

Gangotri Textiles Limited

REGISTERED OFFICE :

No. 35, Robertson Road, R.S.Puram, Coimbatore – 641 002

26th ***Annual Report*** ***2014- 2015***

BOARD OF DIRECTORS

Sri. MANOJ KUMAR TIBREWAL
Managing Director

Sri. MOHANLAL TIBREWAL
Executive Director

Sri.N. VENKATESAN
(w.e.f. 12.11.2014)
Independent Director

Sri. R.P.JOSHUA
Nominee Director of Lender Banks

Sri. L.V. RAVINDRAKUMAR
Nominee Director of State Bank of Hyderabad
(up to 31.3.2015)

Sri. RAJANIKANTA NAIK
(w.e.f. 1.4.2015)
Nominee Director of State Bank of Hyderabad

Sri. P.T. KALAISELVAN
(w.e.f. 13.8.2014)
Nominee Director of Canara Bank

Sri. R.ELANGO
Nominee Director of United Bank of India Ltd

Smt. M.V. SURYAPRABHA
(w.e.f. 12.11.2014)
Independent Director
(Woman Director)

COMPANY SECRETARY

Sri. MAXIM JOSEPH

BANKERS

STATE BANK OF INDIA
STATE BANK OF HYDERABAD
STATE BANK OF TRAVANCORE
SYNDICATE BANK
UNITED BANK OF INDIA
CANARA BANK
IDBI BANK LTD
JM FINANCIAL ARC PVT. LTD.
EDELWEISS ARC LTD

REGISTERED OFFICE

No. 35, Robertson Road
R.S.Puram
Coimbatore – 641 002

**REGISTRAR AND SHARE
TRANSFER AGENTS**

M/S. S.K.D.C Consultants Ltd
Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road,
Ganapathy,
Coimbatore – 641 006

AUDITORS**M/S THAKKER & SANGHANI**

Chartered Accountants
59, Bharathi Park Main Road,
No.8, Saibaba Colony,
Coimbatore - 641 002

CONTENTS

Notice to Shareholders	2
Directors' Report	8
Management Discussion & Analysis Report	27
Corporate Governance Report	30
Auditor's Report	36
Accounts	40
Cash Flow Statement	56

NOTICE TO SHAREHOLDERS :

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the company will be held on **Wednesday, the 23rd day of September, 2015 at 3.30 p.m** at A.R. Patel Hall, Coimbatore, Sree Coimbatore Gujarat Samaj, 662, Mettupalayam Road, R.S Puram, Coimbatore - 641 002 to transact the following business :

AGENDA

ORDINARY BUSINESS :

1) To receive, consider and adopt the Directors' Report, Profit & Loss Account for the year ended 31st March, 2015 and the Balance Sheet as at that date and the Auditors' Report thereon.

2) To appoint Auditors for the Financial Year 2015-16 and fix their remuneration.

SPECIAL BUSINESS :

3. To consider and if deemed fit to pass with or without modification, the following resolution as an Ordinary Resolution.

RESOLVED that pursuant to Section 149, 152 and other applicable provisions if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV of the Companies Act, 2013 Sri. N.Venkatesan (DIN 07029257) a Director of the company, in respect of whom, the company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Sri. N.Venkatesan as a candidate for the office of Independent Director of the company, be and is hereby appointed as an Independent Director to hold office for a period of five years from the conclusion of this Annual General Meeting and he is not liable to retire by rotation.

4. To consider and if deemed fit to pass with or without modification, the following resolution as an Ordinary Resolution.

RESOLVED that pursuant to Section 149, 152 and other applicable provisions if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV of the Companies Act, 2013 Smt. M.V. Suryaprabha (DIN 05210644) a Director of the company, in respect of whom, the company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Smt. M.V. Suryaprabha a candidate for the office of Independent Director of the company, be and is hereby appointed as an Independent Director to hold office for a period of five years from the conclusion of this Annual General Meeting and she is not liable to retire by rotation.

5. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.

RESOLVED that in accordance with the provisions of Section 196, 197 198 & 199 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 as amended from time to time including any statutory modification or re-enactment thereof for the time being in force and subject to such consents, approvals and permission that may be necessary from time to time, consent of the company be and is hereby accorded for the appointment of Sri. Mohanlal Tibrewal as Executive Director of the Company for a period of five years with effect from 1-4-2016 to 31-3-2021 and the payment of remuneration to the said Executive Director for a period of three years with effect from 1-4-2016 to 31-3-2019 as recommended by the Nomination and Remuneration Committee as detailed hereunder.

REMUNERATION

a) Salary : 5 % on the Net Profit of the Company computed under the relevant provisions of the Companies Act, 2013.

b) Perquisites : The Executive Director shall not be entitled to any perquisites over and above the salary stated above.

Provision of Company's Car for the use of Company's business and Telephone facility at his residence will not be considered as perquisites. However, personal long distance calls shall be billed by the company to the Executive Director.

Minimum Remuneration

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of Sri. Mohanlal Tibrewal, Executive Director, the Company has no profit or the profits of the company are inadequate, the company will pay remuneration to Sri. Mohanlal Tibrewal, Executive Director equivalent to the ceiling amount prescribed in terms of Section II in Part II of Schedule V of the Companies Act, 2013 subject to maximum of Rs 75,000 per month.

The Executive Director during the tenure of his office as Executive Director shall not be liable to retire by rotation.

EXPLANATORS STATEMENT IN TERMS OF SECTION 102 OF THE COMPANIES ACT, 2013

Subject to No.3 of the Agenda

Sri.N.Venkatesan is a practicing Chartered Accountant having vast experience in the field of Accounting and Taxation. He is also the Internal Auditor for the Karunya University, Coimbatore. He was co-opted as an additional Director in the Board Meeting held on 12-11-2014.

The Company has received a nomination under Section 160 of the Companies Act, 2013 from a Member of the company with requisite deposit signifying his intention to propose the appointment of Sri. N.Venkatesan as an Independent Director. Sri. N.Venkatesan will hold office for a period of five years from the conclusion of this Annual General Meeting.

In the opinion of the Board of Directors Sri. N.Venkatesan fulfills the conditions specified in the Act and Rules made thereunder and he is independent of the management.

None of the Directors, Key Managerial Personnel or their relatives other than Sri. N.Venkatesan is concerned or interested in the resolution.

Subject No 4 of the Agenda

Smt. M.V.Suryaprabha is a practicing Advocate having vast experience in the field of Law. She was co-opted as an additional Director in the Board Meeting held on 12-11-2014.

The Company has received a nomination under Section 160 of the Companies Act, 2013 from a Member of the company with requisite deposit signifying his intention to propose the appointment of Smt. M.V.Suryaprabha as an Independent Director. Smt. M.V.Suryaprabha will hold office for a period of five years from the conclusion of this Annual General Meeting.

In the opinion of the Board of Directors Smt. Suryaprabha fulfills the conditions specified in the Act and Rules made thereunder and she is independent of the management.

None of the Directors, Key Managerial Personnel or their relatives other than Smt. M.V.Suryaprabha is concerned or interested in the resolution.

Subject No 5 of the Agenda

The appointment of Sri. Mohanlal Tibrewal, as Executive Director was approved by the shareholders in the 22nd Annual General Meeting of the company and his present term comes to an end on 31-3-2016. Considering his involvement in the day-to-day affairs of the company, the

Board of Directors in their meeting held on 28-5-2015 have decided to re-appoint Sri. Mohanlal Tibrewal as Executive Director for a further period of five years with effect from 1-4-2016 to 31-3-2021.

The Board also referred the remuneration payable to Sri. Mohanlal Tibrewal, Executive Director to the Nomination and Remuneration Committee as required by the provisions of the Companies Act, 2013. The Nomination and Remuneration Committee after considering the various aspects which it is expected to consider, has recommended the remuneration payable to Sri. Mohanlal Tibrewal, Executive Director for the a period of three years with effect from 1-4-2016 to 31-3-2019 as stated in the body of the resolution

The Board is now placing the resolution for the appointment of Sri. Mohanlal Tibrewal as Executive Director of the Company for a period of five years with effect from 1-4-2016 to 31-3-2021 and payment of remuneration to him for the first three years with effect from 1-4-2016 to 31-3-2019 as recommended by the Nomination and Remuneration Committee.

Minimum Remuneration

The resolution also provides for the payment of minimum remuneration to the Managing Director in case of absence or inadequacy of profit in any Financial year. The minimum remuneration has been stipulated as the amount fixed as a ceiling prescribed in Section II in Part II of Schedule VI of the Companies Act, 2013 subject to maximum of Rs 75,000 per month.

Sri. Mohanlal Tibrewal, Executive Director is holding 2000 Equity Shares in the Company is interested in the resolution. None of the other Directors or Key Managerial Personnel or their relatives is interested or concerned in the resolution. Sri. Manoj Kumar Tibrewal may also be interested in the subject matter of the resolution since he is the younger brother of Sri. Mohanlal Tibrewal.

STATEMENT AS REQUIRED UNDER SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 FOR THE APPOINTMENT OF SRI. MOHANLAL TIBREWAL.

1. GENERAL INFORMATION

a) Nature of Industry :

The Company is engaged in the manufacture of Cotton Yarn and Ready Made Garments.

b) Date or expected date of commencement of commercial production:

The company had commenced its commercial production on 24-7-1989.

c) In case new companies, expected date of commencement of activities:

Does not arise.

d) Financial performance based on given indicators:

The company has effected Yarn turnover of Rs. 43.16 crores as against a turnover of Rs 45.93 crores previous year. Similarly, the Company has effected Garments turnover of Rs. 23.04 crores as against a turnover of Rs 19.22 crores previous year.

e) Foreign Investment or collaborators if any : Nil.

II. INFORMATION ABOUT THE APPOINTEE – SRI. MOHANLAL TIBREWAL

a) Background details.

Sri. Mohanlal Tibrewal is the Promoter of the Company. He has been associated with the company right from the inception. He has been looking after the day-to day affairs of the company.

b) Past remuneration :

Salary	=	9,00,000
Commission	=	—
Perquisites	=	—
		<hr/>
Total		9,00,000
		<hr/>

c) Job profile:

Sri. Mohanlal Tibrewal will function as an Executive Director looking after the day-to-day affairs of the company under the guidance, superintendence and control of the Board of Directors of the Company.

d) Remuneration proposed:

Salary	=	9,00,000
Commission	=	—
Perquisites	=	—
		<hr/>
Total		9,00,000
		<hr/>

In the case absence or inadequacy of profits, the remuneration as detailed above shall be paid as Minimum Remuneration.

e) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

The remuneration proposed to the appointee is comparable with the remuneration with respect to industry, size of the company and financial position.

f) Pecuniary relationship directly or indirectly with the company, or relationship with the Key Managerial Personnel if any :

Sri. Mohanlal Tibrewal is holding 2000 Equity Shares in the company and no other Pecuniary relationship directly or indirectly with the company, or relationship with the Key Managerial Personnel.

III. OTHER INFORMATION:

a) Reason for the loss or inadequacy of profits :

Shortage of Working Capital facility provided by the Bank and the overall recession prevailed in the Textile Industry are the main reason for the loss of the company.

b) Steps taken or proposed to be taken for the improvement of the company.

The Company has been negotiating with the Banks for an One Time Settlement (OTS) keeping one or more viable units with the company. Once the OTS is finalized, the company is hoping to be back in the forward trend.

NOTE :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member.

2. Proxies must be received at the Registered Office of the Company not later than 48 hours before the commencement of the meeting

3. The Register of Members and Share Transfer Books of the company will remain closed from Monday the 14th day of September 2015 to Wednesday, the 23rd day of September, 2015 (both the days inclusive) for the purpose of Annual General Meeting.

4. Share Transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Share Transfer Agents of the Company.

5. Members who hold shares in physical form are requested to notify immediately any change in their address to the Registrar and Share Transfer Agents of the Company.

Similarly, members holding shares in Demat Form shall intimate the change of address, if any, to the respective Depository Participants. (DP)

6. During the financial year 2014-15, unclaimed dividend of Rs 1,64,296/- declared for the financial year 2006-07 has been transferred to the Investors' Education & Protection Fund on 20-11-2014.

7. Electronic copy of the Annual Report 2015 is being sent to all the Members whose email ID is registered with the Company / Registrar & Share Transfer Agents for communication purpose unless any Member has requested for a Hard Copy of the same. For Members who have not registered their email address, physical copy of the Annual Report is being sent in the permitted mode.

8. Voting through Electronic Means

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to provide Members facility to exercise their right to vote at the 26th Annual General Meeting by electronic means and the business may be transacted through e-Voting services provided by **Central Depository Services (India) Ltd (CDSL)**

In terms of Clause 35 -B of the Listing Agreement, in order to enable its Members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Ballot form is annexed. A Member desiring to vote by Post shall complete the enclosed Ballot Form with assent for) or dissent (against) and send to Sri. B.Krishnamoorthy, Chartered Accountant, "Kanapathy Towers" 3rd Floor, No 1391 / A-1, Sathy Road, Ganapathy,

Coimbatore - 641 006 who has been appointed as the "Scrutinizer" so as to reach him on or before **5.00 p.m on 22-9-2015**. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received. Kindly note that Members can opt for only one mode of voting ie either by Ballot or through e-voting. If Members are opting for e-voting, then do not vote by Ballot or vice-versa. Ballot / Polling Paper will **also** be available at the venue of the meeting and Members attending the meeting who have not already cast their vote **either by remote e-voting or by ballot Form through Post** shall be able to exercise their right at the meeting in terms of the Notification dated 19-3-2015 issued by the Ministry of Corporate Affairs.

However, in case of Members casting their vote both by Postal Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Ballot will be treated as invalid.

The instruction for e-voting electronically are as under.

A. In case a Member receiving :

i) Log on to the e-voting website <http://www.evotingindia.co.in>

ii) Click on " shareholders" tab.

iii) 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.

Next enter the image Verification as displayed and click on Login.

v) If you are holding shares in demat form and had logged on to <http://www.evotingindia.co.in> and casted your vote for any company , then your existing password is to be used.

vi) If you are a first time user, follow the steps given below.

For Members holding shares in demat form and physical

For Members holding shares in demat form and physical form	
PAN	Enter your 10 digits alpha -numeric PAN issued by the Income Tax Department. (Applicable for both Demat shareholders as well as Physical shareholders) # Members who have not updated their PAN with the company / Depository Participant are requested to use the first two letters of their name and last 8 digits of the demat account / folio number in the PAN field. # In case the folio 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 folio number 100, then enter RA00000100 the PAN Field.
Date of Birth	Enter the date of birth as recorded in your demat account in dd/mm/yyyy format.
Dividend Bank details	Enter the dividend bank details as recorded in your demat account of the company, please enter the Member Id / folio number in the dividend bank details
Please enter the DOB or Dividend Bank Details in order to login.	

form PAN Enter your 10 digits alpha -numeric PAN issued by the Income Tax Department. (Applicable for both Demat shareholders as well as Physical shareholders# Members who have not updated their PAN with the company / Depository Participant are requested to use the first two letters of their name and last 8 digits of the demat account / folio number in the PAN field.# In case the folio 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 folio number 100, then enter RA00000100 the PAN Field. Date of Birth Enter the date of birth as recorded in your demat account in dd/mm/yyyy format.

