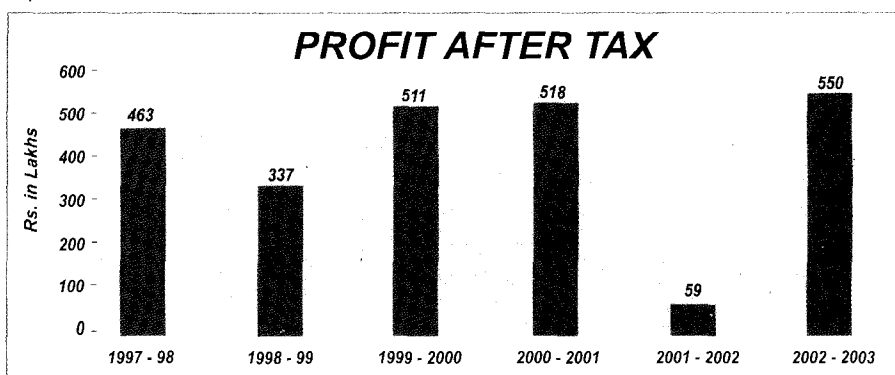
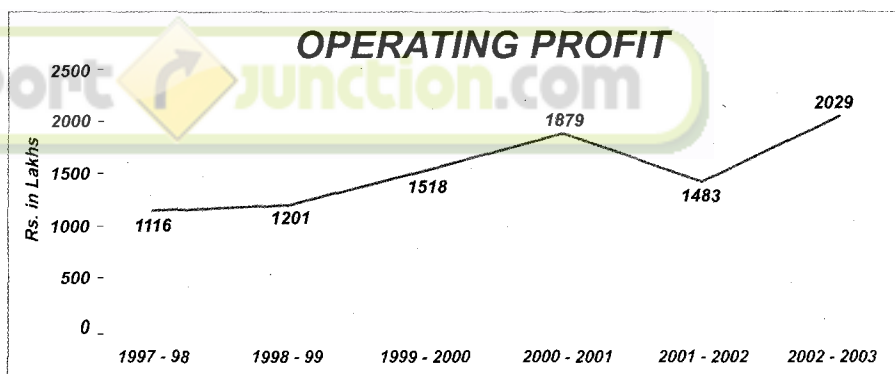
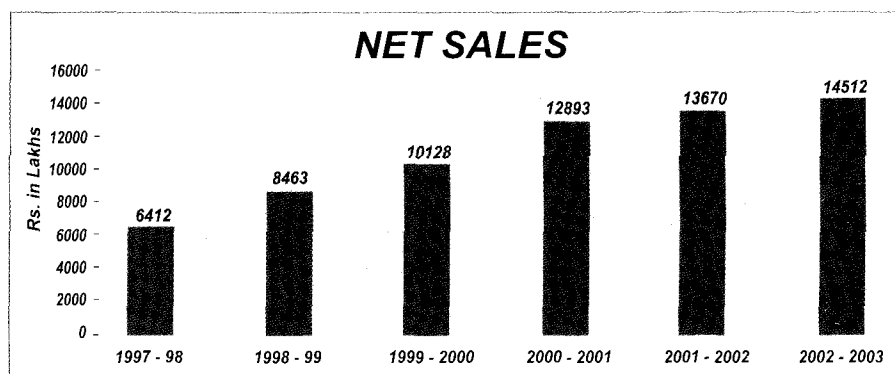


14th annual report 2002 - 2003



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)

SRI. S. PALANISAMY

BANKERS

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

STATE BANK OF HYDERABAD
Avanashi Road
Coimbatore - 641 018.

REGISTERED OFFICE

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

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.

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 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

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

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

1. COIMBATORE STOCK EXCHANGE LIMITED
"Exchange Towers"
Trichy Road
Coimbatore - 641 005

GARMENT DIVISIONS

STITCHING UNIT

473/2, P.K.D. Nagar,
Rajagopal Hospital Road,
Opp. Varadaraja Textiles (P) Ltd.,
Coimbatore - 641 004

2. MADRAS STOCK EXCHANGE LIMITED
11, Second Line Beach
Chennai - 600 001

WASHING UNIT

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

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 2003-04.

CONTENTS

PAGE No.

