

30th
Annual Report
2018 - 2019

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 ♦ Website : www.gangotritextiles.co.in

CIN. L17115TZ1989PLC002491

BOARD OF DIRECTORS

Sri. MANOJ KUMAR TIBREWAL
Managing Director

Sri. MOHANLAL TIBREWAL
Executive Director

Sri.N.VENKATESAN
Independent Director

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

Smt. M.V. SURYAPRABHA
Independent Director

Sri. A.R. MURALIDHARAN
Independent Director

Sri. S. SIVASHANMUGAM
Independent Director
(w.e.f 11.12.2018)

BANKERS

STATE BANK OF INDIA
Stressed Asset Management Branch
Coimbatore

REGISTERED OFFICE

No. 25-A, Venkatachalam Co-op Colony,
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
Firm Regn. No. : 0881S

COMPANY SECRETARY

Sri. MAXIM JOSEPH

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NOTICE TO SHAREHOLDERS :

NOTICE is hereby given that the **30th Annual General Meeting** of the company will be held on **Friday, the 27th day of September, 2019 at 3.30 p.m** at the mini Air conditioned hall, Rajasthani Sangh, D.B.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, 2019 and the Balance Sheet as at that date and the Auditors' Report thereon.

SPECIAL BUSINESS :

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

RESOLVED that pursuant to Section 149, 152 and other applicable provisions if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV of the Companies Act, 2013 Sri. S.Sivashanmugam (DIN 08299022) a Director of the company, in respect of whom, the company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Sri.S.Sivashanmugam a candidate for the office of Independent Director of the company, be and is hereby appointed as an Independent Director to hold office for a period of five years from the conclusion of this Annual General Meeting and he is not liable to retire by rotation.

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

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

REMUNERATION

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

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

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

Minimum Remuneration :

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of Sri. Mohanlal Tibrewal, Executive Director, the Company has no profit or the profits of the company are inadequate, the company will pay remuneration to Sri. Mohanlal Tibrewal, Executive Director equivalent to the ceiling amount prescribed in terms of Section II in Part II of Schedule V of the Companies Act, 2013 however subject to maximum of Rs 75,000 (Rupees Seventy Five Thousand only) per month as recommended by the Board of Directors and approved by the Nomination and Remuneration Committee.

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

4. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution.

RESOLVED that pursuant to the provisions of Sections 302, 304(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules made thereunder consent of the Board of Directors of the Company be and is hereby accorded to voluntarily wind up the affairs of the company subject to the approval of the Members in General Meeting.

RESOLVED FURTHER that the Board of Directors have made a pragmatic assessment of the affairs of the company and have a reasonable grounds to form a opinion that the Company has become financially sick and is unable to meet even its day-to-day expenses like office rent, salaries, electricity charges and Listing Fee to Stock Exchanges. As the company has no business left after the Lenders sold all the Assets of the company, there is no reason to continue the company as a going concern.

RESOLVED FURTHER THAT Sri. Manoj Kumar Tibrewal, Managing Director be and is hereby authorized to proceed further and to do all such acts, deeds and things as may be required to implement the above said decision of the Board and issue Notice to Shareholders convening the General Meeting.

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

Subject No 2 of the Agenda

Sri. S.Sivashanmugam, (DIN 08299022) was co-opted as Additional Director in the Board Meeting held on 11.12.2018. Sri. S.Sivashanmugam, (DIN 08299022) is a Practising Advocate in Coimbatore. He has got a specialized knowledge in Income Tax Appeals. He was in the service of Income Tax Department and retired as Income Tax Officer in the year 2001. His inclusion in the Board will be of useful in Legal, Tax matters and other contribution incidental to the activities of the Company. The Board considered that his continued association would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

Sri. S.Sivashanmugam is presently aged about 77 years. As per regulation 17(1A) of SEBI (Listing Obligation and Disclosure Requirements) a Non-Executive Director of a Company who has attained the age of 75 Years can continue as a Director only with the approval of the Shareholders by a Special Resolution with effect from 1.4.2019.

Accordingly, the Company has sought for the approval of the Special Resolution of the Shareholders for the continuance his Directorship beyond the age of 75 years by sending Postal Ballot to all the Shareholders along with the Notice to Shareholders on 22-2-2019. The Company has also provided e-voting facility to the Shareholders to cast their votes electronically. The voting

period began on Tuesday, the 26th day of February, 2019 and ended on Wednesday, the 27th day of March, 2019.

According to the Scrutinizer Report, 65 Shareholders have Voted for the resolution and 14 Shareholders Voted against the resolution. The Scrutinized Report is displayed in the Company's Website. In the opinion of the Board of Directors Sri.S.Sivashanmugam fulfills the conditions specified in the Act and Rules made thereunder and he is independent of the management.

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

Subject No 3 of the Agenda

The appointment of Sri. Mohanlal Tibrewal as an Executive Director for the period from 1-4-2016 to 31-3-2021 and the payment of remuneration initially for a period of three years from 1-4-2016 to 31-3-2019 as recommended by the Nomination and Remuneration Committee was approved by the Shareholders in the 26th Annual General Meeting of the company held on 23-9-2015.

The Board of Directors in their meeting held on 12-4-2019 have considered and decided to refer to the Nomination and Remuneration Committee the remuneration payable to Sri. Mohanlal Tibrewal, Executive Director for the remaining period of two years from 1-4-2019 to 31-3-2021.

The Nomination and Remuneration Committee after considering the various aspects which it is expected to consider has recommended the remuneration payable to Sri. Mohanlal Tibrewal, Executive Director for the remaining period of two years from 1-4-2019 to 31-3-2021, as stated in the body of the resolution.

The Board is now placing the resolution for the payment of remuneration to Sri. Mohanlal Tibrewal, Executive Director for the remaining period of two years from 1-4-2019 to 31-3-2021 as recommended by the Nomination and Remuneration Committee. Minimum Remuneration The resolution also provides for the payment of minimum remuneration to the Executive Director in case of absence or inadequacy of profit in any Financial year. The minimum remuneration has been stipulated as the amount fixed as a ceiling prescribed in Section II in Part II of Schedule VI of the Companies Act, 2013. However, the Board of Directors

have fixed the remuneration to Sri.Mohanlal Tibrewal, Executive Director up to a maximum of Rs 75,000 (Rupees Seventy Five Thousand only) per month.

Sri. Mohanlal Tibrewal, Executive Director, holding 2000 Equity Shares in the Company and Sri. Manoj Kumar Tibrewal, Managing Director as his elder brother is interested in the subject matter of the resolution. None of the other Directors or Key Managerial Personnel or their relatives is interested or concerned in the resolution.

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

1. GENERAL INFORMATION

- Nature of Industry :
The Company is engaged in trading Cotton Yarn, Cotton Waste
- Date or expected date of commencement of commercial production:
The company had commenced its commercial production on 24-7-1989.
- In case new companies , expected date of commencement of activities: Does not arise.
- Financial performance based on given indicators:
The company has effected Nil turnover of as against a turnover of Rs 1,46,21,059 previous year.
- Foreign Investment or collaborators if any : Nil.

**II. INFORMATION ABOUT THE APPOINTEE
-SRI. MOHANLAL TIBREWAL**

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

- Past remuneration :

Salary	= 9,00,000
Commission	= ---
Perquisites	= ---
Total	9,00,000

- Job profile:

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

- Remuneration proposed:

Salary	= 9,00,000
Commission	= ---
Perquisites	= ---
Total	9,00,000

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

- Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:
The remuneration proposed to the appointee is comparable with the remuneration with respect to industry, size of the company and profile of the position.
- Pecuniary relationship directly or indirectly with the company, or relationship with the Key Managerial Personnel if any :
Sri. Mohanlal Tibrewal is holding 2000 Equity Shares in the company and has no other Pecuniary relationship directly or indirectly with the company.

III. OTHER INFORMATION:

- Reason for the loss or inadequacy of profits :
The Lenders have sold the entire Assets of the company through e-auction under the SARFAESI Act, and adjusted the proceeds against the loan due from the Company. Consequently, the entire operation of the Company have been suspended.

Subject No 4 of the Agenda.

The Members are aware that the lenders have sold all the assets of the company during the year 2015 and 2016 and subsequently there is no operation taking place in the company. All the employees except one have left the service of the company.

- There is no turnover and source of income in the company since 1-10-2017
- Salary of Managing director and Executive Director has not been paid since 1-01-2018
- The Promoters have brought in a sum of Rs 31,76,000 on various dates from 11-11-2018 to meet the day to day expenses (like rent, salary, board meeting expenses, audit fees, compliance cost etc.) of company. Now they have

exhausted their personal resource entirely. So the greatest difficulty now is to meet the day to day expenses.

4. The company being a listed company has to fulfill Statutory Compliance/ Reportings/Returns of various Authorities and Institutions like Stock Exchanges, Registrar of Companies, Statutory Audit, Secretarial Audit, Registrar and Share Transfer Agent, Income Tax/ GST returns. Under the present situation, due to lack of resources, it is not possible to fulfill all the above compliances.
 5. The company has informed its situation to the lenders and sought advice/ help but did not receive any communication on this matter.
 6. Continuing with such defaults and non compliance may lead to more penalties/ penal action on Company / Directors.
 7. So under such circumstances, the Management felt Compelled to wind up the company and brought this to the knowledge of the Board in their meeting held on 6-8-2019 for consideration. The Directors have discussed the issue in depth and the necessary enabling resolution to wind up the company voluntarily was approved by the majority of the Directors present. However, The Nominee Director of the Lender Banks has opposed the resolution and the Woman Independent Director abstained from passing the resolution. The Board also authorized Sri. Manoj Kumar Tibrewal, Managing Director to proceed further in this regard. In terms of provisions of Section 304 (b) of the Companies Act, 2013, the approval of the Shareholders is required. Therefore, the above said Special Resolution is brought before you for your approval.
- None of the Directors are interested in the subject matter of the resolution except the Managing Directors and the Executive Director to the extent of their difficulty in running the company without Income / Revenue to the company.

