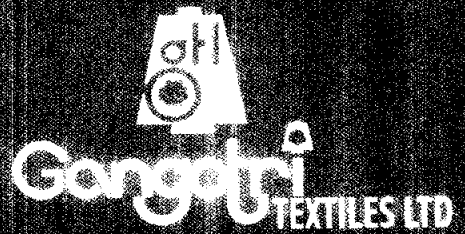


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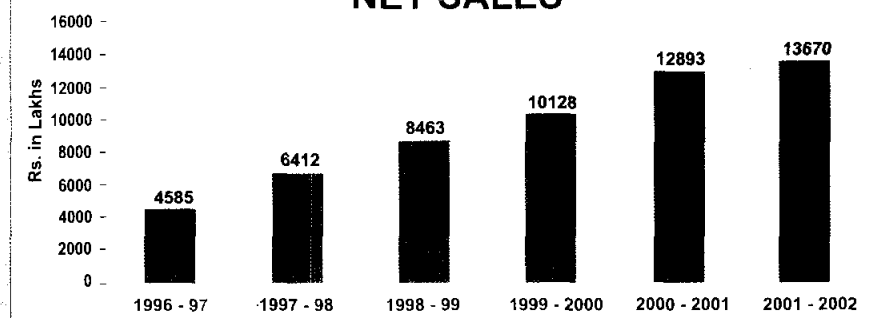
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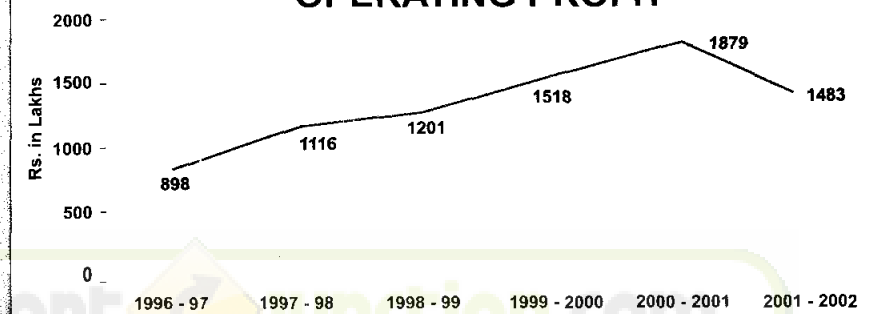




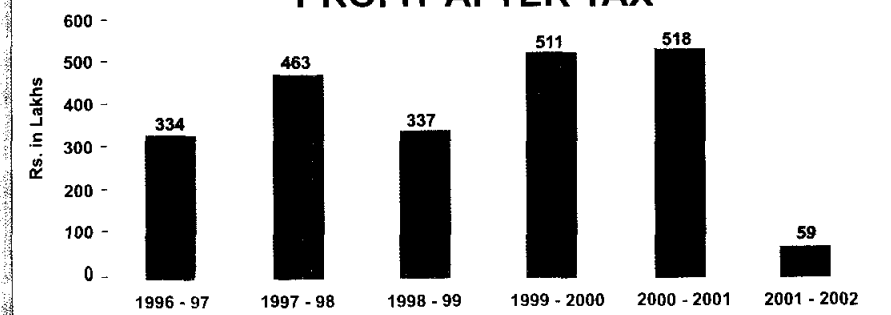
### NET SALES



### OPERATING PROFIT



### PROFIT AFTER TAX



## **BOARD OF DIRECTORS**

SRI. MANOJ KUMAR TIBREWAL  
**Managing Director**

SRI. RAMESH KUMAR TIBREWAL  
**Whole Time Director**

SRI. MOHANLAL TIBREWAL

SRI. K.N SREEDHARAN

SRI. C.R. SWAMINATHAN

SRI. V.R. RAGHAVAN  
(Nominee of IDBI)

## **BANKERS**

STATE BANK OF INDIA  
Commercial Branch  
1246, Trichy Road  
Coimbatore - 641 018.

STATE BANK OF HYDERABAD  
Avanashi Road  
Coimbatore - 641 018.

## **AUDITORS**

## **REGISTERED OFFICE**

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

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 Narayandoss Layout,  
Tatabad, Coimbatore - 641 012.

## **REGISTRAR 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.

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

## **FACTORIES**

### **SPINNING DIVISIONS**

- 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. Hatkanangale  
Dist. Kolhapur  
Maharashtra - 416 109
- Unit IV : Pushpathur Village  
Palani Taluk, Dindigul  
Anna Dist . - 624 618.