Dividend Bank details

Enter the dividend bank details as recorded in your demat account or in the company records. Please enter the Member Id / folio number in the dividend bank details, if the details are not recorded with the Depository or Company.

Please enter the DOB or Dividend Bank Details in order to login.

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

(viii) Members holding shares in physical form will then reach directly the "Gangotri Textiles Limited" 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.

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

(x) Click on the relevant EVSN – Gangotri Textiles Limited on which you choose to vote.

(xi) 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.

(xii) Click on the "RESOLUTIONSFILE LINK" if you wish to view the entire Resolution details.

(xiii)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.

(xiv)Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

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

(XVI) Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

a) Institutional shareholders (i.e., other than Individuals, HUF, NRI, etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

1) They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

1) After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(B) In case of members receiving the physical copy:

i) Please follow all steps from Sl. No. (i) to Sl. No. (xvi) above to cast vote.

ii) **The voting period begins on Saturday, 19th September 2015 at 9.00 A:M and ends on Tuesday 22nd September 2015 at 5.00 P:M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Wednesday 16th September 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**

iii) 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 <http://www.evotingindia.co.in> under help section or write an email to helpdesk.evoting@cdslindia.com.

(C) In case of members desiring to exercise vote by Ballot Form through Post:

A Member desiring to exercise vote by Ballot should complete the Ballot Form and send it to the Scrutinizer **by Post**. Members are requested to read the instructions contained on the reverse of the Ballot Form and follow the same.

II. The voting rights of shareholders shall be in proportion to their shares of the paid up Equity share capital of the Company as on the cut-off date ie on Wednesday the 16th day of September, 2015.

III. Mr. Mr. B. Krishnamoorthi Chartered Accountant, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process Ballot in a fair and transparent manner.

IV. The Scrutinizer shall after the completion of polling at AGM, unblock the e-votes in the presence of at least two (2) Witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman.

V. The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's Website www.gangotritextiles.com within two (2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the Stock Exchanges where the Company's shares are listed.

The particulars of Directors seeking appointment / re-appointment pursuant to clause 49 of the Listing Agreement are furnished hereunder.

Name of the Director	Sri. N. Venkatesan	Smt. M.V. Suryaprabha
Date of Appointment	12.11.2014	12.11.2014
Expertise in specific functional Areas	He is a practising Chartered Accountant having vast experience in the field of accounting and taxation. He is also the Internal Auditor for the Karunya University	She is a practicing Advocate having vast experience in the field of law.
List of other Directorship held	Nil	Nil
Chairman / Member of Committee of other companies in which he is a Director	Nil	Nil

By Order of the Board
For **GANGOTRI TEXTILES LIMITED**

MANOJ KUMAR TIBREWAL
MANAGING DIRECTOR

Coimbatore
28-5-2015

DIRECTORS' REPORT TO SHAREHOLDERS

Ladies and Gentlemen,

Your Directors present the 26th Annual Report of the Company along with the audited statement of accounts for the year ended 31st March 2015.

FINANCIAL RESULTS

(in Rs)

PARTICULARS	31.03.2015	31.03.2014
Sales Turnover	74,35,46,393	80,84,14,576
Profit/Loss before interest, depreciation and tax	(7,69,99,024)	(3,48,25,087)
Less: Interest	26,58,10,220	27,92,70,128
Depreciation	23,32,89,607	17,53,73,826
Extraordinary Items	97,88,309	5,77,88,023
Net Profit / loss for the year before Tax	(43,18,89,112)	(54,72,57,064)

PERFORMANCE

During the year under review, the performance of the company was below possible level due to insufficient Working Capital facility and the overall recession prevailed in the Textile Industry.

With the limited resources available, the company found it extremely difficult to run all the units. At the same time it was felt not advisable to close one or more Units and the assets are to be maintained in a good condition atleast to get a good price for that matter.

DEBT RECOVERY TRIBUNAL :

M/s State Bank of India, Stressed Asset Management Branch, Coimbatore as the leader of the consortium banks have filed Original Application in the Debt Recovery Tribunal, Coimbatore for the recovery of the outstanding dues of Rs. 353,38,13,295/- as on 1-3-2013. This outstanding amount is exclusive of the dues to IDBI.. The matter is sub-judice. In the meantime the Lenders have initiated action for the recovery of the dues under SARFAESI Act. The company has filed appeal against the Original Application filed by M/s State Bank of India and challenging the action of the Lenders and the matter is sub-judice.

DIVIDEND

In view of the huge loss incurred by the company during the year, the Directors are not in a position to recommend any dividend for the financial year ended 31st March, 2015.

FINANCE

The total outstanding dues to the consortium of Lenders as on 31-3-2015 including interest accrued is Rs 365,17,98,258 / - .During the previous year the company has requested the Lenders to defer the sale of remaining two Wind Mills since the disposal of Windmills would directly affect the operations of the remaining units including the garment production.. This would result in loss of production as well as under utilization of manpower. Sale of Windmill should not be seen in isolation and instead it should be seen as a facilitator of for running the other units. However , the Lenders have sold the remaining two Wind Mills on 6-11-2014 for a total consideration of Rs 13,63,00,000 /-. This will have serious impact on the working of the company and the full impact will be felt in the coming years.

The company is taking all possible effort to keep all the units running so as to get maximum value while disposing the same for the re-payment of Bank Loans.

During the year under review, the company has been served with a Show Cause Notice dated 12-1-2015 from M/s Canara Bank deciding to include the name of the Company as a Wilful Defaulter and the company has replied suitably to Canara Bank. The company has also been served with a Show Cause Notice dated 24-4-2015 from State Bank of India, Stressed Asset Management Branch

deciding to include the name of the Company as a Wilful Defaulter and the company has requested them to refer the issue to the Redressal Committee for submission of objections.

Since the Lenders started taking various steps including release of E-Auction Notices, the Company as stated elsewhere was forced to resort to seeking remedies through legal avenues. However, the intention of the company was (or for that matter is) not to find out solutions for its heavy debt problem in the corridor of Courts. They have taken symbolic possession of all the Units and in fact taken physical possession of the Weaving & Processing Unit (Unit 8) and Wet Processing Unit (Unit- 6) at Perundurai on 21-5-2015 and also the Ring Spinning Unit (Unit-4 & 9) at Udamalpet on 3-6-2015 . They are also trying to sell the Units through E-auction route and notices have been issued in this connection and the auction were held on 22-12-2013, 9-3-2014, 13-9-2014, 12-12-2014, we understand that some of the units have been sold in the auction. Parallely the Company has offered several One Time Settlement proposal (OTS) and the some have been rejected by the bank. The company is still negotiating with the banks for the one time settlement.

In the process of implementation of the SARFAESI ACT, the Lenders have recovered a sum of Rs 40,47,22,930/- by selling the assets consisting of three vacant lands and five Wind Mills and also by way of retention from every collection which comes to Rs 13,61,95,530/- upto 31-3-2015. Lenders have imposed daily retention without regard to the working capital requirement of the company forcing the company to close its unit requirement one after another.

DEPOSITS

The company is not accepting Fixed Deposits. The relevant provisions of Section 73 of the Companies Act, 2013 in this regard to deposits wherever applicable have been duly complied with.

CORPORATE GOVERNANCE

A separate Report on the Corporate Governance is enclosed as part of this Annual Report. The Auditors of the Company have also given their certificate relating to compliance of Corporate Governance and this report is annexed to the report of Corporate Governance as is required by the Listing Agreement.

LISTINGS

The company's shares are listed both in National Stock Exchange of India Ltd and Mumbai Stock Exchange Ltd. The company has paid listing fee to both the exchanges. The company has already applied for de-listing of its equity shares to Calcutta Stock Exchange Association Ltd and Coimbatore Stock Exchange Ltd. Though all the formalities have been completed and reminders have been sent, reply from these two stock exchanges are awaited. However no listing fee has been paid to these two stock exchanges.

2. Extracts of the Annual Return.

As per the requirements of provisions of the Companies Act, 2013, the extract of the Annual Return in the prescribed Form MGT-9 is annexed hereto as Annexure 1 forming part of this report.

3.Number of Meetings of the Board.

Details of number of meetings of Board of Directors and Committees thereof and the attendance of the Directors in such meetings are provided in the Corporate Governance Report attached elsewhere in the Annual Report.

4.Directors

A) Appointment

Sri. N.Venkatesan was appointed as an Independent Director of the company in the Board Meeting held on 12-11-2014. He is a practicing Chartered Accountant. He is also the Internal Auditor for the Karunya University, Coimbatore. He has submitted necessary declaration as provided under the Clause (7) of Section 152 of the Companies Act, 2013.

Smt. M.V.Suryaprabha was appointed as an Independent Director of the company in the Board Meeting held on 12-11-2014. She has been appointed as a Woman Director to comply with the provision of Rule 3 of The Companies (Appointment and Qualification of Directors) Rule, 2014. She is a practicing Advocate. She has submitted necessary declaration as provided under the Clause (7) of Section 152 of the Companies Act, 2013.

B) Resignation

Sri. R.Dhandapani was appointed as an Independent Director in the Board Meeting held on 13-8-2014 and subsequently resigned on 8-9-2014 due to his personal reasons. Necessary returns in respect of his appointment as well as his resignation were filed with the Registrar of Companies, Coimbatore.

M/s Canara Bank have withdrawn the nomination of Sri. P.Venugopal from the Board of the company on 13-8-2014 and in his place have nominated Sri. P.T. Kalaiselvan with effect from 13-8-2014.

M/s State Bank of Hyderabad have withdrawn the nomination of Sri. L.V.Ravindra Kumar from the Board of the company on 31-3-2015 and in his place have nominated Sri. Rajanikanta Naik with effect from 1-4-2015

M/s IDBI Bank Ltd have withdrawn the nomination of Sri. G.V.Chandra Bhaskar from the Board of the Company with effect from 31-1-2015 and have not appointed anybody in his place.

5. Directors' Responsibility Statement.

In terms of the requirement of Section 134 (3) (c) of the Companies Act, 2013, the Directors hereby confirm:

1) that in the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures

2) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the accounting year namely March 31, 2015 and of the profit / loss of the Company for that period.

3) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4) that the Directors have prepared the Annual Accounts on a going concern basis.

5) the Directors have laid down internal financial controls

to be followed by the company and such internal financial controls are adequate

6 the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and are operating effectively.

6. Nomination and Remuneration Committee and Policy.

As per the requirements of the provisions of the Companies Act, 2013, a Nomination & Remuneration Committee was formed by the Board of Directors consisting of

- 1.Sri. N. Venkatesan-Chairman (Non-Executive-Independent)
- 2.Smt. M.V.Suryaprabha-Member (Non-Executive-Independent)
- 3.Sri. R.P.Joshua Member (Non-Executive-Independent)

The said committee has been empowered and authorized to exercise the power as entrusted under the provisions of Section 178 of the Companies Act, 2013. The Company has a policy on Directors' appointment and remuneration including criteria for determining qualification, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013 .The Nomination and Remuneration policy is annexed herewith as Annexure 2.

7. Declaration by Independent Directors

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149 (6) of the Companies Act, 2013 so as to qualify themselves to be appointed / continued as Independent Directors under the provisions of the Companies Act, 2013 and the relevant Rules thereunder.

8. Explanation & Comments

The reports of Statutory Auditors appearing elsewhere in the Annual Report and that of the Secretarial Auditors (annexed hereto as Annexure 3) are self-explanatory the qualification / Observation of the statutory Auditors reported elsewhere in the Independent Auditors Report.

9. Particulars of Loans / Guarantee / Investments

Details of Loans / Advances / Investments as per the provisions of Section 186 of the Companies Act, 2013 is given under Notes to Financial Statements.

10. Particulars of Contracts with Related Party

All the transactions of the company with related parties are at arm's length and have taken place in the ordinary course of business. Provisions of Section 188 of the Companies Act, 2013 is not applicable.

11. Material Changes

There is no material changes or commitments after closure of the financial year till the date of this report.

12. Auditors

a) Statutory Auditors

M/s.Thakker & Sanghani, Chartered Accountants, retire at the ensuing Annual General Meeting and they have given necessary certificate in terms of provisions under the Companies Act, 2013. They are entitled to be re-appointed. They have consented and confirmed their eligibility and desire to continue as Statutory Auditors of the Company.

b) Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules 2014, the Directors on the recommendation of the Audit Committee have appointed Sri. N. Krishnan , Practising Cost Accountant as the Cost Auditor of the Company for the financial year 2015-16.

c) Secretarial Auditor.

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 , the Company has appointed Mrs. V.M.Vennila , a Practising Company Secretary to undertake the Secretarial Audit of the Company for the financial year 2014-15

13. Audit Committee

In pursuance of the applicable provisions of Section 177 of the Companies Act, 2013 a committee of Directors consisting of three Directors has been constituted as Audit Committee. The Directors who are the members of this committee are

- 1) Sri. N.Venkatesan - Independent Director - Chairman
- 2) Sri. R.P.Joshua - Nominee Director - Member
- 3) Smt. Suryaprabha - Independent Director - Member

The Company Secretary shall act as the Secretary of the Audit Committee as well.

The Board has accepted the recommendations of the committee and there were no incidences of deviation from such recommendations during the financial year under review.

The company has devised a Vigil Mechanism in the form of a Whistle Blower Policy in pursuance of the provisions of Section 177 (10) of the Companies Act, 2013 . During the year under review, there were no complaints received under this mechanism. The whistle Blower Policy is uploaded in the company's website.

14. Stakeholders Relationship Committee

In pursuance of the applicable provisions of Section 178 (5) of the Companies Act, 2013 a committee of Directors consisting of three Directors has been constituted as Stakeholders Relationship Committee. The Directors who are the members of this committee are

- 1) Sri. N.Venkatesan - Independent Director
- 2) Sri. Manoj Kumar Tibrewal - Managing Director
- 3) Sri. Mohanlal Tibrewal - Executive Director

15. Corporate Social Responsibility Committee

In terms of the provisions of Section 135 of the Companies Act, 2013, a Corporate Social Responsibility Committee is to be constituted for the purpose of implementing the Corporate Social Responsibility. As on date, the Company does not come under the category of Companies who have to implement this scheme.

16. Disclosure under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act , 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act , 2013. In this connection the company has set up Internal Complaints Committee (ICC) to redress the complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed off during the year 2014- 15.

No of complaints received	: Nil
No of complaints redressed	: Nil

17. Industrial Relations

Industrial relations continues to be cordial and the Directors appreciate the co-operation extended by the employees at all levels.

18. Energy Consumption

Energy consumption particulars as required under Rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rule 1988 are given in the Annexure attached.

19. Technology Absorption

Technology absorption particulars as required under Rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rule 1988 are given in the Annexure attached.

20. Foreign Exchange Earnings and Outgo.

Total Foreign Exchange used and earned is NIL during the year under review.

