

# **The Gaekwar Mills Limited**

**CIN: L17120MH1949PLC007731**

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

## **86 th Annual Report**

**2014 – 2015**

# **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**

<b>HOMI F. MEHTA</b>	<b>Chairman</b>
<b>RATAN N. KARANJIA</b>	<b>Director</b>
<b>OM DUTT PUROHIT</b>	<b>Director</b>
<b>GIRISHBHAI SHAH</b>	<b>Director</b>
<b>SHWETA B. PAREKH</b>	<b>Director</b>

## **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.**

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**GAEKWAR MILLS LIMITED**  
**CIN NO.: L17120MH1949PLC007731**  
**OFFICE NO. 15, GROUND FLOOR, PATIL BUILDING,**  
**38 WEST, SION WEST, MUMBAI-400022**

**NOTICE**

Notice is hereby given that the 86<sup>th</sup> Annual General Meeting of the shareholders of M/s Gaekwar Mills Limited shall be held on Wednesday, the 30<sup>th</sup> day of September, 2015 at 11.00 a.m. at Matunga Gujarathi Club Ltd, Nathalal Parekh Marg, Near King Circle, Matunga, Mumbai- 400019 to transact the following businesses as:

**ORDINARY BUSINESS:**

1. To consider and adopt the audited financial statements of the Company for the year ended March 31, 2015 together with the Reports of Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. Homi Framroze Mehta (DIN: 00105524) who retires by rotation and being eligible, seeks re - appointment.
3. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as an **Ordinary Resolution**:-

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. M.D.PANDYA & Associates (Membership No.33184), Chartered Accountants, be and is hereby re-appointed as Auditor of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of Ninetieth Annual General Meeting of the Company to be held in the year 2019 (subject to the ratification of their appointment at every AGM), at such remuneration plus service tax, out of pocket, travelling and living expenses, etc. as may be mutually agreed between the Board of Directors of the Company and Auditor.”

**SPECIAL BUSINESS:**

4. Appointment of Ms. Shweta Bakul Parekh (DIN: 03287393) as Director and in this regard to consider and, if thought fit, to pass, with or without modification(s) the following Resolution as an **Ordinary Resolution**:-

“**RESOLVED THAT**, pursuant to the provisions of Sections 152 and all other applicable provisions, if any, of the Companies Act, 2013 (herein referred to as the “Act”) and the Rules made thereunder (including any statutory modification(s), or re-enactment thereof for the time being in force) and applicable provisions of the Articles of Association of the Company and the Listing Agreement, Ms. Shweta Bakul Parekh (DIN: 03287393), who was appointed as an Additional Director of the Company with effect from March 31, 2015 under Section 161(1) of the Act, by the Board of Directors be and is hereby appointed as a women Director of the Company.”

5. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provision of Section 14 and all other provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

Date: 18/08/2015

By order of the Board of Directors  
**For GAEKWAR MILLS  
LIMITED**

Sd/-  
**HOMI FRAMROZE MEHTA**  
Chairman  
(DIN No: 00105524)

Notes:

1. Explanatory statement pursuant to Section 102(1) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder with respect to Special Business set out in the Notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE ‘MEETING’) IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE**

COMPANY NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE TIME FOR HOLDING THE MEETING.

Proxy/Proxies submitted on behalf of limited Companies, etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) members and holding in the aggregate not more than ten (10) per cent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten (10) percent 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. Only registered Members of the Company or any proxy appointed by such registered Member may attend and vote at the Meeting as provided under the provisions of the Companies Act, 2013. In case any shareholder has voted electronically, then he/she can participate in the Meeting but shall not have a right to vote.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, 28<sup>th</sup>September 2015 to Wednesday, 30<sup>th</sup>September 2015 (both days inclusive) for determining the name of Members.
5. Duly executed and stamped transfer deeds, along with the share certificates, should be submitted to the Company's Registrar and Share Transfer Agents before the closure of the Register of Members for registration.
6. Corporate Members are requested to send a duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013/ Power of Attorney authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. Members holding shares in physical form and wishing to make / change in a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 may submit the prescribed particulars in Form No. SH-13 (Nomination Form) or SH-14 (Cancellation or Variation of Nomination), to the Company.
8. The Company has entered into necessary arrangement with Central Depository Services (India) Limited (CDSL) to enable the Shareholders to dematerialize their shareholding in the Company for which they may contact the Depository Participant.
9. Electronic copy of the Annual Report, Notice of the Meeting of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Meeting of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. In view of Go Green initiative being undertaken by the Company, Members who have not yet registered their e-mail address so far are requested to register/update their e-mail addresses with the Company's RTA or with the Company. Shareholders

holding shares in dematerialized form are requested to register their e-mail addresses and changes therein with the concerned Depositories through their Depository Participant.

11. Members are requested to bring their copy of Annual Report to the Meeting. A member desirous of getting any information with regard to Accounts of the Company is requested to send the queries to the Company at least 10 days before the meeting to the Company Secretary at the Registered Office of the Company.
12. Members are requested to mention their Folio Number/ Client ID/DP ID Number (in case of shares held in dematerialized form) in all their correspondence with the Company / Depository Participant in order to facilitate response to their queries promptly.
13. Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature recorded with the Company/Depository Participant for admission at the entrance to the place of the meeting.
14. Members who are holding shares of the Company in physical form through multiple folios in identical order of names are requested to write to the Company, enclosing their share certificates, to enable the Company to consolidate their holdings in one folio.
15. 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, whether in person or by proxy.
16. Members are requested to contact the Company's RTA for reply to their queries/redressal of complaints.

17. As per the requirement of Clause 49 of the Listing Agreement on Corporate Governance for appointment/ re-appointment of the Director, a statement containing details of the concerned Directors is given below :

**Details of Director Seeking Re-Appointment/Appointment at the Annual General Meeting**

<b>Name</b>	<b>MR.HOMI FRAMROZE MEHTA</b>	<b>MS. SHWETA BAKUL PAREKH</b>
Date of Birth	28/11/1928	24/03/1990
Directors Identification Number (DIN)	00105524	03287393
Age	86 years	25 years
Qualification	Bachelor's Degree in Business Administration, Babson College, USA	Bachelor's Degree in Business Administration, Kingston University, U.K.
Expertise in Specific Area	60 years in Senior Management	Marketing Management
Date of first Appointment on board of the Company	21/05/1954	31/03/2015
Shareholding in <b>GAEKWAR MILLS LIMITED</b>	548	NIL
List of Directorship held in other listed companies	ARI Consolidated Investments Ltd. Chairman	NIL
Membership/Chairmanships of Audit and stakeholders relationship committees	Chairman, Share Transfer Committee, ARI Consolidated Investments Ltd.	-

18. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 read with Rules made thereunder will be available for inspection by the members at the Meeting.

19. The relevant documents referred to in this Notice and Explanatory Statement are open for inspection at the Meeting and such documents will also be available for inspection in physical or in electronic form at the registered office and copies thereof shall also be available for inspection in physical or electronic form at the registered office from the date of dispatch of the Notice till the date of the Meeting on all working days, from 10 A.M TO 12 :00 noon ,except Saturdays.

