

***27th***  
***Annual Report***  
***2015 - 2016***

**Gangotri Textiles Limited**

**REGD. OFFICE** : 25-A, Venkatachalam Co-operative Colony, R.S. Puram, Coimbatore - 641 002

Telephone No : 0422 – 4332100 Fax No : 0422 – 2474499

Mail Id : [tibre@gangotritextiles.com](mailto:tibre@gangotritextiles.com)

**CIN.** L17115TZ1989PLC002491

**BOARD OF DIRECTORS**

Sri. MANOJ KUMAR TIBREWAL  
Managing Director

Sri. MOHANLAL TIBREWAL  
Executive Director

Sri.N. VENKATESAN  
Independent Director

Smt. M.V. SURYAPRABHA  
Independent Director  
(Woman Director)

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

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

Sri. SETHUMURUGAN  
Nominee Director of State Bank of Hyderabad  
(w.e.f. 30.5.2016)

Sri. RAJANIKANTA NAIK  
(up to 30.5.2016)  
Nominee Director of State Bank of Hyderabad

Sri. P.T. KALAISELVAN  
(w.e.f. 12.8.2016)  
Nominee Director of Canara Bank

Sri. A. SATHISHKUMAR  
(w.e.f. 12.8.2016)  
Nominee Director of Canara Bank

**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 M. GANGADHARAN & CO**

Chartered Accountants  
Nanjappa Complex,  
137 (Old No. 150) B.B. Street,  
Coimbatore - 641 001

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## NOTICE TO SHAREHOLDERS :

NOTICE is hereby given that the **Twenty Seventh Annual General Meeting** of the company will be held on **Wednesday, the 21st day of September, 2016 at 3.30 p.m** at the Bimani Hall, Coimbatore Sri. Gujarat Samaj, 662, Mettupalayam Road, R.S Puram, Coimbatore - 641 002 to transact the following business :

## A G E N D A

### ORDINARY BUSINESS :

- 1) To receive, consider and adopt the Directors' Report, Profit & Loss Account for the year ended 31st March, 2016 and the Balance Sheet as at that date and the Auditors' Report thereon.
- 2) To appoint Auditors for the Financial Year 2016-17 and fix their remuneration.

### 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 Thursday the 15th day of September 2016 to Wednesday, the 21st day of September, 2016 (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.Electronic copy of the Annual Report 2016 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.

7. During the year 2006, the Company had gone for a major expansion with an investment of Rs 351 crores. The cost of the project was met out by borrowing Term Loan to the extent of Rs 273 crores and by Public Issue for an aggregate value of Rs 55.00 crores. As envisaged in the Prospectus, the borrowed money and the Public Issue money were spent for the Project. Unexpectedly, the cost of the project was overrun. Due to the recession prevailed in the Textile Industry, stiff competition on the market, power shortage and insufficient working capital, the company started incurring loss year after year. During the financial year 2012-13, the loss had eroded the entire Net Worth of the company and a reference was made to BIFR as per the provisions of the Companies Act. The reference was abated by BIFR based on the application made by the Lenders.

For the reasons stated above, the company was not in a position to repay the loan and the interest as well borrowed from the bank. Therefore, the company's account became NPA on 24-3-2012 and the Borrowers have initiated recovery proceedings under the SARFAESI Act. They have taken

physical possession of all our nine units and have also sold all the Units except Weaving & Processing Unit ( Unit – 8 ) situated at Perundurai. The said unsold unit was also brought for sale in the e-auction to be held on 17-2-2016 and was not sold on that day. Subsequently, the Lenders have decided to go for third party sale under Private Treaty and the company has given consent for the above. As of now, the company has no manufacturing activities on and all the units are closed. Besides, the Lenders have sold three vacant lands and five Wind Mills belonging to the company. The details for the closure / sale of the units by the Lenders are given below.

Units	Date of Sale	Amount realized Rs in crores
Unit 1	18-12-2015	16.30
Unit 2 & 5	6-7-2015	11.20
Unit 3	5-11-2015	6.55
Unit 4 & 9	6-7-2015	32.65
Unit 6	18-12-2015	2.02
Unit 7	1-10-2015	8.50
Unit 8	Looms sold	15.05
Balance	20-7-2016 ( Unit )	39.00
Staff Quarters	6-7-2015	4.42
<b>Total</b>		<b>135.69</b>

### 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 27th Annual General Meeting by electronic means and the business may be transacted through e-Voting services provided by Central Depository Services (India) Ltd (CDSL). 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 shall be able to exercise their right at the meeting .

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.

### 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.	

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 for 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 "RESOLUTIONS/FILE 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.

(XVII) 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.

(XVIII) They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

(XIX) 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.

(XX) The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

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 **Sunday , 18th September, 2016 at 9.00 A:M** and ends on **Tuesday 20th September, 2016 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 14th September, 2016**, 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.evoting.co.in> under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**I.** 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 14th day of September, 2016.**

**II.** 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.

**III.** 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.

**IV.** 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](http://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.

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

Place : Coimbatore  
Date : 30.5.2016

**MANOJ KUMAR TIBREWAL**  
Managing Director



## DIRECTORS' REPORT TO SHAREHOLDERS

Ladies and Gentlemen,

Your Directors present the 27th Annual Report of the Company along with the audited statement of accounts for the year ended 31st March 2016.

### FINANCIAL RESULTS

( in Rs )

PARTICULARS	31.03.2016	31.03.2015
Sales Turnover	26,03,26,588	74,35,46,393
Profit/Loss before interest, depreciation and tax	4,63,13,843	(7,69,99,024)
Less: Interest	12,83,09,507	29,32,16,755
Depreciation	1,60,52,766	22,97,08,262
Extraordinary Items	23,09,19,253	97,88,309
Net Profit / loss for the year before Tax	(32,89,67,683)	(43,18,89,112)

### 2. PERFORMANCE

During the year under review, the Lenders have sold all the eight Units of the Company except The Weaving & Processing Unit ( Unit -8 ) at Perundurai and adjusted the sale proceeds towards loan account. Consequently, the entire operation of the company have been suspended. All the employees except few have left the service of the company and the company has settled their dues fully. Since the only unsold unit has not been sold in the e-auction held on various dates, the Lenders have decided to sell the said unit under Private Treaty /e-auction whichever happens earlier.

### 3. LEGAL :

1. 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.

2. The company has filed Appeal in S.A. 174/2013 before the Debt Recovery Tribunal, Coimbatore challenging the Original Application filed by M/s. State Bank of India.

3. M/s. State Bank of India, Stressed Asset Management Branch, Coimbatore have filed a Writ Petition in W.P. No. 24864/2015 before the Hon'ble Madras High Court, Chennai Challenging the Customs Department is not having a first charge on the properties put to e-auction under the provisions of SARFAESI Act which overrides the Customs Act on priority charge.

4. The Directorate of Revenue Intelligence, Coimbatore have filed a Miscellaneous Petition in MP No. 24864 / 2015 praying to permit them to implead as 3rd Respondent in W.P No. 24864/2016.

The above matters are pending before the Hon'ble Madras High Court, Chennai.

### 4. DIVIDEND

In view of the loss incurred by the company during the year under review, there was no possibility for the payment of dividend for the financial year ended 31st March, 2016.

### 5. FINANCE

The Bankers have initiated recovery proceedings under SARFAESI

Act and sold all the Assets of the company except the Weaving & Processing Unit ( Unit -8 ) at Perundurai and adjusted the sale proceeds against the loan outstanding as shown below. The said Unit-8 was not sold in the e-auction held on various dates.

In the meantime, The Director General of Foreign Trade, Coimbatore has passed orders on 20-1-2016 levying penalty to the extent of Rs 55,90,28,760/- due to non-fulfilment of Export Obligation in respect of 45 Licences issued to the company. The company has preferred an Appeal against this Order before the Deputy Director General of Foreign Trade, New Delhi and the matter is sub-judice.

The Company has also received demand for Rs 1,53,77,000/- from the office of the Assistant Commissioner of Customs, Chennai, due to non-fulfilment of Export Obligation in respect of 6 Licences issued to the company.

Since the entire Assets have been sold, the company is having neither any machinery to fulfill the Export Obligation nor have any source of funds to pay the liability.

### Details of the Assets Sold

Assets	Amount realised (Crores)
Wind Mills - 5 Nos	35.23
Mundvelampatty Land	0.90
Kalappatty Land	1.82
Sullakkal Land	2.38
Gokulam Land	4.42
Vehicles	0.15
Unit - 1	16.30
Unit 2 & 5	11.20
Unit -3	6.55
Unit 4 & 9	32.65
Unit- 6	2.02
Unit- 7	8.50
Retention Money	14.88
Unit- 8 Machineries	15.05
Unit- 8 since sold on 20.7.2016	39.00
<b>Total</b>	<b>191.05</b>

## 6. 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.

## 7. 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.

## 8. LISTINGS

The company's shares are listed in 1) National Stock Exchange of India Ltd, 2) Mumbai Stock Exchange Ltd and 3) Calcutta Stock Exchange Limited. Since there was no source of finance to the Company, the company has paid listing fee to these Stock Exchanges.