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 Saturday the 21st day of September 2019 to Friday, the 27th day of September, 2019 (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 2019 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. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are therefore requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat account. Members holding shares in Physical Form can submit their PAN details to the Company or RTA.
8. As per the Green Initiative taken by the Ministry of Corporate Affairs, the Shareholders are advised to register/ update their e-mail address with the company / RTA in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in Electronic Form in order to enable the company to serve documents in Electronic Mode.
9. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting. The route map of the venue of the Annual General Meeting is given elsewhere in the Annual Report.
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, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide Members facility to exercise their votes for all the resolutions detailed in the Notice of the 30th Annual General Meeting scheduled to be held on Friday, the 27th day of September, 2019 by electronic means and the business may be transacted through remote e-Voting. The Company has engaged the service of CDSL as the authorized Agency to provide remote e-voting facilities. The instruction for remote e-voting is provided below.

Members, who have not voted through remote e-voting and present at the AGM in person or proxy, can vote through the Ballot to be kept at the AGM. Kindly note that Members can opt for only one mode of voting i.e. either by remote e-voting or by Ballot at the AGM. A Member present at the AGM and already voted by remote e-voting will not be permitted to vote at the AGM by Ballot.

Votes cast by Members who hold shares on the cut-off date viz Friday, the 20th day of September, 2019 alone will be counted. The voting period begins at 9.00 am on Tuesday, the 24th day of September, 2019 and ends on 5.00 pm on Thursday, the 26th day of September, 2019.

- i) The Shareholders should log on to the e-voting website <http://www.evotingindia.com>
- 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.com> and casted your vote for any company, then your existing password is to be used.
- vi) If you are a first time user, follow the steps given below.

For Members holding shares in demat form and physical 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 RAO0000100 the PAN field.
Date of Birth	Enter the date of birth as recorded in your demat account in dd/mm/yyyy format.
Dividend Bank details	Enter the dividend bank details as recorded in your demat account or in the company records. Please enter the Member Id / folio number in the dividend bank details, if the details are not recorded with the Depository or Company.
Please enter the DOB or Dividend Bank Details in order to login.	

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

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

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

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

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

iii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at <http://www.evotingindia.co.in> under help section or write an email to helpdesk.evoting@cdslindia.com.

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

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

V. The Results shall be declared within 24 hours of the conclusion of the Annual General Meeting. The Results declared along with the Scrutinizer's Report shall be placed on the Company's Website www.gangotritextiles.com and communicated to the Stock Exchanges where the Company's shares are listed.

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

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

Name of the Director	Sri.S.Sivashanmugam
Date of Appointment	11-2-2018
Expertise in specific functional Areas	He is a practicing Advocate, He is a retired IT Officer, He has got vast knowledge in the field of legal and Taxation,
List of other Directorship held	He is a Director in M/s Warrior Management Services Private Ltd
Chairman / Member of Committees of other companies in which he is a Director.	Nil

Place: Coimbatore
Date : 12-4-2019

DIRECTORS' REPORT TO SHAREHOLDERS

Ladies and Gentlemen,

Your Directors present the 30th Annual Report of the Company along with the audited statement of accounts for the year ended 31st March 2019.

FINANCIAL RESULTS

(in Rs)

PARTICULARS	31.03.2019	31.03.2018
Sales Turnover	0	1,46,21,059
Profit/Loss before interest, depreciation and tax	(18,23,082)	1,33,02,168
Less: Interest Depreciation	3,629	3,629
Net Profit / Loss for the Period	(18,26,711)	1,32,98,539

PERFORMANCE

During the year under review, the Company could not do any business. The company is facing severe financial crisis. The day-to-day expenses are being met by borrowing funds from the Promoters. Even the Managing Director and Executive Director are not being paid their salary regularly. As already stated, the Lenders have sold the entire Assets of the Company and adjusted the proceeds against the loan due from the company. Even after adjusting the entire sale proceeds against the loan, there remains huge amount to be settled by the company. The company has requested the Lenders to let the company wind-up as it is not possible to meet all legal compliances and Statutory expenses.

LEGAL

The Legal issues against the Company were elaborately disclosed in our previous year's Annual Report. The status quo remains the same.

DIVIDEND

No dividend has been recommended for the Financial Year ended 31st March, 2019.

FINANCE

The total outstanding dues to the consortium of Lenders as on 31-3-2019 is more than Rs. 200 crores including interest accrued but not paid. As stated earlier, the Lenders have realized a sum of Rs. 191.05 crores by selling the entire Assets of the Company through e-auction. The Lenders have adjusted the sale proceeds against loan due from the company. Even after adjusting the said amount, the company owes huge sum to the Banks and the company is not having any assets to pay the balance dues.

DEPOSITS

Nil

CORPORATE GOVERNANCE

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

LISTINGS

The company's shares are listed in National Stock Exchange of India Ltd, Mumbai Stock Exchange Ltd and The Calcutta Stock Exchange Ltd. The company has not paid listing fee to the above Exchanges. The company has already applied for de-listing of its equity shares to Calcutta Stock Exchange Ltd and the Orders are awaited.

EXTRACT 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 forming part of this report.

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.

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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the accounting year namely March 31, 2019 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) the Directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate
- 5) 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.

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.

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 there under.

EXPLANATION & COMMENTS

The reports of Statutory Auditors appearing elsewhere in the Annual Report and that of the Secretarial Auditors (annexed hereto) are self-explanatory having no adverse comments.

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.

PARTICULARS OF CONTRACT 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.

MATERIAL CHANGES

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

AUDITORS

a) Statutory Auditors

M/s.M. Gangadharan & Co., Chartered Accountants, retires at the ensuing Annual General Meeting and they have given necessary certificate in terms of Section 139 of the Companies Act, 2013. They are entitled to be re-appointed. They have consented and confirmed their eligibility and desire to continue as Statutory Auditors of the Company.

b) Cost Auditor

Not Applicable

c) Secretarial Auditor,

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mrs. V.M.Vennila, a Practising Company Secretary to undertake the Secretarial Audit of the Company for the financial year 2018-19.

13. AUDIT COMMITTEE

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

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

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

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

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

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 - Chairman
- 2) Sri. Manoj Kumar Tibrewal - Managing Director - Member
- 3) Sri. Mohanlal Tibrewal - Executive Director - Member

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.

INDUSTRIAL RELATIONS

Not Applicable

ENERGY CONSUMPTION

Not Applicable

TECHNOLOGY ABSORPTION

Not Applicable

FOREIGN EXCHANGE EARNINGS AND OUTGO

Not Applicable

LIQUIDATION

Consequent to the sale of entire Assets of the Company by the lenders during the year 2015 - 16, the Company has become financially sick as there is no source of Income / Revenue to the Company.

1. There is no turnover and source of income in the company since 1-10-2017
2. Salary of Managing director and Executive Director has not been paid since 1-01-2018
3. The Promoters have brought in a sum of Rs 31,76,000 on various dates from 11-11-2018 to meet the day to day expenses (like rent, salary, board meeting expenses, audit fees, compliance cost etc.) of company. Now they have exhausted their personal resource entirely. So the greatest difficulty now is to meet the day to day expenses.
4. The company being a listed company has to fulfill Statutory Compliance/ Reportings/Returns of various Authorities and Institutions like Stock Exchanges, Registrar of Companies, Statutory Audit, Secretarial Audit, Registrar and Share Transfer Agent, Income Tax / GST returns. Under the present situation, due to lack of resources, it is not possible to fulfill all the above compliances.
5. The company has informed its situation to the lenders and sought advice/ help but did not receive any communication on this matter.

Therefore, the Board of Directors felt that the Company could go for liquidation under Insolvency & Bankruptcy Code (IBC Code) before the National Company Law Tribunal (NCLT). Accordingly, necessary resolution for the liquidation of the Company was passed by the majority of the Directors present in their Board Meeting held on 6.8.2019. However the Nominee Director of Lender Banks has opposed the resolution and the Woman Independent Director abstained from passing the resolution. The said resolution is also brought before the Members for their approval.

EVALUATION OF BOARD'S PERFORMANCE

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

GENERAL

Does not arise.

MATTERS AS MAY BE PRESCRIBED

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

Does not arise.

ACKNOWLEDGEMENT.

Your Directors wish to thank and record their appreciation to all the employees and Shareholders of the company for their continued support.

By Order of the Board
For GANGOTRI TEXTILES LIMITED

MANOJ KUMAR TIBREWAL
MANAGING DIRECTOR

MOHANLAL TIBREWAL
EXECUTIVE DIRECTOR

Place : Coimbatore
Date : 12.04.2019

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT :

The company has effected zero turnover as against Rs 1,46,21,059 last year.

OPERATION OF UNITS :

Since the Lenders have sold the entire assets of the company for the non-payment of loan, there was no manufacturing operation taking place in the company during the year under review. Even after the sale proceeds of the entire assets have been adjusted by the lenders against the loan due, still the company owes more than Rs 200.00 crores as on 31-3-2019 including interest accrued but not paid. The company has no assets on hand, to sell and make the payment for the balance loan amount. The company is still liable to function just to comply with the statutory obligations with the Registrar of Companies, Stock Exchanges etc. Hence, the company has engaged few staffs to carry out the above work.

OUTLOOK

Entire manufacturing activities have been suspended due to sale of all the units of the company by the Lenders. There is no source of Income and the company is struggling for meeting day-to-day expenses and compliances. However, as the company is having huge negative Net Worth and no source of Income, the company is considering to approach National Company Law Tribunal (NCLT) for liquidation under Insolvency & Bankruptcy Code (IBC Code) process.

FINANCE

The Report about finance is elaborately given in the Directors' Report to the Shareholders which is appended in the Annual Report.

OPPORTUNITIES AND THREATS

Since, the question of revival of the company is ruled out at present, there are no opportunities as of now. Only, threats are more due to the loan outstanding to the banks as well as Notices received by the company from various departments as shown below.

Since all the Units of the Company have been sold by the Lenders, presently, the Company does not own any assets / source of Income. Therefore, the Management is finding it very difficult to meet out the day-to-day expenses and also comply with various Statutory Obligations and compliances to Stock Exchanges and Registrar of Companies. The Company has already approached the Lenders for their approval for de-listing of the shares which is pending with the Lenders.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY.