21. Evaluation of Board's Performance

On the advise of the Board of Directors, the Nomination and Remuneration Committee, the company have formulated the criteria for the evaluation of the performance of Board of Directors , Independent Directors, Non-Independent Directors and the Chairman of the Board. Based on that performance, evaluation has been undertaken. The Independent Directors have also convened a separate meeting for this purpose. All the results and the evaluation has been communicated to the Chairman of the Board of Directors. All the Directors of the Board are familiar with the business of the company.

22. General

There are no employees falling under Section 217 (2A) of the Companies Act, 1956. The information pursuant to the Company (disclosure to particulars in the report of Board of Directors) Rules 1988 to the extent applicable is attached.

23. Matters as may be prescribed

As per Rule 8(5) of the Companies (Accounts) Rule, 2014 the following additional information are provided.

- 1 The financial summary or highlights The financial highlights is provided in this report.
- 2 The change in the nature of business if any There is no change in the business line of the company.
- 3 The details of Directors or Key Managerial Personnel who were appointed or have resigned during the year. There is no change in the Key Managerial Personnel. However the change in the directorship has been mentioned in point No 4 of this report.

- 4 The names of companies which have become or ceased to be subsidiaries, joint ventures, or associate companies during the year : None
- 5 The details relating to deposits covered under Chapter V of the Act : The Company has not accepted deposits.
- 6 The details of deposits which are not in compliance with the requirements of Chapter V of the Act : Not Applicable.
- 7 The details of significant and material orders passed by the Regulators or Court or Tribunals impacting the going concern status and company's operation in future As on the financial year ended 31st March, 2015 or as on the date of this report, there is no such orders.
- 8 The details in respect of adequacy of Internal Control with reference to financial statements. Procedures are set out so as to detect and prevent frauds. The financial statements are prepared in accordance with the Accounting Standards issued by ICAI.

22. Acknowledgement.

Your Directors wish to thank and record their appreciation to all the Bankers of the Company for their valuable financial support extended to the Company as also for the valuable advice and guidance given by them. Your Directors also wish to thank the suppliers and all others who have extended their valuable support during times of turbulence. Last but not the least, your Directors express their heartfelt thanks for the employees at all levels who have stood by the Company in these testing times.

By Order of the Board
For **GANGOTRI TEXTILES LIMITED**

MANOJ KUMAR TIBREWAL
MANAGING DIRECTOR

MOHANLAL TIBREWAL
EXECUTIVE DIRECTOR

Colombatore
28-5-2015

ANNEXURE TO THE DIRECTORS' REPORT

Information pursuant to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988

FORM A

(See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

		CURRENT YEAR 2014 - 2015	PREVIOUS YEAR 2013 - 2014
A)	Power and Fuel Consumption		
1	Electricity		
a)	Purchased Unit (KWH)	1,48,07,863	2,03,18,876
	Total Amount (in Rs.)	10,84,90,672	14,68,03,470
	Rate/Unit (Rs.)	7.33	7.22
b)	Own Generation		
	Through Diesel Generator- Cotton Yarn		
	Unit(KWH)	11,190	2,36,745
	Units/Ltr of Diesel of Oil	3.08	3.48
	Cost/Unit	19.50	16.40
b)	Own Generation		
	Through Diesel Generator- Fabrics		
	Unit(KWH)	-	17,710
	Units/Ltr of Diesel of Oil	-	2.75
	Cost/Unit	-	21.24
d)	Own Generation		
	Through Diesel Generator- Garments		
	Units	9,311	16,892
	Units/Ltr of Diesel	2.64	3.11
	Cost/Unit	23.31	17.47
e)	Own Generation through power Plant (Cotton Yarn)		
	Units	-	-
	Units/Ltr Furnance Oil	-	-
	Cost/Unit	-	-
f)	Own Generation thro Windmill		
	Units	49,89,560	62,09,176
	Cost/Unit	5.27	4.34
2	Fuel Consumption		
a)	Furnance Oil (Cotton Yarn)		
	Quantity (Kilo Litre)	-	-
	Total Cost (in Rs.)	-	-
	Average Rate	-	-
b)	Furnance Oil (Garments)		
	Quantity (Kilo Litre)	-	-
	Total Cost (in Rs.)	-	-
	Average Rate	-	-
B)	Consumption per unit of production standrads (if any)		
	Products- Cotton Yarn (Kgs) - Own production	45,24,708	51,02,841
	Products- Cotton Yarn (Kgs)- Job work production	31,48,650	43,11,626
	Consumption (units)	1.91	2.16
	Products- Garments (Kgs)	2,33,442	2,26,054
	Consumption (units)	0.77	1.06
	Products- Fabrics (Mtrs)	-	-
	Consumption (units)	-	-

FORM B
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

Research and Development (R & D)

- I. No research and development is pursued in-house. Whether presently we have members of SITRA.
- II. Benefits derived as a result of the above are,
 - (a) Improvement in production efficiency and product quality
 - (b) Higher market shares for company's product
 - (c) Effective realisation of indigenous technology
- III. Existing arrangements being comfortable for the company same may be continued for future operations as well.
- IV. There is no expenditure on R & D

Technology absorption, adoption and innovation

- (a) There is no technology development at spinning sector. Spinning technology developed by textile machinery sector alone adopted at the spinning sector.
- (b) Spinning technology developed by textile machinery sector and absorbed and adopted by the company has the positive effect on product improvement, cost reduction, product development and import substitution.
- (c) Indigenous technology alone used.

(In Rs.)

Foreign Exchange Earnings and Outgo	Current Year 2014 - 2015	Previous Year 2013 - 2014
1 Foreign exchange earned through Direct Export	-	-
2 Expenditure in Foreign Currency		
a. On Business Travel	-	-
b. On Capital Goods	-	-
c. On Stores & Spares	-	5,01,540
d. On Raw materials	-	-

By Order of the Board
For **GANGOTRI TEXTILES LIMITED**

MANOJ KUMAR TIBREWAL
Managing Director

MOHANLAL TIBREWAL
Executive Director

Coimbatore
28-5-2015

ANNEXURE 2

NOMINATION AND REMUNERATION POLICY

Gangotri Textiles Limited (The Company) believes in the fact that Human Resource Asset is one of the vital factors which determines the success and sustainability of an organization. A committed work force is an invaluable asset for an organization. To achieve this end in view, the company has framed this Nomination & Remuneration Policy.

The Nomination & Remuneration Policy. (The policy) of the company is designed to attract , motivate and retain manpower in a competitive market environment. The policy reflects the company's objectives for good Corporate Governance.

Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with Stock Exchanges also require the company to formulate a policy relating to the Nomination & Remuneration of the Board of Directors , Senior Management and Key Managerial Personnel. The responsibility of formulating a policy for the company is cast on the Nomination & Remuneration Committee of the Board of Directors of the Company.

Accordingly, Nomination & Remuneration Committee of the Board of Directors of the Company have formulated and recommended this policy to the Board and the same is approved by the Board of Directors of the company.

Guiding Principles

The Nomination & Remuneration Policy is guided by common reward framework and set of principles & objectives as envisaged under Section 178 of the Companies Act, 2013 and companies (Meetings of Board and its Powers) Rules, 2014 inter-alia principles pertaining to determining qualifications, positive attributes and independence of the Directors' integrity etc.

The Nomination & Remuneration Committee, while considering a remuneration package should keep in view a balance between a fixed pay and performance based viable pay reflecting a short and long term performance objectives and goals of the company .

The Nomination & Remuneration Committee should ensure that the remuneration package have a direct relationship with the key results areas and individual achievements and thereby strongly aligning with the interest of the company's stakeholders.

Scope of the policy

The scope of this policy is to

Guide the Board in matters relating to selection, appointment and removal of Directors, Senior Management Personnel and Key Managerial Personnel.

Determine criteria for evaluation of performance of Members of the Board.

Lay down guiding principles for remuneration payable to Executive Directors, Non-Executive Directors and Senior Management Personnel and Key Managerial Personnel

Determine the criteria for qualification, positive attributes and independence of Directors.

Devising criteria for Board diversity.

Develop succession plan for the Board Senior Management Personnel and Key Managerial Personnel

Definitions

1. Act : Act means the Companies Act, 2013 including Schedules annexed thereto and the Rules framed thereunder.

2. Board : Board means the Board of Directors of the Company.

3. Committee : Refers to the Nomination & Remuneration Committee of the Board of Directors.

4. Senior Management : Includes Executives of the company.

5. Key Managerial Personnel includes

- a) Chief Executive Officer or Managing Director or Manager
- b) Whole Time Director or Executive Director.

- c) Chief Financial Officer
- d) Company Secretary
- e) Such other Officer as may be prescribed by the Act.

Words and expressions used in this policy not specifically defined will have the same meaning assigned to them in the companies Act, 2013, Rules framed thereunder, Listing Agreement and the applicable SEBI Regulations.

1. Appointment Criteria and Qualifications

The Committee identifies persons with high educational qualification, rich experience and expertise, integrity, desirable personal traits & leadership qualities and recommend to the Board for appointment as Director, KMP or at Senior Management level. The appointee should possess appropriate skills, knowledge, experience in one or more fields of finance, accounts, audit, law, management, sales, marketing, administration, research, corporate governance, technical operation or other disciplines related to the Company's business. The Committee has the discretion to decide on the age, qualification, expertise and experience to be possessed by the appointee for the concerned position depending upon the circumstances of each case.

2. Managing Director / Executive Director

The company should appoint or re-appoint any person as Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment should be made earlier than one year before the expiry of the original term of appointment.

The company should appoint or continue the employment of any person as Managing Director or Executive Director who has attained the age of 21 years and not attain the age of 70 years, provided that the term of the person holding this position may be extended beyond the age of 70 years with the approval of shareholders by passing a Special Resolution. The explanatory statement annexed to the Notice for such motion should indicate the justification for extension of appointment beyond 70 years.

3. Non-Executive Independent Directors

An Independent Director could hold office for a term upto five consecutive years on the Board of a company and would be eligible for re-appointment on passing a Special Resolution by the company and the Board's Report should disclose the justification for such appointment.

No Independent Director should have office for more than two consecutive terms, but such Independent Director

would be eligible for appointment as Independent Director after the expiry of three years ceasing to be an Independent Director. Provided that an Independent Director should not, during the said period of three years be appointed in or be associated with the company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for five years is eligible for appointment for one more term of five years only, provided such appointment is approved by the shareholders by a Special Resolution.

At the time of appointment of an Independent Director it should be ensured that the number of Boards on which such Independent Director serves is restricted to seven Listed Companies as an Independent Director and three Listed Companies as an Independent Director in case such person is serving as Managing Director / Whole Time Director of a Listed Company or such other number as may be prescribed under the Act.

4. Non-Executive Non-Independent Directors :

The qualification criteria as stated above is applicable for the Non-Executive Non-Independent Directors also including Nominee Directors. However, such Directors are liable for retirement by rotation.

5. Senior Management Personnel and Key Managerial Personnel not covered above:

The Committee will fix and recommend the age, qualification and experience for persons to be appointed to the senior management positions depending upon the functional area where he/she is going to be appointed. Keeping in view of the specific requirement of the position to be filled up, the Committee would select the appointees in line with the recruitment policy of the Company and recommend to the Board for appointment.

6. Board Diversity :

The Committee should always review the constitution of the Board and recommend for reconstitution of the Board, whenever required, so as to ensure that the Board always consists of Members with diversified skill, knowledge, experience and expertise to meet the changing requirements of the Company's business. The Committee should always ensure a balanced Board, consisting of Members, each of them are experts in one or more functions of management.

7. Evaluation :

The Committee will devise suitable evaluation criteria and carry out evaluation of performance of every Director, KMP

and Senior Management Personnel every year. The evaluation criteria shall include measures to test the skill, competencies, diligence, leadership, attendance, commitment, counseling, loyalty and contribution.

8. Removal :

Where and Director, KMP or Senior Management Personnel attract any disqualification mentioned in the Act or under any other applicable Law, Rules and Regulations made thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules and Regulations.

9. Retirement :

The Non-Independent Non-Executive Directors are liable to retire by rotation as per the provisions of the Act. The KMPs and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing Employees' Retirement Policy of the Company. The Board will have the discretion to retain the Director (other than an Independent Director) KMP Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age if it is felt essential for the benefit of the company.

10. Succession:

The Committee should plan in advance and recommend constitution of Board of Directors, KMPs and Senior Management Personnel of the company in such a way that it consists of a combination of members of all age group so as to ensure smooth succession at all times.

Policy relating to the Remuneration

1. Remuneration of Executive Directors:

The remuneration / compensation / commission etc payable to the Managing Director and Executive Director / Whole Time Director should be determined by the committee and recommend to the Board for approval. The remuneration package to be recommended for the Managing Director and Executive Director / Whole Time Director should be in accordance with the provisions of Section 197 and Schedule V of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and subject to the approval of the shareholders of the company. Where the proposed remuneration is not in line with the said

provisions , it shall also be approved by the Central Government.

2. Fixed Pay:

The Managing Director and Executive Director / Whole Time Director are eligible for fixed monthly salary and perquisites as may be recommended by the Committee and approved by the Board. The break-up of the pay scale and quantum of perquisites including salary, house rent allowance, leave travel assistance, employer's contribution to P.F, Gratuity Fund, medical expenses, Club fees, company car with driver and telephone for official purpose etc shall be decided by the Board on the recommendation of the Committee and approved by the shareholders.

3. Variable Pay – Commission on Net Profits

In addition to the fixed salary and perquisites as stated above The Managing Director and Executive Director / Whole Time Director are also entitled to a variable pay viz commission on the Net Profits of the company at the rate recommended by the committee subject to the overall limits prescribed in the Act. On the recommendation of the Committee and at the absolute discretion of the Board of Directors the payment of variable pay may be made applicable to all or any of the Executive Directors and at different rates to different Executive Directors.

4. Minimum Remuneration

If, in any financial year, the company has no profits or its profits are inadequate, the Company should pay remuneration to its Managing Director and Whole Time Director / Executive Director in accordance with the provisions of Schedule V of the Companies Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 . If the minimum remuneration proposed is in excess of the said provisions, prior approval of the Central Government should be obtained.

5. Provision for Excess Remuneration

If the Managing Director and Whole Time Director / Executive Director draws or receives directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, or without the prior approval of the Central Government , where required he/ she shall refund such sums to the company and until such sum is refunded , hold it in trust for the company . The company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

6. Others

The company is not offering Sitting Fees , stock option scheme, severance fees or any other perquisites other than those stated above for the Managing Director and Whole Time Director / Executive Director

Remuneration of Non-Executive Directors

Non-Executive Directors' compensation include payment of a fixed amount as sitting fees for attending the meeting of the Board and Committees thereof and a commission on the Net Profits.

1. Sitting Fees:

The Non-Executive Directors both Independent and Non-Independent are entitled to receive remuneration by way of Sitting Fees for attending the meetings of the Board and sub-committees of the Board as may be recommended by the Committee and approved by the Board within the limits prescribed by the Central Government from time to time.

2. Commission :

The Non-Executive Directors are also entitled to a Commission on the net profits of the company at fixed amounts approved by the shareholders. The overall commission payable to all the Non-executive Directors should not exceed the limit of 1% of the net profits per annum as provided under Section 197 of the Act.