## 9. 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.

## 10. 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.

## 11. 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.

## 12. 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 having no adverse comments.

## 9. Particulars of Loans / Guarantee / Investments

Details 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. Statutory Auditors

During the year under review the Statutory Auditors of the Company M/s. Thakker & Sanghani, Chartered Accountants, resigned as such Statutory Auditor on 24.10.2015. To fill the casual vacancy arising out of the resignation, M/s M. Gangadharan & Co, Chartered Accountants have been appointed as Statutory Auditors of the Company to conduct audit for the financial year 2015-16. Their appointment was recommended by the Audit Committee and accepted by the Board of Directors in their meeting held on 13.11.2015 and subsequently approved by the Shareholders in the Extra-ordinary General Meeting held on 30-12-2015. They have given necessary certificate in terms of Section 224 (1) (b) of the Companies Act, 1956.

## 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
- 2) Sri. R.P. Joshua - Nominee Director
- 3) Smt. Suryaprabha - Independent Director

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.

#### 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

Since all the units of the company were sold during the under review, the question of disclosure of Sexual Harassment of Woman at Work Place does not arise.

#### 17. Industrial Relations

Does not arise.

#### 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	Since all the manufacturing Units have been sold out, only trading business is possible.
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.
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	The details of the Demand received from the Joint Director General of Foreign Trade and the Customs Authority are stated elsewhere in this Report.
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 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

Place : Coimbatore  
Date : 30.5.2016

# Form No. MGT-9

## EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2016

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

### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L17115TZ1959PLC002491
ii.	Registration Date	26.07.1989
iii.	Name of the Company	GANGOTRI TEXTILES LIMITED
iv.	Category/Sub-Category of the Company	PUBLIC COMPANY
v.	Address of the Registered office and contact details	No25, Venkatachalam Co-op Colony ,R. S Puram Coimbatore -641 002. Tamil Nadu CONTACT DETAILS : SRI. Manoj Kumar Tibrewal, Managing Director PHONE 0422-4332100 MAIL ID : manoj.tibre@gmail.com
vi.	Whether listed company	YES
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/S. SKDC CONSULTANTS LTD, KANAPATHY TOWERS, 3rd FLOOR 1391/A1, SATHY ROAD, GANAPATHY COIMBATORE – 641 006.

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product / service	% to total turnover of the company
1	COTTON YARN	520511	65 %
2	READY MADE GARMENTS	620100	35%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	NIL	NIL	NIL	NIL	NIL

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Dem at	Phy sical	Total	% of Total Shares	
<b>A.Promoter</b>									
<b>1) Indian</b>									
a)Individual/ HUF	8000457		8000457	24.530	8000457		8000457	24.50	0.006
b)Central Govt									
c)State Govt(s)									
d)Bodies Corp									
e)Banks / FI									
f)Any Other									
Sub-total(A)(1):-	8000457	0	8000457	24.530	8000457	0	8000457	24.530	0.000
<b>2)Foreign</b>									
g)NRIs-Individuals									
h)Other-Individuals									
i)Bodies Corp.									
j)Banks / FI									
k)Any Other....									
Sub-total(A)(2):-									
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	8000457	0	8000457	24.530	8000457	0	8000457	24.53	0.000
<b>B.PUBLIC Shareholding</b>									
<b>1.Institutions</b>									
a)Mutual Funds	1600	0	1600	0.005	1600	0	1600	0.005	0.000
b)Banks / FI	1416473	0	1416473	4.343	1416473	0	1416473	4.343	0.000
c)Central Govt									
d)State Govt(s)									
e)Venture Capital Funds									
f)Insurance Companies	1202000	0	1202000	3.685	1202000	0	1202000	3.685	0.000
g)FIIs									
h)Foreign Venture Capital Funds									
i)Others (specify)									
Sub-total(B)(1)	<b>2620073</b>	<b>0</b>	<b>2620073</b>	<b>8.033</b>	<b>2620073</b>	<b>0</b>	<b>2620073</b>	<b>8.033</b>	<b>0.000</b>
<b>2. Non Institutions</b>									
a)Bodies Corp.(i) Indian	2996351	18800	3015151	9.245	2883130	18800	2901930	8.898	-0.347
(ii) Overseas									
b)Individuals	6427342	464905	6892247	21.133	7294219	451705	7745924	23.751	2.618
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh for previous year & up to 2 lakh for the current year									
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	<b>10451333</b>	<b>0</b>	<b>10451333</b>	<b>32.045</b>	<b>9653342</b>	<b>0</b>	<b>9653342</b>	<b>29.598</b>	<b>-2.447</b>
c) Others(Specify)									
TRUSTS	1000	0	1000	0.003	1000	0	1000	0.003	0.000
NON RESIDENT INDIANS	94194	0	94194	0.289	76794	0	76794	0.235	-0.054
CLEARING MEMBERS	403851	0	403851	1.238	448828	0	448828	1.376	0.138

HINDU UNDIVIDED FAMILIES	1136328	0	1136328	3.484	1166286	0	1166286	3.576	0.092
Sub-total(B)(2)	<b>2151039</b>	<b>483705</b>	<b>21994104</b>	<b>67.437</b>	<b>21523599</b>	<b>475505</b>	<b>21994104</b>	<b>67.437</b>	<b>-0.000</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	24130472	483705	24614177	75.470	24143672	475505	24614177	75.470	-0.006
C Shares held by Custodian for GDRs&ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	<b>32130929</b>	<b>483705</b>	<b>32614634</b>	<b>100.000</b>	<b>32144129</b>	<b>470505</b>	<b>32614634</b>	<b>100.000</b>	<b>0.000</b>

**ii. Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%Of Shares Pledged / encumbered to totalshares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	MANOJ KUMAR TIBREWAL	171200	0.525	0.000	171200	0.525	0.000	<b>0.000</b>
2.	MOHANLAL TIBREWAL	2000	0.006	0.000	2000	0.006	0.000	<b>0.000</b>
3.	ANITA TIBREWAL	5233661	16.047	75.000	5233661	16.047	75.000	<b>0.000</b>
4.	MANOJ KUMAR TIBREWAL	2192596	6.723	0.000	2192596	6.723	75.000	<b>0.000</b>
5.	UMANG TIBREWAL	194000	0.595	0.000	194000	0.595	0.000	<b>0.000</b>
6.	MAYANG TIBREWAL	207000	0.635	0.000	207000	0.635	0.000	
	Total	8000457	24.531	150.000	8000457	24.531	150.000	<b>0.000</b>

**iii. Change in Promoters 'Share holding(please specify ,if there is no change**

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	<b>8000457</b>	<b>24.530</b>	<b>8000457</b>	<b>24.530</b>
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	At the End of the year	<b>8000457</b>	<b>24.530</b>	<b>8000457</b>	<b>24.530</b>

**Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

S.No	For each of top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	%	No. of Shares	%
1	LEEMA ROSE. M	3348066	10.266	3348066	10.266
2	USHA TIBREWAL	1768531	5.423	1768531	5.423
3	BSEL INFRASTRUCTURE REALTY LTD	1473188	4.517	1473188	4.517
4	RAMESH KUMAR TIBREWAL	1310816	4.019	1310816	4.019
5	UNITED INDIA INSURANCE COMPANY LIMITED	1202000	3.685	1202000	3.685
6	SHASHIKANT GORDHANDAS BADANI	857942	2.631	857942	2.631
7	RAMESH KUMAR TIBREWAL (HUF) .	676000	2.073	676000	2.073
8	STATE BANK OF TRAVANCORE	609750	1.870	609750	1.870
9	SENGOTTUVELU SENTHILNATHAN	600000	1.840	600000	1.840
10	RASI SEEDS (P) LTD	600000	1.840	600000	1.840

**Shareholding of Directors and KMP**

NAME	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	%	No. of Shares	%
MANOJ KUMAR TIBREWAL	2192596	6.723	2192596	6.723
MANOJ KUMAR TIBREWALA	171200	0.525	171200	0.525
MOHANLAL TIBREWAL	2000	0.006	2000	0.006

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits
Indebtedness at the beginning of the financial year 01.04.2015	
i) Principal Amount	267,40,53,746
ii) Interest due but not paid	97,77,44,512
iii) Interest accrued but not due	-
Total (i+ii+iii)	365,17,98,258
Change in Indebtedness during the financial year	
- Addition	12,81,71,803
- Reduction	98,22,72,783
Net Change	85,41,00,980
Indebtedness at the end of the financial year 31.03.2016	
i) Principal Amount	169,17,80,963
ii) Interest due but not paid	110,59,16,315
iii) Interest accrued but not due	-
Total (i+ii+iii)	279,76,97,278
Less collection & Current A/c	
Total	



## VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL

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

Sl.No.	Particulars of Remuneration	Name of MD/MTD/ Manager			Total Amount
1.	Gross salary  (a)Salary as per provisions containedinsection17(1) of the Income-tax Act,1961  (b)Value of perquisites u/s 17(2)Income-tax Act, 1961 (c)Profits in lieu of salary undersection17(3) Income- tax Act,1961	Mr.Manoj Kumar Tibrewal	Mr.Mohan Lal Tibrewal	Mr.Mayank Tibrewal	19,80,000
		9,00,000	9,00,000	1,80,000	
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as% of profit - others, specify...	Nil	Nil	Nil	Nil
5.	Others ,please specify	Nil	Nil	Nil	Nil
6.	Total(A)	9,00,000	9,00,000	1,80,000	19,80,000
	Ceiling as per t he Act				

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
	Independent Directors  •Fee for attending board committee meetings •Commission •Others ,please specify	Mr. N. VENKATESAN	Mrs. Suriya Prabha					95,000
		50,000	45,000					
	Total(1)	50,000	45,000					95,000
	Other Non-Executive Directors  •Fee for attending board committee meetings •Commission •Others ,please specify	Mr.R.P.JOSHUA - SBI	Mr. T KALAI SELVAN- CANARA BANK	Mr. Elango -UBI	Mr. Rajanikan ta Naik			80,000
		45,000	25,000	Nil	10,000			
	Total (2)	45,000	25,000	Nil	10,000			80,000
	Total (B)=(1+2)	95,000	65,000	Nil	10,000			1,75,000
	Total Managerial Remuneration							
	Over all Ceiling as per the Act							

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				
		Manager Operation	Director Operation	Company Secretary	CFO	Total
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961  (b)Value of perquisites u/s 17(2)Income-tax Act,1961  (c)Profits in lieu of salary under section 17(3)Income-tax Act,1961	90,000	3,00,000	1,92,000	2,00,000	7,82,000
		Nil	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission - as %of profit -others ,specify...	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
6.	Total	90,000	3,00,000	1,92,000	2,00,000	7,82,000

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

Type	Section of the companies Act	Brief description	Details of Penalty/Punishment/ Compounding fees imposed	Authority [RD/ NCLT/Court]	Appeal made. If any (give details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty					
Punishment					
Compounding					

## 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 includes 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.



**ANNEXURE 3****FORM MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31-03-2016**

(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 31-03-2016 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 31-03-2016 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, 1956

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 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.

m. 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.

n. I further report that the application made for delisting with Calcutta Stock Exchange is in process.