The Company has appointed M/s M.Gangadharan & Co as Statutory Auditors of the Company and they audit the adequacy and the effectiveness of the internal controls prescribed by the Management and wherever necessary suggests improvements.

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

FINANCIAL PERFORMANCE AND ANALYSIS

Particulars	2018 -19	2017 -18	Change Increase (+) Decrease(-)	%
Turnover	0	1,46,21,059	(1,46,21,059)	(100.00)
Other Income	7,48,665	1,61,77,469	(1,54,28,804)	(95.37)
Gross Revenue	7,48,665	3,07,98,528	(3,00,99,863)	(97.73)
Profit before Exceptional Items and Tax	(18,23,082)	1,33,02,168	1,14,79,086	(86.29)
Exceptional Items	0	0	0	0
Interest	0	0	0	0
Profit before Tax	(18,23,082)	1,33,02,168	(1,14,79,086)	(86.29)
Depreciation	3,629	3,629	0	0
Tax relating to earlier years	0	0	0	0
Net Profit /Loss for the period	(18,26,711)	1,32,98,539	(1,14,71,828)	(86.26)

S.No	Demand Received from	Amount	Reason
	Joint Director General of Foreign Trade, Coimbatore	55,90,28,760	Non-fulfillment of Export Obligation in respect of 45 Licenses issued to the company
	Assistant Commissioner of Customs, Chennai	1,53,77,000	Non-fulfillment of Export Obligation in respect of 6 censes issued to the company
	Assistant Commissioner of Income Tax, Corporate Circle -2, The Commissioner of Income Tax, Appeal has vide his Order dated 28-9-2015 upheld the Penalty. Against this, the Company has preferred Appeal before the Tribunal, Chennai. The Tribunal has dismissed the Appeal vide its Order dated 26-5-2017. The Company has preferred an Appeal before the Hon'ble Madras High Court and the matter is sub-judice. The Asst. Commissioner, Corporate Circle-2, Coimbatore has also filed a Criminal Case against the company in the Coimbatore Court for the recovery of the demand for Rs 7,30,48,153. The matter is sub-judice	7,30,48,152	Penalty levied u/s Section 271(1) (c) of the Income Tax relating to the Assessment Year 2012-13.
	Deputy Commissioner of Income Tax, Corporate TDS Circle	45,69,649	TDS Default
	The Assistant Commissioner of Commercial Taxes, Mettupalayam Road Circle, Coimbatore	20,06,535	Short levy of AST for the Assessment year 1999-2000
	Income Tax Department	5,85,000	Department have preferred Appeal before I.T.A.T, Chennai against the order of C.I.T Appeal relating to the Assessment Year 2004-05
	Income Tax Department	1,25,000	The Department have filed an Appeal before the Hon'ble High Court, Chennai against Company's stand regarding sec 80 (1A)
	Maharashtra Sales Tax Department	32,46,000	Issues representing reversal of Input Vat Credit relating to the Assessment Year 2005-06 and 2006-07
	M/s Think Capital	93,86,000	Winding up petition filed by them for non-compliance of certain commitments.
	M/s Vijay Fabrics	1,18,000	M/s Vijay Fabrics, Erode have obtained Decree against the company and filed Execution Petition before the Sub-Court, Perundurai
	National Stock Exchange of India Limited Mumbai	34,68,073	Due to belated submission of un-audited Financial Results for the quarter ended 30.9.2015
	National Stock Exchange of India Limited Mumbai	8,03,073	Due to belated submission of Financial Results under Reg. 33 relating to the year ended 31.3.2015
	National Stock Exchange of India Limited Mumbai	4,18,900	Due to non-compliance of Regulation 17(1) of the SEBI (LODR) Regulations, 2015
	Bombay Stock Exchange of India Limited Mumbai	4,18,900	Due to non-compliance of Regulation 17(1) of the SEBI (LODR) Regulations, 2015
	National Stock Exchange of India Limited, Mumbai	9,18,210	Arrearers of Annual Listing Fee
	Bombay Stock Exchange of India Limited, Mumbai	9,18,210	Arrearers of Annual Listing Fee

INDUSTRIAL RELATIONS

The Industrial Relation continued to be harmonious with the available few staffs.

By Order of the Board
For GANGOTRI TEXTILES LIMITED

MANOJ KUMAR TIBREWAL
MANAGING DIRECTOR

MOHANLAL TIBREWAL
EXECUTIVE DIRECTOR

Place : Coimbatore
Date : 12.4.2019

CORPORATE GOVERNANCE REPORT

Companies policies on the Corporate Governance under the due compliance report on specific areas, where applicable for the year 2018-19 are given here under, classified under broad heads.

1. Company's Philosophy on Corporate Governance :

Gangotri puts in every effort towards compliance of all regulatory requirements and ensures highest standards of ethical conduct are practiced throughout the organization.

2. Board of Directors :

The Board of Directors, on the date of this report is comprised of seven members, out of which five 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. A.R. Muralidharan	Independent Director	1	Nil	Nil
Sri. S. Sivashanmugam	Independent Director	Nil	Nil	Nil

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

Name of the Director	Remuneration paid During the year 2018 - 19 (Rs)	Sitting Fees for Attending meetings of the Board and / or Committee thereof (Rs)
Sri. Manoj Kumar Tibrewal	Not Paid	Nil
Sri. Mohanlal Tibrewal	Not Paid	Nil
Sri. R.P.Joshua	Nil	20,000
Sri. A.R. Muralidharan	Nil	5,000
Sri. N.Venkatesan	Nil	21,000
Ms. Suryaprabha	Nil	20,000
Sri. S. Sivashanmugam	Nil	5,000

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

Meetings of the Board of Directors were held during the year ended 31-3-2017 on the following dates.

1) 28th April, 2018 (2) 25th July, 2018 (3) 30th October, 2018 (4) 11th December, 2018 (5) 31st January 2019

II. Attendance recorded of each of the Directors at the Board Meeting during the year ended 31st March, 2018 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	5	Yes
Sri. Mohanlal Tibrewal	5	Yes
Sri. R.P.Joshua	4	No
Sri. N.Venkatesan	5	Yes
Sri. A.R. Muralidharan	2	No
Ms. Suryaprabha	4	No
Sri. S. Sivashanmugam	1	No

3. Audit Committee

The Audit Committee was constituted with terms of reference in line with the provisions of the Companies Act, 2013, and SEBI (Listing Obligation and Disclosure requirement) Regulations 2015. The terms of reference include review of financial statements, internal control system, accounting policies and practices internal audit and administration. The Audit Committee consists of the following Members.

CORPORATE GOVERNANCE REPORT

Companies policies on the Corporate Governance under the due compliance report on specific areas, where applicable for the year 2018-19 are given here under, classified under broad heads.

1. Company's Philosophy on Corporate Governance :

Gangotri puts in every effort towards compliance of all regulatory requirements and ensures highest standards of ethical conduct are practiced throughout the organization.

2. Board of Directors :

The Board of Directors, on the date of this report, is comprised of seven members, out of which five 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. A.R. Muralidharan	Independent Director	1	Nil	Nil
Sri. S. Sivashanmugam	Independent Director	Nil	Nil	Nil

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

Name of the Director	Remuneration paid During the year 2018 - 19 (Rs)	Sitting Fees for Attending meetings of the Board and / or Committee thereof (Rs)
Sri. Manoj Kumar Tibrewal	Not Paid	Nil
Sri. Mohanlal Tibrewal	Not Paid	Nil
Sri. R.P.Joshua	Nil	20,000
Sri. A.R. Muralidharan	Nil	5,000
Sri. N.Venkatesan	Nil	21,000
Ms. Suryaprabha	Nil	20,000
Sri. S. Sivashanmugam	Nil	5,000

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

Meetings of the Board of Directors were held during the year ended 31-3-2017 on the following dates.

1) 28th April, 2018 (2) 25th July, 2018 (3) 30th October, 2018 (4) 11th December, 2018 (5) 31st January 2019

ii. Attendance recorded of each of the Directors at the Board Meeting during the year ended 31st March, 2018 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	5	Yes
Sri. Mohanlal Tibrewal	5	Yes
Sri. R.P.Joshua	4	No
Sri. N.Venkatesan	5	Yes
Sri. A.R. Muralidharan	2	No
Ms. Suryaprabha	4	No
Sri. S. Sivashanmugam	1	No

3. Audit Committee

The Audit Committee was constituted with terms of reference in line with the provisions of the Companies Act, 2013, and SEBI (Listing Obligation and Disclosure requirement) Regulations 2015. The terms of reference include review of financial statements, internal control system, accounting policies and practices internal audit and administration. The Audit Committee 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 April, 2018 (2) 25th July, 2018 (3) 30th October, 2018
- (4) 11th December, 2018 (5) 31st January 2019

ii. Attendance of the Audit Committee Meeting held during the financial year ended 31st March, 2019.

Name of the Member	No of Meetings Attended
Sri. N.Venkatesan	5
Sri.R.P.Joshua	4
Smt .Suryaprabha	4

4. Nomination & Remuneration Committee :

This Committee was formed for identifying persons to be appointed as Directors and senior Management positions recommend to the Board, the appointment and removal of Directors, carry out evaluation of Directors, formulate criteria for determining qualification of Directors

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

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

The Remuneration Committee meeting was not held during the year under review since it was not warranted.

5. Stakeholders' Relationship Committee :

This Committee has been formed to specifically focus on the services to shareholders/ Investors. The Committee periodically reviews the services rendered to the Shareholders particularly redressal of complaints of the Shareholders like delay in transfer of shares, non-receipt of Annual Report and the action taken by the company.

a) The Committee of the Company consists of the following Members.

1. Sri. N.Venkatesan — Chairman (Independent – Non-Executive)
2. Sri. Manojkumar Tibrewal — Member (Promoter – Executive)
3. Sri. Mohanlal Tibrewal — Member (Promoter – Executive)

The Stakeholder's Relationship Committee meeting was held on 12.4.2019 and reviewed the complaints received from the Investors during the financial year ended 31st March, 2019.