3. Reimbursement of Expenses :

The Company should reimburse to the Directors, all the traveling and other out of pocket expenses incurred by them in attending the Meetings of the Board, Meetings of Board Committees and the General Body meetings.

4. Stock Options :

The Company is not offering any stock option to the Non- executive Directors of the Company.

Remuneration for the Senior Management and KMPs not covered above.

The remuneration to the senior management personnel and KMPs not covered under the above categories are determined by the Management on the recommendation of the Committee. It includes monthly, quarterly and annual payments. The categories of such payment includes Basic salary, dearness allowance, house rent allowance, special allowance, additional special allowance, ad-hoc, conveyance reimbursement, annual leave travel assistance, leave encashment, contribution to provident fund and gratuity fund. The package also include, performance linked payments like annual ex-gratia, monthly profit sharing.

7. Directors and Officers Liability Insurance.

The Company should arrange for Directors' and Officers' liability Insurance policy to protect from the statutory liability if any of the Managing Director and Whole-time Director, Key Managerial Personnel and Senior Management Personnel. The premium payable on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance should be treated as part of the remuneration.

8. Deviation from the policy.

Deviation from any element of this policy in extra-ordinary circumstance, when deemed necessary in the interest of the Company by the Committee and on the recommendation of the Committee, may be accepted in specific cases by Board of Directors.

9. Amendments.

The policy is subject to change, if warranted consequent upon any change, modification amendment to the applicable to the applicable Act, Rules and Regulations.

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31-03-2015

(Pursuant to section 204 (1) of the Companies Act 2013 and rule No 9 of the Companies (Appointment and remuneration of Managerial personnel) Rules, 2014.)

To,
**The Members,
GANGOTRI TEXTILES LIMITED
COIMBATORE.**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s GANGOTRI Textiles Ltd. (herein after called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31-03-2015 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31-03-2015 according to the provisions of

- (i) The Companies Act, 2013 (the act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") :-

- (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 (Employee Stock option Scheme and Employee Stock purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The other laws that are applicable to the company are as follows**
 - (a) Income Tax Act, 1961
 - (b) The Sales Tax Act, 2012
 - (c) Central Excise Act, 1944
 - (d) Factories Act, 1948
 - (e) Industrial Dispute Act, 1948
 - (f) The Payment Of Wages Act, 1936
 - (g) The Minimum Wages Act, 1948
 - (h) Employees State Insurance Act, 1948

(i) Employees Provident Funds And Miscellaneous Provisions Act, 1952

(j) The Payment Of Bonus Act, 1965

(k) The Payment Of Gratuity Act, 1972

(l) The Maternity Benefit Act, 1961

(m) The Child Labour (Prohibition And Regulation) Act, 1986

(n) The Industrial Employment (Standing Order) Act, 1946

(o) The Employees Compensation Act, 1923

(p) The Apprentice Act, 1961

(q) Equal Remuneration Act, 1976

I have also examined compliance with the applicable clauses of the following:

(i) The Listing Agreements entered into by the Company with Calcutta Stock Exchange, National Stock Exchange and Bombay Stock Exchange, if applicable.

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

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

I 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.

I further report that the company has applied for delisting with Calcutta Stock Exchange.

I further report that it has been noted at the time of audit that

1. The following units are not in operation.

a. Unit VIII (weaving and processing) at Perundurai – Physical possession taken by SBI due to non payment of loan by the company

b. Unit VI (Garment Washing unit) at Perundurai – Physical possession taken by SBI due to non payment of loan by the company

c. Unit IV and IX (Spinning unit) at Udumalpet – Physical possession taken by SBI due to non payment of loan by the company

Note:

The Secretarial Standards issued by the Institute of Company Secretaries of India is applicable only from 01-07-2015 and as such it is not applicable for the Audit period from 01-04-2014 to 31-03-2015.

Place : Coimbatore

Date : 03.08.2015

Name: **V.M.Vennila**
Membership No: FCS 6740
C.P.No: 7425

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT :

There was no significant improvement in the Textile Industry and the recession continued during the year under review. Textile Industry in general and Garment Exporters in particular were facing serious challenges because of Worldwide recessionary trends and low unit value realization from overseas market. Power position has not also improved that much as far as the Industries consumption is concerned. The frequent fluctuation in the raw material costs and the economic slow down have hurt the textiles and garment sector, with the profitability of listed companies tumbling 33 % in the first three quarters of the financial year 2014-15 despite an initial pick-up in Exports due to Rupee depreciation. Hence the company could not achieve the expected level of performance.

The company has effected sales turnover of Rs 43.16 crores as against Rs 45.93 crores last year in respect of yarn and Rs 23.04 crores as against Rs 19.22 crores last year in respect of Ready made Garments.

OPERATION OF UNITS :

The workers of the Weaving & Processing Unit situated at Perundurai had gone for strike with effect from 24-1-2012 demanding the wage revision on the higher side and the unit is not working since then. The job work given to the Ring Spinning units (Unit 4 & Unit 9) was withdrawn and the said units were also not in operation since 24.01.2012. This has affected the volume of sales considerably during the year under review resulting in poor performance of the company. Only the two Open End Spinning Units in the State of Tamilnadu and one Open End Spinning Units in the State of Maharashtra and the Readymade Garments unit were in operation during the year under review.

OPPORTUNITIES AND THREATS

There is uneasiness that following the release of China's Cotton Policy, there will be pressure from Chinese buyers on Indian Spinners to further reduce price. Chinese buyers have lowered yarn buying rates following the strengthening of the Indian Rupee against U.S Dollars. China has reduced its cotton yarn import volumes from India which has put Indian Yarn exports under pressure. Due to less demand of fabric, the orders for yarn from the weavers were very low. Further bigger textile units were not able to compete the price in the market with the smaller units since they are offering very low price in the market. Though it may be affordable for them to offer low price in view of their overheads being low, bigger units cannot afford to sell for that price which has affected the off-take very badly.

The encouraging news for the Industries that Ministry of Power, Coal and Renewable Energy has assured that India will be power surplus in the year 2019 and this target would be achieved by a combination of measures such as putting up additional power generation capacity and adoption of stringent Energy conservation procedures. The World Bank has also recommended that Power Distribution Utilities in the Country must be freed from Government interference and their Management must be professionalized and the reforms in the Electricity Distribution Sector should be given top priority.

Labour scenario also continues to be on the discomfort side. There are many units which are being run on partial capacity for want of adequate skilled labour. The Government is considering a proposal to amend the Minimum Wages Act, 1948 and the case is going on in the labour Tribunal. Once the Minimum Wages Act is revised, then the labour cost will be substantially increased which shall affect the profitability of the company. The money market which was very liquid and easy in the past is witnessing continuous increase in the interest rates and the company being a heavy borrower, the interest charges have become one of the major elements.

FINANCIAL PERFORMANCE AND ANALYSIS

(in Rs.)

PARTICULARS	2014 - 2015	2013 - 2014	Change Increase (+) Decrease(-)	%
Turnover	74,35,46,393	80,84,14,576	-64,86,183	-8.02
Other Income	34,00,037	10,12,027	23,88,010	235.96
Gross Revenue	74,69,46,430	80,94,26,603	6,24,80,173	-7.72
PBIDT	6,36,29,370	-3,48,25,087	9,84,54,434	-282.71
Interest	29,32,16,756	27,92,70,128	1,39,46,628	4.99
PBDT	-22,95,87,386	-31,40,95,215	-9,42,96,138	-30.02
Depreciation	22,97,08,262	17,53,73,826	5,43,34,436	30.98
Impairment Assets	-	5,77,88,023	5,77,88,023	-100.00
Net Profit / Loss Before Tax	-45,92,95,648	-54,72,57,064	8,79,61,416	16.07

During the year under review, the Company has incurred loss amounting to Rs 49.93 crores.

SEGMENTWISE OR PRODUCTWISE PERFORMANCE

The Company continues to deal with in Yarn, Cloth and Garments. In so far as the yarn is concerned the position is fully explained. It is to be further added that during the year under review, due to under utilization of the Capacity, the overall performance of the company is not satisfactory

GARMENTS

The company's Garment Division has registered sales of Rs. 23.04 crores as against Rs.19.22 crores previous year. As stated earlier, there was a hit in the Apparel market during the year under review. In fact, even branded Readymade Garments are being sold in street corners and at the time of festivals, garments are being sold by weight rather than in numbers. This shows the amount of pressure and competitions that the company is facing in marketing its branded quality material. In spite of the fact stated above, the company was able to increase its sales slightly during the year under review.

The energy generated out of the two wind mills are captively consumed. These two wind mills were sold by the bankers in the e-auction.

OUTLOOK

With the recession likely to continue and in the backdrop of Global Economic and financial condition, the outlook for the Industry in general is not that much promising atleast in short term. Unless all the favorable factors like availability of raw material at an affordable cost, availability

of skilled labour at a reasonable cost, financial assistance at a lower rate of interest and above all, the improved power position come into existence, the question of survival of the industry will be a question mark..

FINANCE

In view of the heavy financial constraints, the Company could not repay the Term Loan and the Interest as well. The Company's Account has been classified as NPA (Non-performing Asset) and the Bankers have issued Notice under Section 13(2) of the SARFAESI Act on 4-12-2012 and an amended Notice on 4-4-2013. They have a filed the case in the Debt Recovery Tribunal (DRT) and the matter is sub-judice.

RISK AND CONCERNS

The risks that the Industry is facing and as a part of the Industry, the company is facing are identical. As has been stated they are a) non-availability of raw material at an affordable price b) non-availability of skilled labour c) high interest cost d) un-remunerative prices of yarn resulting in distress sales by many mills e) accumulating stock of yarn across the Country and above all f) un-scheduled and frequent power tripping .

The concern is regarding in what manner and when the situation could be got over and in what form and when

any support will be forthcoming from the Government. The sooner any one or more of these areas improve, that would be a big relief for the Industry.

Not only your company but also the whole industry is facing these problems with the added problem in case of our company with regard to finance due to loan burden. While in so far as setting right the financial situation, it can be achieved only by disposing the units as stated last year or infusion of funds by strategic investors.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY.

In order to ensure proper implementation of the Corporate Debt Restructuring Scheme, the Lenders have appointed concurrent Auditors who are at present available always and no transaction goes through without their prior approval.

The Company has appointed an Internal Auditor also, in addition to the concurrent Auditors appointed by the Lenders and he audits the adequacy and the effectiveness of the internal controls prescribed by the Management and wherever necessary suggests improvements.

The Audit Committee of the Board of Directors periodically review the financial positions, audit plans, internal audit reports adequacy of internal controls and risk management.

HUMAN RESOURCES

The industry as a whole as well as the Company is not able to get adequate hands. We are trying to get personnel from outside, give them training and retain them. Various incentives comparable to units in the region being offered to retain capable hands. Efforts are being taken to make a culture of competency, self-motivation and total involvement as corner stone of all work force related activities.

INDUSTRIAL RELATIONS

Industrial relations continue to be harmonious in all the Units.

CAUTIONARY STATEMENTS

Statements describing Company's projections, estimates, expectations etc may be forward looking statements in the context of applicable Securities, Laws and Regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic market and changes in the Government Regulations, Tax Laws and other Statutes and other incidental factors.

By Order of the Board
For GANGOTRI TEXTILES LIMITED

MANOJ KUMAR TIBREWAL
MANAGING DIRECTOR

MOHANLAL TIBREWAL
EXECUTIVE DIRECTOR

Colmbatore
28-5-2015

CORPORATE GOVERNANCE REPORT

Companies policies on the Corporate Governance under the due compliance report on specific areas, where applicable for the year 2014-2015 are given hereunder, classified under broad heads.

1. Company's Philosophy on Corporate Governance :

Achievement of long term corporate goals and enhancement of shareholder value are the objective. Gangotri believes that one essential factor for achieving the said objective is good Corporate Governance. The Gangotri's management and the employees have the common objective of manufacturing and marketing the Company's products which will create value, which can

be sustained over a long term for all viz shareholders, employees, customers, lenders and the Government. Gangotri puts in every effort towards compliance of all regulatory requirements and ensures highest standards of ethical conduct are practiced throughout the organisation.

2. Board of Directors :

The Board of Directors, on the date of this report is comprised of eight members, out of which six are non-executive Directors who account for two-thirds of the Board's strength as against minimum requirement of one half in terms of the Listing Agreement.

a) Composition of the Board :

Name of the Director	Category	No. of other Directorship Held	No. of other Board Committees of which he is a member	No. of other Board Committees of which he is a Chairman
Sri. Manoj Kumar Tibrewal	Managing Director Executive	NIL	NIL	NIL
Sri. Mohanlal Tibrewal	Executive Director Executive	NIL	NIL	NIL
Sri.N.Venkatesan (w.e.f 12-11-2014)	Independent Director	NIL	NIL	NIL
Smt. M.V.Suryaprabha (w.e.f 12-11-2014)	Independent Director (Woman Director)	NIL	NIL	NIL
Sri. R.P.Joshua	Nominee Director	4	NIL	NIL
Sri. P.T.Kalaiselvan (w.e.f 13-8-2014)	Nominee Director	NIL	NIL	NIL
Sri. R.Elango	Nominee Director	NIL	NIL	NIL
Sri.Rajanikanta Naik (w.e.f 1-4-2015)	Nominee Director	NIL	NIL	NIL
Sri. L.V.Ravindra Kumar (withdrawn w.e.f 31-3-2015)	Nominee Director	NIL	NIL	NIL
Sri. P. Venugopal (up to 31-8-2014)	Nominee Director	NIL	NIL	NIL
Sri. G.V. Chandra Bhaskar (up to 31-1-2015)	Nominee Director	NIL	NIL	NIL
Sri. Ulas R. Sanghvi (up to 29.5.2014)	Nominee Director	NIL	NIL	NIL

Note :

1) The following Nominee Directors have been withdrawn by their respective Banks as shown below.

Name of the Bank	Name of the Directors	Date of withdrawal
Canara Bank	Sri. P.Venuopal	13-8-2014
IDBI Bank Ltd	Sri. G.V.Chandra Bhaskar	31-1-2015
State Bank of Hyderabad	Sri. L.V.Ravindra Kumar	31-3-2015

2) Sri. R.Dhandapani joined the Board as an Independent Director on 13-8-2014 and resigned on 8-9-2014 due to personal reasons.

3) Sri. Ullas R Sanghvi , an Independent Director resigned on 29-5-2014 due to personal reasons.

b) Details of Sitting Fees, remuneration etc paid to Directors

Name of the Director	Remuneration paid During the year 2014 - 15 (Rs)	Sitting Fees for Attending meetings of the Board and / or Committee thereof (Rs)
Sri. Manoj Kumar Tibrewal	9,00,000	Nil
Sri. Mohanlal Tibrewal	9,00,000	Nil
Sri. Ullas R. Sanghvi	Nil	20,000
Sri. R.P. Joshua	Nil	45,000
Sri. G.V. Chandra Bhaskar*	Nil	25,000
Sri. P. Venugopal **	Nil	5,000
Sri. E. Elango ***	Nil	15,000
Sri. P.T. Kalaiselvan ***	Nil	10,000
Sri. L.V. Ravindra Kumar	Nil	10,000
Sri. N. Venkatesan	Nil	20,000
Smt. M.V. Suryaprabha	Nil	10,000

* Paid to IDBI.