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

The bankers have taken possession of all the units of the Company for recovery of dues under SARFAESI ACT, 2002. The details of which are given below

• UNIT I : THE LENDERS HAVE TAKEN PHYSICAL POSSESSION ON 01/10/2015.

SOLD IN THE E-AUCTION HELD ON 18/12/2015

• UNIT II & V : THE LENDERS HAVE SOLD THE UNITS IN THE E-AUCTION HELD ON 07/07/2015 BUT POSSESSION HANDED OVER ONLY ON 08/09/2015

• UNIT IV & IX : THE LENDERS HAVE TAKEN PHYSICAL POSSESSION ON 03/06/2015 AND SUBSEQUENTLY SOLD THE UNITS IN THE E-AUCTION HELD ON 07/07/2015

• UNIT III : THE LENDERS HAVE TAKEN POSSESSION AND SOLD IN THE E-AUCTION HELD ON 01/10/2015

• UNIT VI : THE LENDERS HAVE TAKEN PHYSICAL POSSESSION ON 21/05/2015. SOLD IN THE E-AUCTION HELD ON 18/12/2015

• UNIT VII : THE LENDERS HAVE TAKEN PHYSICAL POSSESSION AND SOLD IN THE E-AUCTION HELD ON 01/10/2015

• UNIT VIII : THE LENDERS HAVE TAKEN PHYSICAL POSSESSION ON 10/06/2013 AND THE UNIT WAS SOLD ON 20/07/2016 THROUGH PRIVATE TREATY (after year ending 31/03/2016).

**Note:** The Company has closed all its units. Presently the Company does not have any workers in factories and running with a minimum level of staff for doing online trading and to undertake matters relating statutory and legal issues.

Place : Coimbatore  
Date: 05-8-2016

Name: **V.M.Vennila**  
Membership No: 18193  
C.P.No: 7425

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENT :

The company has effected sales turnover of Rs 15.82 crores as against Rs 43.16 crores last year in respect of yarn and Rs 5.65 crores as against Rs 23.05 crores last year in respect of Ready made Garments.

### OPERATION OF UNITS :

The Open End Spinning Mill ( Unit – 1 ) at Kittampalayam and Waste Processing Unit ( Unit – 7 ) were in operation till 30-9-2015. The Lenders have taken physical possession of the above two Units on 1-10-2015 and sold in the e-auction held on 18-12-2015. In the Open End Spinning Unit, during the period from 1-4-2015 to 30-9-2015, the Company has effected Yarn sales. Besides, The Company was doing trading activities.

The Lenders have sold the Garment Stitching Unit on 6-7-2015 and Garment Washing Unit on 18-12-2015. Consequently, the Garment manufacturing activities have become paralysed totally.

### FINANCIAL PERFORMANCE AND ANALYSIS

Particulars	2015 -16	2014 -15	Change		%
			Increase (+)	Decrease(-)	
Turnover	26,03,26,588	74,35,46,393	-48,32,19,805		-64.99
Other Income	1,48,166	34,00,037	-32,51,871		-95.64
Gross Revenue	26,04,74,754	74,69,46,430	-48,64,71,676		-65.13
PBIDT	-5,09,26,444	2,79,87,101	-2,29,39,343		-81.96
Interest	12,83,09,507	29,32,16,756	-16,49,07,249		-56.24
PBDT	-17,92,35,951	-26,52,29,654	-8,59,93,703		-47.98
Depreciation	1,60,52,766	22,97,08,262	-21,36,55,496		-93.01
Net Profit /Loss before Tax	-38,80,44,586	45,92,95,648	-7,12,51,062		-15.51

During the year under review, the Company has incurred loss amounting to Rs 38.80 crores.

### OUTLOOK

As stated in DirectorsReport, the Lenders have sold all the Units ( except Unit- 8 ) and other Assets belonging to the Company for Rs 152.05 crores and adjusted the sale proceeds against the loan due. With all the Assets sold (except Unit-8), the company can do only trading activities.

### FINANCE

The Report about Finance is elaborately given in the Directors Report to the Shareholders.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY.

During the year under review, the Statutory Auditors of the Company M/s Thakker & Sanghani, Chartered Accountants have resigned and to fill up the casual vacance arised out of the said resignation , M/s M.Gangadharan & Co, Chartered Accountants have been appointed as Statutory Auditors of the Company to conduct for the Financial Year 2015-16.

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.

### INDUSTRIAL RELATIONS

Industrial relations continued to be harmonious in Units 1 and Unit - 7 which were runing up to 30-9-2015.

During the year under review, the Company has incurred loss amounting to Rs 38.80 crores.

## **SEGMENTWISE OR PRODUCTWISE PERFORMANCE**

### **GARMENTS**

The company's Garment Division has registered sales of Rs. 5.65 crores as against Rs.23.04 crores previous year. As stated earlier, there was a hit in the Apparel market 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.

### **FINANCE**

The report about finance is elaborately given in the Directors report to Shareholders.

### **RISK AND CONCERNS**

Even after the entire assets of the Company have been sold by the lenders and adjusted the proceeds against the loan payable by the company, still the company owes huge liability to the banks towards loan account. In the absence of any assets on hand and scope for revenue, it looks a great threat on the part of the company with regard to settlement of the bank dues.

Further the company has also received from the following departments directing the company for the payment of

penalty, and the payment of it or also a threat on the part of the company under the present situation of the company.

1. The Director General of Foreign Trade, Coimbatore has passed orders on 20-1-2016 levying penalty to the extent of Rs 55,90,28,760/- due to non-fulfilment of Export Obligation in respect of 45 Licences issued to the company. The company has preferred an Appeal against this Order before the Deputy Director General of Foreign Trade, New Delhi and the matter is sub-judice.

2. The Company has also received demand for Rs 1,53,77,000/- from the office of the Assistant Commissioner of Customs, Chennai, due to non-fulfilment of Export Obligation in respect of 6 Licences issued to the company.

3. The Assistant Commissioner of Commercial Taxes Mettupalayam Road Circle, Coimbatore has issued a demand notice directing the company to pay a sum of Rs. 20.07 lakhs towards Additional Sales Tax payable relating to the Assessment year 1999-2000.

4. The Assistant Commissioner of Income Tax, Coimbatore has issued a demand notice directing the company to make the payment of 3.42 crores towards Income Tax payable relating to Assessment year 2013-2014.

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

**MANOJ KUMAR TIBREWAL**  
**MANAGING DIRECTOR**

**MOHANLAL TIBREWAL**  
**EXECUTIVE DIRECTOR**

Place : Coimbatore  
Date : 30.5.2016

## CORPORATE GOVERNANCE REPORT

Companies policies on the Corporate Governance under the due compliance report on specific areas, where applicable for the year 2015-2016 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	Independent Director	NIL	NIL	NIL
Smt. M.V.Suryaprabha	Independent Director ( Woman Director)	NIL	NIL	NIL
Sri. R.P.Joshua	Nominee Director	4	NIL	NIL
Sri. P.T.Kalaiselvan	Nominee Director	NIL	NIL	NIL
Sri. R.Elango	Nominee Director	NIL	NIL	NIL
Sri.Rajanikanta Naik (up to 28-4-2016 )	Nominee Director	NIL	NIL	NIL
Sri.Sethumurugan (w.e.f 28-4-2016)	Nominee Director	NIL	NIL	NIL
A. Sathishkumar (w.e.f 12-8-2016)	Nominee Director	NIL	NIL	NIL

#### Note :

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

<u>Name of the Bank</u>	<u>Name of the Directors</u>	<u>Date of withdrawal</u>
State Bank of Hyderabad	Sri. Rajanikanta Naik	28.4.2016
Canara Bank	Sri. P.T. Kalaiselvan	12.08.2016

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

Name of the Director	Remuneration paid During the year 2015 - 16 (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. R.P. Joshua	Nil	45,000
Sri. E. Elango **	Nil	Nil
Sri. P.T. Kalaiselvan *	Nil	25,000
Sri. Rajanikanta Naik ***	Nil	10,000
Sri. N. Venkatesan	Nil	50,000
Smt. M.V. Suryaprabha	Nil	45,000

\* Paid to Canara Bank

\*\* Paid to United Bank of India

\*\*\* Paid to State Bank of Hyderabad

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

Meetings of the Board of Directors were held during the year ended 31-3-2016 on the following dates.