During the financial year ended 31st March, 2019, the company has not received any- complaint from the Investor's and as on 31st March, 2019 no complaints / queries were there pending reply. The share transfer applications are normally completed within a period of 15 days.

b) Details of Director seeking appointment / re-appointment at the ensuing Annual General Meeting fixed on 27-9-2019 are given hereunder.

Pursuant to Section 149 of the Companies Act, 2013, the Company being a Listed Company need to appoint Independent Directors within a period of one year from the commencement of the said Act. Though the company is having two Independent Directors already, it is required to appoint them as per the new provisions of the Companies Act, 2013 as the definition of Independent Directors have been changed. Accordingly, the necessary approval for their appointment was obtained in the 26th Annual General Meeting held on 23-9-2015.

Further, In order to comply with the provision of Listing Agreement, the Company has appointed one more Independent Director on 11-12-2018 and necessary resolution seeking approval of the Shareholders as per the new provisions of the Companies Act, 2013 is being brought at the ensuing 30th Annual General Meeting.

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
27	Wednesday	21.09.2016	3.30 pm	Bimanil Hall, Sree Coimbatore Gujarat Samaj 662, Mettupalayam Road, P.B. No. 1164, R.S.Puram, Coimbatore - 641 002
28	Monday	25.09.2017	3.30 pm	Mini Air - conditioned Hall Rajasthan Sangh, D.B. Road, R.S.Puram, Coimbatore - 641 002
29	Friday	28.09.2018	3.30 pm	Mini Air - conditioned Hall Rajasthan Sangh, D.B. Road, R.S.Puram, Coimbatore - 641 002

In the 29th Annual General Meeting held on 28-9-2019, 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) The Stock Exchange (NSE and BSE) have levied fine on the Company for the non-compliance/delayed compliance of certain Regulation of SEBI guidelines, the details of list are furnished below.

The Stock Exchange (NSE and BSE) have levied fine on the Company for the following issues.

Name of the Exchange	Fine Levied for	Amount	Status
M/s. National Stock Exchange of India Ltd.	Submission of un-audited Financial results for the quarter ended 30.9.2015	34,68,073	Company has filed Appeal before the Appellate Forum
	Submission of Audited Financial results for the quarter ended 31.3.2017	8,03,073	Company has filed Appeal before the Appellate Forum
	Non-compliance with the Corporate Governance Report for the quarter ended 31.12.2018 (No. of Independent Directors in the Board strength)	4,18,900	Not Paid
M/s. Bombay Stock Exchange Ltd.	Arrears of Annual Listing Fee payable	11,81,232	Not Paid
	Non-compliance with the Corporate Governance Report for the quarter ended 31.12.2018 (No. of Independent Directors in the Board strength)	4,18,900	Not Paid
	Arrears of Annual Listing Fee payable	9,18,210	Not Paid
	Submission of un-audited Financial results for the quarter ended 31.12.2018 in PDF mode	42,000	Not Paid

iii. The Board of Directors in their Meeting held on 31.1.2019 passed a resolution for the cessation of the the Nominee Director of M/s. United Bank of India, Sri. R. Elango in view of his continuous absence for the Board Meeting for a continuous period of more than 3 years without seeking leave of absence, in terms of the Provisions of the Companies Act, 2013. The Company has sent due notice to Sri. R. Elango as well as to United Bank of India for an official communication from the bank in respect of his cessation and the reply is still awaited.

iv. Sri. N. Venkatesan, Independent Director was disqualified during the year under review due to one of the Company in which he was a Director has not filed Annual Report with the Registrar of Companies. Subsequently he has filed Writ Petition in the Madras High Court and removed his disqualification.

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.co.in

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 27.9.2019 (30th AGM)

Day : Friday Date : 27.9.2019 Time : 3.30 P.M.

Venue : Mini Air-conditioned Hall, Rajasthani Sangh, R.S. Puram, Coimbatore - 641 002

b) Financial Calendar Year 2019-2020 :

First quarterly Financial Results : On or before 15-08-2019

Second quarterly Financial Results : On or before 15-11-2019

Third quarterly Financial Results : On or before 15-02-2020

Audited Financial Results for the year ended 31-3-2020 : On or before 30-05-2020

c) Dates of Book Closure : From: 18.9.2019 To : 27.9.2019 (Both the days inclusive) for the purpose of Annual General Meeting.

d) Dividend payment date :

The Board of Directors have not recommended any dividend for the financial year 31-3-2019.

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) De-listing :

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

12. Market Price Data :

The details of the monthly highest and lowest closing quotations of the equity shares of the Company at the Bombay Stock Exchange Ltd, during the financial year 2018-19 are as under.

MONTH	Highest Rate (Rs)	Lowest Rate (Rs)
APRIL 2018	Nil	Nil
MAY 2018	1.10	1.05
JUNE 2018	1.20	1.10
JULY 2018	1.36	1.00
AUGUST 2018	2.94	1.26
SEPTEMBER 2018	5.56	3.00
OCTOBER 2018	5.83	2.00
NOVEMBER 2018	1.95	1.49
DECEMBER 2018	3.00	2.00
JANUARY 2019	2.31	1.49
FEBRUARY 2019	1.94	1.75
MARCH 2019	1.75	1.57

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 – 4958995 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 31.3.2019

No of Shares	No of Shareholders	Percentage	No of Shares	Percentage
Up to 5000	8170	82.39	1,39,10,120	8.53
5001-10000	829	8.34	64,91,060	3.98
10001 – 20000	437	4.40	63,41,180	3.89
20001- 30000	195	1.96	49,42,290	3.03
30001-40000	72	0.72	25,51,095	1.56
40001- 50000	60	0.60	27,65,855	1.70
50001-100000	74	0.74	52,60,370	3.23
100001 and above	83	0.84	12,08,11,200	74.08
Total	9940	100.00	16,30,73,170	100.00

Shareholding Pattern as on 31.3.2019

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
TOTAL	3,26,14,634	100.000

16. Dematerialisation of Equity Shares :

As on 31-3-2019 shares representing 98.686% percentage of the total paid up capital of the Company is held in dematerialized form with NSDL and CDSL.

17. Plant Location CDSL

Does not arise, since the Lenders have sold the entire Units of the company through e-auction.

18. Address for correspondence : Registered Office : 25-A, Venkatachalam Co-operative Colony, R.S, Puram, Coimbatore - 641 002

19 Other disclosures

- There were no materially significant Related Party Transaction that would have potential conflict with the interest of the company at large.
- A certificate about the disqualification of Directors obtained from the Company Secretary in practise is annexed to this Report.
- As per the provision of Sexual Harassment of women at work place (Prevention, Prohibition and Redressal) Act 2013 the company has continued with an Internal Compliance Committee. During the year 2018-19, no complaint was received by the Committee. As such there are no complaints pending at the end of the Financial Year.
- The company is fully compliant with the Corporate Governance requirements as specified by Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Obligation and Disclosure Requirements) Regulation, 2015

19. 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 2018 -19.

Coimbatore
12.4.2019

MANOJ KUMAR TIBREWAL
MANAGING DIRECTOR

20. CEO / CFO CERTIFICATE

We certify that

- a) We have reviewed financial statements and cash flow statements for the year ended 31st March, 2019 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
- 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
12.04.2019

MANOJ KUMAR TIBREWAL
MANAGING DIRECTOR

The above Corporate Governance Report has been placed before the Board of Directors at their meeting held on 12.04.2019 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, 2019, 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's grievances received during the year ended 31st March, 2019, 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.

Coimbatore
12.04.2019

CA M. GANGADARAN
Membership No:024949

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
GANGOTRI TEXTILES LIMITED
(CIN: L17115TZ1989PLC002491)
25, 25-A, VENKATACHALAM
CO-OPERATIVE COLONY,
R.S.PURAM,
COIMBATORE-641002,

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of GANGOTRI TEXTILES LIMITED having CIN: L17115TZ1989PLC002491 and having registered office at 25, 25-A, Venkatachalam Co-operative Colony, R.S.Puram, Coimbatore-641002 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority subject to the following remarks given below.

S.NO	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT	DATE OF CESSATION
1.	MANOJ KUMAR TIBREWAL	00806653	02/07/1992	-
2.	MOHANLAL TIBREWAL	00811853	18/10/1991	-
3.	RAYANS PILLAI JOSHUA	00045589	30/10/2009	-
4.	ELANGO	06747166	06/08/2013	31/01/2019 (subject to remarks given below)
5.	SURYAPRABHA M V	05210644	12/11/2014	-
6.	VENKATESAN N	07029257 (subject to remarks given below)	12/11/2014	-
7.	A.R.MURALIDHARAN	07087606	14/02/2017	-
8.	SUBBIAN SIVASHANMUGAM	08299022	11/12/2018	-

1. Mr. Shri N. Venkatesan Independent Director has filed a writ petition (W.P.NO.17565 of 2018) before the High Court of Judicature at Madras for the removal of his disqualification and the same has been removed vide order dated 13/07/2018.