** Paid to Canara Bank

*** Paid to United Bank of India

c) Number of Board Meetings held and attended by the Directors :

Meetings of the Board of Directors were held during the year ended 31-3-2015 on the following dates.

(1) 28th May, 2014 (2) 13th August, 2014 (3) 12th November, 2014 (4) 13th February, 2015

II. Attendance recorded of each of the Directors at the Board Meeting during the year ended 31st March, 2015 as also of the Annual General Meeting is as under.

Name of the Director	No of Board Meetings Attended	Attendance at the Last AGM
Sri. Manoj Kumar Tibrewal	4	YES
Sri. Mohanlal Tibrewal	4	YES
Sri. Ullas R. Sanghvi	1	YES
Sri. R.P. Joshua	4	No
Sri. G.V. Chandra Bhaskar	2	No
Sri. P. Venugopal	1	No
Sri. E. Elango	3	No
Sri. P.T. Kalaiselvan	2	No
Sri. L.V. Ravindra Kumar	2	No
Sri. N. Venkatesan	2	No
Smt. M.V. Suryaprabha	2	No

3. Audit Committee

The Audit Committee of the Company consists of the following Members.

1. Sri.R.Venkatesan Chairman (Independent Director)
2. Sri. R.P.Joshua Member (Nominee Director)
3. Smt. M.V.Suryaprabha Member (Independent Director)

The Audit Committee meetings were held on the following dates:

(1) 28th May, 2014 (2) 13th August, 2014 (3) 12th November, 2014 (4) 13th February, 2015

II. Attendance of the Audit Committee Meeting held during the financial year ended 31st March, 2015.

Name of the Member	No of Meetings Attended
Sri.Ullas R Sanghvi Resigned w.e.f. 29.5.2014	1
Sri.R.P.Joshua	4
Sri. G.V. Chadra Bhaskar Resigned w.e.f. 31.1.2015	2
Sri. R. Dhandapani	1
Sri. N. Venkatesan	2

The role and terms of the Audit Committee covers the various matters specified in Clause 49 of the Listing Agreement as also what is contained in section 292 A of the Companies Act, 1956.

4. Nomination & Remuneration Committee :

The Nomination & Remuneration Committee of the Company consists of the following Members.

1. Sri. N.Venkatesan - Chairman (Independent Director)
2. Sri. R.P.Joshua - Member (Nominee Director)
3. Smt. M.V.Suryaprabha - Member (Independent Director)

The Remuneration Committee meeting was held on 28-5-2015 and approved the appointment of Sri. Mohanlal Tibrewal, Executive Director for the period from 1-4-2016 to 31-3-2021.

5. Investors Grievance Committee :

a) The Investors' Grievance Committee of the Company consists of the following Members.

1. Sri. Manoj Kumar Tibrewal — Chairman
2. Sri. Mohanlal Tibrewal — Member
3. Sri. N.Venkatesan — Member

The Investors' Grievance Committee meeting was held on 28-5-2015 and reviewed the complaints received from the Investors during the financial year ended 31st March, 2015.

AGM / NO	DAY	DATE	TIME	VENUE
23	Wednesday	12.09.2012	3.30 pm	A.R. Patel Hall, Sree Coimbatore Gujarat Samaj 662, Mettupalayam Road, P.B. No. 1164, R.S.Puram, Coimbatore - 641 002
24	Friday	26.7.2013	3.30 pm	A.R. Patel Hall, Sree Coimbatore Gujarat Samaj 662, Mettupalayam Road, P.B. No. 1164, R.S.Puram, Coimbatore - 641 002
25	Thursday	11.9.2014	3.30 pm	A.R. Patel Hall, Sree Coimbatore Gujarat Samaj 662, Mettupalayam Road, P.B. No. 1164, R.S.Puram, Coimbatore - 641 002

b) In the 25th Annual General Meeting held on 11.09.2014, no Special Resolutions was proposed to be passed

During the financial year ended 31st March, 2015, the company has not received any - complaint from the Investor's and as on 31st March, 2015 no complaints / queries were there pending reply. The share transfer applications are normally completed within a period of 15 days

b) Details of Director seeking appointment / re-appointment at the ensuing Annual General Meeting fixed on 23-9-2015 are given hereunder.

Pursuant to Section 149 of the Companies Act, 2013, the Company being a Listed Company need to appoint Independent Directors within a period of one year from the commencement of the said Act. Though the company is having two Independent Directors already, it is required to appoint them as per the new provisions of the Companies Act, 2013 as the definition of Independent Directors have been changed. Accordingly, the details of two Independent Directors seeking appointment at the ensuing 26th Annual General Meeting are furnished hereunder.

Director seeking appointment are reported elsewhere in the Notice to Shareholders.

6. Board Procedure :

The Members of the Board have been provided with all the information mentioned in the Listing Agreement which were placed before the Board Meetings and the same were dealt with appropriately at the meetings.

All the Directors, who are on the various committees are within the permissible limits as given in the Listing Agreement. The Directors concerned also intimate from time to time about their membership in the various committees in other companies.

7. Compliance Certificate

Compliance Certificate for Corporate Governance from the Auditors of the Company is enclosed herewith.

8. Annual General Meetings / Extra Ordinary General Meetings :

a) Details of Annual General Meetings / Extraordinary General Meetings held during the last three years are as under:

9. Disclosures :

- i) The transactions with related parties form part of the financial statements circulated to all the members in conformity with the necessary accounting standards to be followed by the Company
- ii) No penalty or levy have been imposed by the Stock Exchanges or SEBI or any other statutory authority on any matter related to Capital Markets during the last three years.

10. Means of Communications

- i) Quarterly Results will be published in Trinity Mirror (English) and in Makkal Kural (Tamil)
- ii) Any website where displayed : www.gangotritextiles.com
- iii) Whether Management's Discussion and Analysis is part of Annual Report : Yes

11. General Shareholder Information :**a) Annual General Meeting to be held on 23-9-2015 (26th AGM)**

Day : Wednesday Date : 23-9-2015 Time : 3.30 P.M
 Venue : A.R.Patel Hall, Sree Gujarati Samaj, 662, Mettupalayam Road, Post Box No 1164, R.S.Puram, Coimbatore - 641 002

b) Financial Calendar Year 2015-2016 :

First quarterly Financial Results : On or before 15-08-2015
 Second quarterly Financial Results : On or before 15-11-2015
 Third quarterly Financial Results : On or before 15-02-2016
 Audited Financial Results for the year ended 31-3-2016 : On or before 31-05-2016

c) Dates of Book Closure : From: 14-9-2015 To : 23-9-2015 (Both the days inclusive) for the purpose of Annual General Meeting.

d) Dividend payment date :

In the absence of Profit for the financial year ended 31st March, 2015 the Board of Directors have not recommended any dividend for the financial year 31-3-2015.

e) Listing on Stock Exchanges :

The Equity Shares of the Company are listed on the following Stock Exchanges.

1. National Stock Exchange of India Ltd
2. Bombay Stock Exchange Limited
3. The Calcutta Stock Exchange Association Ltd

f) De-listing :

The company had already applied for de-listing of its Equity Shares from The Calcutta Stock Exchange and the order for de-listing is still awaited from them.

12. Market Price Data :

The details of the monthly highest and lowest closing quotations of the equity shares of the Company at the Bombay Stock Exchange Ltd, during the financial year 2014-15 are as under.

MONTH		Highest Rate (Rs)	Lowest Rate (Rs)
APRIL	2014	1.18	0.80
MAY	2014	1.36	0.91
JUNE	2014	2.08	1.35
JULY	2014	2.10	1.32
AUGUST	2014	1.81	1.37
SEPTEMBER	2014	2.20	1.73
OCTOBER	2014	2.40	1.86
NOVEMBER	2014	2.39	1.73
DECEMBER	2014	1.83	1.30
JANUARY	2015	1.76	1.35
FEBRUARY	2015	1.57	1.28
MARCH	2015	1.59	1.28

13. Registrar and Share Transfer Agents :

The Company has appointed Registrar and Share Transfer Agents for share transfers. The name and address of the Registrar and Share Transfer Agents is as under.

M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor 1391 / A-1, Sathy Road, Coimbatore – 641 006
Phone No : 0422 – 4039900 Fax No : 0422 – 2539837 E-mail : info@skdc.consultants.com

14. Share Transfer System :

Share Transfers are registered and returned within a maximum period of 30 days from the date of receipt. If the documents are clear, the transfers are completed normally within one week and returned within 15 days. The Transfer Agents have been authorized to put through the transfers expeditiously.

15. Distribution of Shareholding as on 31.3.2015

No of Shares	No of Shareholders	No of Shares	Percentage
1 - 500	6385	14,93,106	4.58
501 - 1000	1410	12,13,487	3.72
1001 - 2000	713	11,17,211	3.43
2001 - 3000	241	6,08,704	1.87
3001 - 4000	121	4,44,611	1.36
4001 - 5000	110	5,18,727	1.59
5001 - 10000	168	12,39,064	3.80
10001 and above	151	2,59,79,724	79.65
Total	9299	3,26,14,634	100.00

16. Shareholding Pattern as on 31.3.2015

Category	No of Shares held	Percentage
Promoters	80,00,457	24.530
Mutual Funds	1,600	0.005
Financial Institutions / Banks	14,16,473	4.340
Bodies Corporate	30,15,151	9.250
NRI	94194	0.290
Insurance Companies	12,02,000	3.685
General Public	1,88,84,759	57.900
TOTAL	3,26,14,634	100.000

17. Dematerialisation of Equity Shares :

As on 31-3-2015 shares representing 98.506 % percentage of the total paid up capital of the Company is held in dematerialized form with NSDL and CDSL.

18. Plant Location

<u>Unit I:</u>	<u>Unit II</u>	<u>Unit III</u>	<u>Unit IV</u>	<u>UNIT – V (Stitching Unit)</u>
S.F.No 496/A, 497 Kaduvettipalayam Post Karumathampatty Palladam Taluk Coimbatore District	Sri Dwarka Textiles 3/161, Ponnandampalayam Kaniyur Post Avinashi Taluk Coimbatore District	Kumbhojgiri Road Village Alate Tal. Hatkanangale District Kolhapur	Pushpattur Village Palani Taluk Dindigul District	3/161,Ponnandampalyam Kaniyur Post Avinashi Taluk Coimbatore District

UNIT - VI

Plot No L4,L5 & L6
5th Cross Road
SIPCOT Industrial Complex
Perundurai

UNIT – VII

S.F No 262 / 2B, 262 /3, 262/4
Mopperipalayam Village
Palladam Taluk
Coimbatore District

UNIT – VIII

(Not working since 24.1.2012)
Plot No PP2,PP3,PP4
SIPCOT Industrial Complex
Perundurai
Erode District

UNIT IX

S.F No 138,142,143,78
Pushpattur Village
Palani Taluk
Dindigul District

19. Address for correspondence :

Registered Office : Old No 42, New No 35, Robertson Road, R.S.Puram, Coimbatore - 641 002
Telephone No : 0422 – 4332100 **Fax No :** 0422 – 2474499 **Mail Id :** tibre@gangotritextiles.com
CIN. L17115TZ1989PLC002491

20. Chief Executive Declaration on Code of Conduct.

I hereby declare that the Board of Directors of the Company have adopted a Code of Conduct for the Board Members and Senior Management of the Company and the same has also been posted in the website of the Company and that all the Board Members and Senior Management Personnel to whom this Code of Conduct is applicable have affirmed the compliance of Code of Conduct during the year 2014-15

Coimbatore
28-5-2015

MANOJ KUMAR TIBREWAL
MANAGING DIRECTOR

22. CEO / CFO CERTIFICATE

We certify that

- We have reviewed financial statements and cash flow statements for the year ended 31st March, 2015 and that to the best of our knowledge and belief :
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - 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.
- There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- We have indicated to the Auditors and the Audit Committee
 - significant changes in internal control over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the financial statements.
 - instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management, or an employee having a significant role in the Company's internal control system over financial reporting.— NIL

Coimbatore
28-5-2015

MANOJ KUMAR TIBREWAL
MANAGING DIRECTOR

The above Corporate Governance Report has been placed before the Board of Directors at their meeting held on 28-5-2015 and the same was approved thereat.

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s Gangotri Textiles Limited

REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of M/s Gangotri Textiles Limited (the Company), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. 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 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 of 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

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken in to account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

1. In our opinion, there prevails material uncertainty related to events /conditions which individually / collectively cast significant doubts on going concern assumption.
2. The Debtors and Loans & Advances are subject to confirmation. As at advance of Rs.423 lakhs continues to be doubtful of recovery, the same has been provided for in the accounts of the company during year ended 31.03.2014. However, repeated reminders are being received from lenders for the recovery of the same.
3. The interest provisions for all loans from Banks have been worked based on the then prevailing CDR Package and not on the original sanction/revised floating rates. Consequent to the company's non compliance with CDR package and reverting back to the original sanction, the differentials Interest that ought to have been provided for in the accounts is estimated at Rs 103.00 Crores (from 01.07.2008 to 31.03.2015) cumulatively for the above periods. The estimated loss due to the above is understated to the extent of Rs. 18 crores for the year ended 31.3.2015.
4. On examination of the books of accounts and the Information and explanations given to us, the Internal control system continue to be not commensurate considering the nature of company's business.
5. The Company has been adopting the method of Accounting for also NETTING of balance when transactions are made with the same party. For the year ended 31.03.2015 the company has NETTED the debit and credit balances of the same party. Hence, Debtors and Creditors have got reduced by Rs. 37.59 Crores each as on 31.03.2015.
6. The State Bank of India vide its letter dated the 24.04.15 has declared company as willful defaulters and has given an opportunity to the company to submit its representation.

7. The balances shown under Secured Loans and Balances with bank, confirmation of balance is yet to be given by the Bankers. Hence, the balances reflected under these two heads are as per the books of account of the company.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for qualified opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:**

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2015;
- (ii) in the case of the statement of profit and loss, of the loss for the year ended on that date; and
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Other Matters

The Ministry of Corporate Affairs had on 1st April 2014, vide its General Circular No.07/2014, Dissemination of Information with Regards to the Provisions of the Companies Act, 2013, as Notified Till date vis a vis corresponding Provisions of the Companies Act, 1956, identified such sections of the Companies Act, 1956 that would cease/continue to have effect from 1st April 2014. Accordingly, in terms of the aforesaid Circular, our reporting in respect of Section 227 (3)(f) of the Companies Act, 1956, and clauses (iii), (v)(a) and (b), (vi), (viii), (xiv), (xviii) of the Companies (Auditor's Report) Order, 2003 (dealing with Sections 49, 58A, 58AA, 209(1)(d) and 301 of the Companies Act, 1956) is only for the period beginning from 1.4.2004 till 31st March 2015 since as per the aforementioned MCA Circular these Sections have ceased to have effect from 1st April 2014.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the 'Order') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2. As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the 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.
 - e. on the basis of written representations received from the directors as on 31 March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of section 164 (2) Act.
 - f. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanation given to us.
- i. The Company has disclosed the impact of pending litigations as at March 31, 2015 on its financial position in its financial statements.
- ii. The Company has made provision as at March 31, 2015 as required under the applicable law or accounting standards for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2015.