**(1)** 28th May, 2015 **(2)** 13th August, 2015 **(3)** 13th November, 2015 **(4)** 8th February, 2016

**ii. Attendance recorded of each of the Directors at the Board Meeting during the year ended 31<sup>st</sup> March, 2016 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. R.P. Joshua	4	No
Sri. E. Elango	NIL	No
Sri. P.T. Kalaiselvan	4	No
Sri. Rajanikanta Naik	2	No
Sri. N. Venkatesan	4	Yes
Smt. M.V. Suryaprabha	4	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, 2015 **(2)** 13th August, 2015 **(3)** 13th November, 2015 **(4)** 8th February, 2016

**ii. Attendance of the Audit Committee Meeting held during the financial year ended 31st March, 2016.**

Name of the Member	No of Meetings Attended
Sri. N. Venkatesan	4
Sri. R.P. Joshua	4
Smt. M.V. Suryaprabha	4

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)

**5. Stakeholders Relationship Committee**

a) The Stakeholders Relationship 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 Stakeholders Relationship Committee meeting was held on 30 -5-2016 and reviewed the complaints received from the Investors during the financial year ended 31st March, 2016.

During the financial year ended 31st March, 2016, the company has not received any- complaint from the Investor's and as on 31st March, 2016 no complaints / queries were there pending reply. The share transfer applications are normally completed within a period of 15 days.

**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:**

AGM / NO	DAY	DATE	TIME	VENUE
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
26	Wednesday	23.9.2015	3.30 pm	A.R. Patel Hall, Sree Coimbatore Gujarat Samaj 662, Mettupalayam Road, P.B. No. 1164, R.S.Puram, Coimbatore - 641 002
E.G.M.	Wednesday	30.12.2015	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 26th Annual General Meeting held on 23.09.2015, no Special Resolutions was proposed to be passed

**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](http://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 21 -9-2016 ( 27<sup>th</sup> AGM )**

Day : Wednesday  
 Date : 21-9-2016  
 Time : 3.30 P.M  
 Venue : Bimani Hall, Shree Coimbatore Gujarati Samaj, 662, Mettupalayam Road, Post Box No 1164, R.S.Puram, Coimbatore - 641 002

**b) Financial Calendar Year 2016 - 2017 :**

First quarterly Financial Results : On or before 15-07-2016  
 Second quarterly Financial Results : On or before 15-10-2016  
 Third quarterly Financial Results : On or before 13-01-2017  
 Audited Financial Results for the year : On or before 30-05-2017 for the year ended 31-3-2016

**c) Dates of Book Closure** : From: 15-9-2016 To : 21-9-2016 (Both the days inclusive) for the purpose of Annual General Meeting.

**d) Dividend payment date :**

In view of the Lenders have sold all the units of the Company excepting one Unit at Perundurai, the entire operation of the company have been suspended during the financial year 2015-16. Hence, the question of payment of Dividend does not arise.

**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 Limited

**f) Delisting :**

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 2015-16 are as under.

MONTH		Highest Rate (Rs)	Lowest Rate (Rs)
APRIL	2015	1.53	1.29
MAY	2015	1.59	1.52
JUNE	2015	1.57	1.36
JULY	2015	1.30	0.92
AUGUST	2015	1.49	1.15
SEPTEMBER	2015	1.48	1.27
OCTOBER	2015	1.39	0.95
NOVEMBER	2015	1.13	0.94
DECEMBER	2015	1.44	0.93
JANUARY	2016	2.53	1.64
FEBRUARY	2016	1.81	1.23
MARCH	2016	1.57	1.09



**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 31.3.2016**

No of Shares	No of Shareholders	No of Shares	Percentage
Up to 5000	7692	26,72,774	8.20
5001-10000	718	11,25,596	3.45
10001 – 20000	386	11,23,818	3.45
20001- 30000	170	8,55,468	2.62
30001-40000	64	4,51,114	1.38
40001- 50000	54	4,98,426	1.53
50001-100000	71	10,05,771	3.08
100001 and above	77	2,48,81,667	76.29
<b>Total</b>	<b>9,232</b>	<b>3,26,14,634</b>	<b>100.000</b>

**16. Shareholding Pattern as on 31.3.2016**

Category	No of Shares held	Percentage
Promoters	80,00,457	24.530
Mutual Funds	1,600	0.005
Financial Institutions / Banks	14,16,473	4.343
Bodies Corporate	29,01,930	8.898
NRI	76,764	0.235
Insurance Companies	12,02,000	3.685
General Public	1,90,15,410	58.304
<b>TOTAL</b>	<b>3,26,14,634</b>	<b>100.000</b>

**17. Dematerialisation of Equity Shares :**

As on 31-3-2016 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

### UNIT – VIII

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

**Note :** All the other 8 Unit have been sold by the lenders

## 19. Address for correspondence :

**Registered Office :** 25-A, Venkatachalam Co-oprative Colony, 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**  
**30-5-2016**

**MANOJ KUMAR TIBREWAL**  
**MANAGING DIRECTOR**

## 22. CEO / CFO CERTIFICATE

### **We certify that**

- a) We have reviewed financial statements and cash flow statements for the year ended 31st March, 2016 and that to the best of our knowledge and belief :
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
  - ii) 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.
- b) 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.
- c) 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.
- d) We have indicated to the Auditors and the Audit Committee
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the financial statements.
  - iii) 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**  
**30-5-2016**

**MANOJ KUMAR TIBREWAL**  
**MANAGING DIRECTOR**

The above Corporate Governance Report has been placed before the Board of Directors at their meeting held on 30-5-2016 and the same was approved thereat.

**AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE  
UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

TO

The members of Gangotri Textiles Limited

We have reviewed the implementation of Corporate Governance procedures by Gangotri Textiles Limited during the year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with in all material respect, the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2016, no investor grievances are un-attended / pending for a period exceeding one month against the Company as certified by the Registrars of the Company and details presented to the Share Transfer cum Investors Grievance Committee of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For M. GANGADARAN & CO**  
Firm Regn.No.0881S  
Chartered Accountants

**Place : Coimbatore**  
**Date : 30.05.2016**

**M. GANGADARAN**  
Membership No:024949

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF M/s. GANGOTRI TEXTILES LIMITED**

#### **REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of M/s.GANGOTRI TEXTILES LIMITED, which comprise the balance sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **AUDITOR'S RESPONSIBILITY**

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **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 Trade Receivables Rs.108.15 Lakhs are subject to confirmation.
3. The interest provisions for all Loans from Banks has not been worked out since the date of taking over of assets by the bank. We could not able to quantify the interest amount.
4. On Examination of the books of accounts and the information and explanations give to us, the internal control systems continue to be not commensurate considering the nature of company's business.
5. The State Bank of India took possession and sold all the assets of the Company except the Unit No. VIII at Perundurai SIPCOT. The realised value of the assets sold amount Rs.152.05 Crores is adjusted under the head Term Loan and the Term Loan amount as on 31.03.2016 is Rs.136.88 Crores.
6. 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. These matters were also qualified in the report of the predecessor auditors on the financial statements for the year ended 31.03.2015.

### **QUALIFIED 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 above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its loss and its cash flows for the year ended on that date.

- (i) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March 2016;
- (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.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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 purposes of our audit.
  - (b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) Except for the effects of the matters described in the basis for qualified opinion paragraph above, the aforesaid standalone 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) The matters described on the Basis for Qualified Opinion paragraph above, in our opinion, may have adverse effect on the functioning of the Company.
  - (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated on the Basis for Qualified Opinion paragraph above
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements;
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Coimbatore  
Date : 02.08.2016

**For M. GANGADARAN & CO.**  
Firm Regn.No.0881S  
Chartered Accountants  
**M. GANGADARAN**  
Membership No:024949

**ANNEXURE-A TO THE AUDITORS' REPORT**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- 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. As explained to us, the Fixed Assets were taken over by the bank and took possession of all assets, and hence Physical verification was not done.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company
- II) As explained to us, inventories of the company at all its location have not been physically verified by the management during the year since all the units were taken over by the bank.
- III) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year.
- IV) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- V) The Company has not accepted any deposit from public during the year.
- VI) We have broadly reviewed the records maintained by the company, till the date of possession taken over by the bank, 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, amount 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		31.03.2016 (in Rs.Lakhs)		31.03.2015 (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 on account of any disputes

- VIII The Company has defaulted in repayment of interest and principal to bank and financial institutions.
- IX. During the year, the company has not given any guarantee for loan taken from others, from banks, or financial institution.
- X. The company has not obtained any term loan during the year.
- XI. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- XII. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- XIII. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act



- XIV. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- XV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934

**Annexure - B to the Independent Auditors' Report of even date on the financial statements of GANGOTHRI TEXTILES LIMITED Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **GANGOTHRI TEXTILES LIMITED** ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Coimbatore  
Date : 02.08.2016