### **GARMENT DIVISIONS**

#### **STITCHING UNIT**

473/2, P.K.D. Nagar,  
Rajagopal Hospital Road,  
Opp. Varadaraja Mills,  
Coimbatore - 641 004

#### **WASHING UNIT**

Plot No.L4, L5 & L6  
5th Cross  
Sipcot Industrial Complex,  
Perundurai, Periyar Dist.  
Tamil Nadu

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

1. COIMBATORE STOCK EXCHANGE LIMITED  
Exchange Towers  
Trichy Road  
Coimbatore - 641 005
2. MADRAS STOCK EXCHANGE LIMITED  
11, Second Line Beach  
Chennai - 600 001
3. THE STOCK EXCHANGE, MUMBAI  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001
4. THE CALCUTTA STOCK EXCHANGE ASSOCIATION LIMITED  
7, Lyons Range  
Calcutta - 700 001

Note : The Listing Fee to the above Stock Exchanges have been remitted for the year 2002-03.

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## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Company will be held on Saturday, the 28th day of September 2002, at 3.30 p.m., at Banquet Hall - Legend, The Residency, 1076, Avanashi Road, Coimbatore-641 018, to transact the following business.

## AGENDA

### ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, Profit & Loss Account for the year ended 31<sup>st</sup> March, 2002 and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To declare Dividend for the year ended 31<sup>st</sup> March 2002.
3. To appoint a Director in the place of Sri Manojkumar Tibrewal, a Director who retires by rotation and being eligible seeks re-appointment.
4. To appoint a Director in the place of Sri Mohanlal Tibrewal, a Director who retires by rotation and being eligible seeks re-appointment.
5. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS

6. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution, of which a notice has been received from a member of the Company.  
"RESOLVED that Sri C.R. Swaminathan be and is hereby appointed as a Director liable to retire by rotation."
7. To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution.

"RESOLVED that in accordance with the provisions of Section 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 as amended from time to time read with Schedule XIII of the Companies Act, 1956 and subject to such approvals as may be necessary, consent of the company be and is hereby accorded to the appointment and payment of remuneration as detailed hereunder to Sri Manoj Kumar Tibrewal as the Managing Director of the Company with effect from 01.04.2002 upto and including 31.03.2007.

The Managing Director during his term of office as such Managing Director shall not be liable to retire by rotation.

#### REMUNERATION

- a) Salary : 5% of the net profits of the Company computed under the relevant provisions of the Companies Act, 1956.
- b) Perquisites : The Managing Director shall not be entitled to any perquisites over and above the salary stated above.
- c) Provision of company's car with driver for use on Company's business and telephone facility at residence will not be considered as perquisites. However, personal long distance calls on telephone and use of Company's car for personal purposes shall be billed by the Company to the Managing Director.

Provided that in case of absence or inadequacy of profits in any one year the Managing Director shall be paid a minimum remuneration equivalent to the ceiling amount applicable to the company in term of paragraph 1(A) of Section II, in Part II of Schedule XIII of the Companies Act, 1956 as amended from time to time.

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

"RESOLVED that in accordance with the provisions of Section 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 as amended from time to time read with Schedule XIII of the Companies Act, 1956 and subject to such approvals as may be necessary, consent of the company be and is hereby accorded to the appointment and payment of remuneration as detailed hereunder to Sri Ramesh Kumar Tibrewal as Whole Time Director of the Company with effect from 01.4.2002 upto and including 31.03.2007.

The Whole Time Director during his term of office as such Whole Time Director shall not be liable to retire by rotation.

#### REMUNERATION

- a) Salary : 5% of the net profits of the Company computed under the relevant provisions of the Companies Act, 1956.
- b) Perquisites : The Whole Time Director shall not be entitled to any perquisites over and above the salary stated above.
- c) Provision of company's car with driver for use on Company's business and telephone facility at residence will not be considered as perquisites. However, personal long distance calls on telephone and use of Company's car for personal purposes shall be billed by the Company to the Whole Time Director.

Provided that in case of absence or inadequacy of profits in any one year the Whole Time Director shall be paid a minimum remuneration equivalent to the ceiling amount applicable to the company in term of paragraph 1(A) of Section II, in Part II of Schedule XIII of the Companies Act, 1956 as amended from time to time.

## EXPLANATORY STATEMENT IN TERMS OF SECTION 173(2) OF THE COMPANIES ACT, 1956:

### Item No.6

Sri C.R. Swaminathan was co-opted as an Additional Director of the Board at its meeting held on 31.1.2002. and as such Additional Director, he holds office only till the conclusion of this Annual General Meeting.