Coimbatore
28-5-2015

For THAKKER & SANGHANI
Firm Registration No:004351S
Chartered Accountants
Aswin.C
Partner
Membership No:22204

Annexure to the Auditors' Report

Referred to in paragraph 9 of the Independent Auditors Report of even date to the members of M/s Gangotri Textiles Limited on the financial statements as of and for the year ended 31 March 2015.

I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

II) (a) As explained to us, inventories of the company at all its location have been physically verified at reasonable intervals by the management during the year.

(b) In our opinion, the Procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business

(c) The Company is maintaining proper records of inventory and material discrepancies, noticed on physical verification have been properly dealt with in the books of account.

III) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the registered maintained under section 189 of the Companies Act, 2013.

IV) On examination of the books of accounts and the information and explanation given to us, the internal control systems continuous to be not commensurate considering the nature of its business.

(V) The company has not accepted any deposit from the public during the year.

(VI) We have broadly reviewed the regards maintained by the company pursuant the Rules made by the Central Government for the maintenance of the cost records under 148(1) of the Companies Act. We are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view of determining whether they are accurate or complete.

(VII) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth tax, Service tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Customs duty and Excise duty except the following.

Particulars	31.03.2015 (in Rs.Lakhs)	31.03.2014 (in Rs.Lakhs)
-------------	--------------------------	--------------------------

Name of the Statute	Year	Nature of Dues	Amount In Lakhs	Forum where dispute is pending	Provided In the books of accounts	Amount In Lakhs
TamilNadu Additional Sales Tax Act, 1970	1996-97	Additional Sales Tax	20.07	Supreme Court of India	Yes	20.07
CST Acts	2002-03	TNGST, Surcharge AST, Penalty	1.82	STAT Coimbatore	No	1.82
TNGST, CST Acts	2003-04	TNGST, Surcharge AST, Penalty	13.54	STAT Coimbatore	No	13.54
Income Tax Act, 1961	2004-05	Interest U/S 234B / 234C	5.85	ITAT Chennai	No	5.85

(b) According to the records of the Company, there are no Statutory dues, which have not been deposited in account of any disputes.

c) There has been no delay in transferring unpaid dividend amount, required to be transfer to the Investor's Education and Protection Fund by the Company.

(viii) The units of the company has accumulated losses at the end of financial year. The company has incurred cash losses during the financial year and also the during the immediately preceding financial year

(ix) The company has defaulted in repayment of interest and principal to bank and financial institutions.

(x) During the year the company has not given any guarantee for loan taken from others from bank or financial institution

(xi) The company has not obtained any term loan during this year.

(xii) To the best of our knowledge and belief and according to the information explanation given to us, no fraud or by the company was noticed or reported during the year.

Coimbatore
28-5-2015

For THAKKER & SANGHANI
Firm Registration No:004351S
Chartered Accountants
Aswin.C
Partner
Membership No:22204

BALANCE SHEET AS AT 31st MARCH, 2015

Particulars	Note No.	31.03.2015 (Rs.)	31.03.2014 (Rs.)
EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	1	1,06,72,73,170	1,06,72,73,170
(b) Reserves and Surplus	2	-3,03,32,67,825	-2,39,13,71,021
Sub total - Shareholders Funds		-1,96,59,94,655	-1,32,40,97,851
Non-Current Liabilities			
(a) Long-term borrowings	3	-	4,49,666
(b) Other Long term liabilities	4	12,80,19,201	12,67,11,514
(c) Long term provisions	5	5,55,00,000	5,55,00,000
Sub total - Non Current Liabilities		18,35,19,201	18,26,61,180
Current Liabilities			
(a) Short-term borrowings	6	3,65,13,32,927	3,55,10,56,409
(b) Trade payables		2,09,48,722	8,24,82,874
(c) Other current liabilities	7	3,04,81,295	3,61,88,894
(d) Short-term provisions	8	-	20,000
Sub total - Current Liabilities		3,70,27,62,943	3,66,97,48,177
Total Equity and Liabilities		1,92,02,87,490	2,52,83,11,506
Assets			
Non-current assets			
(a) <i>Fixed assets</i>			
(i) Tangible assets	9	1,57,98,51,449	1,94,24,49,867
(b) Non-current investments	10	15,00,65,500	15,00,65,500
(c) Deferred tax assets (net)		-	14,04,73,811
(d) Long term loans and advances	11	25,24,754	25,24,754
(e) Other non-current assets	12	4,22,94,963	4,01,69,841
Sub total - Non Current Assets		1,77,47,36,666	2,27,56,83,773
Current assets			
(a) Inventories	13	8,66,16,117	12,42,84,494
(b) Trade receivables	14	3,82,78,683	7,64,89,355
(c) Cash and cash equivalents	15	52,09,064	68,93,132
(d) Short-term loans and advances	16	3,07,441	3,40,418
(e) Other current assets	17	1,51,39,519	4,46,20,334
Sub total - Current Assets		14,55,50,824	25,26,27,733
Total Assets		1,92,02,87,490	2,52,83,11,506
Summary of significant accounting policies - Annexure I			
The notes referred to above form an integral part of the Balance Sheet			

MAXIN JOSEPH
Company Secretary

Vide our Report of Even Date
For **THAKKER & SANGHANI**
Firm Registration No.004351S
Chartered Accountants

MANOJ KUMAR TIBREWAL
Managing Director

Coimbatore
28.05.2015

Aswin.C
Partner
Membership No:22204

MOHANLAL TIBREWAL
Executive Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	Note No.	31.03.2015 (Rs.)	31.03.2014 (Rs.)
Income			
I Revenue from operations	18	74,35,46,393	80,84,14,576
II Other Income	19	34,00,037	10,12,027
III Total Revenue (I +II)		74,69,46,430	80,94,26,603
IV Expenses:			
Cost of materials consumed	20	40,31,88,086	45,16,76,421
Changes in inventories of finished goods, Work in Progress	21	3,46,80,020	-15,32,391
Employee benefit expense	22	6,85,24,977	6,82,27,630
Financial costs	23	29,32,16,755	27,92,70,128
Depreciation	24	22,97,08,262	17,53,73,826
Other expenses	25	21,25,66,246	28,35,80,030
Total Expenses		1,24,18,84,346	1,25,65,95,644
V Profit before exceptional and extraordinary items and tax		-49,49,37,916	-44,71,69,041
VI Exceptional Items	26	4,54,30,577	4,23,00,000
VII Profit before extraordinary items and tax (V - VI)		-44,95,07,339	-48,94,69,041
VIII Extraordinary Items	27	-97,88,309	5,77,88,023
IX Profit before tax (VII - VIII)		-45,92,95,648	-54,72,57,064
X Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Tax relating to Earlier year		-	-
XI Profit(Loss) from the period from continuing operations		-7,25,71,170	6,41,43,534
XII Profit/(Loss) from discontinuing operations		-38,67,24,478	-61,14,00,598
XIII Tax expense of discounting operations		-	-
XIV Profit/(Loss) from Discontinuing operations (XII - XIII)		-38,67,24,478	-61,14,00,598
XV Profit/(Loss) for the period (XI + XIV)		-45,92,95,648	-54,72,57,064
XVI Earning per equity share:			
(i) Basic - before extraordinary items		-15.89	-17.12
(ii) Diluted - after extraordinary items		-16.19	-18.89
Weighted Average number of Shares		3,26,14,634	3,26,14,634
Summary of significant accounting policies - Annexure I			
The notes referred to above form an integral part of the Profit & Loss A/c			

MAXIM JOSEPH
Company Secretary

Vide our Report of Even Date
For **THAKKER & SANGHANI**
Firm Registration No.004351S
Chartered Accountants

MANOJ KUMAR TIBREWAL
Managing Director

Coimbatore
28.05.2015

Aswin. C
Partner
Membership No:22204

MOHANLAL TIBREWAL
Executive Director

NOTES TO THE FINANCIAL STATEMENTS

Note : 1 - Share Capital Authorised 6,00,00,000 Equity Shares of Rs.5/- each 92,00,000 Preference Shares of Rs.100/- each Issued Equity Share Capital 3,26,14,634 Equity Shares of Rs.5 each (Of the above 96,00,000 shares of Rs.5/- each fully capitalisation of reserves) Preference Share Capital 90,42,000 Cumulative Redeemable Preference Shares of Rs.100/- each issued at part for consideration other than cash (of this 1/3rd will be redeemed on 31.03.2016, another 1/3rd will be Redeemed on 31.03.2017 and Final 1/3 will be redeemed on 31.03.2018) Subscribed & Paid up 3,26,14,634 Equity Shares of Rs.5 each fully paid 90,42,000 Cumulative Redeemable Preference Shares of Rs.100/- each fully paid Total		31.03.2015 (Rs.)	31.03.2014 (Rs.)
	30,00,00,000 92,00,00,000	1,22,00,00,000	1,22,00,00,000
	16,30,73,170		
	90,42,00,000	1,06,72,73,170	1,06,72,73,170
	16,30,73,170 90,42,00,000	1,06,72,73,170	1,06,72,73,170
		1,06,72,73,170	1,06,72,73,170

Reconciliation of the number of shares outstanding and the amount of Share Capital at 31st March 2015 and 31st March 2014 is as under

Description	As at 31st March 2015		As at 31st March 2014	
	No. of Shares	Value in Rs.	No. of Shares	Value in Rs.
a <u>Equity Share Capital</u>				
Outstanding at the beginning of the Year	3,26,14,634	16,30,73,170	3,26,14,634	16,30,73,170
Outstanding at the end of the Year	3,26,14,634	16,30,73,170	3,26,14,634	16,30,73,170
b <u>Preference Share Capital</u>				
Outstanding at the beginning of the Year	90,42,000	90,42,00,000	90,42,000	90,42,00,000
Outstanding at the end of the Year	90,42,000	90,42,00,000	90,42,000	90,42,00,000

a Terms/Rights attached to Equity shares

The company has both Equity and Preference shares

(i) The Equity share have a par value of Rs.5/- per share. Each holder of Equity Shares is entitled is one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend Proposed by the Board of Directors is subject to approval of shareholders in Annual General Meeting.

For the year ended 31st March'2015, the amount of per share dividend recognized as distribution to Equity Shareholder is Nil (Previous year Nil)

In the event of liquidation of the company the holders of Equity Share will be entitled to receive remaining assets of the Company in proportion to the amount paid up as credited in such Equity shares respectively, after distribution of all preferential amounts.

Rights of Preference Share

- b** (ii) The Company's Preference Share have a par value of Rs.100/- per share. The preference shareholders have right over the equity shareholders in respect of declare of dividend and in the distribution of the assets in the event of liquidation of the company.

c Details of shares held by shareholders holding more than 5% of the aggregative shares in the Company

Name of the Shareholder	As at 31st March 2015	As at 31st March 2014
	No. of Shares	No. of Shares
01. Anita Tibrewal	52,33,661	52,33,661
02. Manoj Kumar Tibrewal	21,92,596	21,92,596
03. Usha Tibrewal	17,68,531	17,68,531
04. Future Gaming and Hotel Services	-	33,48,066
05. Leema Rose. M	33,48,066	-

Particulars	31.03.2015 (Rs.)	31.03.2014 (Rs.)
Note : 2 - Reserves and Surplus		
a. Capital Reserves		
Opening Balance	1,64,62,625	1,74,51,131
Less: Transfer to P&L	9,88,506	9,88,506
Closing Balance	1,54,74,119	1,64,62,625
b. General Reserve		
Opening Balance	-2,89,87,60,476	-2,35,06,54,683
General Reserve Trf	-4,11,38,839	-8,48,729
Deferred Asset Tax Amount	-14,04,73,811	-
Profit / Loss for the year	-45,92,95,648	-54,72,57,064
Closing Balance	-3,53,96,68,774	-2,89,87,60,476
c. Share Warrant Forfeited	80,00,000	80,00,000
Balance as per last account	80,00,000	80,00,000
d. Share Premium		
Balance as per last account	48,29,26,830	48,29,26,830
	48,29,26,830	48,29,26,830
Total (a+b+c+d)	-3,03,32,67,825	-2,39,13,71,021
Note : 3 - Long Term Borrowings		
Secured - Term Loan		
From Banks	-	4,49,666
Total	-	4,49,666

Nature of Security
TERM LOANS

- a Term Loan of Rs.245 million and Funded Interest Term Loan of Rs.4.94 million sanctioned by IDBI are secured by extension of first charge on all assets of the company, present and future, except to the prior charge created/to be created (i) on specific assets covered by loans from other financial institutions and banks (ii) on specified movables (Current Assets) in favour of the Company's Bankers for working capital borrowings.
- b Term Loan of Rs.76.10 million and Funded Interest Term Loan of Rs.2.36 million sanctioned by Corporation Bank is Secured by way of exclusive charge over the assets created out of the said loan
- c Term Loan of Rs.15 million and Funded Interest Term Loan of Rs.20.79 million sanctioned by State Bank of India is secured by exclusive first charge over the assets financed under the term loan and second charge on the entire current assets of the Company on Pari Pasu basis and extension of charge on the fixed assets of washing unit at Perundurai
- d Term Loan of Rs.100 million and Funded Interest Term Loan of Rs.23.10million sanctioned by IDBI is secured by extension of first charge on Pari Pasu basis except the assets which are exclusively charged by SBI and Corporation Bank. First Charge by way of Hypothecation in Favour of IDBI of all assets of the Company's movable (save and except book debts), including movable machinery, machinery spares, tools and accessories, present and future, subject to the prior charge created/to be created in favour of Company's bankers on the Company's stocks of raw materials, semi finished and finished goods, consumable stores and such other movable as may be agreed to by IDBI for securing the borrowings for working capital requirements in the ordinary course of business.
- d Term Loan of Rs.150 million and Funded Interest Term Loan of Rs.9.59 million sanctioned by State Bank of Indore is secured by second charge on all present and fixed assets of the Company
- Term Loan for New Project from Sanctioned amount.

Rs. In million

Bank Name	Sanctioned Amt	FITL 1&2 *
State Bank of India	410	50.85
State Bank of Hyderabad	250	29.80
State Bank of Mysore	300	31.83
State Bank of Travancore	200	22.86
Syndicate Bank	270	27.37
United Bank of India	400	44.07
Canara Bank	500	79.65
JM Financial ARC Pvt. Ltd	400	43.87

The Term Loan sanctioned by the above banks in consortium is secured by first charge on pari passu basis by way of Equitable mortgage of Land and Buildings and Hypothecation of all the fixed assets and second charge on all the current assets of the Company share on pari passu basis with banks in the consortium for New Project of Rs.351 crores.

* FITL - Funded Interest Term Loan - Under the GDR and reworked package

SECURED TERM LOANS OUTSTANDING AS ON 31.03.2015

(In Rs.)