2. The Company has passed a resolution in Board Meeting held on 31/01/2019 for the removal of Mr. R. Elango, Nominee Director of M/s United Bank of India due to absenting himself from 28/05/2015 to till date. The removal of Mr. Elango is not reflected in MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Coimbatore
Date: 12/04/2019

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

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2019

[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	NIL	NIL	NIL

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	Demate	Phy sical	Total	% of Total Shares	
A.Promoter									
1) Indian									
a)Individual/ HUF	8000457		8000457	24.530	8000457		8000457	24.530	0.000
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
2) Foreign									
g)NRIs-Individuals									
h)Other-Individuals									
i)Bodies Corp.									
j)Banks / FI									
k)Any Other...									
Sub-total(A)(2):-									
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	8000457	0	8000457	24.530	8000457	0	8000457	24.530	0.000
B.PUBLIC Shareholding									
1. Institutions									
a)Mutual Funds	1600	0	1600	0.005	1600	0	1600	0.005	0.000
b)Banks / FI	1416473	0	1416473	4.343	1237500	0	1237500	3.794	(0.549)
c)Central Govt									
d)State Govt(s)									
e)Venture Capital Funds		0	0	0	0	0	0	0	0
f)Insurance Companies	1202000	0	1202000	3.685	973219	0	973219	2.984	(0.701)
g)FII's									
h)Foreign Portfolio Investors		0	0	0	0	0	0	0	0
i)Others (specify)									
Sub-total(B)(1)	2620073	0	2620073	8.033	2212319	0	2212319	6.783	(1.250)
2. Non Institutions									
a)Bodies Corp.(i) Indian	28,48,131	18,800	2866931	8.790	2757264	18,800	2776064	8,512	(0.278)
(ii) Overseas									
b)Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	6501539	434230	6935769	21.267	7379811	409740	7789551	23.884	2.617
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	10575135	0	10575135	32.424	10203007	0	10203007	31.283	(1.141)
c) Others(Specify)									
Trust	1000	0	1000	0.003	1000	0	1000	0.003	0.000
Non Resident Indians	70622	0	70622	0.217	88892	0	88892	0.273	0.056
Clearing Members	375602	0	375602	1.152	420204	0	420204	1.288	0.136

Hindu Undivided Families	1169055	0	1169055	3.584	1123140	0	1123140	3.444	(0.140)
Sub-total (B)(2)	21541074	453030	21994104	67.437	21973318	428540	22401858	68.687	1.250
Total Public Shareholding (B)+(B)(1)-(B)(2)	24161147	453030	24614177	75.740	24185637	428540	24614177	75.470	0.000
C-Shares held by Custodian for GDRs&ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	32161604	453030	32614634	100.000	32186904	428540	32614634	100.000	0.000

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 / encumb ered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumb ered to total shares	
1.	MANOJ KUMAR TIBREWAL HUF	171200	0.525	0.000	171200	0.525	0.000	0.000
2.	MOHANLAL TIBREWAL	2000	0.006	0.000	2000	0.006	0.000	0.000
3.	ANITA TIBREWAL	5233661	16.047	75.000	5233661	16.047	75.000	0.000
4.	MANOJ KUMAR TIBREWAL	2192596	6.723	0.000	2192596	6.723	75.000	0.000
5.	UMANG TIBREWAL	194000	0.595	0.000	194000	0.595	0.000	0.000
6.	MAYANG TIBREWAL	207000	0.635	0.000	207000	0.635	0.000	0.000
	Total	8000457	24.531	75.000	8000457	24.531	75.000	0.000

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	8000457	24.531	8000457	24.531
	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):	Nil	Nil	Nil	Nil
	At the End of the year	8000457	24.531	8000457	24.531

Hindu Undivided Families	1169055	0	1169055	3.584	1123140	0	1123140	3.444	(0.140)
Sub-total (B)(2)	21541074	453030	21994104	67.437	21973318	428540	22401858	68.687	1.250
Total Public Shareholding (B)+(B)(1)-(B)(2)	24161147	453030	24614177	75.740	24185637	428540	24614177	75.470	0.000
C-Shares held by Custodian for GDRs&ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	32161604	453030	32614634	100.000	32186904	428540	32614634	100.000	0.000

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 / encumb ered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumb ered to total shares	
1.	MANOJ KUMAR TIBREWAL HUF	171200	0.525	0.000	171200	0.525	0.000	0.000
2.	MOHANLAL TIBREWAL	2000	0.006	0.000	2000	0.006	0.000	0.000
3.	ANITA TIBREWAL	5233661	16.047	75.000	5233661	16.047	75.000	0.000
4.	MANOJ KUMAR TIBREWAL	2192596	6.723	0.000	2192596	6.723	75.000	0.000
5.	UMANG TIBREWAL	194000	0.595	0.000	194000	0.595	0.000	0.000
6.	MAYANG TIBREWAL	207000	0.635	0.000	207000	0.635	0.000	0.000
	Total	8000457	24.531	75.000	8000457	24.531	75.000	0.000

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	8000457	24.531	8000457	24.531
	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):	Nil	Nil	Nil	Nil
	At the End of the year	8000457	24.531	8000457	24.531

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	973219	2.983
6	SHASHIKANT GORDHANDAS BADANI	857942	2.631	340961	1.045
7	RAMESH KUMAR TIBREWAL (HUF) .	676000	2.073	676000	2.073
8	STATE BANK OF INDIA	816084	1.870	816084	1.870
9	SENGOTTUVELU SENTHILNATHAN	600000	1.840	600000	1.840
10	RASI SEEDS (P) LTD	600000	1.840	600000	1.840
11	Syndicate Bank	421416	1.292	421416	1.292

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 01.04.2018	
i) Principal Amount	240,46,84,989
ii) Interest due but not paid	-
iii) Interest accrued but not due	-
Total (i+ii+iii)	240,46,84,989
Change in Indebtedness during the financial year	
- Addition	---
- Reduction	---
Net Change	240,46,84,989
Indebtedness at the end of the financial year 31.03.2019	
i) Principal Amount	240,46,84,989
ii) Interest due but not paid	-
iii) Interest accrued but not due	-
Total (i+ii+iii)	240,46,84,989
Less collection & Current A/c	
Total	240,46,84,989

Note : Interest not provided since sep. 2015

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/WT/ Manager		Total Amount
1.		Mr.Manoj Kumar Tibrewal	Mr.Mohan Lal Tibrewal	
	Gross salary	Not Paid	Not Paid	Not Paid
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as% of profit - others, specify...	Nil	Nil	Nil
5.	Others ,please specify	Nil	Nil	Nil
6.	Total(A)	Nil	Nil	Nil
	Ceiling as per the Act			

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
	Independent Directors	Mr. N. VENKATESAN	Mrs. Surya Prabha	Mr. A.R. Muralidharan	Mr. S. Sivashanmugam	
	• Fee for attending board committee meetings • Commission • Others ,please specify	21,000 - -	20,000	5,000	5,000	51,000
	Total(1)	21,000	20,000	5,000	5,000	51,000
	Other Non-Executive Directors	Mr.R.P.JOSHUA - SBI				
	•Fee for attending board committee meetings •Commission •Others ,please specify	20,000				20,000
	Total (2)	20,000				20,000

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				
				Company Secretary		Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			50,000		50,000
				Nil		Nil
				Nil		Nil
2.	Stock Option			Nil		Nil
3.	Sweat Equity			Nil		Nil
4.	Commission - as % of profit - others, specify...			Nil		Nil
5.	Others, please specify			Nil		Nil
	Total			50,000		50,000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/Punishment/Compounding Offences etc	Authority	Appeal made. If any
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

ANNEXURE 3

FORM MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31-03-2019

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

To,
The Members,
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. (CIN: L17115TZ1989PLC002491) (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 31-03-2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31-03-2019 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;
- (i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015
- (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 Maternity Benefit Act, 1961
- m. The Child Labour (Prohibition And Regulation) Act, 1986
- n. The Industrial Employment (Standing Order) Act, 1946
- o. The Employees Compensation Act, 1923
- p. The Apprentice Act, 1961
- q. Equal Remuneration Act, 1976
- r. Additional Duties of Excise (Textiles and Textile Articles) Act, 1978
- s. Textiles Committee Act, 1963
- t. Textiles (Development and Regulation) Order, 2001
- u. Textiles (Consumer Protection) Regulations, 1988
- v. SARFAESI Act 2002
- w. Foreign Trade (Development & Regulation) Act, 1992
- x. Customs Act, 1962
- y. Goods and Service Tax Act, 2017

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

- (j) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (k) The Listing Agreements entered into by the Company with Calcutta Stock Exchange, National Stock Exchange and Bombay Stock Exchanges.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

1. Listing fee not paid for the Financial Year 2016-17, 2017-2018 and 2018-19
2. Website of the Company has been updated compare to previous year to a certain extent.
3. The Company has received an order under Section 15 of Foreign Trade (Development and Regulation) Act, 1992, which imposes a penalty of Rs.1,51,37,826 on the Company on 20/1/2016 the Director of Revenue intelligence has filed a Writ Petition before the Chennai High Court against State Bank of India Claiming that the dues to DGFT shall be given priority over other dues the case is pending before Chennai High Court.
4. The Company has received a demand notice from Commissioner of Customs vide notification No.97/2004 proposing a penalty of Rs.55,90,28,760 for non-fulfillment of export obligation by the Company on 20/01/2016 - the Director of Revenue intelligence has filed a Writ Petition before the Chennai High Court against State Bank of India Claiming that the dues to DGFT shall be given priority over other dues the case is pending before Chennai High Court.
5. M/s National Stock Exchange of India, Mumbai has levied penalty of Rs 8,03,073 / due to belated submission of audited financial results for the year ended 31-3-2017 under Regulation 33(d) of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015.
6. The Management states the Company has closed all the units and hence no workers/employees exists in the factory, therefore the statutory returns pertaining to labour laws have not been furnished.
7. The Commissioner of Income tax, Coimbatore vide his order dated 28/09/2016 dismissed the appeal (Appeal No.148/15-16) and Confirmed penalty under section 271(1)(c) amounting to Rs.7,30,48,153. The Company has filed appeal before the Income tax Appellate Tribunal, Chennai. The Tribunal has also dismissed the appeal and the Company has filed an appeal before Chennai, High Court.
8. Both NSE and BSE has levied penalty to the extent of Rs. 5,42,800 each due to Noncompliance with Corporate Governance Report for the quarter ended 30-09-2018 Regulation 17(1) of the SEBI (Listing obligation and Disclosure Requirement) Regulation, 2015. The Company has decided to pay penalty to both exchanges under protest.
9. BSE has levied fine of Rs.18,880 due to Non-submission of Statement of Investor Compliant for the quarter ended 31-12-2018.

10. NSE has levied penalty of Rs. 34,68,073 due to belated submission of un-audited financial results for the quarter ended 30-09-2015 under Clause 41 of the Listing Agreement. The Company has filed an appeal before the appellate forum, contesting the said penalty.

11. To fulfil the mandatory obligations and proper balance of board, the Company has appointed CFO on 31/01/2019, an Independent Director on 11/12/2018 and the disqualification of Mr. N. Venkatesan, Independent Director has been removed w.e.f 13/07/2018.