**20. Voting through electronic means:**

- i. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 w.e.f. 19 March 2015 and Clause 35B of the Equity Listing Agreement, the Company is pleased to provide to the members, the facility of voting by electronic means in respect of business to be transacted at the Meeting which includes the facility of casting the votes by the Members

using an electronic voting system from a place other than venue of the Meeting ("remote e-voting") and the same will be provided by Central Depository Services (India) Limited (CDSL).

- ii. The facility of voting through ballot or polling paper shall also be made available for the members at the Meeting who have not been able to vote electronically and who are attending the Meeting. The members who have casted their vote electronically would be entitled to attend the Meeting but would not be permitted to cast their vote again at the Meeting. The facility to vote by electronic voting system will not be provided at the Meeting.
- iii. The remote e-voting period commences on Sunday, 27<sup>th</sup> September, 2015 (9.00 A.M. IST) and ends on Tuesday, 29<sup>th</sup> September, 2015 (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the close of working hours on Tuesday, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting on Tuesday, 29<sup>th</sup> September 2015 after 5.00 P.M. IST. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently.
- iv. The company has appointed Mr. Snehal Shah, Company Secretary in whole time practice as scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Sunday, 27<sup>th</sup> September, 2015 (9.00 A.M. IST) and ends on Tuesday, 29<sup>th</sup> September, 2015 (5.00 P.M. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, 23<sup>rd</sup> September 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.



(vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li></ul>

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant **GAEKWAR MILLS LIMITED** on which you choose to vote.

(xiii) 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.

- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://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](mailto: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 linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- (xx) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF COMPANIES ACT, 2013**

### **Item No. 4**

The Board of Directors of the Company had appointed Ms. Shweta Bakul Parekh (DIN: 03287393) as an Additional Director of the Company with effect from 31<sup>st</sup> March, 2015. The Additional Director holds office until the date of ensuing Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ('Act') but is eligible for appointment as Director. The Company has received a notice under Section 160(1) of the said Act from a Member along with requisite deposit signifying his intension to propose Ms. Shweta Bakul Parekh appointment as a Director of the Company.

The Company has received from Ms. Shweta Bakul Parekh (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Ms. Shweta Bakul Parekh as Director of the Company pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

In the opinion of the Board, Ms. Shweta Bakul Parekh, as Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and she is Non-Executive director of the Management.

No director, key managerial personnel or their relatives, except Ms. Shweta Bakul Parekh, to whom the resolution relates, are interested in or concerned with the said resolution.

The Board commends the resolution set forth in Item no. 4 for the approval of the members.

### **Item No. 5**

The existing AOA are based on the old Companies Act and several regulations in the existing AOA contain references to specific sections of the old Companies Act and some regulations in the existing AOA are no longer in conformity with the Companies Act, 2013.

The new Companies Act, 2013 is in force w.e.f. 1<sup>st</sup> April, 2014 and with the coming into force of the Act several regulations of the existing AOA of the Company require alteration or deletion in several articles. Given this position, it is considered expedient to wholly replace the existing AOA by a new set of Articles based on Table F of the Act as applicable to Public Limited Company limited by shares.

Thus, It is proposed to adopt new set of AOA of the Company as mentioned in the Resolution. A copy of new set of Articles of Association of the Company is available for inspection by the members of the Company at its registered office between 11.00 a.m. to 4.30 p.m. on any working day.

None of the Directors of the Company or their relatives or Key Managerial Persons of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the special resolutions set out in at Item No. 5 of the Notice.

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

Date: 18/08/2015

By order of the Board of Directors  
**For GAEKWAR MILLS  
LIMITED**

**Sd/-  
HOMI FRAMROZE MEHTA  
Chairman  
(DIN No: 00105524)**

## Directors' Report

To,  
The Members

Your Directors are pleased to present the Eighty Sixth Annual Report on the business and operations of the Company and the audited accounts for the year ended on March 31, 2015.

### FINANCIAL HIGHLIGHTS:

(Rs. in lakhs)

	FY 2014-15	FY 2013-14
Loss for the Year	290.14	218.25
Add: Loss brought forward	3458.34	3240.09
<b>Loss carried forward</b>	<b>3748.48</b>	<b>3458.34</b>

### RESERVES:

The Company does not have any Reserves.

### YEAR IN REVIEW:

The Company continued to be under liquidation throughout the year. Nevertheless Directors have been allowed to take steps to ensure implementation of the Scheme of Compromise/Arrangement sanctioned by the Hon. Bombay High Court in September 2009 and subsequently modified from time to time.

The Company incurred loss of Rs 290.14 lakhs during the year. This is essentially on account of interest paid on Secured Debentures of Rs 30 crores, the proceeds of which were used to discharge statutory and other liabilities as per the Scheme of Compromise/Arrangement.

### FUTURE PROSPECTS:

The Company is ready with its plans for developing an ultra-modern township on 60% of the land at Bilimora and an integrated textile unit on the balance 40% land. However, we cannot move ahead until the workmen's litigation pending before the Courts (described below) is finally disposed off and the liquidation proceedings set aside.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

As mentioned in the Chairman's Statement of 2014 some erstwhile workmen had filed three Special Leave Applications (Civil) before the Supreme Court of India challenging various orders of the Gujarat and Bombay High Courts in favour of the Company. These SLP's were disposed of by an order of the Hon Supreme Court on 13<sup>th</sup> January 2015. In the said order of the Supreme Court, 4 weeks were granted to the workmen association to remove office objections in their earlier appeal filed before the Bombay High Court, and further request to Bombay High Court to hear appeal of workmen within the framework of law. The appeal is listed for hearing on 29<sup>th</sup> June 2015.

Other than the above matter, no significant or material orders have been passed by any regulators or courts or tribunals against the Company during the year 2014-15.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

No material changes and commitments have occurred subsequent to the close of FY 2014-15 till date of this report.

**DIVIDEND:**

The Directors do not recommend any dividend for the financial year 2014-15, in view of the accumulated loss.

**DEPOSITS:**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

**SHARE CAPITAL:**

Presently, the Share Capital of the Company is Rs. 2,00,00,000/- divided in to 2,00,000 Equity Shares of Rs. 100/- each.

**CORPORATE GOVERNANCE:**

In terms of SEBI Circular dated 14th September 2014, compliance with the provisions of Clause 49 of the Listing Agreement relating to Corporate Governance, is not mandatory for the Company. Moreover, as mentioned at the beginning of this report, the Company continues to be under liquidation, and under the supervision of the Official Liquidator and Bombay High Court, as the Scheme is under implementation, with only limited powers with the Board of Directors. Nevertheless, the Company has voluntarily adopted most of the norms for Corporate Governance as laid down in Clause 49. and a report thereon forms part of this Annual Report.

Declaration regarding compliance of Code of Conduct by Board Members is also included.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

During this period under the review not applicable to the Company. Hence, your Directors have not constituted the Corporate Social Responsibility (CSR) Committee.

**SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary company.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The Company has given Inter Corporate Deposit to its associate company M/s Platinum Square Pvt Ltd. The details of Loans to Associate Company are provided in Note 20 of the notes to accounts.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:**

#### **A. Conservation of Energy, Technology Absorption**

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act ,2013 in respect of conservation of energy and technology absorption have not been furnished as the Company did not conduct any activities during the year under review.

**B. (a) Conservation of energy measures taken: - N.A.**

**(b) Technology absorption measures: - N.A.**

#### **C. Foreign Exchange Earnings And Outgo**

There were no foreign exchange earnings and outgo during the year under review.

### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

The Company does not have any employees. Further, as the Company has not employed any female employees, the declaration required under Sexual Harassment of Women at Work (Prevention, Prohibition and Redressal) Act does not apply.

### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

There were no contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013.

There were no materially significant transactions with Related Parties during the financial year 2014-15 which were in conflict with the interest of the Company. Suitable disclosures as required under AS-18 have been made in the Note 20 to the financial statements.

### **RISK POLICY:**

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal and Risk Management Policy will be developed as and when Company starts operations.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an adequate system of internal controls commensurate with the size and the limited nature of its business activities.

### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed.

- ii. 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 state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The directors have prepared the annual accounts on a going concern basis.
- v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## **DIRECTORS**

### **Changes in Board constitution-**

The Board of Directors had appointed Ms. Shweta Bakul Parekh (DIN: 03287393) as an Additional Woman Director in the category of Non-Executive Director with effect from 31<sup>st</sup> March, 2015.

In accordance with the provisions of the Companies Act, 2013, Mr. Homi Framroze Mehta (DIN: 00105524) retire by rotation at the ensuing AGM and being eligible offers himself for reappointment.

Mr. Homi Framroze Mehta is not disqualified from being appointed as a Director as specified in terms of Section 164 of the Companies Act, 2013.

Brief profile of Mr. Homi Framroze Mehta and Ms. Shweta Bakul Parekh who are proposed for appointment, as stipulated under Clause 49 of the Listing Agreement is furnished in the Notice of the ensuing AGM. The Board of Directors of your Company recommends their re-appointment at the ensuing AGM.

## **MEETINGS-**

Minimum four pre-scheduled Board meetings are held annually. Additional Board meetings are convened by giving appropriate notice to address the Company's specific needs. In case of business exigencies or urgency of matters, resolutions are passed by circulation. During the year Seven Board Meetings and Five Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Listing Agreement.

## **DECLARATION BY AN INDEPENDENT DIRECTORS-**

The Company has received declaration by all Independent Director(s) that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.



## **BOARD EVALUATION-**

The Board of Directors has made the formal annual evaluation of its own performance and that of its committees and individual directors and found it to be satisfactory.

## **POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KMP AND REMUNERATION POLICY-**

Policy will be developed as and when Company starts operations.

## **NOMINATION AND REMUNERATION COMMITTEE-**

During the year, no such committee meeting took place.

## **TERMS OF APPOINTMENT & REMUNERATION CFO & MANAGING DIRECTOR**

During the year the company has not paid any remuneration to any of the non-executive directors.

## **KEY MANAGERIAL PERSONNEL**

The current Board of Directors comprises of Non-Executive and Independent Directors. As the Company has not commenced any activity and has very limited resources, it has not been possible to employ Managing Director, Chief Financial Officer and Company Secretary. The Board will take steps to recruit these personnel at the time of commencement of commercial activity.

For the time being, decision making is in the hands of Chairman, Mr. Homi F Mehta, assisted by other directors.

## **VIGIL MECHANISM:**

The Company has not set up Vigil Mechanism/ Whistle Blower policy as it has not commenced any activity and does not have any employees on its rolls.

## **AUDITORS:**

### **Statutory Auditors-**

M/s M. D. Pandya & Associates, (Reg. No. 107325 W) Chartered Accountants, Mumbai who are the statutory auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting (AGM) and are eligible for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed there under, it is proposed to appoint M. D. Pandya & Associates, Chartered Accountants as the statutory auditors of the Company from the conclusion of forthcoming AGM till the conclusion of the AGM to be held in the year 2019. The Company has received letter from the statutory auditors to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for appointment.

## **STATUTORY AUDITORS' OBSERVATIONS:**

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s M D Pandya & Associates, Statutory Auditors, in their report

## **SECRETARIAL AUDITORS:**

In terms of the provisions of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board has appointed M/s. Anish Gupta & Associates, Company Secretaries, Mumbai as Secretarial Auditor for conducting Secretarial Audit of your Company for the financial year 31.3.2015. The report of the Secretarial Auditor is annexed herewith as "**Annexure [A]**"

## **SECRETARIAL AUDITORS' OBSERVATIONS & COMMENTS FROM BOARD:**

### REMARKS OF THE SECRETARIAL AUDITOR

1. The company has delayed in filing of certain forms with the Registrar of Companies.
2. The Company has not appointed Key Managerial Personnel including the Company Secretary as required under section 203 of the Companies Act, 2013.
3. The Company is yet to approve and adopt the Policies and posting the same on the website of the Company as per the various provisions of the Companies Act and Listing Guidelines.
4. Ms. Shweta B. Parekh has been appointed as an additional director in the category of independent woman director in the Board Meeting held on 31.3.2015. However, she does not qualify as an Independent Director under section 149(6)(b)(ii) as her father has pecuniary interest in an associate company.
5. Omdutt Purohit is an Independent Director and is also appointed as Compliance Officer under listing guidelines and as required under the listing guideline, being an Independent director, he should not be appointed as a compliance officer.
6. *The company has not taken the connectivity from the CDSL/NSDL to provide demat facilities to its shareholders as required under the SEBI Guidelines and that 100 % shares of promoters in demat form is also required to be complied with.*

### COMMENTS FROM THE MANAGEMENT

1. *As elaborated in earlier paragraphs, the Company does not have any staff and very limited resources. As a consequence, there were deficiencies in certain secretarial compliances. The Directors have taken note of the same and will ensure they do not recur in future.*
2. *In the absence of any staff, the Company had no choice but to assign duties of Compliance Officer to a Director. Upon appointment of qualified staff the Director will be relieved of duty as Compliance Officer.*
3. *The Company had earlier applied for dematerialization of its shares, but depositories had declined, on the ground that share capital is below their threshold limit. Directors will pursue this matter once again with the depositories.*

## **EXTRACT OF ANNUAL RETURN:**

In terms of the provisions of Section 92 (3) of the Act read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return of your Company for the financial year ended 31st March, 2015 is given in **Annexure [B]**

## **OTHER DICLOSURES**

- There were no material changes and commitments affecting the financial position of your Company between end of the financial year and the date of this report.
- Your Company has not issued any shares with differential voting.
- There was no revision in the financial statements.
- Your Company has not issued any sweat equity shares.
- During the year your Company has not received any complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **PREVENTION OF INSIDER TRADING:**

The Company has ensured the compliance of Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Company is in process to adopt the Code of Conduct for prevention of Insider Trading.

## **APPRECIATION:**

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company and other interested parties at all levels for their continuous co-operation and assistance.