Bankers	Term Loan	FITL I & II	Interest	TOTAL
State Bank of India	29,79,58,767	***	13,08,00,957	42,87,59,724
State Bank of Hyderabad	17,23,78,313	-	5,87,62,191	23,11,40,504
State Bank of Mysore	15,86,15,162	1,74,31,989	6,53,21,058	24,13,68,209
State Bank of Travancore	11,55,66,466	35,75,701	4,41,66,604	16,33,08,771
Syndicate Bank	15,06,61,625	***	6,18,54,845	21,25,16,470
United Bank of India	21,25,30,513	1,76,53,795	8,72,67,789	31,74,52,097
Canara Bank	30,02,08,950	5,10,82,370	13,43,78,317	48,56,69,637
IDBI Bank	8,60,71,432	1,71,73,868	3,49,38,882	13,81,84,182
Corporation Bank	25,79,85,177	3,48,17,563	10,48,70,224	39,76,72,964
Total	1,75,19,76,405	14,17,35,286	72,23,60,867	2,61,60,72,558

WORKING CAPITAL LOANS

- a The working capital loan of Rs.200.30 million sanctioned by State Bank of India is secured by hypothecation of entire current assets and movable assets of the Company and a second charge over entire fixed assets of the Company on *pari passu* basis with other commercial bankers under consortium agreement.
- b The working capital loan of Rs.28.30 million sanctioned by State Bank of Hyderabad is secured by hypothecation of the entire current assets of the Company and movable assets of the Company and a second charge on the fixed assets of the Company on *pari passu* basis with other commercial banks under consortium agreement.
- c The working capital loan of Rs.18.70 million sanctioned by Corporation Bank is secured by hypothecation of the entire current assets of the Company and movable assets of the Company and a second charge on the fixed assets of the Company on *pari passu* basis with other commercial banks under consortium agreement.

FUNDED INTEREST TERM LOAN

State Bank of India Rs.99.07 million

State Bank of Hyderabad Rs.23.39 million

JM Financial ARC Pvt. Ltd Rs.15.78 million

Funded Interest Term Loan is secured by First charge on the entire fixed assets of the company existing / proposed including EM on factory land and buildings on *pari passu* basis with other Consortium TL Bankers

WORKING CAPITAL TERM LOAN

State Bank of India Rs.399.76 million

State Bank of Hyderabad Rs. 88.60 million

JM Financial ARC Pvt. Ltd Rs. 57.30 million

SECURED WORKING CAPITAL LOANS OUTSTANDING AS ON 31.03.2015

(In Rs.)

Bankers	CASH CREDIT Rate of Interest @ 10% p.a.	WCTL Rate of Interest @ 10% p.a.	FITL Rate of Interest @ 5% p.a.	INTEREST ACCRUED	TOTAL
State Bank of India	12,92,71,374	39,97,55,579	8,32,29,970	19,91,87,499	81,14,44,422
State Bank of Hyderabad	21245746	8,85,99,943	***	3,78,97,656	14,77,43,345
Corporation Bank	1,74,30,252	3,33,46,818	74,62,373	1,82,98,490	7,65,37,933
TOTAL	16,79,47,372	52,17,02,340	9,06,92,343	25,53,83,645	1,03,57,25,700

Particulars		31.03.2015 (Rs)	31.03.2014 (Rs)
Note : 4 Other Long Term Liabilities			
Other Payable		12,80,19,201	12,67,11,514
	Total	12,80,19,201	12,67,11,514
Note : 5 Long Term Provisions			
Provisions		5,55,00,000	5,55,00,000
	Total	5,55,00,000	5,55,00,000
Note : 6 Short Term Borrowings Secured			
(a) Working Capital Loans from Banks		14,96,10,262	17,16,98,607
(b) Hire Purchase Loan		4,41,526	4,66,500
(c) Funded Interest Term Loan & Interest Accrued		1,15,04,60,217	1,01,55,59,078
(d) Current maturities of Long-Term Debt		2,35,08,20,922	2,36,33,32,224
	Total	3,65,13,32,927	3,55,10,56,409
Note : 7 Other Current Liabilities			
(a) Unclaimed dividends			
(b) Statutory Dues		18,34,394	1,64,948
(c) Advance against Sales		21,73,930	13,17,810
(d) Other payables		2,64,72,971	44,87,188
			3,02,18,948
	Total	3,04,81,295	3,61,88,894
Note : 8 Short Term Provisions			
Wealth Tax provision		-	20,000
	Total	-	20,000
Note : 9 Fixed Assets			
(a) Tangible assets		1,57,98,51,449	1,94,24,49,867
	Total	1,57,98,51,449	1,94,24,49,867

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2015

Note - 9 - FIXED ASSETS - (I) TANGIBLE ASSETS

(In Rs.)

Particulars	GROSS BLOCK				DEPRECIATION						NET BLOCK		
	UP TO 31.03.2014	ADDITIONS	SOLD	TOTAL 31.03.2015	UP TO 31.03.2014	IMPAIRMENT 31.03.2014	FOR THE YEAR	REMAIN- ING TO BE CHARGES	SOLD TRANS- FERRED	IMPAIRMENT for the year	TOTAL 31.03.2015	W.D.V AS 31.03.2015	W.D.V AS 31.03.2014
LAND	91662925	-	281595	91381340	-	-	-	-	-	-	-	91381340	91662925
BUILDINGS	1183422792	-	-	1183422792	281494732	84340780	41709910	-	-	-	407545422	775877371	817587281
PLANT & MACHINERY	3061488435	-	185523367	2875965068	1516707402	537847247	181425310	1817895	63366416	-	2174431437	701533631	1006833786
OFFICE EQUIPMENT	41731321	-	-	41731321	32465764	-	2092808	6583987	-	-	41143559	587762	9264557
FURNITURE	17960236	-	-	17960236	10333998	-	1958696	1152364	-	-	13445058	4515178	7626236
VEHICLES	27010826	120460	45088	27086198	19091153	-	3019744	-175477	31240	-	21904180	5182017	7919673
CANTEEN ASSETS	2591302	-	-	2591302	1188795	-	490300	190957	-	-	1880052	711250	1392507
LIVE STOCK	62800	-	-	62800	-	-	-	-	-	-	-	62900	62800
Total	4425930737	120460	185650040	4640201157	1661262643	822188027	230686768	9566726	63397656	-	2660349708	1578851449	1942449867
Previous Year	4425420948	2523714	2013826	4425680737	1688444912	564400004	1768382331	-	1514400	57788023	2483480870	1942449867	2174578084

Note: Depreciation includes depreciation on revaluation assets of Rs.9,88,506/- (Previous year Rs.9,88,506/-)

Particulars	31.03.2015 (Rs.)	31.03.2014 (Rs.)
Note : 10 Non Current Investments		
a) Trade Investments		
Government Securities - NSC	13,500	13,500
Total (a)	13,500	13,500
b) Other Investments		
QUOTED		
Equity Shares - 640 IDBI Shares of Rs.10/- each at premium of Rs.120/- each,(Market Value of Rs.45,440/-)	52,000	52,000
UNQUOTED		
Preference Shares (1,50,00,000 6% Redeemable cumulative preference shares of Rs.10/- each at par of M/s.Jagannath Textile Co.Ltd.,)	15,00,00,000	15,00,00,000
Total (b)	15,00,52,000	15,00,52,000
Total (a+b)	15,00,65,500	15,00,65,500
Note: 11 Long Term Loans and Advances		
a. Capital Advances		
Unsecured, considered good	15,74,754	15,74,754
b. Other loans and advances		
Premium for Doubtful Depts	4,32,50,000	4,32,50,000
Others	-4,23,00,000	4,23,00,000
Total	25,24,754	25,24,754
Note :12 Other Non Current Assets		
a. Long term trade receivables (including trade receivables on deferred credit terms)		
a. MAT Credit receivables	90,23,991	90,23,991
b. Others	3,32,70,972	3,11,45,850
Total	4,22,94,963	4,01,69,841
Note : 13 Inventories		
a. Raw Materials	2,50,51,570	2,78,28,101
b. Work-in-Progress	1,10,32,139	1,44,89,932
c. Finished Goods	3,86,76,958	6,98,19,455
d. Salable waste	4,61,965	5,41,695
e. Accessories	47,13,823	43,02,710
f. Stores and Spares	66,79,662	73,02,601
Total	8,66,16,117	12,42,84,494

Particulars	31.03.2015 (Rs.)	31.03.2014 (Rs.)
Note : 14 Trade Receivables		
Trade receivables outstanding for a period exceeding six months	1,11,32,514	72,20,438
Less: Provisions for doubtful debts	-95,69,429	-72,20,438
	15,63,085	-
Trade receivables outstanding for a period less than six months from the date they are due for payment	3,67,15,598	7,88,38,346
Less: Provision for doubtful debts	0	-23,48,991
	3,67,15,598	7,64,89,355
Total	3,82,78,683	7,64,89,355
Note : 15 Cash and Bank Balance		
Cash and Cash Equivalents		
a. Balances with Banks	42,46,815	48,01,357
b. Cash on hand	8,62,249	3,26,827
	51,09,064	51,28,184
Other Bank Balance		
a. Unclaimed Dividend		1,64,948
b. Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments	1,00,000	16,00,000
	1,00,000	17,64,948
Total	52,09,064	68,93,132
Note : 16 Short term Loans and advances		
Advance to Staff, Labour and others	3,07,441	3,40,418
Total	3,07,441	3,40,418
Note : 17 - Other Current Assets		
Advance to Suppliers	48,35,918	41,01,491
Advance tax / Tax deducted at source	18,02,466	24,65,215
Advances recoverable in cash or in kind or for value to be received	68,21,824	3,55,65,606
Prepaid Expenses	16,79,311	24,88,022
Total	1,51,39,519	4,46,20,334

The notes referred to above form an integral part of the Profit and Loss account

Particulars		31.03.2015 (Rs.)	31.03.2014 (Rs.)
18. REVENUE FROM OPERATIONS			
SALE PRODUCT			
Yarn Sales -Domestic		43,16,31,509	45,93,22,399
Fabric Sales -Domestic -Garment Division		4,84,138	19,375
Garment Sales		23,04,73,905	19,22,18,648
Coton waste & Garment- Trading sales		1,85,325	4,55,886
Waste Sales		60,39,860	1,31,20,605
Conversion Receipt		7,43,17,333	14,21,93,604
TFO Charges Receipt		-	7,64,880
OTHER OPERATING REVENUES	Total A	74,31,32,070	80,80,95,397
Sale of manufacturing scrap		4,14,323	3,19,179
	Total B	4,14,323	3,19,179
TOTAL (A)+(B)		74,35,46,393	80,84,14,576
19. OTHER INCOME			
Other non-operating income		34,00,037	10,06,787
Profit on sale of Assets		-	5,240
	Total	34,00,037	10,12,027
20. COST OF RAW MATERIALS CONSUMED			
Inventory at the beginning of the year		3,21,30,811	3,02,94,313
Add: Purchases during the year		40,08,22,668	45,35,12,919
Less: Inventory at the end of the year		2,97,65,393	3,21,30,811
Cost of raw material consumed	Total	40,31,88,086	45,16,76,421
21. CHANGES IN INVENTORIES			
Inventory at the beginning of the Year		8,48,51,082	8,33,18,691
Finished goods & Work in progress			
Inventories at the end of the Year		5,01,71,062	8,48,51,082
Finished goods & Work in progress			
Change In Inventories of finished goods	Total	3,46,80,020	-15,32,391
22. EMPLOYEES BENEFITS EXPENSE			
Salaries, Wages and Bonus		5,33,37,762	5,28,82,977
Contribution to Provident Fund		46,74,805	46,50,571
Welfare Expenses		85,32,410	87,14,082
Managing/Whole Time Director's Remuneration		18,00,000	18,00,000
Salary to Management Trainee		1,80,000	1,80,000
	Total	6,85,24,977	6,82,27,630

The notes referred to above form an integral part of the Profit and Loss account

Particulars		31.03.2015 (Rs.)	31.03.2014 (Rs.)
23. FINANCE COST			
Interest Expenses		29,32,16,755	27,92,70,128
	Total	29,32,16,755	27,92,70,128
24. DEPRECIATION AND AMORTIZATION EXPENSES			
Depreciation of Tangible Assets		22,97,08,262	17,53,73,826
	Total	22,97,08,262	17,53,73,826
25. OTHER EXPENSES			
Carriage Inwards		6,50,999	2,94,088
Power and Fuel		8,49,56,063	12,75,56,484
Repairs to Building		44,691	4,27,310
Repairs to Machinery		79,93,190	1,20,18,191
Repairs Others		4,86,166	7,38,440
Factory and Office Maintenance		39,03,955	29,26,720
Stores and Spares		51,17,873	68,36,611
Insurance		25,87,863	26,27,627
Processing Charges		5,16,53,029	6,53,80,095
Testing Charges		33,095	54,901
Sitting Fee to Directors		1,96,630	2,35,956
Travelling Expenses		90,43,588	74,78,289
Postage, Courier and Telephone		9,12,069	9,58,139
Rent		5,45,000	9,66,680
Audit Fees		12,18,907	9,83,627
Legal and Professional charges		27,15,952	28,46,273
Rates and Taxes and Licence Fees		44,79,728	71,60,797
Printing and Stationery		4,57,332	4,12,981
General Expenses		18,69,345	25,26,243
Carriage Outwards		8,90,244	11,69,278
Advertisement Expenses		4,03,582	1,60,944
Bank Charges		65,274	1,90,949
Loss on sale of fixed assets		8,608	2,29,221
Selling Expenses		2,61,42,417	2,65,61,203
Other Expenses		61,90,646	1,28,38,983
	Total	21,25,66,246	28,35,80,030
26. EXCEPTIONAL ITEM			
Profit on Sale of Non Core - Assests		4,54,30,577	-
Provision for Doubtful Loan and Advances		-	4,23,00,000
	Total	4,54,30,577	4,23,00,000
27. EXTRAORDINARY ITEMS			
Surfacie Exp & Security Exp		97,88,309	-
Impairment of Assets		-	5,77,88,023
	Total	97,88,309	5,77,88,023

Names of related parties and description of relationship upto 31.03.2015

Key management Personal

Sri.Manoj Kumar Tibrewal, Managing Director

Sri.Mohanlal Tibrewal, Executive Director

Sri. Manoj Kumar Tibrewal : Managing Director
 Smt. Anitha Tibrewal : Wife
 Mr.Mayank Tibrewal : Son
 Mrs. Arpita Tibrewal : Daughter in Law
 Mr.Umang Tibrewal : Son

Sri. Mohanlal Tibrewal : Executive Director
 Smt.Lakshmi Devi Tibrewal : Wife
 Mrs.Suman Tibrewal : Daughter
 Mrs.Neha Tibrewal : Daughter

32. Earning per share (EPS)	2014 -15	2013 -14
Profit / Loss After Tax (Rs in lakhs)	-4593	-5473
Profit / Loss available to Equity Shareholders (after deducting the probable Dividend on Preference Shares and Dividend Distribution Tax) (Rs in lakhs)	-5281	-6160
Average number of equity shares (Face value of Rs 5 /-each)	3,26,14,634	3,26,14,634
Basic and diluted before extraordinary items EPS (in Rupees)	-15.05	-17.12
Basic and diluted after extraordinary items EPS (in Rupees)	-16.19	-18.89

33. Requirement under Clause 32 of the Listing Agreement. Loans and advances in the nature of loans to subsidiaries, Firms, Associates and Companies in which Directors are interested in Rs.Nil (Previous year Nil)

34. In compliances with AS 22 relating to "Taxes on Income" the company has not recognized Deferred Tax Liability / assets for current year on account of absence of virtual certainty.