Notice to shareholders	3
Directors' Report	5
Auditors' Report	18
Balance Sheet	20
Profit and Loss account	21
Schedules to Balance Sheet	22
Schedules to Profit and Loss account	26
Notes to Accounts	27
Cash Flow Statement	34

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Company will be held on Saturday, the 27th day of September, 2003 at 3.30 P.M at Banquet Hall Legend, The Residency, 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 31st March, 2003 and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To declare Dividend for the year ended 31st March, 2003
3. To appoint a Director in the place of Sri.C.R.Swaminathan, a Director who retires by rotation and being eligible seeks re-appointment.
4. To appoint a Director in the place of Sri.Ramesh Kumar 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. S.Palanisamy be and is hereby appointed as a Director liable to retire by rotation.

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

Sri. S.Palanisamy was co-opted as an Additional Director of the Board at its meeting held on 31-1-2003 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 intension to move the resolution for the appointment of the said Sri. S.Palanisamy 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.S.Palanisamy 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.S.Palanisamy are given in annexure.

None of the Directors are interested or concerned in this 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 Members and Share Transfer Register of the Company will remain closed from 16th September, 2003 to 27th September, 2003 (both the 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.

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

MANOJ KUMAR TIBREWAL
Managing Director

Coimbatore
31-5-2003

DETAILS OF DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES)

Name of the Director	S.Palanisamy	C.R.Swaminathan	Ramesh Kumar Tibrewal
Date of Birth	16-1-1947	25-12-1947	3-8-1959
Date of Appointment	31-1-2003	31-01-2002	18-10-1991
Expertise in specific Functional areas	Sound technical knowledge in the textile field	Cheif Executive in a leading Educational Institution and also has got vast knowledge in the field of Textile Industry	Administration of day to day affairs of the Company.
Qualification	D.M.E	B.Sc (Agri) M.B.A	B.Com
List of Companies In which outside Directorship is held as on 31-3-2003	NIL	1. Premier Instruments & Controls Limited 2. Chandra Textile Limited 3. Udhaya Semiconductors Limited	Jagannath Textile Company Limited
Chairman / Member of the Committees of other companies in which he is a Director as on 31-3-2003	NIL	Member in the Audit Committee and Remuneration Committee of Premier Instruments & Controls Limited	NIL

DIRECTORS' REPORT TO SHARE HOLDERS

Ladies and Gentlemen,

Your Directors have great pleasure in presenting the **Fourteenth Annual Report** of the Company alongwith the audited statement of accounts for the year ended 31st March, 2003

FINANCIAL RESULTS

	Year ended 31.03.2003 (Rs.in lakhs)	Year ended 31.03.2002 (Rs.in lakhs)
Sales Turnover	<u>14,512.38</u>	<u>13,669.83</u>
Profit before interest, depreciation and taxation	2,022.78	1,469.89
Less:		
1. Interest	655.98	721.48
2. Depreciation	<u>774.64</u>	<u>702.89</u>
Balance net profit for the year before tax	592.16	45.52
Less:		
1. Taxes of prior years	0.87	--
2. Investment Fluctuation Reserve	<u>0.02</u>	<u>--</u>
Balance	591.27	45.52
Add :		
1. Surplus brought forward from previous year	9.36	48.55
2. Prior year adjustments	6.22	13.83
3. Refund of tax paid earlier	--	5.05
4. Investment Fluctuation Reserve withdrawn	<u>--</u>	<u>0.02</u>
Total profits available for appropriation	<u>606.85</u>	<u>112.97</u>
APPROPRIATIONS :		
1. Provision for taxation of current year	47.00	5.00
2. Provision for Deferred Tax	50.42	19.15
3. Proposed Dividend	120.00	72.00
4. Corporate Dividend Tax	15.38	--
5. Transfer to General Reserve	325.00	7.46
6. Surplus to be carried over	<u>49.05</u>	<u>9.36</u>
TOTAL	606.85	112.97

DIVIDEND

In their previous report to you, your Directors had stated as under :-

"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 the dividend to be recommended for the year 2002-03".

This statement was made by your Directors in the context of a drop of dividend by 5% for the year ended 31.3.2002 as a result of lower profits earned in that year.