A notice has been received from a member of the Company together with the requisite deposit, expressing his intention to move the resolution for the appointment of the said Sri C.R. Swaminathan as a Director liable to retire by rotation at the ensuing Annual General Meeting.

The Board is of the opinion that the inclusion of Sri C.R. Swaminathan as a Director on the Board will be of great use and utility to the Company in its future plans and activities.

The necessary particulars regarding Sri C.R. Swaminathan are given in the annexure.

None of the Directors are interested or concerned in this resolution.

### Item No.7 & 8

Sri Ramesh Kumar Tibrewal has been the Managing Director for the past 10 years and his term of office in terms of the resolution passed at the time of appointment came to a close on 31.3.2002. Similarly, the term of office of Sri. Manoj Kumar Tibrewal as a Whole Time Director came to a close on 31.3.2002. Since Sri. Ramesh Kumar Tibrewal has been functioning as the Managing Director of the Company for the past 10 years, the Board on the basis of his suggestion and as concurred to by Sri. Manoj Kumar Tibrewal, who has also been instrumental in the establishment of this Company and its various units shoulder to shoulder along with Sri. Ramesh Kumar Tibrewal, decided to appoint the said Sri. Manoj Kumar Tibrewal as the Managing Director of the Company for a period of 5 years from 1.4.2002. The Board also simultaneously decided to appoint Sri. Ramesh Kumar Tibrewal as the Whole Time Director of the Company for a period of 5 years from 1.4.2002.

The Board also referred the remuneration payable to them to the Remuneration Committee of the Board as required by the amended Schedule XIII of the Companies Act, 1956. The Remuneration Committee, after considering the aspects which it is expected to consider, came to the conclusion that they may be paid remuneration as stated in the body of the Resolution.

The Board is, therefore, placing the resolution for the appointment of Sri. Manoj Kumar Tibrewal as the Managing Director of the Company for a period of 5 years from 1.4.2002 and the appointment of Sri. Ramesh Kumar Tibrewal as the Whole Time Director of the Company for a term of 5 years with effect from 1.4.2002 on a remuneration as approved by the Remuneration Committee for the approval of the Members.

### MINIMUM REMUNERATION

The resolutions also provide for payment of minimum remuneration to the Managing Director as well as to the Whole Time Director in case of absence or inadequacy of profit in any one year. This minimum remuneration has been stipulated as the amount fixed a ceiling prescribed in terms of Paragraph 1(A) of Section II in Part II of Schedule XIII of the Companies Act, 1956. On the basis of the said schedule the Managing / Whole Time Director will be eligible for a minimum remuneration of Rs. 1,75,000/- p.m.

Sri. Manoj Kumar Tibrewal and Sri. Ramesh Kumar Tibrewal may be deemed to be interested or concerned in the resolution to the extent of the benefits accruing to them by way of remuneration and perquisites.

Sri. Mohanlal Tibrewal may be deemed to be concerned or interested in this resolution of appointment of Sri. Manoj Kumar Tibrewal as his brother.

None of the other three non-executive independent Directors are interested or concerned in this resolution.

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

**COIMBATORE**  
29.06.2002

**MANOJ KUMAR TIBREWAL**  
MANAGING DIRECTOR

- 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 Register of the Company will remain closed from 17<sup>th</sup> September 2002 to 28<sup>th</sup> September 2002 (both days inclusive).
  4. The particulars of Directors retiring by rotation and / or eligible for re-appointment as also the particulars of Directors considered for appointment pursuant to Clause 49 of the listing agreement are annexed.



**DETAILS OF DIRECTORS PROPOSED TO BE APPOINTED REAPPOINTED (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE)**

NAME OF DIRECTOR	C.R. SWAMINATHAN	MANOJ KUMAR TIBREWAL	MOHANLAL TIBREWAL
Date of Birth	25-12-1947	02-01-1960	09-05-1951
Date of Appointment	31-01-2002	26-07-1989	18-10-1991
Expertise in Specific functional areas	Experience in the field of Industry administration and education	Administration of day to day affairs of the company	Administration of production units
Qualifications	B.Sc (Agri) M.B.A.	B.Com., C.A.,	Higher Secondary
List of companies in which outside directorship is held as on 31-3-2002	Premier Instruments & Controls Limited	Jagannath Textile Company Limited	Jagannath Textile Company Limited
Chairman / Member of the committees of other companies on which he is a director as on 31-3-2002	Member in the Audit Committee of Premier Instruments & Controls Limited	Nil	Nil

**FINANCIAL HIGHLIGHTS :**

(Rs in Lakhs)