The Net Deferred Tax Asset and Liability are represented as follows

Particulars	Opening as on 1.04.2014		(Rs. in Lakhs) Closing on 31.03.2015
Depreciation	4,165	4,165	-
Others	-5,569	-5,569	-
Total	-1,404	-1,404	-

(in Rs)

35. Breakup of Audit Fees	2014 -15	2013-14
For Statutory Audit & Tax Audit	10,08,570	6,74,160
For Certification	92,697	1,86,995
For Cost Audit & Out of Pocket Expenses	1,17,640	1,22,472
Total	12,18,907	9,83,627

(in Rs)

36. Expenditure in Foreign Currency on account of	2014-15	2013-14
a. Stores & Spares		5,01,540
b. Raw materials		---

SIGNIFICANT ACCOUNTING POLICIES - Annexure I

1. BASIS OF ACCOUNTING

The Financial statements are prepared on the basis of historical cost convention based on the accrual concept and in accordance with applicable Accounting Standards referred under section 211 (3C) of the Companies Act, 1956. The accounting is on the basis of going concern concept.

Income and expenditure are recognized and accounted on accrual basis. Revenue for sale transaction is recognized as and when the property in the goods sold is transferred to the buyer for a definite consideration.

2. CHANGES IN ACCOUNTING POLICY

During the year ended 31st March 2015, the Revised Schedule VI notified under the Company's Act 1956, has become applicable to the Company for preparation and presentation of financial statements. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statement. However, it has significant impact on the presentation and disclosure of financial statements. The company has also reclassified the previous year figures.

3. USE OF ESTIMATES

The preparation of Financial statement requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

4. INVENTORIES

Inventories are valued as under (As Furnished, valued and certified by the Management)

- i) Raw Material - At Identified Cost
- ii) Raw Materials obsolete - At lower of identified cost or realizable value
- iii) Process Stock - At Average Cost
- iv) Finished Goods - At Lower of Cost or Net realizable value
- v) Waste - At Net Realisable value
- vi) Stores, Consumables & Spares - At Weighted Average cost

5. FIXED ASSETS

Fixed Assets are stated at cost and includes all expenditure of Capital nature including the cost of borrowings and net of Cenvat Credit wherever applicable. The preoperative expenses and the loss during that production of new units are capitalised as Fixed Assets wherever applicable.

6. DEPRECIATION

Depreciation has been provided on Straight Line Method in accordance with the rates specified under schedule XIV of the Companies Act, 1956. Depreciation on additions during the year is provided on pro-rata basis with reference to the date of installation and period of use. In respect of assets up to Rs.5000/- each, the policy of the Company is to charge 100% depreciation in the year in which such assets are installed or put to use.

7. IMPAIRMENTS OF ASSETS

The Company has Internal system to access their Impairment of assets. Appropriate disclosure on material impairment of losses and their treatment in profit and loss account, classes of assets and nature of impairment will be made during the period in which the impairment is recognized.

8. INVESTMENTS

Investments are meant to be long term investments and are stated at cost. Diminution in the value of investments, other than temporary in nature, are provided for.

9. EMPLOYEE RETIREMENT BENEFITS

i) Defined Benefit Plan

The Company has taken out a Master policy with LIC of India Under the "Cash Accumulation Scheme" to cover the gratuity liabilities of the Company. The amount charged to Profit and Loss A/c is recognized at the present value of the amount payable determined using actuarial valuation techniques.

ii) Company's Contribution paid/payable during the year towards Provident Fund Scheme and Employee State Insurance are recognized in the Profit and Loss Account.

10. FOREIGN CURRENCY TRANSACTIONS

i) Transactions arising in foreign currency for import of raw materials, spares and fixed assets and for exports during the year are converted at exchange rates prevailing on the date of transaction.

ii) Liabilities payable in foreign currencies as on the date of the Balance sheet are restated at year end exchange rate in such cases where the fluctuations results in losses or at the rates at which foreign currency forwarded covers have been obtained. All exchange differences arising from conversion specific borrowings and other liabilities attributable to the fixed assets, which are capitalized.

11. INTEREST ON BORROWINGS

Borrowing cost is charged to the Profit and Loss Account for the year in which is incurred except for capital assets which is capitalised till the date of assets is put to commercial use.

12. INTEREST UNDER TUF SCHEME

Certain term loans of the company have been sanctioned under the TUF scheme of the Govt., of India. Under this scheme, an interest subsidy @ 5% p.a is given by the Government on the interest paid by the company on its term loans which is refunded quarterly after TUF claim is lodged. This refund is accounted for on mercantile basis.

13. TAXES ON INCOME

a. Deferred tax is recognized, subject to consideration of prudence on all timing differences between taxable income and accounting income that originate in one period and are capable of being reversed in one or more subsequent periods. The accumulated deferred tax liability is adjusted by applying applicable tax rates under relevant tax laws.

b. Minimum alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. MAT credit becomes eligible to be recognized as an asset in accordance with the recommendation contained in the Guidance Note issued by the Institute of Chartered Accountant of India, the said asset is created by way of credit to the Profit and Loss Account and shown as MAT credit entitlement. The Company reviews the same at each balances sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

14. CONTINGENT LIABILITIES

Contingent liabilities are not provided for and are disclosed by way of notes.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015
(in. Rs)

Particulars		31.03.2015		31.03.2014	
A CASH FLOW FROM OPERATING ACTIVITY					
Net Loss before tax and extraordinary items			-44,95,07,339		-48,94,89,041
Adjustment for:					
Depreciation		229708262		175373826	
Profit/Loss on sale of assets		-45430577		-5240	
Dividend Receipt		8608		229221	
Interest Receipt		-2709368		-931446	
Interest on Term Loan		283197673	46,47,74,599	266455665	44,11,22,026
Operating profit before working capital changes			1,52,87,259		-4,83,47,016
Adjustment for:					
Trade & other receipts		67724464		167592831	
Inventories		37668377		-2155982	
Trade payable		33014767	13,84,07,608	278270775	40,14,07,624
Cash generated from operation			15,36,74,867		35,30,60,608
Direct taxes paid			-	848729	
Cash flow before extraordinary items			15,36,74,866		35,22,11,879
Extraordinary items			-97,68,309		-
Net cash from operation Total (A)			14,38,86,557		35,22,11,879
B CASH FLOW FROM INVESTMENT ACTIVITIES					
Purchase of fixed assets(less revaluation amount)			1,20,460		25,23,714
Sale of fixed assets			-13,63,05,240		-2,75,545
Capital subsidy			-		-
Miscellaneous Expenses written off			-		-
Dividend Receipt			-		-
Longterm Loans and advances / Non current assests			-		-
Dividend Paid			21,25,122		-5,16,12,749
Total (B)			-13,40,59,658		-4,93,64,580
C CASH FLOW FROM FINANCIAL ACTIVITIES					
Proceeds/Repayment of borrowings			8,58,021		-13,71,21,514
Increase / Decrease in Equity - Share Capital / Premium			-		-
Interest Receipt			27,09,368		9,31,446
Interest on Term Loan			-28,31,97,873		-26,64,55,865
D NET CASH FROM FINANCIAL ACTIVITIES			-27,96,30,285		-40,26,45,733
E NET INCREASE IN CASH AND CASH EQUIVALENTS(A+C-B)			-16,84,068		-10,69,273
F CASH AND CASH EQUIVALENTS OPENING BALANCE			68,93,132		79,62,405
Cash and bank balances					
G CASH AND CASH EQUIVALENTS CLOSING BALANCE					
Cash and bank balances			52,09,064		68,93,132
			16,84,068		10,69,273

MAXIM JOSEPH
Company Secretary

Coimbatore
28.05.2015

Vide our Report of Even Date
For **THAKKER & SANGHANI**
Firm Registration No.004351S
Chartered Accountants

Aswin.C
Partner

MANOJ KUMAR TIBREWAL
Managing Director

MOHANLAL TIBREWAL
Executive Director

GANGOTRI TEXTILES LIMITED

Regd. Office : 35, Robertson Road, R.S. Puram, Coimbatore-641 002

ADMISSION SLIP

Name of the Sole / First Shareholder :

DATE & TIME

Wednesday, 23.09.2015

3.30 pm

VENUE :

**A.R. Patel Hall,
Sree Coimbatore Gujarat Samaj
662, Mettupalayam Road, P.B. No.1164
R.S.Puram, Coimbatore -641 002**

I hereby record my presence at the **26th ANNUAL GENERAL MEETING** of the Company

NAME & SIGNATURE OF THE ATTENDING MEMBER

NAME & SIGNATURE OF THE PROXY

- NOTE : (1) Members are requested to tender the attendance slip, duly signed in accordance with their specimen signatures registered with the Company, for admission to the meeting hall,
(2) Members are requested to bring their copy of Annual Report.

GANGOTRI TEXTILES LIMITED

Regd. Office : 35, Robertson Road, R.S. Puram, Coimbatore-641 002

PROXY FORM

REG : FOLIO / CLIENT ID :

I / WEofbeing

Member / Members of GANGOTRI TEXTILES LIMITED, hereby appoint

oforfailing him

ofas my / our Proxy to attend and vote for me / on our behalf at the
26th ANNUAL GENERAL MEETING of the Company to be held at A.R. Patel Hall , Coimbatore Sri. Gujarat Samaj,
662, Mettupalayam Road, R.S Puram, Coimbatore - 641 002 on 23.9.2015 or at any adjournment thereof.

Signed thisdays of2015

Affix
Re. 1/-
Revenue
Stamp

NOTE : The Proxy to be effective, should be deposited at the Registered Office of the Company, 35, Robertson Road, R.S. Puram, Coimbatore-641 002 before 4.00 pm on 21.09.2015. A Proxy need not be a member of the Company.

GANGOTRI TEXTILES LIMITED

CIN L17115TZ1989PLC002491

Registered Office: 35, Robertson Road, R.S.Puram, Coimbatore - 641002 Phone : 0422 -4332100 Fax No : 0422- 2474499

Email : tibre@gangotritextiles.com Website : www.gangotritextiles.com

POSTAL BALLOT FORM (In lieu of E-Voting at the AGM)

1	Name of Sole / First Member	
2	Name(s) of Joint Member(s), if any	
3	Registered Folio No / DP ID No	
4	Number of shares held	

I / We hereby exercise my / our vote in respect of the Resolution(s) to be passed through E-voting / Postal Ballot for the business stated in the AGM Notice dated 28th May, 2015 of the company by conveying my / our assent or dissent to the said Resolution(s) by placing the tick mark (v) at the appropriate box given below.

Item No	Description	No of shares held by me	I assent to the Resolution	I dissent from the Resolution
1	Adoption of Annual Financial Statements as on 31 st March, 2015 (Ordinary Resolution)			
2	Appointment of Statutory Auditors and fixing their Remuneration (Ordinary Resolution)			
3	Appointment of Independent Director (Ordinary Resolution)			
4	Appointment of Independent Director (Ordinary Resolution)			
5	Appointment & Remuneration to Mohanlal Tibrewal Executive Director (Ordinary Resolution)			

Place :

Date :

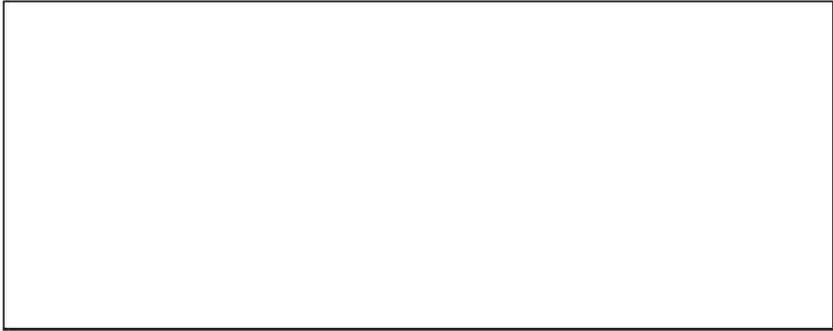
Signature of Member

NOTE : Kindly read the Instructions printed overleaf before filling the Form. Last date for receipt of Postal Ballot by the Scrutinizer is 22-9-2015

INSTRUCTIONS

- In terms of Clause 35 B of the Listing Agreement, those Members, who do not have access to E-voting facility provided by the Company for the Annual General Meeting may send their assent or dissent in writing on the Postal Ballot Form. Accordingly, this Postal Ballot Form is being provided as per Clause 35 B of the Listing Agreement.
- A Member desiring to exercise his / her vote by Postal Ballot Form, should complete this Postal Ballot Form, sign and send it in the enclosed self addressed postage prepaid envelope so as to reach the Scrutinizer as per Instruction (6) below at the address of Sri. B. Krishnamoorthi, Chartered Accountant, " Kanapathy Towers" 3rd Floor, 1391 / A-1, Sathy Road, Ganapathy, Coimbatore - 641 006 . Postage will be borne and paid by the company. Envelopes containing Postal ballots, if deposited in person or sent by courier at the expense of the member will also be accepted.
- The self addressed envelope bears the name of the Scrutinizer appointed by the Board of Directors of the company and the address at which the Postal Ballot Form is to be sent.
- The Postal ballot form should be completed and signed by the members. In the case of joint shareholding, this form should be completed and signed by the first named member and in his absence, by the next named member(s). Unsigned postal ballot form will be rejected. The signature on the postal ballot form must tally with the specimen signature registered with the company.
- Where the postal ballot form has been signed by the Authorized Representative of a body corporate, a certified copy of the relevant authorizations to vote on the postal ballot should accompany the postal ballot form. A member may sign the form through an Attorney appointed specifically for this purpose, in which case an attested true copy of the power of Attorney should be attached to the postal ballot form.
- Duly completed postal ballot forms should reach the Scrutinizer not later than 5.00 p.m on 22nd September, 2014. Any postal ballot form received after this time and date will be treated as if the reply from the member has not been received.
- A member may request for a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer no later than the time and date specified at item No.6 above.
- Voting rights will be reckoned on the paid up value of shares registered in the name of the member on 8th August, 2015 which is the cut off date fixed for this purpose.
- Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed postage prepaid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extra paper found in such envelope would be destroyed by the Scrutinizer.
- There will be only one postal ballot form for every folio irrespective of the number of Joint member(s).
- A member need not use all the votes nor does he need to cast all the votes in the same way.
- The Scrutinizer's decision on the validity of a postal ballot will be final and binding.
- Incomplete, unsigned or incorrect postal ballot forms will be rejected.
- The date of AGM will be the deemed date of passing resolution(s) through e-voting/postal ballot. It may also be noted that, in terms of Section 114 of the Act, the Resolutions contained in the AGM Notice will be deemed to have been passed through the e-voting and postal ballot form. Accordingly, the results shall be declared in terms of Rules 20 or 21 of the companies (Management and Administration) Rules 2014.
- The right of vote under e-voting and postal ballot shall not be exercised by a proxy.

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