CA. M. GANGADARAN  
Membership No:024949

For M. GANGADARAN & CO  
Firm Regn.No.0881S  
Chartered Accountants



**BALANCE SHEET AS AT 31st MARCH, 2016**

Particulars	Note No.	31.03.2016 (Rs.)	31.03.2015 (Rs.)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
(a) Share Capital	1	1,06,72,73,170	1,06,72,73,170
(b) Reserves and Surplus	2	(3,42,13,12,411)	(3,03,32,67,825)
<b>Sub total - Shareholders Funds</b>		<b>(2,35,40,39,241)</b>	<b>(1,96,59,94,655)</b>
<b>Non-Current Liabilities</b>			
(a) Long-term borrowings	3	0	0
(b) Other Long term liabilities	4	8,51,06,535	12,80,19,201
(c) Long term provisions	5	5,55,00,000	5,55,00,000
<b>Sub total - Non Current Liabilities</b>		<b>14,06,06,535</b>	<b>18,35,19,201</b>
<b>Current Liabilities</b>			
(a) Short-term borrowings	6	2,79,76,97,278	3,65,13,32,927
(b) Trade payables		3,73,774	2,09,48,722
(c) Other current liabilities	7	94,02,521	3,04,81,295
(d) Short-term provisions	8	0	0
<b>Sub total - Current Liabilities</b>		<b>2,80,74,73,573</b>	<b>3,70,27,62,944</b>
<b>Total Equity and Liabilities</b>		<b>59,40,40,867</b>	<b>1,92,02,87,490</b>
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets (Since Sold)	9	40,11,75,977	1,57,98,51,449
(b) Non-current investments	10	15,00,65,500	15,00,65,500
(c) Long term loans and advances	11	0	25,24,754
(d) Other non-current assets	12	1,70,66,549	4,22,94,963
<b>Sub total - Non Current Assets</b>		<b>56,83,08,026</b>	<b>1,77,47,36,666</b>
<b>Current assets</b>			
(a) Inventories	13	26,16,042	8,66,16,117
(b) Trade receivables	14	1,08,14,580	3,82,78,683
(c) Cash and cash equivalents	15	14,22,137	52,09,064
(d) Short-term loans and advances	16	26,100	3,07,441
(e) Other current assets	17	1,08,53,982	1,51,39,519
<b>Sub total - Current Assets</b>		<b>2,57,32,841</b>	<b>14,55,50,824</b>
<b>Total Assets</b>		<b>59,40,40,867</b>	<b>1,92,02,87,490</b>
<b>Summary of significant accounting policies - Annexure I</b>			
<b>The notes referred to above form an integral part of the Balance Sheet</b>			

**MAXIM JOSEPH**  
Company Secretary

**Place : Coimbatore**  
**Date : 30.05.2016**

Vide our Report of Even Date  
**For M. GANGADARAN & CO**  
Firm Regn.No.0881S  
Chartered Accountants

**CA. M. GANGADARAN**  
Membership No:024949

**32**

**MANOJ KUMAR TIBREWAL**  
Managing Director

**MOHANLAL TIBREWAL**  
Executive Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2016**

Particulars	Note No.	31.03.2016 (Rs.)	31.03.2015 (Rs.)
<b>Income</b>			
<b>I</b> Revenue from operations	<b>18</b>	<b>26,03,26,588</b>	<b>74,35,46,393</b>
<b>II</b> Other Income	<b>19</b>	<b>1,48,166</b>	<b>34,00,037</b>
<b>III Total Revenue (I +II)</b>		<b>26,04,74,754</b>	<b>74,69,46,430</b>
<b>IV Expenses:</b>			
Cost of materials consumed	<b>20</b>	<b>13,79,82,169</b>	40,31,88,086
Changes in inventories of finished goods,			
Work in Progress	<b>21</b>	<b>5,01,71,062</b>	<b>3,46,80,020</b>
Employee benefit expense	<b>22</b>	<b>2,60,07,681</b>	<b>6,85,24,977</b>
Financial costs	<b>23</b>	<b>12,83,09,507</b>	<b>29,32,16,755</b>
Depreciation	<b>24</b>	<b>1,60,52,766</b>	<b>22,97,08,262</b>
Other expenses	<b>25</b>	<b>9,72,40,287</b>	<b>21,25,66,246</b>
<b>Total Expenses</b>		<b>45,57,63,471</b>	<b>1,24,18,84,346</b>
<b>V</b> Profit before exceptional and extraordinary items and tax		<b>(19,52,88,717)</b>	<b>(49,49,37,916)</b>
<b>VI</b> Exceptional Items	<b>26</b>	<b>3,81,63,384</b>	<b>4,54,30,577</b>
<b>VII</b> Profit before extraordinary items and tax (V - VI)		<b>(15,71,25,333)</b>	<b>(44,95,07,339)</b>
<b>VIII</b> Extraordinary Items	<b>27</b>	<b>(23,09,19,253)</b>	<b>(97,88,309)</b>
<b>IX</b> Profit before tax (VII - VIII)		<b>(38,80,44,586)</b>	<b>(45,92,95,648)</b>
<b>X</b> Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Tax relating to Earlier year		-	-
<b>XI</b> Profit(Loss) from the period from continuing operations		<b>(1,45,22,765)</b>	<b>(7,25,71,170)</b>
<b>XII</b> Profit/(Loss) from discontinuing operations		<b>(37,35,21,821)</b>	<b>(38,67,24,478)</b>
<b>XIII</b> Tax expense of discounting operations		-	-
<b>XIV</b> Profit/(Loss) from Discontinuing operations (XII - XIII)		<b>(37,35,21,821)</b>	<b>(38,67,24,478)</b>
<b>XV</b> Profit/(Loss) for the period (XI + XIV)		<b>(38,80,44,586)</b>	<b>(45,92,95,648)</b>
<b>XVI</b> Earning per equity share:			
(i) Basic - before extraordinary items		(4.82)	(15.89)
(ii) Diluted - after extraordinary items		<b>(11.90)</b>	<b>(16.19)</b>
Weighted Average number of Shares		<b>3,26,14,634</b>	<b>3,26,14,634</b>
<b>Summary of significant accounting policies - Annexure I</b>			
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 M. GANGADARAN & CO**  
Firm Regn.No.0881S  
Chartered Accountants

**MANOJ KUMAR TIBREWAL**  
Managing Director

**Place : Coimbatore**  
**Date : 30.05.2016**

**CA. M. GANGADARAN**  
Membership No:024949

**MOHANLAL TIBREWAL**  
Executive Director

## NOTES TO THE FINANCIAL STATEMENTS

Note : 1 - Share Capital		31.03.2016 (Rs.)	31.03.2015 (Rs.)
<b>Authorised</b>			
6,00,00,000 Equity Shares of Rs.5/- each	30,00,00,000		
92,00,000 6% Cumulative Redeemable Preference Shares of Rs.100/- each	92,00,00,000	1,22,00,00,000	1,22,00,00,000
<b>Issued</b>			
<b>Equity Share Capital</b>			
3,26,14,634 Equity Shares of Rs.5 each	16,30,73,170		
(Of the above 96,00,000 shares of Rs.5/- each fully paidup was allotted as bonus shares by capitalisation of reserves)			
<b>Preference Share Capital</b>			
90,42,000 6% Cumulative Redeemable Preference Shares of Rs.100/- each issued at par 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)	90,42,00,000	1,06,72,73,170	1,06,72,73,170
<b>Subscribed &amp; Paid up</b>			
3,26,14,634 Equity Shares of Rs.5 each fully paid	16,30,73,170		
90,42,000 6% Cumulative Redeemable Preference Shares of Rs.100/- each fully paid	90,42,00,000	1,06,72,73,170	1,06,72,73,170
<b>Total</b>		<b>1,06,72,73,170</b>	<b>1,06,72,73,170</b>

### Reconciliation of the number of shares outstanding and the amount of Share Capital as at 31st March 2016 and 31st March 2015 is as under

Description	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	Value in Rs.	No. of Shares	Value in Rs.
<b>a Equity Share Capital</b>				
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>b Preference Share Capital</b>				
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

### TERMS/RIGHTS ATTACHED TO EQUITY SHARES

(i) **The company has both equity and preference shares**

The equity shares have a par value Rs.5/- per share. Each holder of equity shares is entitled to 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 2016, the amount of per share dividend recognized as distribution to equity shareholder is 'Nil' (previous Year Nil)

In the event if liquidation of the company the holders 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 amount.

(ii) **Rights of Preference shares**

The Company's Preference share has a par value of Rs100/- per share. The preference shareholders have right over the equity shareholder in respect of declaration 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 2016	As at 31st March 2015
	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. Leema Rose. M	33,48,066	33,48,066

Particulars	31.03.2016 (Rs.)	31.03.2015 (Rs.)
<b>Note : 2 - Reserves and Surplus</b>		
<b>a. Capital Reserves</b>		
Opening Balance	1,54,74,119	1,64,62,625
Less: Transfer to P&L	0	9,88,506
Closing Balance	1,54,74,119	1,54,74,119
<b>b.General Reserve</b>		
Opening Balance	(3,53,96,68,774)	(2,89,87,60,476)
General Reserve Trf	0	(4,11,38,839)
Deffered Asset Tax Amount	0	(14,04,73,811)
Profit / Loss for the year	(38,80,44,586)	(45,92,95,648)
Closing Balance	(3,92,77,13,360)	(3,53,96,68,774)
<b>c.Share Warrant Forfeited</b>	80,00,000	80,00,000
Balance as per last account	80,00,000	80,00,000
<b>d.Share Premium</b>		
Balance as per last account	48,29,26,830	48,29,26,830
	48,29,26,830	48,29,26,830
<b>Total (a+b+c+d)</b>	<b>(3,42,13,12,411)</b>	<b>(3,03,32,67,825)</b>
<b>Note : 3 - Long Term Borrowings</b>		
Secured - Term Loan		
From Banks	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Note : 3 - Long Term Borrowings</b>		
Un Secured - Term Loan		
From Banks	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

#### 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 Passu 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 Passu 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 charges 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 CDR and reworked package

#### SECURED TERM LOANS OUTSTANDING AS ON 31.03.2016

(In Rs.)