12. The Company has passed a resolution in Board Meeting held on 31/01/2019 for removal of Mr.R.Elango, Nominee Director.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors except Independent Directors, An Independent Director to maintain proper balance has been appointed by the Company on 11/12/2018. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

I further report that it has been noted at the time of audit that The bankers have sold the entire assets of the Company for recovery of dues under SARFAESI ACT, 2002.

Place : Coimbatore
Date : 12.04.2019

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF M/s. GANGOTRI TEXTILES LIMITED

Report on the IND AS Financial Statements

We have audited the accompanying IND AS financial statements of GANGOTRI TEXTILES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information, (hereinafter referred to IND AS financial statements).

Management's Responsibility for the IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these IND AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (IND AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. 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 IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these IND AS financial statements based on our audit. In conducting 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 thereunder and the Order issued under section 143 (11) of the Act. We conducted our audit of the IND AS financial statements 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 IND AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the IND AS 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 IND AS 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 IND AS financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the IND AS 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 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.
3. 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.

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 IND AS 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 March 31, 2019, and its profit, total comprehensive income, the cash flows and the changes in equity for the year ended as on that date.

KEY AUDIT MATTERS

Key Audit Matters are those matters that, in our professional judgements, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the contexts of our audit of the financial statements as a whole, and in forming our opinion there on, and we do not provide a separate opinion on these matters. We have nothing to report in this regard.

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

- (i) The Company's Board of Directors is responsible for the other information. The other information comprised the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.
- (ii) Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- (iii) In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- (iv) If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in sec 134 (5) of the act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the IND AS and other Accounting Principles generally accepted in India. This responsibility also includes Maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the asset of the company and for preventing and detecting frauds and other irregularities; Selection and application of appropriate accounting policies; making judgements 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 statement that give a true and fair view and are free from material misstatement whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

- (i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (iv) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledge user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 IND AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
 - (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.
 - (f) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated on the Basis for Qualified Opinion paragraph above
 - (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone IND AS financial statements – **Refer Note 24** 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.

Coimbatore
12.04.2019

CA M. GANGADARAN
Membership No:024949

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

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 2019, we report that:

- I) All the Assets except vehicles are taken over, sold, realized and adjusted against loan dues by the bank.
- II) 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.
- III) The Company has not accepted any deposit from public during the year.
- IV) 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.
- V) (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.

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
Tamil Nadu Additional Sales Tax Act, 1970	1996-97	Additional Sales Tax	20.07	Supreme Court of India	Yes	20.07
Income Tax Act, 1961	2004-05	Interest U/S 234B / 234C	5.85	ITAT Chennai	No	5.85
Income Tax Act, 1961	2012-13	Penalty U/S 271 (1) (c)	730.00	ITAT Chennai	No	730

b. According to the records of the Company, the Stock Exchanges (NSE and BSE) have levied fine on the Company for the following issues.

Name of the Exchange	Fine Levied For	Amount	Status
M/s. National Stock Exchange of India Ltd.,	Submission of Un-audited financial results for the Quarter ended 30.09.2015	34,68,073	Company has filed Appeal before the Appellate Forum
M/s. National Stock Exchange of India Ltd.,	Submission of Audited financial results for the year ended 31.03.2017	8,03,073	Company has filed Appeal before the Appellate Forum
M/s. National Stock Exchange of India Ltd.,	Non Compliance with the Corporate Governance Report for the Quarter ended 31.12.2018 (No. of Independent Directors in the Board strength)	4,18,900	Not Paid
M/s. National Stock Exchange of India Ltd.,	Arrears of Annual Listing Fee payable	9,18,210	Not Paid
M/s. Bombay Stock Exchange Ltd.,	Non Compliance with the Corporate Governance Report for the Quarter ended 31.12.2018 (No. of Independent Directors in the Board strength)	4,18,900	Not Paid
	Arrears of Annual Listing Fee payable	9,18,210	Not Paid
	Submission of Un-audited financial results for the Quarter ended 31.03.2018 in PDF Mode	42,000	Not Paid

- VI The Company has defaulted in repayment of interest and principal to bank and financial institutions.
- VII During the year, the company has not given any guarantee for loan taken from others, from banks, or financial institution.
- VIII The company has not obtained any term loan during the year.
- IX 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.
- X 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.
- XI According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration for the year 2018-19.
- XII According to the information and explanations given to us and based on our examination of the records of the Company, no 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.
- XIII The Company is not a Nidhi Co. And therefore clause 3(12) of the Order is not applicable to the Company.
- XIV 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(iv) of the Order is not applicable.
- XV The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act 1934

Coimbatore
12.04.2019

CA M. GANGADARAN
Membership No:024949

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

ANNEXURE B" TO THE AUDITOR'S 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 2019, we report that:

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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls systems 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 authorizations of management and directors of the company;
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 March 31, 2019, based on 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 ICAI.

Coimbatore
12.04.2019

CA M. GANGADARAN
Membership No:024949

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

ANNEXURE B" TO THE AUDITOR'S 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 2019, we report that:

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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls systems 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 authorizations of management and directors of the company;
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 March 31, 2019, based on 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 ICAI.

Coimbatore
12.04.2019

CA M. GANGADARAN
Membership No:024949

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

BALANCE SHEET AS AT 31st MARCH, 2019

Particulars	Note No.	31.03.2019 (Rs.)	31.03.2018 (Rs.)
ASSETS			
Non-Current Assets			
a. Property, Plant and Equipments	3	2,47,011	2,50,640
b. Financial Assets			
(i) Investments	4	15,00,00,000	15,00,00,000
c. Other Non-Current Assets	5	87,27,875	1,32,93,589
Current Assets			
a. Inventories		-	0
b. Financial Assets			
(i) Investments	6	52,000	52,000
(ii) Trade Receivables		-	0
(iii) Cash and Cash Equivalents	7	4,22,279	16,10,357
(iv) Bank Balance other than (iii) above	8	7,500	7,500
c. Other Current Assets	9	9,428	7,94,353
TOTAL ASSETS		15,94,66,093	16,60,08,439
EQUITY AND LIABILITIES			
EQUITY			
a. Equity Share Capital	10	1,06,72,73,170	1,06,72,73,170
b. Other Equity	11	(3,42,41,66,957)	(3,41,73,78,550)
LIABILITIES			
NON CURRENT LIABILITIES			
a. Financial Liabilities			
(i) Other Financial Liabilities	12	4,98,46,535	4,81,46,535
b. Other Non-Current Liabilities	13	5,55,00,000	5,55,00,000
CURRENT LIABILITIES			
a. Financial Liabilities			
(i) Trade Payables	14	5,91,304	11,98,264
(ii) Other Financial Liabilities	15	2,40,46,84,989	2,40,46,84,989
b. Other Current Liabilities	16	57,37,052	65,84,031
Total Equity and Liabilities		15,94,66,093	16,60,08,439

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 : 12.04.2019

CA. M. GANGADARAN
Membership No:024949
30

MOHANLAL TIBREWAL
Executive Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	Note No.	31.03.2019 (Rs.)	31.03.2018 (Rs.)
INCOME			
a. Revenue From Operations	17	-	1,46,21,059
b. Other Income	18	7,48,665	1,61,77,469
TOTAL		7,48,665	3,07,98,528
EXPENSES			
a. Cost of Materials consumed	19	-	75,74,516
Purchases of Stock-in-Trade		-	-
b. Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	20	-	25,76,301
c. Employees Benefit Expenses	21	3,18,890	21,88,909
d. Finance Costs		-	-
e. Depreciation and Amortization Expenses	22	3,629	3,629
f. Other Expenses	23	22,52,857	51,56,634
TOTAL		25,75,376	1,74,99,989
Profit / (Loss) Before Exceptional Items and Tax		(18,26,711)	1,32,98,539
Less : Exceptional Items		-	-
Profit / (Loss) Before Extraordinary Items and Tax		(18,26,711)	1,32,98,539
Less : Extraordinary Items		-	-
Profit / (Loss) Before Tax		(18,26,711)	1,32,98,539
Tax Expenses :			
(i) Current Tax		-	-
(ii) Deferred Tax		-	-
(iii) Tax relating to earlier year		-	-
Profit / (Loss) for the period from continuing operations		(18,26,711)	1,32,98,539
Profit / (Loss) from discontinued operations		-	-
Tax Expenses of discontinued operations		-	-
Profit / (Loss) from discontinued operations (After Tax)		-	-
Profit / (Loss) for the period		(18,26,711)	1,32,98,539
Other Comprehensive Income / Loss		-	-
A. (1) Items that will not be reclassified to Profit or Loss		-	-
a) Remeasurements of the defined benefit Liabilities / Asset		-	-
b) Equity Instruments through other comprehensive Income		-	-
(2) Income Tax relating to Items that will not be reclassified to Profit or Loss		-	-
B. Items that may be reclassified to Profit or Loss		-	-
Total Comprehensive Income for the period		(18,26,711)	1,32,98,539
(Comprising Profit / (Loss) and Other Comprehensive Income for the period)			
Earnings per Equity Share (for continuing operation)			
1. Basic		(0.006)	0.41
2. Diluted		(0.006)	0.41
Earnings per Equity Share (for discontinued operation)			
1. Basic		-	-
2. Diluted		-	-
Earnings per Equity Share (for discontinued and continuing operation)			
1. Basic		(0.006)	0.41
2. Diluted		(0.006)	0.41

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 : 12.04.2019

CA. M. GANGADARAN
Membership No:024949

MOHANLAL TIBREWAL
Executive Director

STATEMENT OF CHANGES IN EQUITY For the year ended 31st March, 2019
EQUITY SHARE CAPITAL

PARTICULARS	NOTE	AMOUNT (Rs)
Balance as at 1st April 2017		
Changes in Equity Share Capital during the year	10 NIL	1,06,72,73,170 NIL
Balance as at 31st March 2018		
Changes in Equity Share Capital during the year	10 NIL	1,06,72,73,170 NIL
Balance as at 31st March 2019	10	1,06,72,73,170

