

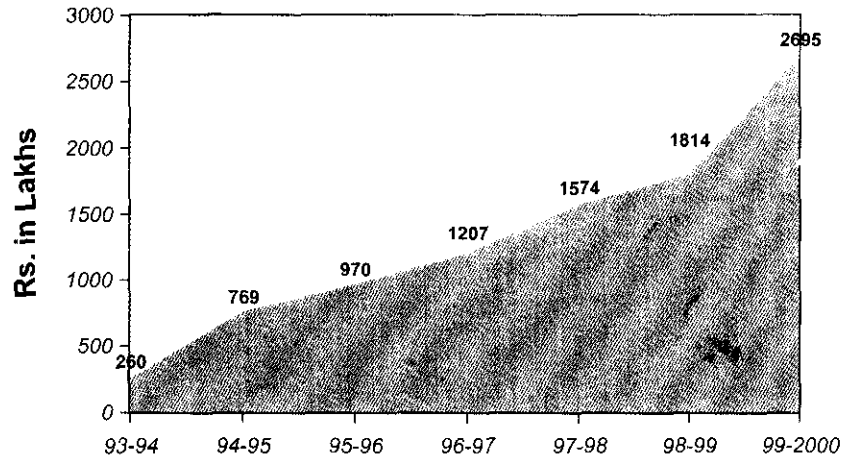
# 11th Annual Report

1993-94 1994-95 1995-96 1996-97 1997-98 1998-99 1999-2000

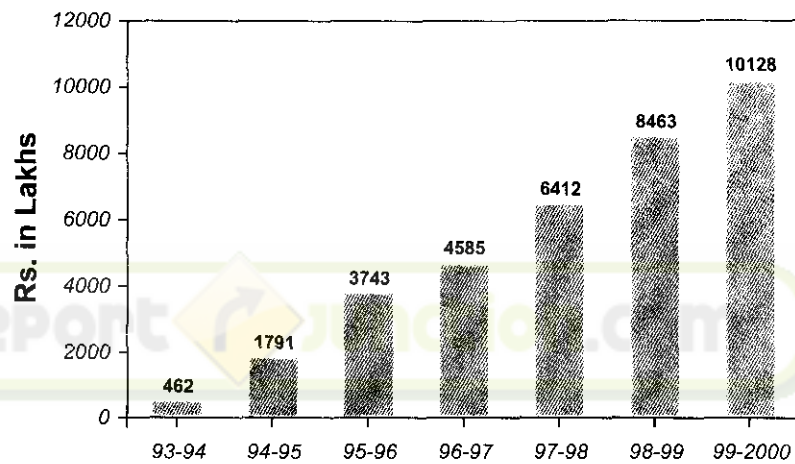
TURNOVER

Gangotri Textiles Ltd.

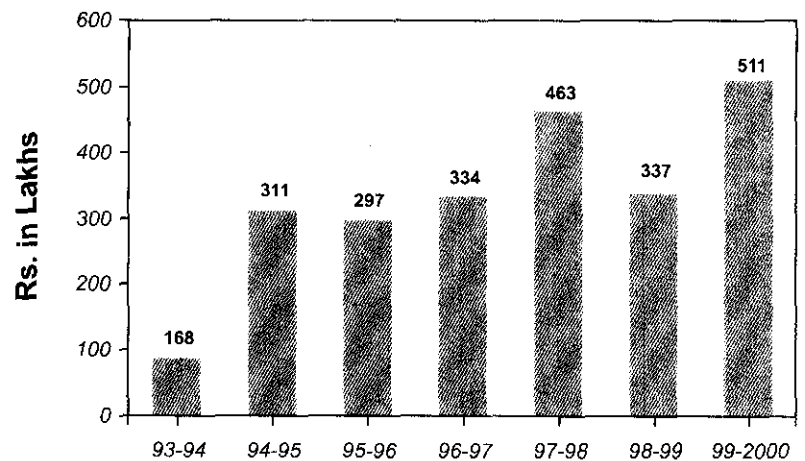
## NET WORTH



## NET SALES



## PROFIT AFTER TAX





## GANGOTRI TEXTILES LIMITED

### BOARD OF DIRECTORS

SRI RAMESH KUMAR TIBREWAL  
Managing Director

SRI MANOJ KUMAR TIBREWAL  
Wholetime Director

SRI MOHANLAL TIBREWAL

SRI K.N. SREEDHARAN

SRI V.R. RAGHAVAN  
(Nominee of IDBI)

### REGISTERED OFFICE

14, East Periaswamy Road,  
R .S. Puram,  
Coimbatore - 641 002.