S. No.	Bankers	Term Loan
1	State Bank of India	53,30,02,042
2	State Bank of Hyderabad	17,23,78,312
3	State Bank of Saurashtra	10,18,87,191
4	State Bank of Mysore	17,60,47,151
4	State Bank Indore	15,14,25,056
5	State Bank of Travancore	11,55,66,466
6	Syndicate Bank	15,06,61,625
7	Union Bank of India	21,25,30,513
8	Canara Bank	30,02,08,950
9	IDBI Bank	8,60,71,432
10	JM Financial ARC Pvt Ltd.	35,10,42,185
11	Funded Interest Term Loans	26,99,14,632
	<b>Total</b>	<b>2,64,74,35,555</b>

- The balances are subject to confirmations from Bankers. The above said balances are as per the Books of accounts.

### 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 <i>pari passu</i> 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

State Bank of India has takeover physical possession of all units and sold all units except Perundurai Sipcot Unit and the proceeds were adjusted against the loan dues.

### WORKING CAPITAL LOANS & INTEREST OUTSTANDING AS ON 31.03.2016

S.No.	Bankers	Term Loans
1	State Bank of India	129015978
2	State Bank of Hyderabad	21245746
	<b>Total</b>	<b>150261724</b>

- The balances are subject to confirmations from Bankers. The above said balances are as per the Books of accounts.

Particulars	31.03.2016 (Rs)	31.03.2015 (Rs)
<b>Note : 4 Other Long Term Liabilities</b>		
Other Payable	8,51,06,535	12,80,19,201
<b>Total</b>	<b>8,51,06,535</b>	<b>12,80,19,201</b>
<b>Note : 5 Long Term Provisions</b>		
Provisions	5,55,00,000	5,55,00,000
<b>Total</b>	<b>5,55,00,000</b>	<b>5,55,00,000</b>
<b>Note : 6 Short Term Borrowings Secured</b>		
(a) Working Capital Loans from Banks	15,02,61,724	14,96,10,262
(b) Hire Purchase Loan	0	4,41,526
(c) Funded Interest Term Loan & Interest Accrued	1,27,86,32,020	1,15,04,60,217
(d) Current maturities of Long-Term Loan	1,36,88,03,534	2,35,08,20,922
<b>Total</b>	<b>2,79,76,97,267</b>	<b>3,65,13,32,927</b>
<b>Note : 7 Other Current Liabilities</b>		
(a) Unclaimed dividends	0	0
(b) Statutory Dues	7,44,960	18,34,394
(c) Advance against Sales	9,98,347	21,73,930
(d) Other payables	76,59,214	2,64,72,971
<b>Total</b>	<b>94,02,521</b>	<b>3,04,81,295</b>
<b>Note : 8 Short Term Provisions</b>		
Wealth Tax provision	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Note : 9 Fixed Assets</b>		
(a) Tangible assets	40,11,75,977	1,57,98,51,449
<b>Total</b>	<b>40,11,75,977</b>	<b>1,57,98,51,449</b>



**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2016**

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

(In Rs.)

Particulars	GROSS BLOCK				DEPRECIATION							NET BLOCK	
	UP TO 31.03.2015	ADDITIONS	SOLD	TOTAL 31.03.2016	UP TO 31.03.2015	IMPAIRMENT 31.03.2015	FOR THE YEAR	REMAIN- ING TO BE CHARGED	SOLD/ TRANS- FERRED	IMPAIRMENT for the year	TOTAL 31.03.2016	W.D.V AS 31.03.2016	W.D.V AS 31.03.2015
LAND	91381340	0	91381340	0	0	0	0	0	0	0	0	0	91381340
BUILDINGS	1183422792	0	555641176	627781616	323204664	84340780	6074103	0	413619547	227781616	227781616	400000000	775877371
PLANT & MACHINERY	2875985061	0	2875985060	0	1605015094	569416360	8604668	0	2183036122	0	0	0	701533631
OFFICE EQUIPMENT	41731319	0	41731319	0	41143554	0	141246	0	41284801	0	0	0	587762
FURNITURE	17960238	0	17957538	2700	13445060	0	457594	0	13899955	0	2700	0	4515178
VEHICLES	27086191	0	25761505	1324686	21904178	0	758571	0	22514041	0	148709	1175977	5182017
CANTEEN ASSETS	2591301	0	2591301	0	1880051	0	16582	0	1896633	0	0	0	711250
LIVE STOCK	62900	0	62900	0	0	0	0	0	0	0	0	0	62900
Total	4240201142	0	3611092140	629109002	2006592601	653757140	16052766	0	2676251097	227781616	227933025	401175977	1579851449
Previous Year	4425930737	1,20,460	185850040	4240201157	1861232843	622188027	230696768	9569726	63397656	0	2660349706	1579851449	1942449867

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

Particulars	31.03.2016 (Rs.)	31.03.2015 (Rs.)
<b>Note : 10 Non Current Investments</b>		
<b>a) Trade Investments</b>		
Government Securities - NSC	13,500	13,500
<b>Total (a)</b>	<b>13,500</b>	<b>13,500</b>
<b>b) Other Investments</b>		
<b>QUOTED</b>		
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
<b>UNQUOTED</b>		
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
<b>Total (b)</b>	<b>15,00,52,000</b>	<b>15,00,52,000</b>
<b>Total (a+b)</b>	<b>15,00,65,500</b>	<b>15,00,65,500</b>
<b>Note: 11 Long Term Loans and Advances</b>		
<b>a. Capital Advances</b>		
Unsecured, considered good	15,74,754	15,74,754
<b>b. Other loans and advances</b>		
Others	4,23,00,000	4,32,50,000
Provision for Doubtful Depts	(4,23,00,000)	4,23,00,000
<b>Total</b>	<b>0</b>	<b>25,24,754</b>
<b>Note :12 Other Non Current Assets</b>		
<b>a. Long term trade receivables (including trade receivables on deferred credit terms)</b>		
a. MAT Credit receivables	90,23,991	90,23,991
b. Others	80,42,558	3,32,70,972
<b>Total</b>	<b>1,70,66,549</b>	<b>4,22,94,963</b>
<b>Note : 13 Inventories</b>		
a. Raw Materials	0	2,50,51,570
b. Work-in-Progress	0	1,10,32,139
c. Finished Goods	0	3,86,76,958
d. Salable waste	0	4,61,965
e. Accessories	0	47,13,823
f. Stores and Spares	26,16,042	66,79,662
<b>Total</b>	<b>26,16,042</b>	<b>8,66,16,117</b>

Particulars	31.03.2016 (Rs.)	31.03.2015 (Rs.)
<b>Note : 14 Trade Receivables</b>		
Trade receivables outstanding for a period exceeding six months	0	1,11,32,514
Less: Provisions for doubtful debts	0	(95,69,429)
	0	15,63,085
Trade receivables outstanding for a period less than six months from the date they are due for payment	1,08,14,580	3,67,15,598
Less: Provision for doubtful debts	0	0
	<b>1,08,14,580</b>	<b>3,67,15,598</b>
<b>Total</b>	<b>1,08,14,580</b>	<b>3,82,78,683</b>
<b>Note : 15 Cash and Bank Balance</b>		
<b>Cash and Cash Equivalents</b>		
a. Balances with Banks	4,65,121	42,46,815
b. Cash on hand	8,56,016	8,62,249
	<b>13,21,137</b>	<b>51,09,064</b>
<b>Other Bank Balance</b>		
a. Unclaimed Dividend	0	0
b. Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments	1,01,000	1,00,000
	<b>1,01,000</b>	<b>1,00,000</b>
<b>Total</b>	<b>14,22,137</b>	<b>52,09,064</b>
<b>Note : 16 Short term Loans and advances</b>		
Advance to Staff, Labour and others	26,100	3,07,441
<b>Total</b>	<b>26,100</b>	<b>3,07,441</b>
<b>Note : 17 - Other Current Assets</b>		
Advance to Suppliers	28,83,643	48,35,918
Deposits	0	0
Tax deducted at source	26,26,568	18,02,466
Advances recoverable in cash or in kind or for value to be received	53,63,771	68,21,824
Prepaid Expenses	0	16,79,311
<b>Total</b>	<b>1,08,53,982</b>	<b>1,51,39,519</b>