II. OTHER EQUITY

PARTICULARS	NOTE	Reserve & Surplus				Total Rs.
		Capital Reserve	General Reserve	Share Warrant Forfeited	Securities Premium Reserve	
Balance as at 1st April 2017		1,54,74,119	(3,93,70,78,039)	80,00,000	48,29,26,830	(3,43,06,77,090)
Profit / Loss for the period		0	1,32,98,539	0	0	(31,32,98,539)
Other Comprehensive Income	11	0	0	0	0	0
Dividends Paid		0	0	0	0	0
Dividend Distribution Tax		0	0	0	0	0
Transfer to General Reserve		0	0	0	0	0
Balance as at 31st March 2018		1,54,74,119	(3,92,37,79,500)	80,00,000	48,29,26,830	(3,41,73,78,551)
Profit / Loss for the period	11	0	(18,26,711)	0	0	(18,26,711)
Other Comprehensive Income		0	0	0	0	0
Dividends Paid		0	(49,61,696)	0	0	(49,61,696)
Dividend Distribution Tax		0	0	0	0	0
Transfer to General Reserve		0	0	0	0	0
Balance as at 31st March 2019	11	1,54,74,119	(3,93,05,67,907)	80,00,000	48,29,26,830	(3,42,41,66,958)

NOTE : 3 PROPERTY, PLANT & EQUIPMENT

The changes in the carrying value of property, plant and equipment for the Year Ended 31st March, 2019 are as follows :

S. No.	Asset Description	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount	
		As at 01.04.2018	Addition	Deletion / Adjustments	As at 31.03.2019	As at 01.04.2018	During the year	Deletions	As at 31.03.2019
1	Vehicles	2,57,898	-	-	2,57,898	7,258	3,629	-	2,50,640
	Total	2,57,898	-	-	2,57,898	7,258	3,629	-	2,47,011

3 The changes in the carrying value of property, plant and equipment for the Year Ended 31st March, 2018 are as follows :

S. No.	Asset Description	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount	
		Demand cost as at 01.04.2017	Addition	Deletion / Adjustments	As at 31.03.2018	As at 01.04.2017	During the year	Deletions	As at 31.03.2018
1	Vehicles	7,86,983	-	5,29,085	2,57,898	9,652	3,629	6,023	7,258
	Total	7,86,983	-	5,29,085	2,57,898	9,652	3,629	6,023	7,258

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31.03.2019**FINANCIAL ASSETS****4. INVESTMENTS**

PARTICULARS	As at 31st March 2019	As at 31st March 2018
UNQUOTED		
Preference Shares (1,50,00,000 6% Redeemable cumulative preference shares of Rs.10/- each at par M/s. Jagannath Textile Co. Ltd.,)	15,00,00,000	15,00,00,000
Total	15,00,00,000	15,00,00,000

5. OTHER NON CURRENT ASSETS

PARTICULARS	As at 31st March 2019	As at 31st March 2018
Long Term Trade Receivables (Including Trade Receivables on Deferred Credit Terms)	-	-
MAT Credit Receivables	-	49,61,696
Others	87,27,875	83,31,893
Total	87,27,875	1,32,93,589

CURRENT ASSETS**6. INVESTMENTS**

PARTICULARS	As at 31st March 2019	As at 31st March 2018
QUOTED		
Equity Shares - 640 IDBI Shares of Rs.10/- each at premium of Rs.120/- each, (Market Value of Rs.45,440/-)	52,000	52,000
Total	52,000	52,000

7. CASH AND CASH EQUIVALENTS

PARTICULARS	As at 31st March 2019	As at 31st March 2018
Cash in hand	2,55,297	12,64,083
Balances with Banks	1,66,982	3,46,274
Total	4,22,279	16,10,357

8. OTHER BANK BALANCE

PARTICULARS	As at 31st March 2019	As at 31st March 2018
Bank Deposits (Deposits with Original Maturity more than 12 Months)	7,500	7,500
Total	7,500	7,500

9. OTHERS CURRENT ASSETS

PARTICULARS	As at 31st March 2019	As at 31st March 2018
Advance to others	-	7,90,000
Other Receivable	9,428	4,353
Total	9,428	7,94,353

10. EQUITY SHARE CAPITAL

PARTICULARS	As at 31st March 2019	As at 31st March 2018
Authorised Share Capital		
6,00,00,000 Equity Shares of Rs.5/- each	30,00,00,000	3,00,000,000
92,00,000 6.5% Cumulative Preference Shares of Rs.100/- each	92,00,00,000	9,20,000,000
	1,22,00,00,000	1,22,00,00,000
Issued Capital		
3,26,14,634 Equity Shares of Rs.5 each (Of the above 96,00,000 shares of Rs.5/- each fully capitalisation of reserves)	16,30,73,170	16,30,73,170
Preference Share Capital		
90,42,000 6.5% Cumulative Redeemable Preference Shares of Rs.100/- each issued at part for consideration other than cash (of this 1/3rd will be redeemed on 31.03.2016, another 1/3rd will be Redeemed on 31.03.2017 and Final 1/3 will be redeemed on 31.03.2018)	90,42,00,000	90,42,00,000
	1,06,72,73,170	1,06,72,73,170
Subscribed & Paid up		
3,26,14,634 Equity Shares of Rs.5 each fully paid	16,30,73,170	16,30,73,170
90,42,000 6.5% Cumulative Redeemable Preference Shares of Rs.100/- each fully paid	90,42,00,000	90,42,00,000
Paid up Share Capital	1,06,72,73,170	1,06,72,73,170

11. OTHER EQUITY

PARTICULARS	As at 31st March 2019	As at 31st March 2018
a. GENERAL RESERVE		
Opening Balance	(3,92,37,79,499)	(3,93,70,78,038)
Prior Year Taxes	-	-
Profit / (Loss) for the year	(49,61,696)	-
Closing Balance	(18,26,711)	1,32,98,539
	(3,93,05,67,906)	(3,92,37,79,499)
b. CAPITAL RESERVE		
Opening Balance		
Less : Transfer to Profit & Loss A/c	1,54,74,119	1,54,74,119
Closing Balance	-	-
	1,54,74,119	1,54,74,119
c. SHARE WARRANT FORFEITED		
Balance as per last account	80,00,000	80,00,000
	80,00,000	80,00,000
d. SHARE PREMIUM		
As per Last year Balance Sheet	48,29,26,830	48,29,26,830
	48,29,26,830	48,29,26,830
OTHER EQUITY = (a+b+c+d)	(3,42,41,66,957)	(3,41,73,78,550)

12. OTHER FINANCIAL LIABILITIES

PARTICULARS	As at 31st March 2019	As at 31st March 2018
Other Payables	4,98,46,535	4,81,46,535
Total	4,98,46,535	4,81,46,535

13. OTHER NON CURRENT LIABILITIES

PARTICULARS	As at 31st March 2019	As at 31st March 2018
Others	5,55,00,000	5,55,00,000
Total	5,55,00,000	5,55,00,000

14. TRADE PAYABLES

PARTICULARS	As at 31st March 2019	As at 31st March 2018
Sundry Creditors for Expenses	5,91,304	11,98,264
Total	5,91,304	11,98,264

15. OTHER FINANCIAL LIABILITIES

PARTICULARS	As at 31st March 2019	As at 31st March 2018
Loan from Banks	2,40,46,84,989	2,40,46,84,989
Total	2,40,46,84,989	2,40,46,84,989

16. OTHER CURRENT LIABILITIES

PARTICULARS	As at 31st March 2019	As at 31st March 2018
Statutory Dues	6,889	79,416
Other Payables	57,30,163	65,04,615
Total	57,37,052	65,84,031

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31.03.2019**17. REVENUE FROM OPERATIONS**

PARTICULARS	Year ended 31.03.2019	Year ended 31.03.2018
Yarn Sales - Domestic	0	5,50,160
Cotton Waste & Garment Sales	0	1,40,70,899
Total	0	1,46,21,059

18. OTHER INCOMES

PARTICULARS	Year ended 31.03.2019	Year ended 31.03.2018
Interest Receipts	7,875	0
Misc. Income	7,40,790	1,00,50,495
Insurance Receipts	0	0
Professional & Consulting Charges	0	550
Written Off (2017-18)	0	61,26,424
Total	7,48,665	1,61,77,469

19. COST OF MATERIALS CONSUMED

PARTICULARS	Year ended 31.03.2019	Year ended 31.03.2018
Opening Stock of Raw-Materials	0	0
Opening Stock of Components	0	0
Opening Stock-in-Transit	0	0
Total	0	0
Purchases & Expenses	0	75,74,516
Closing Stock of Raw-Materials	0	0
Closing Stock of Components	0	0
Closing Stock-in-Transit	0	0
Total	0	0
Cost of Materials Consumed	0	75,74,516

20. CHANGE IN INVENTORIES

PARTICULARS	Year ended 31.03.2019	Year ended 31.03.2018
Opening Stock of Finished Goods	0	25,76,301
Opening Stock of Process Stock	0	0
Opening Stock of Salable Waste	0	0
Total - A	0	25,76,301
Closing Stock of Finished Goods	0	0
Closing Stock of Process Stock	0	0
Closing Stock of Salable Waste	0	0
Total - B	0	0
Change in Inventories (A - B)	0	25,76,301

21. EMPLOYEES BENEFIT EXPENSES

PARTICULARS	Year ended 31.03.2019	Year ended 31.03.2018
Salary & Bonus to Staff & Workers	3,18,162	3,59,292
Contribution to Provident Fund	0	16,028
Employees welfare expenses	728	13,589
Managing/Whole Time Director Remuneration	0	18,00,000
Total	3,18,890	21,88,909

22. DEPRECIATION AND AMORTISATION EXPENSE

PARTICULARS	Year ended 31.03.2019	Year ended 31.03.2018
Depreciation of Property, Plant and Equipment	3,629	3,629
Total	3,629	3,629

23. OTHER EXPENSES

PARTICULARS	Year ended 31.03.2019	Year ended 31.03.2018
Brokerage & Inspection Charges	-	13,48,320
Power and Fuel	1,407	5,463
Insurance	5,360	28,287
Sitting Fee to Directors	71,000	58,000
Travelling Expenses	72,408	6,70,802
Postage, Courier and Telephone	1,29,550	3,95,737
Rent	56,000	28,000
Audit Fees	80,000	66,250
Legal and Professional charges	4,12,482	1,52,546
Rates and Taxes and Licence Fees	12,12,862	5,08,638
Printing and Stationery	1,05,274	70,626
General Expenses	21,082	23,032
Statutory Expenses	84,420	73,403
Bank Charges	1,012	4,919
Selling Expenses	-	14,333
Loss on Sale of Assets	-	4,64,922
Discount & Allowances	-	25,250
Administrative Expenses	-	16,556
Quality Allowance	-	11,99,550
Donations	-	2,000
Total	22,52,857	51,56,634

CHIEF EXECUTIVE OFFICER CERTIFICATE

To
The Board of Directors
Gangotri Textiles Limited, Coimbatore

Annual confirmation pursuant to Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015

As required by Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, we certify that

1. We have reviewed the Financial Statements and the Cash Flow Statement of the Company for the year ended 31st March, 2019 and that to the best of our knowledge and belief
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - b) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing Accounting Standards, applicable Laws and Regulations
2. There are, to the best of our knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal, or violative of the Company's Code of Conduct.
3. 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 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.
4. We have indicated to the Auditors and the Audit Committee
 - a) significant changes, if any, in internal control over financial reporting during the year.
 - b) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the Notes to Financial Statements and
 - c) that there were no instances of 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.