**By Order of the Board of Directors  
for, Gaekwar Mills Limited**

Place: Mumbai  
Date:29.5.2015

**Omdutt Purohit  
Director  
(DIN No: 00041597)**

**Ratan Karanjia  
Director  
(DIN No: 00033108)**

## **Annexure A to Board Report**

### **SECRETARIAL AUDIT REPORT**

**Form No. MR-3**

**For The Financial Year Ended On 31<sup>st</sup> March, 2015**

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

To,

The Members,

**Gaekwar Mills Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gaekwar Mills Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/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 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 on 31<sup>st</sup> March, 2015, 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 Gaekwar Mills Limited for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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;
- (v) The Regulations and Guidelines, to the extent applicable, prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) 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;

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Stock Exchanges.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above except as below:

1. *The company has delayed in filing of certain forms with the Registrar of Companies.*
2. *The Company has not appointed Key Managerial Personal including the Company Secretary as required under section 203 of the Companies Act, 2013.*
3. *The Company is yet to approve and adopt the Policies and posting the same on the website of the Company as per the various provisions of the Companies Act and Listing Guidelines.*
4. *Minutes of the Annual General Meeting for the f.y. 31.3.2014, does not contain the results of e-voting process and results of ballot casting given by the scrutinizer.*
5. *Ms. Shweta B. Parekh has been appointed as an additional director in the category of independent woman director in the Board Meeting held on 31.3.2015. She is disqualified to be an Independent Director under section 149(6)(b)(ii) as her father has pecuniary interest in the associate company.*
6. *Omdutt Purohit is an Independent Director and is also appointed as compliance officer under listing guidelines and as required under the listing guideline, being an Independent director, he should not be appointed as a compliance officer.*
7. *The company has not taken the connectivity from the CDSL/NSDL to provide demat facilities to its shareholders as required under the SEBI Guidelines and that 100 % shares of promoters in demat form is also required to be complied with.*

During the period under review, provisions of the following regulations were not applicable to the Company:

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: and
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (e) Secretarial Standards issued by The Institute of Company Secretaries of India related to meetings and minute (since not approved by the Central Government)

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the

composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice with agenda was given to all directors to schedule the Board Meetings at least seven days in advance.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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.

We further report that during the audit period, no specific event /action having major bearing on the Company's affair in pursuance to the above referred laws, rules, regulations, guidelines etc referred to above.

For Anish Gupta & Associates  
Company Secretaries

Place: Mumbai  
Date: 29.05.2015

Anish Gupta  
Proprietor  
FCS 5733 / CP No. 4092

Annexures to the Secretarial Auditor's Report.

**ANNEXURE – 1**

To,

The Members,

**Gaekwar Mills Limited**

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

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. My responsibility is to express an opinion on those records based on our audit.
2. I 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 process and practices I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events etc.
5. 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.

For Anish Gupta & Associates  
Company Secretaries

Place: Mumbai  
Date: 29.05.2015

Anish Gupta  
Proprietor  
FCS 5733 / CP No. 4092

## Corporate Governance Report for the year ended 31<sup>st</sup> March 2015

### Board of Directors

During the year 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015 the composition of the Board was as follows:

Name of Director	Category	DIN	No. of Other Directorships		No. of Outside Committees	
			Public	Private	Member	Chairman
Mr. Homi Framroze Mehta	Promoter Non-Executive Chairman	00105524	2	8		1
Mr. Ratan Noshir Karanjia	Independent Non-Executive	00033108	-	5		1
Mr. Om Dutt Purohit	Independent Non-Executive	00041597	4	-	1	7
Mr. Girish Champaklal Shah	Independent Non-Executive	03009213	2			
Ms. Shweta Bakul Parekh (Appointed as an Additional Director on 31-03-2015)	Non-Executive Woman Director	03287393	-	-	-	-

During the period from 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015, 7 meetings of the Board were held as under:  
6<sup>th</sup> May, 30<sup>th</sup> May, 14<sup>th</sup> August, 25<sup>th</sup> August, 14<sup>th</sup> November 2014  
11<sup>th</sup> February, 31<sup>st</sup> March 2015.

Attendance of Directors at Board Meetings and at the 85<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> September 2014 was as follows:

Name of Director	No. of Board Meetings		Attendance at the Last AGM
	Held	Attended	
Mr. Homi Framroze Mehta	7	5	No
Mr. Ratan Noshir Karanjia	7	7	Yes
Mr. Om Dutt Purohit	7	7	Yes
Mr. Girish Champaklal Shah	7	1	No
Ms. Shweta Bakul Parekh (Appointed as an Additional Director on 31-03-2015)	-	-	-

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

A separate meeting of the Independent Directors was also held on 11<sup>th</sup> February 2015.

### 2. Committees of the Board

The Company follows procedures and practices in conformity with the code of Corporate Governance, and in terms thereof, the Board has constituted the following committees:



### **I. Audit Committee**

The Audit Committee as at 31<sup>st</sup> March 2015 comprised of:  
Mr. Ratan Karanjia – Chairman & Independent Director  
Mr. Om Dutt Purohit – Independent Director  
Mr. Girish Shah – Independent Director

The terms of reference of this Committee cover the matters as listed under clause 49 of the Listing Agreement with the Stock Exchange.

The details of meetings of the Committee held during 2014-15 and the attendance thereat are as follows:

5 meetings were held on: 30<sup>th</sup> May, 14<sup>th</sup> August, 25<sup>th</sup> August, 14<sup>th</sup> November 2014  
11<sup>th</sup> February 2015.

Attendance at the Audit Committee meetings:

Name of Director	No. of Audit Committee Meetings	
	Held	Attended
Mr. Ratan Noshir Karanjia	5	5
Mr. Om Dutt Purohit	5	5
Mr. Girish Champaklal Shah	5	1

The Company has not set up vigil mechanism/ whistle blower policy as it has not commenced any activity and does not have any employees on its rolls.

### **II. Nomination and Remuneration Committee:**

A Committee of Directors comprising of Mr. Girish Shah (Chairman) , Mr. Ratan Karanjia and Mr. Om Dutt Purohit, all Independent Directors, has been formed as Nomination and Remuneration Committee. As the Company has not commenced any activities as yet or recruited staff, no meeting of the Committee was held during the year.

### **III. Stakeholder Relationship Committee:**

The Stakeholder Relationship Committee as at 31<sup>st</sup> March 2015 comprised of:  
Mr. Om Dutt Purohit – Chairman and Independent Director  
Mr. Girish Shah – Independent Director  
Mr. Ratan Karanjia – Independent Director.

The Stakeholders Relationship Committee oversees the functioning of the Registrar & Transfer Agents, M/s System Support Services, who deal with all matters related to shareholders.

The details of meetings of the Committee held during 2014-15 and the attendance thereat are as follows:

4 meetings were held on: 30<sup>th</sup> May, 14<sup>th</sup> August, 14<sup>th</sup> November 2014 and 11<sup>th</sup> February 2015.

Attendance at the Stakeholder Relationship Committee meetings:

Name of Director	No. of Stakeholder Relationship Committee Meetings	
	Held	Attended
Mr. Om Dutt Purohit	4	4
Mr. Ratan Karanjia	4	4
Mr. Girish Champaklal Shah	4	1

There was neither any unattended nor pending investor grievance as on 31<sup>st</sup> March 2015.