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

Particulars	31.03.2016 (Rs.)	31.03.2015 (Rs.)
<b>18. REVENUE FROM OPERATIONS</b>		
<b>SALE PRODUCT</b>		
Yarn Sales -Domestic	15,81,63,952	43,16,31,509
Fabric Sales - Domestic - Garment Division	86,30,318	4,84,138
Garment Sales	5,65,14,613	23,04,73,905
Cotton waste & Garment - Trading sales	0	1,85,325
Waste Sales - Domestic	21,64,282	60,39,860
Waste Sales - Export	39,02,972	0
Conversion Receipt	3,07,41,478	7,43,17,333
<b>OTHER OPERATING REVENUES</b>		
Sale of manufacturing scrap		
<b>Total A</b>	<b>26,01,17,615</b>	<b>74,31,32,070</b>
	2,08,974	4,14,323
<b>Total B</b>	<b>2,08,974</b>	<b>4,14,323</b>
TOTAL (A)+(B)	<b>26,03,26,589</b>	<b>74,35,46,393</b>
<b>19. OTHER INCOME</b>		
Other non-operating income	1,48,166	34,00,037
<b>Total</b>	<b>1,48,166</b>	<b>34,00,037</b>
<b>20. COST OF RAW MATERIALS CONSUMED</b>		
Inventory at the beginning of the year	2,97,65,393	3,21,30,811
Add: Purchases during the year	10,82,16,776	40,08,22,668
Less: Inventory at the end of the year	0	2,97,65,393
<b>Cost of raw material consumed</b>	<b>13,79,82,169</b>	<b>40,31,88,086</b>
<b>21. CHANGES IN INVENTORIES</b>		
Inventory at the beginning of the Year		
Finished goods & Work in progress	5,01,71,062	8,48,51,082
Inventories at the end of the Year	0	5,01,71,062
Finished goods & Work in progress		
<b>Change in inventories of finished goods</b>	<b>5,01,71,062</b>	<b>3,46,80,020</b>
<b>22. EMPLOYEES BENEFITS EXPENSE</b>		
Salaries, Wages and Bonus	2,03,35,067	5,33,37,762
Contribution to Provident Fund	21,22,639	46,74,805
Welfare Expenses	16,59,975	85,32,410
Managing/Whole Time Director's Remuneration	18,00,000	18,00,000
Salary to Management Trainee	90,000	1,80,000
<b>Total</b>	<b>2,60,07,681</b>	<b>6,85,24,977</b>

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

Particulars		31.03.2016 (Rs.)	31.03.2015 (Rs.)
<b>23. FINANCE COST</b>			
Interest Expenses -		12,83,09,507	29,32,16,756
	<b>Total</b>	12,83,09,507	29,32,16,756
<b>24. DEPRECIATION AND AMORTIZATION EXPENSES</b>			
Depreciation of Tangible Assets		1,60,52,766	22,97,08,262
	<b>Total</b>	1,60,52,766	22,97,08,262
<b>25. OTHER EXPENSES</b>			
Carriage Inwards		21,800	6,50,999
Power and Fuel		4,79,64,832	8,49,56,063
Repairs to Building		45,578	44,691
Repairs to Machinery		10,18,461	79,93,190
Repairs - Others		73,412	4,86,166
Factory and Office Maintenance		13,94,391	39,03,955
Stores and Spares		51,41,227	51,17,873
Insurance		15,10,460	25,87,863
Processing Charges		1,77,58,790	5,16,53,029
Testing Charges		0	33,095
Sitting Fee to Directors		2,10,273	1,96,630
Travelling Expenses		35,12,161	90,43,588
Postage, Courier and Telephone		6,55,925	9,12,069
Rent		4,56,980	5,45,000
Audit Fees		1,89,357	12,18,907
Legal and Professional charges		15,78,845	27,15,952
Rates and Taxes and Licence Fees		14,93,398	44,79,728
Printing and Stationery		1,56,767	4,57,332
General Expenses		5,44,055	18,69,345
Carriage Outwards		1,95,698	8,90,244
Advertisement Expenses		7,33,606	4,03,582
Bank Charges		6,292	65,274
Selling Expenses		88,24,081	2,61,42,417
Other Expenses		37,53,898	61,99,254
	<b>Total</b>	9,72,40,287	21,25,66,246
<b>26. EXCEPTIONAL ITEM</b>			
Profit on Sale of Core - Assests		3,81,63,384	4,54,30,577
	<b>Total</b>	3,81,63,384	4,54,30,577
<b>27. EXTRAORDINARY ITEMS</b>			
SARFAESI Exp & Security Exp		31,37,637	97,88,309
Impairment of Assets		22,77,81,616	0
	<b>Total</b>	23,09,19,253	97,88,309

## **28. CONTINGENT LIABILITIES NOT PROVIDED FOR IN THE ACCOUNTS.**

- 1) Estimated amount of contract remaining to be executed on capital accounts – Rs. Nil (Previous Year Rs. Nil)
- 2) The Company has export obligation for value of Rs.40,931 Lakhs under EPCG scheme against which exports aggregating Rs.5,626 Lakhs including third party exports have been made on 31.03.2015. Balance obligation required to be fulfilled as per various schedules, culminating on 20.07.2015 is Rs.35,305 Lakhs. If Company fails to comply with obligation the customs duty of Rs.18.45 Crores along with applicable interest is to be paid to Customs department of DGFT.
- 4) The Sales Tax Department has preferred an appeal before STAT Coimbatore for the year 2002-03 for issues representing sales tax demand of Rs.1.82 Lakhs which is pending before STAT, Coimbatore.
- 5) The Sales Tax Department has preferred an appeal before STAT Coimbatore for the year 2003-04 for issues representing sales tax demand of Rs.13.54 Lakhs which is pending before STAT, Coimbatore.
- 6) The Income Tax Department has preferred an appeal with a tax effect of Rs.5.85 lakhs before ITAT Chennai against the Order of CIT (appeal) in favour of the Company regarding interest claim U/S 234B/234C for the Assessment year 2004-05.
- 7) The Income Tax Department's appeal for assessment year 1998-99 before the Honorable High Court, Chennai Against the company's stand regarding Sec 80 IA has been decided in favour of the department and there by the likely demand on the company is estimated at Rs.1.25 Lakhs.
- 8) The Company is out of CDR Package with effect from 22.10.2012 However, the interest in various loans availed by the company has been continued to be charged based on the CDR rates. The differential interest that ought to have been provided for in the account is estimated at Rs.103. Crores, (01.07.2008 – 31.03.2015)
- 9) The Company has been served with a demand notice by Maharashtra Sales Tax Department for Rs.32.46 lakhs for issues representing reversal of input vat credit for the Assessment year 2005-06 & 2006-07, an appeal is preferred by the company.
- 10) (a) One claimant has attained a decree against the company for claim of Rs. 1.18 lakhs which is being disputed by the Company.  
(b) One claimant who has issued a legal notice against the Company for Rs. 93.86 Lakhs has also proposed winding up of the Company.
- 11) The Company has received legal notice from two of the claimants and the matter is sub-Judice. Further one of the claimants has also proposed winding up provision in the legal notice.
- 12) The Company has sold its Land to the extent of 1.62 acres Kalapatty. The Co-owners of the erstwhile sellers to the Company have filed a case against the company. The matter is sub judice.
29. A Provision is recognized when there is present obligation as a result of a past event. That probably requires an outflow of resources and a reliable estimate can be made to settle the amount of obligation. Provision is not discounted to its present value and is determined based on the last estimate required to settle the on obligation at the year end. These are reviewed at each year end and adjusted to reflect best current estimate.
30. **The investment in 6% Redeemable Cumulative preference Shares is redeemable as under**
  - a. On 25.11.2012 – Rs. 5,00,00,000/- (Due but not received)
  - b. On 25.11.2013 - Rs. 5,00,00,000/- (Due but not received)
  - c. On 25.11.2014 - Rs. 5,00,00,000/- (Due but not received)

Total	Rs. 15,00,00,000/-
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The Management had unilaterally rescheduled the Redemption of CRPS and subsequently the re-schedulement was withdrawn as per the advice of the Board. The total amount having fallen due has not yet been received by the Company.

## **31. TRANSACTION OF RELATED PARTIES (AS 18)**

(In Rs.)

Particulars	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
	31.03.2016	31.03.2016	31.03.2016	31.03.2015
Finance	-	-	-	-
a) Salary	-	-	90,000	90,000
Managerial Remuneration	-	18,00,000	-	18,00,000
Outstanding Balance	-	-	-	-
Credit	-	-	8,70,00,000	8,70,00,000
Closing Balance	-	-	8,70,00,000	8,70,00,000

**Names of related parties and description of relationship upto 31.03.2016**

Key management Personal                      Sri.Manoj Kumar Tibrewal, Managing Director  
                                                                                  Sri.Mohanlal Tibrewal, Executive Director

Sri. Manoj Kumar Tibrewal	: Managing Director	Sri. Mohanlal Tibrewal	: Executive Director
Smt. Anitha Tibrewal	: Wife	Smt.Lakshmi Devi Tibrewal	: Wife
Mr.Mayank Tibrewal	: Son	Mrs.Suman Tibrewal	: Daughter
Mrs. Arpita Tibrewal	: Daughter in Law	Mrs.Neha Tibrewal	: Daughter
Mr.Umang Tibrewal	: Son		

<b>32. Earning per share (EPS)</b>	<b>2015 -16</b>	<b>2014 -15</b>
Profit/Loss After Tax (Rs. In Lakhs)	-3880	-4593
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)		-14.08
Basic and diluted after extraordinary items EPS (in Rupees)		-16.19

**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.

<b>35. Breakup of Audit Fees</b>	<b>2015 -16</b>	<b>2014-15</b>
For Statutory Audit & Tax Audit	<b>50,000</b>	10,08,570
For Certification		92,697
For Cost Audit & Out of Pocket Expenses		1,17,040
<b>Total</b>	<b>50,000</b>	<b>12,18,907</b>

(in Rs)

<b>36. Expenditure in Foreign Currency on account of</b>	<b>2015-16</b>	<b>2014-15</b>
a. Stores & Spares		
b. Raw materials		