### REGISTRARS AND SHARE TRANSFER AGENTS

S.K.D.C. CONSULTANTS LTD.  
P.B. No. 2979,  
No. 11, Street No. 1,  
Seth Narayandoss Layout,  
Tatabad, Coimbatore - 641 012.

### BANKERS

STATE BANK OF INDIA  
(Commercial Branch)  
1246, Trichy Road,  
Coimbatore

### AUDITORS

M/s. THAKKER & SANGHANI  
*Chartered Accountants*  
16/77, Syrian Church Road No. 1,  
Coimbatore - 641 001.

M/s. SRIKISHEN & CO  
*Chartered Accountants*  
No. 11 Street No. 1  
Seth Narayanadoss Layout, Tatabad  
Coimbatore - 641 012.

M/s. AGARWAL KEJRIWAL & CO  
*Chartered Accountants*  
1 Ganesh Chandra Avenue  
4th Floor, Calcutta - 700 013.

### FACTORIES

Unit I : SF No. 496 A/497  
Kittampalayam  
Kaduvettipalayam Post  
Palladam Taluk  
Coimbatore - 641 659.

Unit II : **SRI DWARKA TEXTILES**  
3/161 Ponnandampalayam  
Kaniyur Post  
Karumathampatty, Avinashi Taluk  
Coimbatore - 641 659.

Unit III : Kumbhojgiri Road  
Village Alate  
T.K. Hhatkanangale, Dist. Kolhapur  
Maharashtra - 416 109.

Unit IV : Pushpathur Village  
Palani Taluk, Dindigul  
Anna Dist. - 624 618.

The Equity Shares of the Company are listed in the following Stock Exchanges :

- |   |   |
|---|---|
| 1. COIMBATORE STOCK EXCHANGE LIMITED<br>CSX TOWERS, 683 - 686, TRICHY ROAD<br>SINGANALLUR<br>COIMBATORE - 641 005 | 2. MADRAS STOCK EXCHANGE LIMITED<br>11, SECOND LINE BEACH<br>CHENNAI - 600 001                |
| 3. THE STOCK EXCHANGE, MUMBAI<br>PHIROZE JEEJEEBHOY TOWERS<br>DALAL STREET<br>MUMBAI - 400 001                    | 4. THE CALCUTTA STOCK EXCHANGE<br>ASSOCIATION LIMITED<br>7, LYONS RANGE<br>CALCUTTA - 700 001 |

The listing fees to the above exchanges have been remitted for the year 2000 - 2001.





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## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Eleventh Annual General Meeting of the Company will be held on Saturday the 23rd day of September, 2000 at 3.30 p.m. at Banquet Hall-Legend, The Residency, 1076 Avanashi Road, Coimbatore - 641018 to transact the following business.

### AGENDA

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, Profit and Loss Account for the year ended 31st March 2000 and the Balance Sheet as on that date and the Auditors' Report thereon.
2. a) To appoint a Director in the place of Sri Manoj Kumar Tibrewal, a Director who retires by rotation and being eligible seeks reappointment.  
b) To appoint a Director in the place of Sri Mohanlal Tibrewal, a Director who retires by rotation and being eligible seeks reappointment.
3. To appoint Auditors and to fix their remuneration.

#### SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution :

"RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board / Committee of Directors of the Company to mortgage and / or charge the movable and immovable properties of the Company pertaining to Unit IV or other units subject to the charges created / to be created in favour of Industrial Development Bank of India (IDBI) to secure :

- a) Rupee Term Loan Rs. 1,100 Lakhs lent and advanced / agreed to be lent and advanced by IDBI to the Company.
- b) Interest at the agreed rate, compound and / or additional interest further interest, liquidated damages, commitment charges, premia on prepayment or on redemption, with charges, expenses and other monies payable by the Company to IDBI under its requirements / terms of issue / letter of sanction in connection with the aforesaid loan."

"RESOLVED FURTHER THAT the Board / Committee of Directors of the Company be and is hereby authorised to finalise with IDBI the documents for creating the aforesaid mortgage and / or charge and to do all acts, deeds and things as may be required or considered necessary for giving effect to the above resolution and all such acts done in this regard be and are hereby ratified."

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

"RESOLVED THAT is supersession of all the Resolutions passed earlier by the Members of the Company, the consent of the Company be and is hereby accorded pursuant to the provisions of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company to borrow from time to time any sum or sums of money with or without security and upon such terms and conditions as they may think fit notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the Company in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purposes provided however, that the total amount so borrowed by the Board of Directors shall not exceed the sum of Rs. 2,50,00,00,000/- (Rupees two hundred and fifty crores only) at any one time."