Your Directors are extremely happy to inform you that the desired improvement in the profit has in fact materialized during the year ended 31.3.2003 and accordingly your Directors have great pleasure in recommending not only the consistent dividend of 20% but also an additional 5% to make up the drop which you had to absorb in the previous year.

PERFORMANCE

The performance of the Company during the year is fully and extensively dealt with in the management discussion and analysis which forms part of the annual report that is being circulated.

MODERNIZATION

The modernization programme which was taken up in the Spinning Unit in Pushpathur village is completed and the unit is now working to its full capacity. In fact, this unit has started being one of the contributors to the profits of the Company. The Company has taken up yet another modernization programme in the other units at an approximate cost of Rs.9 crores. Necessary tie-up of funds by means of a term loan under TUF Scheme has already been put in place and this modernization phase is expected to be completed during the current financial year.

DEPOSITS

Public deposits accepted by your Company are well within the prescribed limits of the provisions of Sec. 58A of the Companies Act 1956 and all the rules and procedures connected with the acceptance of the deposits have been fully complied with. There are no unclaimed or overdue deposits in the Company at any point of time.

CORPORATE GOVERNANCE

The Company, as has been stated by the Directors in their previous report, has a system of Corporate Governance in place as required by the relevant clauses of the Listing Agreement. A separate report on the Corporate Governance is enclosed as part of the annual report.

The Auditors of the Company have also given their certificates relating to compliance of Corporate Governance and this report is annexed to the report of Corporate Governance as is required.

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/or preventing and detecting fraud and other irregularities.
- iv) the Directors have prepared the annual accounts on a going concern basis.

DIRECTORS

During the year Mr. S. Palanisamy, who was the Group General Manager of the Company, was co-opted as an Additional Director by the Board on 31.1.2003. At this point of time he will be an independent Director on the Board. Mr. S. Palanisamy is aged about 57 years and was in the Indian Airforce and subsequently he has been associated with this Company right from the time the Company was incorporated. He has got a total insight into the working of the Company since he has been overseeing the same over the past 12 years. His becoming a member of the Board of this Company will help in putting in place proper future plans for the existing units.

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 are 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 :-

1. Mr. C.R. Swaminathan
2. Mr. Ramesh Kumar Tibrewal

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 retiring at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The Audit Committee has also recommended their re-appointment.

GENERAL

There are no employees falling under Sec.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 financial support extended. Your Directors also wish to thank the suppliers and all others who have both directly and indirectly contributed their mite to the Company's growth and prosperity.

Your Directors gratefully acknowledge the dedicated and motivated workforce at all levels and thank them for their efforts put in throughout the year.

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

MANOJ KUMAR TIBREWAL
Managing Director

RAMESH KUMAR TIBREWAL
Whole Time Director

Coimbatore
31-5-2003

ANNEXURE TO THE DIRECTORS' REPORT

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

FORM A

(See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Current year 2002-2003	Previous year 2001-2002
A. Power and Fuel Consumption		
1. Electricity		
a) Purchased Unit (KWH)	1,73,99,446	1,77,75,120
Total Amount (in Lakhs)	755.33	735.53
Rate/Unit (Rs.)	4.34	4.14
b) Own Generation		
i) Through Diesel Generator		
Unit(KWH)	1,33,18,607	96,72,876
Units/Ltr of Diesel of Oil	3.48	3.63
Cost/Unit	4.18	4.59
ii) Through Steam Turbine/Generator		
Units	-	-
Units/Ltr of fuel oil/Gas	-	-
Cost/Unit	-	-
2. Coal (Specify quantity and where used)		
Quantity (Tonnes)	-	-
Total Cost	-	-
Average Rate	-	-
3. Furnace Oil		
Quantity (Kilo Litre)	59,983	39,346
Total Cost	8.38	3.03
Average Rate	13.97	7.70
4. Others/Internal Generation (Please give details)		
Quantity	-	-
Total Cost	-	-
Rate/unit	-	-
B. Consumption Per Unit of Production standards (if any)		
Products(With Details)		
Cotton/Yarn (Kgs)	2,49,99,840	2,33,26,082
Electricity	1.23	1.18
Furnace Oil Unit/Kg	-	-
Coal (Specify quantity)	-	-
Others (Specify)	-	-