**35. Previous Year figures have been regrouped and reclassified wherever necessary**

**36. Figures have been rounded of to the nearest rupee.**



### 37. EMPLOYEE BENEFITS

		31.03.2016 (Rs.)	31.03.2015 (Rs.)
	<b>Company's Contribution to Provident Fund</b>	<b>46,74,805</b>	<b>46,50,571</b>
	<b>Defined Benefit Plans</b>	<b>Gratuity</b>	<b>Gratuity</b>
<b>a</b>	<b>Liability recognised in the balance sheet</b>		
	Present value of obligations as at 01.04.2014	82,60,060	70,99,917
	Interest Cost	6,60,805	5,67,993
	Current Service Cost	13,09,118	11,33,554
	Benefits Paid	-12,49,298	-11,25,041
	Actuarial (gain)/ loss on obligations	1,39,741	5,83,637
	Present value of obligations as at 31.03.2015	91,20,426	82,60,060
<b>b</b>	<b>Fair value of Plan Assets as on 01.04.2014</b>	<b>1,18,41,822</b>	<b>64,06,907</b>
	Expected return on plan assets	10,37,841	8,88,076
	Contributions	4,32,174	56,71,880
	Benefits Paid	-12,49,298	-11,25,041
	Actuarial (gain) / loss on plan assets	-	-
	Fair value of plan assets	1,20,62,539	1,18,41,822
	Funded Status	29,42,113	35,81,762
	Net Asset / (Liability ) recognised in the balance sheet	29,42,113	35,81,762
<b>c</b>	<b>Actuarial (gain) /loss recognised 31.03.2015</b>		
	Actuarial (gain) /loss - obligation	-1,39,741	-5,83,637
	Actuarial (gain) / loss - plan assets	-	-
	Total (gain) / loss for the year	1,39,741	5,83,637
	Actuarial (gain) / loss recognised	1,39,741	5,83,637
<b>d</b>	<b>Expenses during the year</b>		
	Current service cost	13,09,118	11,33,554
	Interest Cost	6,60,805	5,67,993
	Expected return on plan assets	-10,37,841	-8,88,076
	Net actuarial (gain) / loss	1,39,741	5,83,637
	Total	10,71,823	13,97,108
<b>e</b>	<b>Principal actuarial assumptions</b>		
	Discounting rate	8.00%	8.00%
	Salary escalation	6.50%	6.50%

38. Previous year figures have been regrouped and reclassified wherever necessary.

39. Figures have been rounded off to the nearest rupee.

**MAXIM JOSEPH**  
Company Secretary

Vide our Report of Even Date  
**For M. GANGADARAN & CO**  
Firm Regn.No.0881S  
Chartered Accountants

**MANOJ KUMAR TIBREWAL**  
Managing Director

Place : Coimbatore  
Date : 30.05.2016

**C.A. M. GANGADARAN**  
Membership No:024949

**MOHANLAL TIBREWAL**  
Executive Director

## **SIGNIFICANT ACCOUNTING POLICIES – ANNEXURE I**

### **1. BASIS OF ACCOUNTING**

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with Schedule III of the Companies Act, 2013, and the accounting standards specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

Income and expenditure are recognized and accounted on an 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. 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 result and estimates are recognized in the period in which results are known / materialized.

### **3. INVENTORIES**

When the bank took over the possession of the unit all the stock in the units also took over and realized and adjusted against loan dues. Only stores consumable spare items are on the balance sheet date which is valued at weighted average cost and certified by the management

### **4. FIXED ASSETS**

All the Assets are taken over, sold, realized and adjusted against loan dues by the bank except the Perundurai Unit. The difference between the realized amount and written down value of the assets are charged to impairment of assets. The Perundurai unit asset alone shown under fixed assets since not sold by the bank till balance sheet date.

### **5. DEPRECIATION**

Depreciation on fixed assets is provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. No additions made during the year. 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.

### **6. IMPAIRMENTS OF ASSETS**

Since the assets are taken over by the bank and sold, difference between written down value of assets and amount realised charged to 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.

### **7. INVESTMENTS**

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

### **8. EMPLOYEE RETIREMENT BENEFITS**

The management certifies that all dues to workers are settled and no provision is made for employee retirement benefit.

### **9. FOREIGN CURRENCY TRANSACTIONS**

No such foreign currency transactions.

### **10. INTEREST ON BORROWINGS**

INTEREST is charged to the profit and Loss Account till month of June, 2015 when the bank took over the possession of all assets under SARFAESI proceedings.

### **11. 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.

### **12. TAXES ON INCOME**

(a) Deferred tax is not recognized due to the uncertainty of the assets.

(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 Accountants 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 balance 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.

### **13. CONTINGENT LIABILITIES**

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**
**(in. Rs)**

<b>Particulars</b>		<b>31.03.2016</b>		<b>31.03.2015</b>	
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITY</b>				
	Net Loss before tax and extraordinary items		15,71,25,333		-44,95,07,339
	Adjustment for				
	Depreciation	1,60,52,766		22,97,08,262	
	Profit/Loss on sale of assets	-3,81,63,384		-4,54,30,577	
	Dividend Receipt	-480		8,608	
	Interest Receipt	0		-27,09,368	
	Interest on Term Loan		2,21,11,098	28,31,97,673	46,47,74,599
	Operating profit before working capital changes		17,92,36,431		1,52,67,259
	Adjustment for:				
	Trade & other receipts	1,09,52,207		6,77,24,464	
	Inventories	8,40,00,075		3,76,68,377	
	Trade payable	-1,82,10,158	7,43,77,334	3,30,14,767	13,84,07,608
	<b>Cash generated from operation</b>		10,48,59,097		15,36,74,867
	Direct taxes paid		-		-
	<b>Cash flow before extraordinary items</b>		10,48,59,097		15,36,74,866
	Extraordinary items		31,37,637		-97,88,309
	<b>Net cash from operation Total (A)</b>		10,79,96,734		14,38,86,557
<b>B</b>	<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
	Purchase of fixed assets(less revaluation amount)		-	1,20,460	
	Sale of fixed assets		973004474	-13,63,05,240	
	Capital subsidy			-	
	Miscellaneous Expenses written off			-	
	Dividend Receipt	480		-	
	Long term Liabilities	4,29,12,666		-	
	Long term Loans and advances / Non current assests	2,77,53,168		21,25,122	
	<b>Total (B)</b>		95,78,45,456		-13,40,59,658
<b>C</b>	<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>				
	Proceeds/Repayment of borrowings		85,36,35,649	8,58,021	
	Increase / Decrease in Equity - Share Capital / Premium			-	
	Interest Receipt			27,09,368	
	Interest on Term Loan		-85,36,35,649	-28,31,97,673	
	<b>NET CASH FROM FINANCIAL ACTIVITIES</b>			-27,96,30,285	
<b>E</b>	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS(A+C-B)</b>		-14,22,137		-16,84,068
<b>F</b>	<b>CASH AND CASH EQUIVALENTS OPENING BALANCE</b>				
	Cash and bank balances		52,09,064		68,93,132
<b>G</b>	<b>CASH AND CASH EQUIVALENTS CLOSING BALANCE</b>				
	Cash and bank balances		14,22,137		52,09,064
			14,22,137		16,84,068

MAXIM JOSEPH  
Company Secretary

Vide our Report of Even Date  
**For M. GANGADARAN & CO**  
Firm Regn.No.0881S  
Chartered Accountants

**CA M. GANGADARAN**  
Membership No:024949

**MANOJ KUMAR TIBREWAL**  
Managing Director

**MOHANLAL TIBREWAL**  
Executive Director

**Place : Coimbatore**  
**Date : 30.05.2016**

# GANGOTRI TEXTILES LIMITED

Regd. Office : 25-A, Venkatachalam Co-oprative Colony, R.S. Puram, Coimbatore-641 002

## ADMISSION SLIP

Name of the Sole / First Shareholder :

### DATE & TIME

Wednesday, 21.09.2016  
3.30 pm

### VENUE :

Bimani 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 27<sup>th</sup> 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 / WE .....of .....being

Member / Members of GANGOTRI TEXTILES LIMITED, hereby appoint .....

of .....Or .....failing him .....

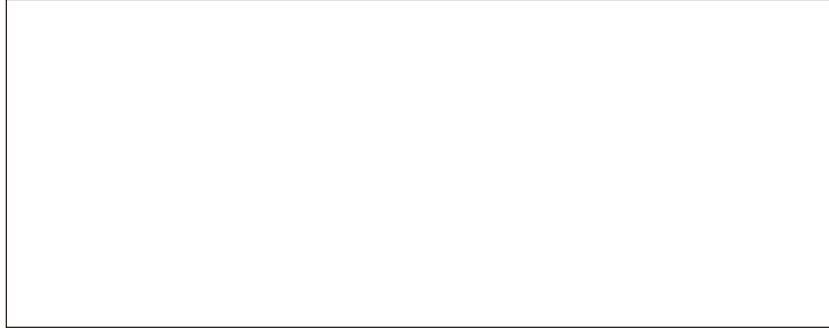
of .....as my / our Proxy to attend and vote for me / on our behalf at the  
27<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held at Bimani Hall, Coimbatore Sri. Gujarat Samaj,  
662, Mettupalayam Road, R.S. Puarm, Coimbatore - 641 002 on 23.9.2015 or at any adjournment thereof.

Signed this .....days of .....2016

Affix  
Re. 1/-  
Revenue  
Stamp

**NOTE :** The Proxy to be effective, should be deposited at the Registered Office of the Company,  
Regd. Office : 25-A, Venkatachalam Co-oprative Colony, R.S. Puram, Coimbatore-641 002 **before 4.00 pm on 19.09.2016.**  
A Proxy need not be a member of the Company.

Book Post



If undelivered, please return to :

**M/S. S.K.D.C Consultants Ltd**

Kanapathy Towers, 3<sup>rd</sup> Floor, 1391/A-1, Sathy Road,  
Ganapathy, Coimbatore – 641 006