Coimbatore
12.4.2019

MANOJ KUMAR TIBREWAL
MANAGING DIRECTOR

24. CONTINGENT LIABILITIES NOT PROVIDED FOR IN THE ACCOUNTS.

- 1) The Director General of Foreign Trade, Coimbatore had levied penalty of Rs.55,66,632/- towards non-fulfilment of Export Obligation by the Company in respect of 45 EPCG Licenses. The Company has preferred an appeal before the appropriate Appellate Forum.
- 2) 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.
- 3) 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.
- 4) Subsequent to the CDR Package offered to the company the Lenders have initiated SARFAESI Act and sold the entire Assets of the Company. Now the Company has no assets and the manufacturing activities of the company have been totally suspended.
- 5) 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.
- 6) One claimant has attained a decree against the company for claim of Rs. 1.18 lakhs which is being disputed by the Company.
- 7) 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.
- 8) The Company has received notice for the payment of penalty u/s 271(1)(c) of the Income Tax Act, 1961 of Rs.730.00 Lakhs for the Asst.Year : 2012-13. The Appellate Tribunal also confirmed the penalty vide its order dated 26.05.2017. The Company has filed appeal against the order in Honorable High Court, Chennai and the matter is sub judice.

25. 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/-**

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.

These Shares are mortgaged to Lenders.

26. TRANSACTION OF RELATED PARTIES (AS 18)**(In Rs.)**

PARTICULARS	Associates	Key Management Personal	Relative of Key Management Personal	Total (In Rs.)
	31.03.2019	31.03.2019	31.03.2019	31.03.2019
Finance	Nil	Nil	Nil	Nil
Salary	Nil	Nil	Nil	Nil
Managerial Remuneration	Nil	Nil	Nil	Nil

Name of related parties and description of relationship upto 31.03.2019

MANOJ KUMAR TIBREWAL - Managing Director

MOHANLAL TIBREWAL - Executive Director

Sri. Manoj Kumar Tibrewal	: Managing Director
Smt. Anitha Tibrewal	: Wife
Mr. Mayank Tibrewal	: Son
Mr. Umang Tibrewal	: Son

Key Management Personal

Sri. Mohanlal Tibrewal	: Executive Director
Smt. Lakshmi Devi Tibrewal	: Wife

27. EARNING PER SHARES (EPS)**Rs. In Lakhs**

PARTICULARS	2018 - 19	2017 - 18
Profit / Loss After Tax (Rs. in Lakhs)	(18.27)	132.98
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)	0	0
Basic and diluted after extraordinary items EPS (in Rupees)	0	0

28. Requirement under clause 32 of the Listing Agreement, Loan and advance in the nature of loans to Subsidiaries Firms, Associates and Companies in which Directors are interested in Rs. Nil (Previous Year Nil)

29. Audit Fees

Details	2018 - 19	2017 - 18
For Statutory Audit & Tax Audit	50,000	50,000
For Certification	30,000	16,250
For Cost Audit & Out of Pocket Expenses		
TOTAL	80,000	66,250

24. CONTINGENT LIABILITIES NOT PROVIDED FOR IN THE ACCOUNTS.

- 1) The Director General of Foreign Trade, Coimbatore had levied penalty of Rs.55,66,632/- towards non-fulfilment of Export Obligation by the Company in respect of 45 EPCG Licenses. The Company has preferred an appeal before the appropriate Appellate Forum.
- 2) 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.
- 3) 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.
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- 6) One claimant has attained a decree against the company for claim of Rs. 1.18 lakhs which is being disputed by the Company.
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 - c. On 25.11.2014 – Rs. 5,00,00,000/- (Due but not received)
- Total Rs. 15,00,00,000/-**

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.

These Shares are mortgaged to Lenders.

26. TRANSACTION OF RELATED PARTIES (AS 18)**(In Rs.)**

PARTICULARS	Associates	Key Management Personal	Relative of Key Management Personal	Total (In Rs.)
	31.03.2019	31.03.2019	31.03.2019	31.03.2019
Finance	Nil	Nil	Nil	Nil
Salary	Nil	Nil	Nil	Nil
Managerial Remuneration	Nil	Nil	Nil	Nil

Name of related parties and description of relationship upto 31.03.2019

MANOJ KUMAR TIBREWAL - Managing Director

MOHANLAL TIBREWAL - Executive Director

Sri. Manoj Kumar Tibrewal	: Managing Director
Smt. Anitha Tibrewal	: Wife
Mr. Mayank Tibrewal	: Son
Mr. Umang Tibrewal	: Son

Key Management Personal

Sri. Mohanlal Tibrewal	: Executive Director
Smt. Lakshmi Devi Tibrewal	: Wife

27. EARNING PER SHARES (EPS)**Rs. In Lakhs**

PARTICULARS	2018 - 19	2017 - 18
Profit / Loss After Tax (Rs. in Lakhs)	(18.27)	132.98
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)	0	0
Basic and diluted after extraordinary items EPS (in Rupees)	0	0

28. Requirement under clause 32 of the Listing Agreement, Loan and advance in the nature of loans to Subsidiaries Firms, Associates and Companies in which Directors are interested in Rs. Nil (Previous Year Nil)

29. Audit Fees

Details	2018 - 19	2017 - 18
For Statutory Audit & Tax Audit	50,000	50,000
For Certification	30,000	16,250
For Cost Audit & Out of Pocket Expenses		
TOTAL	80,000	66,250

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. FIXED ASSETS

All the Assets except vehicles are taken over, sold, realized and adjusted against loan dues by the bank. During the year there is no transaction.

4. 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.

5. 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.

6. EMPLOYEE RETIREMENT BENEFITS

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

7. FOREIGN CURRENCY TRANSACTIONS

No such foreign currency transactions.

8. INTEREST ON BORROWINGS

INTEREST is not charged to the profit and Loss Account from the date on which the assets of the company tookover by the bankers under SARFAESI proceedings.

9. TAXES ON INCOME

1. In compliance with AS 22 relating to "Taxes on Income" The Company has not recognized Deferred Taxes Liability / Assets for the current year on account of absence of virtual certainty.

2) 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 become eligible to be recognized as an asset in accordance with the recommendation contained in the Guidance Note issued by the Institute of Chartered Accountant of India. The said asset is created by way of credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each 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.

10. CONTINGENT LIABILITIES

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019
(in. Rs)

Particulars		31.03.2019		31.03.2018	
A	CASH FLOW FROM OPERATING ACTIVITY				
	Net Loss before tax and extraordinary items		(18,26,711)		1,32,98,539
	Adjustment for Depreciation	3,629		3,629	
	Profit/Loss on sale of assets	0		4,64,922	
	Dividend Receipt	7,875			
	Interest Receipt				
			11,504		468,551
	Operating profit before working capital changes		(18,15,207)		1,37,67,090
	Adjustment for:				
	Trade & other receipts	(62,842)		83,24,241	
	Inventories	-		25,76,301	
	Trade payable	(6,06,960)	(8,69,802)	(20,68,841)	88,31,701
	Cash generated from operation		(24,85,009)		2,25,98,791
	Direct taxes paid		0		0
	Cash flow before extraordinary items		(24,85,009)		2,25,98,791
	Extraordinary items		0		0
	Net cash from operation Total (A)		(24,85,009)		2,25,98,791
B	CASH FLOW FROM INVESTMENT ACTIVITIES				
	Purchase of fixed assets (less revaluation amount)		0		0
	Sale of fixed assets		0		58,140
	Capital subsidy		0		0
	Miscellaneous Expenses written off		0		0
	Dividend Receipt		0		0
	Long term Liabilities		0		(1,81,10,000)
	Long term Loans and advances / Non current assets		(3,95,194)		3,11,106
	Total (B)		(3,95,194)		1,77,40,754
C	CASH FLOW FROM FINANCIAL ACTIVITIES				
	Proceeds/Repayment of borrowings		17,00,000		(44,73,000)
	Increase / Decrease in Equity - Share Capital / Premium		0		0
	Interest Receipt		(7,875)		0
	Repayment of Longterm Borrowings		0		0
	NET CASH FLOW FROM FINANCIAL ACTIVITIES (C)		16,92,125		(44,73,000)
D	NET INCREASE IN CASH AND CASH EQUIVALENTS(A-B+C)		(11,88,078)		3,85,037
E	CASH AND CASH EQUIVALENTS OPENING BALANCE		16,17,857		12,32,820
F	CASH AND CASH EQUIVALENTS CLOSING BALANCE		4,29,779		16,17,857
	Cash and bank balances				

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

Place : Coimbatore
Date : 12.04.2019

MOHANLAL TIBREWAL
Executive Director

ROUTE MAP FOR THE ANNUAL GENERAL MEETING HALL