### 3. Details of Annual General Meetings:

Financial Year	Date	Time	Location
2011-12	28/09/2012	11:00 AM	Matunga Gujarati Club Ltd. , Nathalal Parekh Marg, Matunga, Mumbai 400019
2012-13	26/09/2013	11:00 AM	do.
2013-14	26/09/2014	11:00 AM	do.

The following special resolutions were passed through postal ballot during FY 2011-12:

- Increase in Authorised Capital from Rs 1 crore to Rs 2 crores
- Alteration in Capital Clause of memorandum of Association
- Alteration in Capital Clause of Articles of association
- Resolution under s. 81(1A) of the Companies Act, 1956 authorising the Board to offer, issue and allot on Preferential Basis 1,11,000 Equity Shares of Rs. 100/- each to the following entities at such price as shall be determined in terms of regulation 76 under Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or at the rate of Rs. 100/- per Equity Share, whichever is higher:
  - M/s Platinum Square Private Limited 36,000 shares
  - M/s Mukesh Babu Financial Services Ltd. 75,000 shares
- Creation of Mortgage/ Charge in favour of M/s Mukesh Babu Financial Services Limited to secure 500,000 Secured Redeemable Non-Convertible Debentures of Rs. 1,00,000 each aggregating to Rs 5 crores to be issued and allotted to them on Private Placement basis.

### 4. Disclosures

- The related party transactions as disclosed under Note No 20 to the accounts for the year under review do not conflict with the interest of the Company.
- There were no instances of non-compliance and no penalties/strictures have been imposed/passed by Stock Exchange, SEBI or any other statutory authority during last three years on any matter related to the capital markets.
- For the financial year 2014-15, there is no audit qualification in the Company's financial statements.

### 5. Means of Communication

The quarterly, half-yearly and annual results of the Company are taken on record by the Board of Directors and submitted to the Stock Exchange and are published in leading newspapers. The Company has set up its website [www.gaekwarmills.com](http://www.gaekwarmills.com). Results as well as any press releases, issued by the Company from time to time, are displayed on the website.

### 6. General Shareholder Information

AGM for Financial Year ended 31<sup>st</sup> March 2015 is convened for 30<sup>th</sup> September 2015

<b>Dates of Book Closure</b>	, 28 <sup>th</sup> September, 2015 to 30 <sup>th</sup> September 2015 (both days inclusive)
<b>Dividend Payment Date</b>	No dividend declared
<b>Listing on Stock Exchange</b>	The Company's equity shares are listed on the Bombay Stock Exchange though no trades were recorded during the year.
<b>Stock Code</b>	502850

**Demat ISIN Numbers** Shares not dematerialized

**Market Price Data**

No trades have taken place in the Company's shares after 8<sup>th</sup> 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  
Tel: 022-28500835

**Distribution of Shareholding & Category-wise distribution**

Pattern of Shareholding by share class as on 31<sup>st</sup> March, 2015

<u>Shareholding Class</u>	<u>No. of Shareholders</u>	<u>No. of Shares Held</u>	<u>Shareholding %</u>
Upto to 500		15,050	
501 to 1,000	1,055	2,443	7.52
1,001 to 2,000	4	1,875	1.22
2,001 to 3,000	1	2,517	0.94
3,001 to 4,000	1	3,142	1.26
4,001 to 10,000	1	-	1.57
10,001 & above	-	1,74,973	-
	4		87.49
<b>Total</b>	<b>1,065</b>	<b>2,00,000</b>	<b>100.00</b>

Pattern of Shareholding by Ownership as on 31<sup>st</sup> March, 2015

<u>Category</u>	<u>No. of Equity Shares held</u>	<u>Shareholding %</u>
	27,103	
Promoters	4,392	13.56
Insurance Companies	486	2.19
Banks	1,52,177	0.24
Bodies Corporate	15,842	76.09
Individuals		7.92
	<b>2,00,000</b>	
<b>Total</b>		<b>100.00</b>

**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: 29th May, 2015

**CODE OF CONDUCT**

**The Board of Directors  
Gaekwar Mills Limited  
Mumbai**

Dear Sirs,

I, Homi Mehta, Chairman of Gaekwar Mills Limited hereby confirm that all Board Members have affirmed compliance with the "Code of Conduct for Directors and Senior Executives of the Company" for the year ended 31<sup>st</sup> March, 2015.

Thanking You  
Yours Sincerely,

For **Gaekwar Mills Limited**

.....  
Homi Mehta  
Chairman  
DIN No. 00105524

Date: 18<sup>th</sup> August 2015  
Place: Mumbai

## **CERTIFICATION AS PER CLAUSE 49 (IX) OF THE LISTING AGREEMENT**

**The Board of Directors  
Gaekwar Mills Limited  
Mumbai**

We, the undersigned in our respective capacities as Chairman and Directors of Gaekwar Mills Limited, certify to the Board in terms of requirements of Clause 49(IX) of the Listing Agreement that we have reviewed the Financial Statements and the Cash Flow Statement of the Company for the Financial Year ended 31 March 2015.

1. To the best of our knowledge and belief, we certify that:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that are misleading.
  - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
  - c) There are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
2. For the purpose of Financial Reporting, we accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
3. We have indicated to the Auditors and the Audit Committee:
  - a) significant changes, if any, in the internal controls over financial reporting during the year.
  - b) significant changes, if any, in the accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
  - c) instances of significant fraud, if any, of which we have become aware and the involvement therein, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For Gaekwar Mills Limited**

Homi Mehta  
Chairman  
DIN No. 00105524

Om Dutt Purohit  
Director  
DIN No. 00041597

Ratan Karanjia  
Director  
DIN No. 00033108

Date: 18 August 2015  
Place: Mumbai

**ANNEXURE B to BOARD REPORT**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2015**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

<b>I. REGISTRATION &amp; OTHER DETAILS:</b>		
1	CIN	<b>L17120MH1949PLC007731</b>
2	Registration Date	16/06/1928
3	Name of the Company	<b>THE GAEKWAR MILLS LIMITED</b>
4	Category/Sub-category of the Company	Public Company Limited by Shares
5	Address of the Registered office & contact details	Office No 15, Patil Building, 38 West, Road No. 6 Sion West Mumbai 400022
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	System Support Services 209 Shivai Industrial Estate, 89, Andheri Kurla Road, Saki Naka, Andheri East, Mumbai 400072

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Company had no Business Activity during 2014-15		
2			
3			

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
<b>The Company has no Holding/Subsidiary Company</b>					
1	Platinum Square Private Limited 2/2 Sindhi Colony, above Reliance Fresh Sion West, Mumbai 400022	U70100MH1995PTC093767	Associate	37.50%	2(6)
2	Mukesh Babu Financial Services Limited 111, Maker Chamber III Nariman Point, Mumbai 400021	L65920MH1985PLC035504	Associate	37.50%	2(6)



