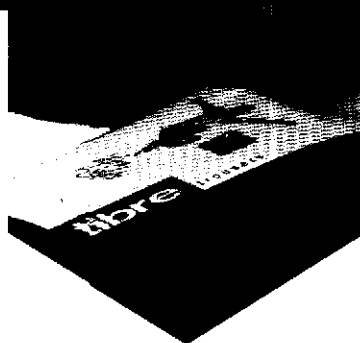




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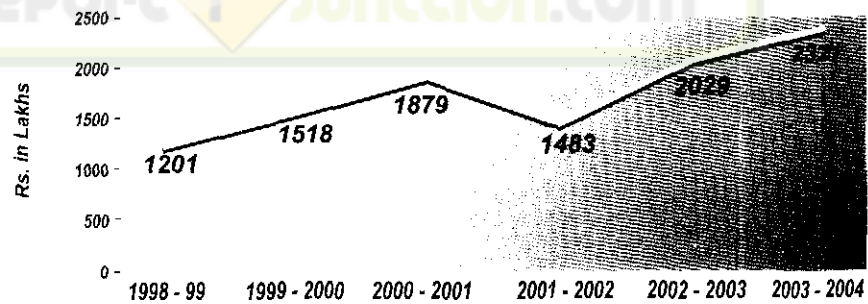
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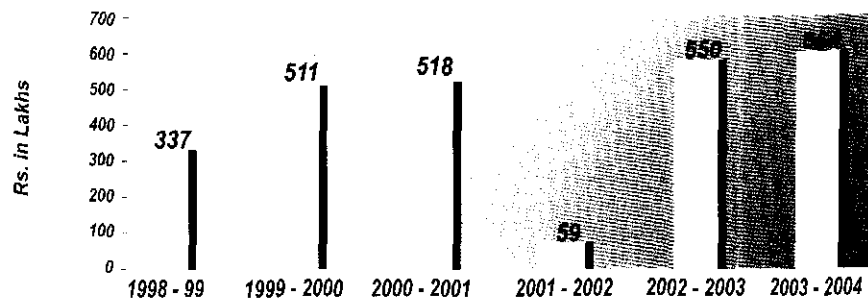
NET SALES



OPERATING PROFIT



PROFIT AFTER TAX



BOARD OF DIRECTORS

SHRI. MANOJ KUMAR TIBREWAL
Managing Director

SHRI. RAMESH KUMAR TIBREWAL
Whole-time Director

SHRI. MOHANLAL TIBREWAL

SHRI. K.N. SREEDHARAN

SHRI. C.R. SWAMINATHAN

SHRI. S. PALANISAMY

SHRI. M. PADAVATTAN
(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

COMPANY SECRETARY

SHRI. M.E.V. SELVAMM

AUDITORS

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

REGISTERED OFFICE

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

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

REGISTRAR AND SHARE TRANSFER AGENTS

M/s 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

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

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

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

GARMENT DIVISIONS

STITCHING UNIT

473/2, PKD 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 Growth Centre
 Perundurai, Erode 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 2004-05

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Company will be held on Saturday, the 25th day of September 2004, at 3.30 p.m. at Banquet Hall- Legend, The Residency, 1076, Avanashi Road, Coimbatore - 641018 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, Profit & Loss Account for the year ended March 31, 2004 and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To declare Dividend for the year ended March 31, 2004.
3. To appoint a Director in the place of Shri K N Sreedharan, a Director who retires by rotation and being eligible seeks re-appointment.
4. To appoint a Director in the place of Shri Manoj Kumar Tibrewal, a Director who retires by rotation and being eligible seeks re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

RESOLVED that the existing Article 13 of the Articles of Association of the company be and is hereby replaced with the following new Article.

"13. The Directors need not hold any share in the capital of the company."

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

RESOLVED that subject to the guidelines of SEBI (Delisting of Securities) Guidelines - 2003 and subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) of re-enactment thereof for the time being in force and as may be enacted hereinafter) and subject to such approvals, permissions and sanctions from such authority as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this resolution) consent is hereby accorded to the Board to delist the Company's Equity Shares from Coimbatore Stock Exchange Ltd, Coimbatore, Madras Stock Exchange Ltd, Chennai, and The Calcutta Stock Exchange Association Ltd, Kolkata.

Coimbatore
29-05-2004

For Gangotri Textiles Ltd
MANOJ KUMAR TIBREWAL
Managing Director

Note:

- 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 member. Proxies must be received at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
- The Register of Members and Share Transfer Register of the Company will remain closed from September 16, 2004 to September 25, 2004 (both the days inclusive).

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956

Item No. 6

Existing Article 13 of the Articles of Association of the Company contemplates that the directors of the company should hold shares in the capital of the company for an amount not less than Rs.5,000. Deletion of this covenant would be convenient for bringing in experienced and qualified persons to serve on the Board. Hence, the subject special resolution is proposed for your approval.

None of the Directors of the Company is concerned or interested in the resolution except to the extent of their qualification shares.

Item No. 7

Company's Equity Shares are listed on the following Stock Exchanges:

Coimbatore Stock Exchange Limited, Coimbatore (CSX) Madras Stock Exchange Limited, Chennai (MSE) The Stock Exchange, Mumbai (BSE) Calcutta Stock Exchange Association Limited, Calcutta (CSE)

Listing of shares on a stock exchange is arranged for the convenience of shareholders and other investing public. Listing involves considerable amount of cost and administrative efforts. However, when there is no trading of such securities on the stock exchanges expenses incurred and the efforts bear no fruits either for the company or for the shareholders/ investing public.

Your company's shares are not traded on MSE, CSE and CSX for long time. In view of this fact, your company passed necessary resolution at 12th Annual General Meeting held on 29/9/2001 for delisting the shares from MSE and CSE. Delisting from CSX was not proposed then as listing on regional stock exchange, that is CSX, was mandatory.

SEBI (Delisting of Securities) Guidelines - 2003, inter-alia, provide for the delisting of securities from regional stock exchange. However, the said securities shall continue be listed on a stock exchange having nation-wide trading terminals for delisting from other stock exchange(s) including regional stock exchange without an exit offer. Since the company's equity shares are listed on BSE, which has the nation-wide network terminals, the shares may also be delisted from CSX, MSE and CSE. This would enable the company to save considerable amount of listing related expenses and also administrative resources. Hence, the Board commends the subject special resolution for your approval.

None of the Directors is deemed to be concerned or interested in the resolution.

Coimbatore
29-05-2004

For Gangotri Textiles Ltd

MANOJ KUMAR TIBREWAL
Managing Director

DETAILS OF DIRECTORS PROPOSED TO BE REAPPOINTED

| | | |
|--|---|----------------------------|
| Name of the Director | K.N.Sreedharan | Manoj Kumar Tibrewal |
| Date of Birth | 08-03-1939 | 02-01-1960 |
| Date of Appointment | 11-11-1994 | 02-07-1992 |
| Expertise in specific Functional Area | Accounting, Taxation and Corporate Advisory | Finance and Administration |
| Educational Qualification | FCA | BCom ACA |
| Directorship in other companies as on 31-3-2004 | Ambika Cotton Mills Ltd | Jagannath Textile Co. Ltd |
| Chairman/Member of the Committees of other companies in which he is a Director as on 31-3-2004 | Member - Audit Committee of Ambika Cotton Mills Ltd | Nil |

DIRECTORS' REPORT TO SHARE HOLDERS

Ladies and Gentlemen,

Your Directors have great pleasure in presenting the **Fifteenth Annual Report** of the Company along with the audited statement of accounts for the year ended March 31, 2004

FINANCIAL RESULTS

(Rs.in lakhs)

| <u>Particulars</u> | <u>Year ended</u> | |
|--|-------------------|-------------------|
| | <u>31.03.2004</u> | <u>31.03.2003</u> |
| Sales Turnover | <u>17,960.25</u> | <u>14,512.38</u> |
| Profit before interest, depreciation and tax | 2,314.00 | 2,022.78 |
| Less: | | |
| Interest | 976.45 | 655.98 |
| Depreciation | <u>849.71</u> | <u>774.64</u> |
| Profit before tax | <u>887.84</u> | <u>592.16</u> |
| Less: | | |
| IT paid for prior years | 0.71 | 0.87 |
| Investment Fluctuation Reserve | -- | 0.02 |
| Loss on sale of investments | <u>0.33</u> | <u>--</u> |
| Add : | | |
| Surplus brought forward | 40.05 | 9.36 |
| Prior year adjustments | 7.34 | 6.22 |
| Investment Fluctuation Reserve withdrawn | <u>0.50</u> | <u>--</u> |
| Total profits available for appropriation | <u>543.69</u> | <u>606.85</u> |
| APPROPRIATIONS : | | |
| Provision for tax | 230.00 | 47.00 |
| Provision for Deferred Tax | 1.76 | 50.42 |
| