-	-
IX. Profit(Loss) from the period from continuing operations	(VII-VIII)	(21,824,653)	(14,436,979)
X. Earning per equity share:			
(1) Basic		(109.12)	(162.21)
(2) Diluted			-

As per our Report of even date attached
FOR M.D.PANDYA & ASSOCIATES
Chartered Accountants
(Registration No 107325 W)

FOR AND ON BEHALF OF THE BOARD

(M.D. PANDYA)
Partner

R.N. Karanjia

O.D. Purohit
(Directors)

MUMBAI

DATED: 30th May, 2014

THE GAEKWAR MILLS LIMITED

NOTES ON ACCOUNTS:

NOTE 1:

SIGNIFICANT ACCOUNTING POLICIES :

a. BASIS OF ACCOUNTING :

1.The financial statements are prepared under historical cost convention, on accrual basis, and are in accordance with requirements of the Companies Act, 1956 and comply with Accounting Standards referred to in sub-section(3c) of Section 211 of the said Act, except in case of certain items which have been accounted on cash basis as reported hereafter.

b. FIXED ASSETS

2.All fixed assets have been capitalized at cost inclusive of expenses relating to acquisition and installation.

c. REVENUE RECOGNITION :

Revenue in respect of Dividend Income & Interest on Debentures is accounted as an when received.

d. INVESTMENTS :

1) Long Term Investments are stated At Cost. No adjustments is made in respect of decline in value of temporary nature, if any, as they are considered long term by the management.
The company does not have any current investment.

NOTE 2 - SHARE CAPITAL

	Amounts in Rupees (₹)			
	2013-14		2012-2013	
	No. of Shares	Amount	No. of Shares	Amount
Authorized :				
Equity Shares of Rs.100/- each	200,000	20,000,000	100,000	10,000,000
Total	200,000	20,000,000	100,000	10,000,000
Issued , subscribed and paid-up:				
Opening Balance	89,000	8,900,000	50,000	5,000,000
Add:1,11,000 Equity shares of Rs.100 each fully paid up (previous year 39,000 Equity Shares)	111,000	11,100,000	39,000	3,900,000
Closing Balance	200,000	20,000,000	89,000	8,900,000

Details of shareholders of

Equity Shareholding more than 5%	No. of shares	% Holding	No. of shares	% Holding
Homi Mehta & Sons Pvt Ltd	24,973	12.48	24,973	28.05
Platinum Square Pvt Ltd	75,000	37.50	39,000	43.82
Mukesh Babu Financial Services Limited	75,000	37.50		
Total	174,973	87.48	63,973	71.87

THE GAEKWAR MILLS LIMITED

	2013-14	2012-13
	Amount(₹)	Amount(₹)

NOTE 3- RESERVES AND SURPLUS

Surplus/(Deficit) in the Statement of Profit & Loss

Opening Balance	(324,009,562)	(309,572,583)
Add: Current Period Profit	(21,824,653)	(14,436,979)
	(345,834,215)	(324,009,562)
 Closing Balance	 (345,834,215)	 (324,009,562)
Total	(345,834,215)	(324,009,562)

NOTE 4-LONG-TERM BORROWINGS

Secured

Non-convertible Debentures (Series A)	300,000,000	300,000,000
Non-convertible Debentures (Series B)	50,000,000	-

Deposits

Inter Corporate Deposits	-	1,000,000
	350,000,000	301,000,000

NOTE 5 -LONG-TERM PROVISIONS

Provision for Gratuity	7,308,495	7,640,682
	7,308,495	7,640,682

NOTE 6-OTHER CURRENT LIABILITIES

Outstanding expenses	4,110,419	16,529,681
	4,110,419	16,529,681

NOTE 7 -FIXED ASSETS

TANGIBLE ASSET

Land	26,307	26,307
	26,307	26,307

NOTE 8-CAPITAL WORK-IN-PROGRESS

Opening balance	2,202,627	1,761,427
Add: Additions during the year	661,800	441,200
Closing balance	2,864,427	2,202,627

NOTE 9 : - NON-CURRENT INVESTMENT a. IN EQUITY SHARES(UNQUOTED)

300 ordinary shares of Zenith Securities & Investments Ltd of Rs.100 each fully paid	12,453	12,453
Total	12,453	12,453

NOTE 10-CASH AND CASH EQUIVALENTS

Cash on hand	975	975
Bank Balance with Scheduled Bank	2,735,332	18,439
	2,736,307	19,414

THE GAEKWAR MILLS LIMITED

	2013-14	2012-13
	Amount(₹)	Amount(₹)
NOTE 11-SHORT-TERM LOANS AND ADVANCES		
(Unsecured & considered good)		
Inter-Corporate Deposits	21,500,000	-
Advances to Contractors	7,800,000	7,800,000
	29,300,000	7,800,000
NOTE 12-OTHER CURRENT ASSETS		
Interest Receivable	224,630	-
Taxes Paid in Advance	420,575	-
	645,205	-
NOTE 13 - OTHER INCOME		
Interest Receivable	4,205,753	-
Dividend Income	18,000	18,000
Miscellaneous Income	2,988,593	-
Amount written back	-	3,309
	7,212,346	21,309
NOTE 14-EMPLOYEES BENEFIT EXPENSES		
Salaries	-	24,000
	-	24,000
NOTE 15-FINANCE CHARGES		
Interest on Secured Debentures	27,000,000	12,797,260
	27,000,000	12,797,260
NOTE 16-OTHER EXPENSES		
Professional fees	834,754	1,018,339
Land Revenue	129,261	129,136
Listing fees of BSE	16,854	16,854
Water charges	324,968	324,968
Advertisement Charges	550,679	27,156
<u>Payment to Auditors:</u>		
As Auditor	33,708	33,708
Miscellaneous expenses	146,775	86,867
	2,036,999	1,637,028

THE GAEKWAR MILLS LIMITED

NOTE 17:

The Company was wound up by an order dated 4th February 2008 passed by the Hon. Bombay High Court. Subsequently, on 10th September, 2009, the Hon. Bombay High Court accorded sanction to a scheme of Compromise/ Arrangement under section 391 to 393 of the Companies Act, 1956, for the revival of the Company and has stayed the Winding-up order dated 4th February, 2008.

NOTE 18:

Non-Convertible Debentures (Series A)

means 8 years (redeemable on or before the expiry of 8 years) Secured Non-Convertible Debentures, each of the face value of Rs. 1,00,000/- at par carrying 0% interest for the first three years (upto 09/10/2012), thereafter carrying interest in the 4th and 5th years at 9% p.a. and thereafter until maturity at 12% p.a and secured by way of floating charge upon all the present and future assets of the Company.

Accordingly interest on these Debentures has been provided for the year 2013/14

@ 9% p.a. amounting to Rs 2,70,00,000/-.

Non-Convertible Debentures (Series B)

means 7 years (redeemable on or before the expiry of 7 years) Zero Percent Secured Non-Convertible Debentures, each of the face value of Rs. 1,00,000/- at par and secured by way of charge on all fixed assets of the Company, ranking pari-passu with the chargeholder of Series A Debentures and floating charge on all other assets of the Company, both present and future. The pari passu charge to be restricted upto Rs. 5 crores only.

NOTE 19: RELATED PARTY DISCLOSURE:

A. Relationship:

I Key Management Personnel:

1. Mr. Homi Framroze Mehta

II Other related parties where controls/ significant influence exist:

Homi Mehta & Sons Pvt. Ltd.

Related party relationship is as identified by the Company and relied on by the Auditors.

B. Details of transactions with related parties referred in (A) above in ordinary course of business: NIL

NOTE 20:

(i) As per the Scheme of Compromise sanctioned by the Bombay High Court in 2009, amounts aggregating to Rs. 9.71 crores were payable to erstwhile workmen, based on Recovery Certificates in respect of 2,185 workmen issued in the year 2003 by Asst. Labour Commissioner, Navsari. The Company thereupon deposited with the Mamlatdar, Gandevi Rs. 3.03 crores and issued cheques in favour of individual workmen aggregating to Rs. 6.63 crores, thus satisfying the claims entirely. In terms of the latest order passed by Justice Patel of the Bombay High Court on 15/01/2014, the Mamlatdar, Gandevi was asked to transfer all unclaimed amounts of the workmen to the Official Liquidator, Bombay High Court, which has been implemented.

(ii) Subsequent to the sanction of the Scheme, further Recovery Certificates were issued by the Asst. Labour Commissioner, Navsari, in respect of 386 workmen aggregating to Rs. 1,89,83,135. The Official Liquidator wrote to the Controlling Authority under the Payment of Gratuity Act that these fresh claims are not payable as the relevant orders had been passed after date of winding up of the Company, and without mandatory sanction from the Bombay High Court, where liquidation proceedings are still pending. Taking cognizance of this information, the Controlling Authority passed an order dated 02/08/2011 withdrawing the Recovery Certificates. Withdrawal of the said orders was challenged by a group of workmen before the Gujarat High Court, wherein the Hon Gujarat High Court has upheld the order of the Controlling Authority. The said order of the Gujarat High Court has been further challenged by the group of workmen before the Hon. Supreme Court of India. The Special Leave Petition filed by the workmen is yet to be admitted by the Hon. Supreme Court.

The Company has been advised that no provision be made in the accounts for the additional amount of Rs. 1,89,83,135. However the Company has provision of Rs. 73,08,495 for Gratuity and other related claims carried over from an earlier year.

THE GAEKWAR MILLS LIMITED

NOTE 21:

Previous year's figures have been regrouped, recast or reclassified wherever necessary.

NOTE 22:

Earnings per share has been computed with reference to losses of Rs. 21,824,653/- and 200,000 equity shares (Previous Year Rs.14,436,979/- and 89,000 equity shares)

There is no diluted earnings per share as there are no dilutive potential equity shares.

NOTE 23:

In the opinion of the directors and to the best of their knowledge and belief, the value on realization of Current Assets, Loans and Advances, in the ordinary course of Business, would not be less than the amount at which they are stated in the Balance Sheet and provision for all known liabilities is adequate.

NOTE 24:

Contingent Liability provided for Rs. NIL(NIL)

A] Expenses in Foreign Currency	NIL	NIL
B] Earning in Foreign Exchange	NIL	NIL

As per our Report of even date attached
FOR M.D.PANDYA & ASSOCIATES
Chartered Accountants
(Registration No 107325 W)

FOR AND ON BEHALF OF THE BOARD

(M.D. PANDYA)
Partner

R.N. Karanjia
(Directors)

O.D. Purohit

MUMBAI
DATED: 30th May, 2014

THE GAEKWAR MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

	31.3.2014		31.3.2013	
	Amount(₹)	Amount(₹)	Amount(₹)	Amount(₹)
<u>A. CASH FLOW FROM OPERATING ACTIVITIES :</u>				
Net Profit/(Loss) before tax and extra-ordinary items		(21,824,653)		(14,436,979)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		(21,824,653)		(14,436,979)
<u>Adjustments for :</u>				
Increase/(Decrease) in Loans & Advances				
Increase/(Decrease) in Current Liabilities		(12,751,449)		
(Increase)/Decrease in Current Assets		(22,145,205)		
		(34,896,654)	14,828,075	14,828,075
Net Cash from Operating activities		(56,721,307)		391,096
<u>B. CASH FLOW FROM INVESTMENT ACTIVITIES</u>				
Sale of Investments		--		--
Net Cash from Investing Activities		--		--
<u>C. CASH FLOW FROM FINANCING ACTIVITIES :</u>				
Increase /(Decrease) in Long term borrowings		49,000,000		
(Increase)/Decrease in Fixed Assets		(661,800)		(441,200)
Increase/(Decrease) in Share Capital		11,100,000		--
(Increase)/Decrease in Inter-Corporate Loans				
Net Cash from Financing Activities		59,438,200		(441,200)
		2,716,893		(50,104)
Net cash increase in Cash and Cash equivalents		2,716,893		(50,104)
Cash and Cash Equivalents (opening)		19,414		69,519
Cash and Cash Equivalents (Closing)		2,736,307		19,415

Notes :

1. Cash flow statement has been prepared under the indirect method as set out in Accounting Standard-3 notified by the Companies Act, 1956.
2. Cash and Cash equivalent represent cash and bank balances.
3. Previous Year's figures regrouped/recast wherever necessary.

As per our Report of even date attached
FOR M.D.PANDYA & ASSOCIATES
Chartered Accountants
(Registration No 107325 W)

FOR AND ON BEHALF OF THE BOARD

(M.D. PANDYA)
Partner

R.N. Karanjia
(Directors)

O.D. Purohit

MUMBAI
DATED: 30th May 2014

THE GAEKWAR MILLS LIMITED

(CIN No.: L17120MH1949PLC007731)

REGISTERED OFFICE

Shop No.15, Ground Floor, Patil Building, 38 West, Sion (West), Mumbai 400 022.

ATTENDANCE SLIP

(Please complete this Attendance Slip in all respects and hand it over at the entrance of the Meeting Hall)

Eighty Fifth Annual General Meeting

Day & Date	Time	Venue
Friday 26 th September, 2014.	11.00 am	Matunga Gujarati Club Ltd., Nathalal Parekh Marg, Near King Circle, Matunga, Mumbai 400019.

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Eighty Fifth Annual General Meeting of the Company.

Name of the Signature of the Shareholder / Proxy (IN BLOCK LETTERS)	Folio No.	Shareholder / Proxy

Electronic Voting (e-voting):

The Company is pleased to offer the option of e-voting facility to the Members. The Members shall have the option to vote either through e-voting or in person at the Annual General Meeting. The voting period will commence at 9.30 am and end at 5.30 pm on Monday, 22nd September 2014. The Members desiring to exercise e-voting option may refer to the detailed procedure on electronic voting provided in the Notice of the AGM

THE GAEKWAR MILLS LTD.

CIN : L17120MH1949PLC007731

REGD. OFFICE: Office No.15, ground floor, Patil Building, 38 West, Road No.6, Sion West, Mumbai 400 022.

PROXY FORM

Form No. MGT-11

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

CIN : L17120MH1949PLC007731
Name of the Company : THE GAEKWAR MILLS LIMITED
Registered Office : Office No.15, Ground floor, Patil Building.
38 West, Road No.6, Sion West, Mumbai 400 022

Name of the member: _____
Registered address : _____
E-Mail ID : _____
Folio No / client ID No.: _____

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

Name	: _____	Address	: _____
E-mail ID	: _____	Signature	: _____ or failing him
Name	: _____	Address	: _____
E-mail ID	: _____	Signature	: _____ or failing him
Name	: _____	Address	: _____
E-mail ID	: _____	Signature	: _____

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 85th Annual General Meeting of the Company, to be held on **Friday, 26th September, 2014 at 11.00 A.M.** at Matunga Gujarathi Club Ltd., Nathalal Parekh Marg, Near King Circle, Matunga, Mumbai 400 019 and at any adjournment thereof in respect of such resolution as are indicated below :

Ordinary Business :

1. Adoption of Financial Statements for the year ended 31st March 2014 and the Directors' and Auditors' Reports thereon.
2. Appointment of Mr. Om Dutt Purohit.
3. Re-appointment of M/s M.D.Pandya & Associates, Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration.

Signed this ____ day of _____, 2014.

Signature of Shareholder

Signature of Proxy holder(s)

Affix
revenue
Stamp
of
Re. 1

BOOK – POST / COURIER

To,

If undelivered please return to :

**System Support Services,
209, Shivai Industrial Estate,
Andheri Kurla Road,
Saki Naka, Andheri (E),
Mumbai 400 072.**