<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	151,464	151,464	75.73%	-	152,177	152,177	76.09%	0.47%
ii) Overseas	-	-	-	0.00%	-	0	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	13,413	13,413	6.71%	-	12,700	12,700	6.35%	-5.32%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	3,142	3,142	1.57%	-	3,142	3,142	1.57%	0.00%
c) Others (specify)									
Non Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	-	168,019	168,019	84.01%	-	168,019	168,019	84.01%	0.00%
<b>Total Public (B)</b>	-	172,897	172,897	86.45%	-	172,897	172,897	86.45%	0.00%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Grand Total (A+B+C)</b>	-	200,000	200,000	100.00%	-	200,000	200,000	100.00%	0.00%

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	
1	HOMI MEHTA & SONS PVT. LTD	24,973	12.49%	-	24,973	12.49%	-	0.00%
2	HOMI FRAMROZE MEHTA	548	0.27%	-	548	0.27%	-	0.00%
3	JEHANGIR HOMI MEHTA	545	0.27%	-	545	0.27%	-	0.00%
4	LIANE HOMI MEHTA	565	0.28%	-	565	0.28%	-	0.00%
5	HANSA HOLDINGS & TRADING CO. PVT. LTD	472	0.24%	-	472	0.24%	-	0.00%

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
					0.00%		0.00%
					0.00%		0.00%
	At the end of the year				0.00%		0.00%

**No change in holding of the Promoter /and Promoter Group during 2014-15**



**(iv) Shareholding Pattern of top ten Shareholders***(Other than Directors, Promoters and Holders of GDRs and ADRs):*

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Shareholding at the end of the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mukesh Babu Financial Services Ltd.			75,000	37.50%	75,000	37.50%
2	Platinum Square Pvt Ltd			75,000	37.50%	75,000	37.50%
3	Pestonji Sorabji Bamboat			3,142	1.57%	3,142	1.57%
4	Life Insurance Corp of India			2,517	1.26%	2,517	1.26%
5	National Insurance Co Ltd			1,875	0.94%	1,875	0.94%
6	M M Shah Pvt. Ltd.			713	0.36%	713	0.36%
7	Industrial Investment Trust Ltd			620	0.31%	620	0.31%
8	Zenith Securities & Investments Ltd			500	0.25%	500	0.25%
9	Aban Nari Chothia			467	0.23%	476	0.24%
10	Jayantilal Bhaishankar Dave			270	0.14%	270	0.14%

**(v) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Name: Homi Framroze</b>						
	At the beginning of the year			548	0.27%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%	548	0.27%
2	<b>Name: Ratan Noshir Karanjia</b>						
	At the beginning of the year			1	0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%	1	0.00%
3	<b>Name: Om Dutt Purohit</b>						
	At the beginning of the year			8	0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%	8	0.00%

**Mr. Girishbhai Shah and Ms. Shweta Parekh did not hold any shares of the Company during 2014-15****V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	350,000,000.00	-	-	350,000,000.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>350,000,000.00</b>	<b>-</b>	<b>-</b>	<b>350,000,000.00</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition		46,084,470.00		46,084,470.00
* Reduction				-
<b>Net Change</b>	<b>-</b>	<b>46,084,470.00</b>	<b>-</b>	<b>46,084,470.00</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	350,000,000.00	46,084,470.00	-	396,084,470.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>350,000,000.00</b>	<b>46,084,470.00</b>	<b>-</b>	<b>396,084,470.00</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (Rs/Lac)
		Name			
		Designation			
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				-
	(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				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				-
	- as % of profit				-
	- others, specify				-
5	Others, please specify				-
	Total (A)				-
	Ceiling as per the Act				-

**B. Remuneration to other Directors**

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
		Name			
1	Independent Directors				
	Fee for attending board committee				-
	Commission				-
	Others, please specify				-
	Total (1)				-
2	Other Non-Executive Directors				-
	Fee for attending board committee				-
	Commission				-
	Others, please specify				-
	Total (2)				-
	Total (B)=(1+2)				-
	Total Managerial Remuneration				-
	Overall Ceiling as per the Act				-

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
		Name			
		Designation	CEO	CFO	CS
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				-
	(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				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				-
	- as % of profit				-
	- others, specify				-
5	Others, please specify				-

No Remuneration Paid to Directors or Key Personnel

<b>VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:</b>					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NC / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFENCES IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**No Penalties Imposed**

**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, 2015 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**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 misstatements.

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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2015 and its loss and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by section 143 (3) of the Act, we report that:
  - (i.) We have sought and 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;
  - (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 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.
- (v.) On the basis of written representations received from the directors, as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of section 164(2) of the Act.
- (vi.) 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 has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 18 and Note 19 to the financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the investor education and protection fund by the Company.

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

***M. D. PANDYA***

**Partner**

Membership no. 33184

MUMBAI

DATED: 29<sup>th</sup> May, 2015.

**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.**

**Annexure to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditor's Report to the Members of the Company on the financial statements for the year ended 31 March 2015, we report that:

- i 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. The Company have 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 paragraph 3(ii) of the order is not applicable.
- iii a The Company has granted loans of Rs. 4,50,00,000 to M/s Platinum Square Pvt Ltd during the year. According to information and explanation given to us, as regards the loan given by the company, there is no stipulation as regards repayment of principal
- iii b According to information and explanation given to us, there is no overdue amount in excess of Rs. 1 lakh in respect of loans granted to parties covered in register maintained under section 189 of the Companies Act, 2013.
- 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 In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit from public. Accordingly the provisions of Paragraph 3 (v) of the Order are not applicable to the Company.
- vi The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act. Accordingly the provisions of clause 3 (vi) of the Companies (Auditors Report) order 2015 are not applicable to the Company.
- vii a&b 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 230 to 240 of the

Companies Act, 2013, sanctioned by the Hon. Bombay High Court vide its order dated 10<sup>th</sup> September, 2009 and modified by its orders dated 6<sup>th</sup> January, 2010, 7<sup>th</sup> January, 2010 and 8th April 2010.

- vii c The company was not required to make contribution to the investor education and protection fund. Accordingly the provisions of clause 3 (vii) (c ) of the Companies (Auditors Report) order 2015 are not applicable to the Company.
- viii. The Company has incurred cash loss and its accumulated losses at the end of the financial year was more than 50% of its net worth.
- ix. 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 230 to 240 of the Companies Act, 2013, sanctioned by the Hon. Bombay High Court vide its order dated 10<sup>th</sup> September, 2009 and modified by its orders dated 6<sup>th</sup> January, 2010, 7<sup>th</sup> January, 2010 and 8th April 2010.
- x. 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. In view of the above clause 3 (x) of the Companies (Auditors Report) order 2015 is not applicable.
- xi. According to information and explanation given to us, no new term loans were raised during the year.
- xii. Based on the audit procedures performed and information and explanation given to us, we report that 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: 29th May, 2015



# THE GAEKWAR MILLS LIMITED

## Balance Sheet as at 31st March, 2015

Amounts in Rupees(₹)