Particulars	For the year ended 31st March				
	1998	1999	2000	2001	2002
<b>I. OPERATING RESULTS</b>					
1 Sales	6,412	8,463	10,128	12,893	13,670
2 Operating Profit (PBIDT)	1,116	1,201	1,518	1,879	1,483
3 Interest	289	481	497	743	721
4 Direct Taxes	106	16	103	56	-0.06
5 Depreciation	258	367	407	557	703
6 Net Income (PAT)	463	337	511	518	59
7 Dividend Percentage Amount (Rs in Lakhs)	20% 96	20% 96	20% 96	20% 96	15% 72
8 Contributions to Exchequer	388.31	449.36	635.87	957.58	950.92
9 Production (In Lakhs of Kgs)	120	150	191	219	232
<b>II. PERFORMANCE PARAMETERS</b>					
1 Share Capital	480	480	480	480	480
2 Reserves & Surplus	1,094	1,334	2,215	2,598	1,768
3 Secured Loans	2,524	2,818	4,321	6,460	6,962
4 Fixed Assets (Gross Block)	3,915	4,655	6,601	8,493	9,469
5 Accumulated Depreciation	712	1,078	1,475	2,009	2,728
6 Net Current Assets	1,307	1,543	2,804	4,475	4,431
<b>III. RATIOS</b>					
1 Profit after tax / sales	7.25	3.98	5.05	4.02	0.43
2 Sales / Total assets	141.39	162.62	127.16	117.20	121.31
3 Return on Networth	29.42	18.58	23.23	16.83	2.19
4 Earnings per Share (Rs)	9.65	7.00	10.64	10.78	0.84
5 Cash Earnings per share	15.02	14.67	19.12	22.40	15.88
6 Debt Equity Ratio*	1.30	1.21	1.35	1.55	2.5
7 Book Value (excluding capital reserves)	32.79	37.78	46.39	55.19	38.13

\* after considering the repayments due within one year.



## DIRECTORS' REPORT

Ladies and Gentlemen,

Your Directors have great pleasure in presenting the **Thirteenth Annual Report** of the Company alongwith the audited statement of accounts for the year ended 31st March, 2002.

### FINANCIAL RESULTS

	Year ended 31.03.2002 (Rs.in lakhs)	Year ended 31.03.2001 (Rs.in lakhs)
Sales Turnover	<u>13,669.83</u>	<u>12,892.55</u>
Profit before interest, depreciation and taxation	<u>1,469.89</u>	<u>1,879.12</u>
Less:		
1. Interest	<u>721.48</u>	<u>742.81</u>
2. Depreciation	<u>702.89</u>	<u>557.23</u>
Balance net profit for the year before tax	<u>45.52</u>	<u>579.08</u>
Less:		
Expenses of prior years	-	4.74
Investment Fluctuation Reserve	-	0.09
Balance	<u>45.52</u>	<u>574.25</u>
Add :		
Prior year adjustments	13.83	-
Balance brought forward from prior year	48.55	26.83
Refund of tax paid earlier	5.05	3.26
Investment Fluctuation Reserve withdrawn	0.02	-
Total profits available for appropriation	<u>112.97</u>	<u>604.34</u>
<b>APPROPRIATIONS :</b>		
1. Provision for taxation of current year	5.00	50.00
2. Provision for deferred tax	19.15	-
3. Dividend	72.00	96.00
4. Corporate Dividend Tax	-	9.79
5. Transfer to General Reserve	7.46	400.00
6. Surplus to be carried over	9.36	48.55
<b>TOTAL</b>	<u>112.97</u>	<u>604.34</u>





#### DIVIDEND

Keeping in mind the substantial drop in the profit and the necessity to provide for deferred tax liability in the context of the mandatory Accounting Standard in this regard, your Directors have been forced to lower the dividend to Rs.1.50 per share against Rs.2/- per share, paid in all the earlier years.

It is the desire of your Directors that the working of the Company, during the current year, should improve to such an extent that it should be possible for them to make up this drop in dividend to be recommended for the year 2002-03.

#### PERFORMANCE

The performance of the Company during the year has been exhaustively covered in the Management Discussion and Analysis, which forms part of the Annual Report, which is being circulated.

#### MODERNISATION

The Company undertook a major modernisation in the ring-spinning unit at Pushpathur Village. All the new machinery involved in the process of modernisation have already arrived and been installed. This unit is expected to give optimum production of high quality yarn during the 9 months of the current financial year.

#### DEPOSITS

Public deposits accepted by your Company are well within the prescribed limits of the provisions of Section 58A of the Companies Act, 1956 and have been complied with. There are no unclaimed or overdue deposits at any point of time.

In line with the softness prevailing in the money market, your Directors have reduced the rate of interest on fixed deposits to 10% for deposits of all time periods.