6. To consider and if thought fit, to pass (the following resolution) with or without modification(s) as an Special Resolution :

"RESOLVED THAT pursuant to Section 31 and other applicable provisions if any of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force) the Articles of Association of the Company be and or hereby amended, altered, and / or substituted in the manner and to the extent as set out herein below :

- 1) The following definitions be inserted after the existing Article 1 (f) :

- (g) "Beneficial owner" shall mean beneficial owner as defined in clause (a) of sub section (1) of Section 2 of the Depositors Act, 1996.

- (h) "Depository Act" means the Depository Act, 1956 including any statutory modification of re-enactment thereof for the time being in force.
  - (i) "Depository" shall mean a Depository as defined under clause (e) of sub section (1) of Section 2 of the Depository Act, 1996.
  - (j) "Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and the beneficial owner(s) as defined in clause (a) of sub section (1) of Section 2 of the Depository Act, 1996.
- 2) The following Article shall be inserted after the existing Article 26 and the same shall be number as 26 (a) :
- 26(a) The Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Companies Act, 1956 and the Depository Act, 1996 with details of shares held in material and dematerialised forms in any form of electronic media.
- 3) The following Articles will be included after the existing Article 3 (c) :
- (d) The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.
  - (e) The Company shall be entitled to dematerialise its existing shares, rematerialise its shares held in the Depositories and / or to offer its shares in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder if any.
  - (f) Every person subscribing to shares offered by the Company shall have the option to receive share certificate, or to hold the shares with a Depository. Such a person who is the Beneficial Owner of shares can at any time opt out of a Depository, if permitted by the law, in respect of any shares in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required Certificate of shares.
  - (g) If a person opts to hold his shares with a Depository, the Company shall intimate such Depository the details of allotment of the shares, and on receipt of the information, the depository shall enter in its record the name of the allottee as the Beneficial Owner of the shares.
  - (h) All shares held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Section 153, 153A, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the shares held by it on behalf of "the Beneficial Owners".
    - (i) Notwithstanding anything contained to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of shares on behalf of the Beneficial Owner.
    - (ii) Same or otherwise provided in (a) above, the Depository as the registered owner of the shares shall not have any voting rights or any other rights in respect of the shares held by it.
    - (iii) Every person holding shares of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of shares shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his shares which are held by a Depository.
  - (i) Notwithstanding anything in the Act or these Articles to the contrary, where share are held in a Depository, the records of the Beneficial Ownership may be served by such



- Depository on the Company by means of electronic mode or by delivery of floppies or discs.
- (j) Nothing contained in Section 108 of the Companies Act, 1956 or these articles shall apply to a transfer of shares effected by a transferor by a transferee both of whom are entered as Beneficial Owners in the records of a Depository.
  - (k) Notwithstanding anything in the Act or these Articles, where shares are dealt with by a Depository, the Company shall intimate the details thereof to the Depository, immediately on allotment of such shares.
- 4) The following Articles shall be substituted in clause 4 and the existing Article (4) shall be number as 4 (a).
- (b) Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to it interest in such share on the part of any other person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them.
  - (c) The Company shall keep a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share and debenture held in material form.
  - (d) In the case of transfer or transmission of shares, where the Company has not issued certificates and where such shares are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.
  - (e) A depository as a registered owner shall not have any voting rights in respect of shares and securities held by it in dematerialised form. However, the Beneficial Owner as per the Register of Beneficial Owner maintained by a Depository shall be entitled to such rights in respect of shares held by him in the Depository. Any reference to the member or joint members in Article 98 to 110 shall include a reference to Beneficial Owner or joint Beneficial Owners in respect of "the shares held in a Depository".

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

##### ITEM NO. 4 :

The Company has been sanctioned financial assistance by IDBI Limited by the way of Rupee Term Loan of Rs. 1,100 Lakhs.

In order to mortgage and / or charge the Company's assets so as to secure the financial assistance, consent of the Company in General Meeting is required to be obtained in terms of Section 293 (1) (a) of the Companies Act, 1956.

None of the Directors of the Company except the Nominee Director of IDBI Limited is concerned or interested in subject matter of the resolution.

##### ITEM NO. 5 :

In terms of Section 293 (1) (d) of the Company's Act, 1956, the Shareholders are required to fix the limit upto which the funds may be borrowed by the Board of Directors (apart from

temporary loans obtained from the Company's Bankers), if the borrowings are to exceed the aggregate of the paid up capital of the Company and its free reserves.

The shareholders at the Annual General Meeting held on 31.08.1995 had approved the Resolution enabling the borrowing powers upto Rs. 50 Crores. This limit of Rs. 50 Crores is likely to be surpassed by the aggregate of paid up capital and free reserves of the Company, which aggregate is already Rs. 22.27 Crores.

Secondly, the Company is going ahead with setting up of the expansion cum modernisation schemes. In the context of the inflated cost of the projects and with the present borrowings already standing at over Rs. 35 Crores, any further expansion or taking up of new project will involve borrowing when the present limit of Rs. 50 Crores is found to be insufficient.

The Company would like to go ahead with its future plans and projects, for which the borrowings powers, approved by the shareholders should not be an impediment. In view of this background, it is proposed to increase the borrowing powers of the Board to a sum of Rs. 250 Crores, as has been stated in the resolution proposed.

It is noted that the resolution is only an enabling in order to avoid coming to the general meeting repeatedly for every small borrowing limit increase. This sum of Rs. 250 Crores fixed does not in any manner indicate that there are plans afoot already to take up new projects to the tune of Rs. 250 Crores or thereabouts. The resolution is, therefore, commended for your approval.

None of the Directors is concerned or interested in this Resolution.

#### ITEM NO. 6 :

Some of the provisions of the Companies Act, 1956, have been amended to facilitate the introduction of Depository System consequent to the passing of the Depositories Act, 1996. The new automated system of holding and trading in the shares of the Company, side by side with the paper based system will necessitate certain alterations in the Articles of Association of the Company, especially in matters such as Register of Members to cover the Beneficial Owners as per the records of the Depository, fungibility of the shares held by Depository, transfer of shares held by depository etc. Appropriate alterations as set out in the Special Resolution in the notice are, accordingly, proposed for the approval of the shareholder.

It may be clarified that while additional facility as above could be provided within the new legal frame work, shareholders would be given an option to join this system. The existing

provisions in respect of the shares held in the form of paper scrips will continue without any change.

It is, therefore, proposed to alter the Articles of Associations of the Company, in certain respects, so that they confirm to the amended provisions of the Companies Act, 1956 and the Depositories Act, 1996.

The Company has also entered into two tripartite agreements with depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited and share transfer agents for admitting the shares of the Company in Depository mode.

The Board recommends the passing of the Special Resolution contained in Item No. 5 of the accompanying notice.

None of the Directors of the Company is concerned or interested in subject matter of the resolution.

#### 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 the Members and Share Transfer Register of the Company will remain closed from 16th September, 2000 to 23rd September 2000 (both days inclusive).

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

Coimbatore  
 29.06.2000

**RAMESH KUMAR TIBREWAL**  
 Managing Director



## DIRECTORS' REPORT TO SHAREHOLDERS

Ladies and Gentlemen,

Your Directors have great pleasure in presenting the Eleventh Annual Report of the Company alongwith the Audited Statement of Accounts for the year ended 31st March, 2000.

### FINANCIAL RESULTS

	Year Ended 31.03.2000 (Rs. in Lakhs)	Year Ended 31.03.1999 (Rs. in Lakhs)
Sales Turnover	10,128.41	8,428.16
Profit before Interest and Depreciation	1,517.18	1,200.31
Less :		
1. Interest	496.67	481.42
2. Depreciation	406.93	367.10
Balance	613.58	351.79
Add :		
1. Surplus carried forward from prior years	12.09	72.49
2. Prior Year Income	—	—
3. Investment Fluctuation Reserve withdrawn	0.03	—
Total	625.70	424.28
<b>APPROPRIATIONS</b>		
1. Investment Fluctuation Reserve	—	0.23
2. Income Tax for prior years	2.28	0.06
3. Prior year expenses written off	0.03	0.34
4. Provision for Taxes	90.00	5.00
5. Interim Dividend on Equity Shares	96.00	96.00
6. Corporate Dividend Tax	10.56	10.56
7. Transfer to General Reserve	400.00	300.00
8. Surplus to be carried over	26.83	12.09
Total	625.70	424.28

### DIVIDEND

Your Directors, taking into consideration the changes proposed to the Income Tax Act by Finance Act of 2000 on the subject of Corporate Dividend Tax, decided like many other companies in the country, to pay an interim dividend at the rate of Rs. 2/- per share on the equity shares of the Company. This interim dividend has already been paid to all the shareholders, whose names appeared on the Register of

Members of the Company on May 16, 2000. All the Dividend Warrants were despatched to the respective shareholders during the last week of May, 2000.

In the light of the fact that an interim dividend of Rs. 2/- per share, which has been the dividend paid by the Company in the past years has already been disbursed, your Directors have decided not to recommend any further dividend pay out as final dividend for the year under review.