Particulars	Note No.	As At 31ST MARCH, 2015	As At 31ST MARCH, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	20,000,000	20,000,000
(b) Reserves and Surplus	3	(374,848,758)	(345,834,215)
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	396,084,470	350,000,000
(b) Long term provisions	5	7,308,495	7,308,495
<b>(3) Current Liabilities</b>			
(a) Other current liabilities	6	4,387,146	4,110,419
<b>Total</b>		52,931,353	35,584,699
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
<i>(a) Fixed assets</i>			
(i) Tangible assets	7	26,307	26,307
(ii) Capital work-in-progress	8	2,864,427	2,864,427
(b) Non-current investments	9	12,453	12,453
(c) Long Term Loans & Advances	10	-	7,800,000
<b>(2) Current assets</b>			
(a) Cash and Cash Equivalents	11	3,173,373	2,736,307
(b) Short-term loans and advances	12	46,854,793	22,145,205
<b>Total</b>		52,931,353	35,584,699

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: 29th May, 2015

# THE GAEKWAR MILLS LIMITED

## Profit and Loss statement for the year ended 31st March, 2015

Amounts in Rupees (₹)

Particulars	Note No.	For the Year ended 31st March 2015	For the Year ended 31st March 2014
I. Revenue from operations		-	-
II. Other Income	13	4,366,192	7,212,346
<b>III. Total Revenue (I +II)</b>		<b>4,366,192</b>	<b>7,212,346</b>
<i>IV. Expenses:</i>			
Financial costs	14	31,386,463	27,000,000
Other expenses	15	1,994,272	2,036,999
<b>Total Expenses</b>		<b>33,380,735</b>	<b>29,036,999</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	(29,014,543)	(21,824,653)
VI. Exceptional Items		-	-
VII. Profit before tax	(V-VI)	(29,014,543)	(21,824,653)
VIII. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
		-	-
IX. Profit(Loss) from the period from continuing operations	(VII-VIII)	(29,014,543)	(21,824,653)
X. Earning per equity share:			
(1) Basic		(145.07)	(109.12)
(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: 29th May, 2015

# THE GAEKWAR MILLS LIMITED

## **NOTES ON ACCOUNTS:**

### **NOTE 1:**

#### **SIGNIFICANT ACCOUNTING POLICIES :**

##### **a. BASIS OF ACCOUNTING :**

1.The financial statements has been prepared on mercantile basis of accounting in accordance with the historical cost convention and in compliance with mandatory accounting standards as notified in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of Companies Act, 2013.

##### **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**

	<b>Amounts in Rupees (₹)</b>			
	<b>2014-15</b>		<b>2013-2014</b>	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorized :</b>				
Equity Shares of Rs.100/- each	200,000	20,000,000	200,000	20,000,000
<b>Total</b>	<b>200,000</b>	<b>20,000,000</b>	<b>200,000</b>	<b>20,000,000</b>
<b>Issued , subscribed and paid-up:</b>				
Opening Balance	200,000	20,000,000	89,000	8,900,000
Add:1,11,000 Equity shares of Rs.100 each fully paid up (previous year 39,000 Equity Shares)	-	-	111,000	11,100,000
Closing Balance	<b>200,000</b>	<b>20,000,000</b>	<b>200,000</b>	<b>20,000,000</b>

#### **Details of shareholders of**

	<b>No. of shares</b>	<b>% Holding</b>	<b>No. of shares</b>	<b>% Holding</b>
<b>Equity Shareholding more than 5%</b>				
Homi Mehta & Sons Pvt Ltd	24,973	12.48	24,973	12.48
Platinum Square Pvt Ltd	75,000	37.50	75,000	37.50
Mukesh Babu Financial Services Limited	75,000	37.50	75,000	37.50
<b>Total</b>	<b>174,973</b>	<b>87.48</b>	<b>174,973</b>	<b>87.48</b>

# THE GAEKWAR MILLS LIMITED

	2014-15 Amount(`)	2013-14 Amount(₹)
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## NOTE 3- RESERVES AND SURPLUS

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

Opening Balance	(345,834,215)	(324,009,562)
Add: Current Period Profit	(29,014,543)	(21,824,653)
	(374,848,758)	(345,834,215)
Closing Balance	(374,848,758)	(345,834,215)
<b>Total</b>	<b>(374,848,758)</b>	<b>(345,834,215)</b>

## 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	50,000,000

Gratuity Payable to Workmen  
as per Order of High Court (see note no. 18)

	46,084,470	-
	396,084,470	350,000,000

## NOTE 5 -LONG-TERM PROVISIONS

Provision for Gratuity

	7,308,495	7,308,495
	7,308,495	7,308,495

## NOTE 6-OTHER CURRENT LIABILITIES

	4,387,146	4,110,419
	4,387,146	4,110,419

## NOTE 7 -FIXED ASSETS

### TANGIBLE ASSET

Land

	26,307	26,307
	26,307	26,307

## NOTE 8-CAPITAL WORK-IN-PROGRESS

Opening balance	2,864,427	2,202,627
Add: Additions during the year	-	661,800
Closing balance	2,864,427	2,864,427

## NOTE 9 : - NON-CURRENT INVESTMENT

### a. IN EQUITY SHARES(UNQUOTED)

300 ordinary shares of Zenith Securities &  
Investments Ltd of Rs.100 each fully paid

**Total**

	12,453	12,453
	12,453	12,453

## NOTE 10-LONG TERM LOANS AND ADVANCES

Advance to Contractors  
(Unsecured & considered good)

	-	7,800,000
	-	7,800,000

# THE GAEKWAR MILLS LIMITED

	<b>2014-15</b> <b>Amount(`)</b>	<b>2013-14</b> <b>Amount(₹)</b>
<b>NOTE 11-CASH AND CASH EQUIVALENTS</b>		
Cash on hand	24,375	975
Bank Balance with Scheduled Bank	3,148,998	2,735,332
	3,173,373	2,736,307
 <b>NOTE 12-SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured & considered good)		
Inter-Corporate Deposits	46,000,000	21,500,000
Interest Receivable	-	224,630
Tax paid in advance	854,793	420,575
	46,854,793	22,145,205
 <b>NOTE 13 - OTHER INCOME</b>		
Interest Receivable	4,342,192	4,205,753
Dividend Income	24,000	18,000
Miscellaneous Income	-	2,988,593
	4,366,192	7,212,346
 <b>NOTE 14-FINANCE CHARGES</b>		
Interest on Secured Debentures	31,364,384	27,000,000
Other Interest	22,079	-
	31,386,463	27,000,000
 <b>NOTE 15-OTHER EXPENSES</b>		
Professional fees	1,480,979	834,754
Land Revenue	129,136	129,261
Listing fees of BSE	112,360	16,854
Water charges	-	324,968
Advertisement Charges	26,770	550,679
Travelling & Conveyance	72,500	-
<u>Payment to Auditors:</u>		
As Auditor	34,326	33,708
Other Expenses	138,201	146,775
	1,994,272	2,036,999

## THE GAEKWAR MILLS LIMITED

### NOTE 16:

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

### NOTE 17:

#### 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 (up to 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. Interest on these Debentures for the year 2014/15 has been provided accordingly.