#### CORPORATE GOVERNANCE

The Company has, in place, a system of Corporate Governance. As required by the relevant clause of the Listing Agreement, a separate report on Corporate Governance is enclosed as part of this Annual Report. A certificate from the Auditors of the Company regarding compliance of Corporate Governance is also annexed to the report on Corporate Governance.

#### DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors report that

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) the directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the directors have prepared the annual accounts on a going concern basis.

#### DIRECTORS

Sri C.R. Swaminathan was co-opted as an Additional Director by the Board on 31.1.2002. He will be an independent Director on the Board. Sri.C.R. Swaminathan aged about 55 years has more than 30 years of experience in the field of industry, administration and education. He is connected with various service organisations and trade and industry. His being a member of the Board of this Company will help the Company to a great extent in its future plans.

A notice has been received from one of the members of the Company together with the requisite deposit, proposing his candidature as a Director of the Company. Necessary resolutions for his appointment is being placed before the ensuing Annual General Meeting.

The following Directors are due to retire by rotation and being eligible offer themselves for re-appointment.

Sri. MANOJKUMAR TIBREWAL

Sri. MOHANLAL TIBREWAL

#### MANAGEMENT

Sri Rameshkumar Tibrewal was appointed as the Managing Director of the Company for a period of 5 years, and his term as such Managing Director came to a close on 31.3.2002.

Similarly Sri Manojkumar Tibrewal was appointed as the Whole Time Director and his term as such Whole Time Director also came to a close on 31.3.2002.



At the Board Meeting held on 31.01.2002, at which time the subject of re-appointment of the Managing Director and the Whole Time Director came up, Sri. Rameshkumar Tibrewal expressed his desire that since he has held the post of Managing Director for two terms lasting over 10 years, Sri. Manojkumar Tibrewal, who has been the Whole Time Director of the Company should now be made the Managing Director with effect from 1.4.2002.

He further stated that he will continue to be actively involved in the management of the Company as hitherto, though as a Whole Time Director.

With the concurrence of Sri. Manoj kumar Tibrewal, the Board decided to appoint Sri. Manoj kumar Tibrewal as the Managing Director for a period of 5 years from 1.4.2002, and Sri. Ramesh kumar Tibrewal, as the Whole Time Director with effect from that date.

The Board also decided in terms of the notification issued by the Government in this regard, that the remuneration payable to the two executive Directors be referred to the "Remuneration Committee".

The Remuneration Committee having fixed the remuneration package for both the Executive Directors, necessary resolutions for the appointment of Sri. Manojkumar Tibrewal, as the Managing Director of the company for a period of 5 years from 1.4.2002 and Sri. Rameshkumar Tibrewal as a Whole Time Director for a period of 5 years with effect from 1.4.2002 and payment of remuneration to both of them as fixed by the Remuneration Committee is placed before the Company in the forthcoming Annual General Meeting.

#### **MERGER**

The Company had promoted a wholly owned subsidiary in Gangotri Textile Processors Ltd., with its factory at SIPCOT Industrial Complex, Perundurai, as a part of backward integration of the garment activities of the Company. At that point of time, in view of the then existing laws connected with Central Excise, it was felt advisable to have the unit as a separate unit and accordingly, it was promoted as a wholly owned subsidiary. Due to change in Government policies, the scenario underwent a change and it was decided to merge the wholly owned subsidiary with the holding company and necessary approvals were obtained at the Extra Ordinary General Meeting held on 29.12.2001. Accordingly, the subsidiary has been merged with the Company and the financial statements, which are now circulated is that of the merged company.

#### **AUDITORS**

M/s. Thakker & Sanghani, Chartered Accountants, Coimbatore and M/s. Srikishen & Co., Chartered Accountants, Coimbatore, the Auditors of the Company and M/s. Agarwal Kejriwal & Co., Chartered Accountants, Branch Auditors are due to retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

#### **GENERAL**

There are no employees falling under Section 217(2A) of the Companies Act, 1956.

#### **ACKNOWLEDGEMENT**

Your Directors wish to thank and record their appreciation to IDBI and the Company's Bankers, for their valuable and timely financial assistance and the support provided throughout the year. Your Directors also wish to thank the suppliers and all others who have directly and indirectly contributed to the Company's growth and prosperity. Your Directors wish to gratefully acknowledge the dedicated service of employees at all levels and thank them for the same.

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

**MANOJ KUMAR TIBREWAL**  
Managing Director

**RAMESH KUMAR TIBREWAL**  
Whole Time Director

**COIMBATORE**  
29.06.2002