#### 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 charge holder 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

### NOTE 18:

The Scheme of Compromise/Arrangement sanctioned by Hon. Bombay High Court in 2009 had made provision for payment of Rs. 9.71 crores towards Gratuity liability of the workmen. The amount was deposited with the Mamlatdar, Gandevi. In spite of repeated publicity through press and television media, it was found that about 1134 workmen had not collected their dues even after a period of four years from 2009 to 2013. An application was made to the High Court in 2013 that the undisbursed funds should be returned to the Company on its undertaking to pay the claim of the workers, if made thereafter. The application was allowed by Hon. Justice Patel by an order dated 15th January 2014, read with order dated 24/01/2015. Consequent to this order, in September 2014, the Mamlatdar, Gandevi deposited with the Official Liquidator attached to the Bombay High Court, undisbursed amount aggregating to Rs. 4,60,84,470, . The Official Liquidator, in turn, has handed over the amount to the Company. No workmen have so far come forth to make a claim during the period October 2014 to March 2015.

### NOTE 19:

(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. 3.00 crores and issued cheques in favour of individual workmen aggregating to Rs. 6.71 crores, thus satisfying the claims entirely.

(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 and intimated 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 said 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 was disposed of by an order dated 13-01-2015, passed by the Hon. Supreme Court. In the said order Hon. Supreme Court granted 4 weeks to the workmen association to remove office objections in their appeal filed before The Division Bench Bombay High Court, which was earlier disposed of for non-removal of office objections, and further requested Bombay High Court to hear appeal of workmen within the frame work of law. The appeal is now listed for hearing on 29th June 2015. 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

## THE GAEKWAR MILLS LIMITED

### NOTE 20: RELATED PARTY DISCLOSURE:

A. Relationship:

I Key Management Personnel:

1. Mr. Homi Framroze Mehta - Chairman

II Other related parties where controls/ significant influence exist:

Platinum Square Private Limited - Strategic Investor

B. Details of transactions with related parties referred in (A) above during 2014-15 and balance outstanding as on 31st March 2015

	2014-15	2013-14
<b>Transactions during the period with Platinum Square Pvt Ltd</b>		
Amount placed as Inter-Corporate Deposit	46,000,000	-
Interest earned on Inter Corporate Deposit	2,256,164	-
Amount received on current account	695,000	1,981,762
Amount repaid on Current Account	1,000,000	4,600,000
<b>Outstanding as at end of period</b>		
Inter Corporate Deposit	46,000,000	-
Current Account	22,605	327,605

#### Note 21

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

#### Note 22

Earning per share has been computed with reference to losses of Rs.2,90,14,543/- and 2,00,000 equity shares (Previous Year Rs.14436979/- and 89000 equity shares) There is no diluted earnings per share as there are no diluted earning per share as there was 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

O.D. Purohit  
(Directors)

MUMBAI

DATED: 29th May, 2015

# THE GAEKWAR MILLS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	31.3.2015 Amount(₹)	31.3.2014 Amount(₹)	
<b><u>A. CASH FLOW FROM OPERATING ACTIVITIES :</u></b>			
Net Profit/(Loss) before tax and extra-ordinary items	(29,014,543)	(21,824,653)	
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	(29,014,543)	(21,824,653)	
<u>Adjustments for :</u>			
Increase/(Decrease) in Current Liabilities	276,727	(12,751,449)	
(Increase)/Decrease in Current Assets	-	(22,145,205)	
	276,727	(34,896,654)	
Net Cash from Operating activities	(28,737,816)	(56,721,307)	
<b><u>B. CASH FLOW FROM INVESTMENT ACTIVITIES</u></b>			
Sale of Investments	--	--	
Net Cash from Investing Activities	--	--	
<b><u>C. CASH FLOW FROM FINANCING ACTIVITIES :</u></b>			
Increase/(Decrease) in Loans & Advances	7,800,000		
Increase/(Decrease) in Long term borrowings	46,084,470	49,000,000	
(Increase)/Decrease in Fixed Assets	-	(661,800)	
Increase/(Decrease) in Share Capital	-	11,100,000	
(Increase)/Decrease in Inter-Corporate Loans	(24,709,588)		
Net Cash from Financing Activities	29,174,882	59,438,200	
Net cash increase in Cash and Cash equivalents	437,066	2,716,893	
Cash and Cash Equivalents (opening )	2,736,307	19,414	
Cash and Cash Equivalents (Closing )	3,173,373	2,736,307	

**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: 29th May 2015





**ATTENDANCE SLIP**

GAEKWAR MILLS LIMITED

CIN No. L17120MH1949PLC007731

Regd Office: Office No. 15, Ground Floor, Patil Building, 38 West, Sion (W), Mumbai-400022

Phone:.....Email id:.....web:.....

DP ID.*	Client ID*	Folio No.	No. of Share(s) held

\* Applicable for members who are holding shares in dematerialized form

I hereby record my presence at the 86<sup>th</sup> Annual General Meeting of the Company on 30<sup>th</sup> September 2015 at 11.00 a.m. at Matunga Gujarati Club, Nathalal Parekh Marg, Near King Circle, Matunga, Mumbai- 400019.

<b>Name of the Member(s)</b>	
<b>Signature of the Member</b>	
<b>Name of the Proxy</b>	
<b>Signature of the Proxy</b>	

*Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.*

**PROXY 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]

**GAEKWAR MILLS LIMITED**  
**CIN No. L17120MH1949PLC007731**  
**Regd Office: Office No. 15, Ground Floor, Patil Building, 38 West, Sion (W), Mumbai-400022**  
**Phone: 24018811 / 24018822 Email id:.....web: www.gaekwarmills.com**

Name of the Member:

<b>Name of the Member(s)</b>		
<b>Registered Address:</b>		
<b>Email-Id:</b>		
<b>CLIENT ID/Folio No.</b>		DP ID:

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

1. Name:.....Address:.....  
Email Id:.....,or failing him
2. Name:.....Address:.....  
Email Id:.....,or failing him
3. Name:.....Address:.....  
Email Id:.....,or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 86<sup>th</sup> Annual General Meeting of the company to be held on 30th September, 2015 at 11.00 a.m. at Matunga Gujarathi Club Ltd, Nathalal Parekh Marg, Near King Circle, Matunga, Mumbai-400019 or at any adjournment thereof in respect of such resolutions as are indicated below.

<b>Resolution No.</b>	<b>Resolutions</b>	<b>For</b>	<b>Against</b>
1	To consider and adopt the audited financial statements of the Company for the year ended March 31, 2015 together with the Reports of Directors and Auditor's thereon.		
2	Reappointment of Mr. Homi Framroze Mehta (DIN: 00105524) as a Director of the Company		
3	To Ratify the Auditors of the Company.		
4	Appointment of Ms. Shweta Bakul Parekh as a Director of the Company		
5	Alteration of Articles of Association		

Signed this. ....day of .....2015.

Signature of Shareholder:.....

Rs. 1/- Revenue Stamp
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Signature of the Proxy Holder(s) (1) .....(2).....(3).....

Note: The proxy form must be deposited at the Registered office of the company not less than 48 hours before the time of the holding the meeting. The proxy need not be a member of the company.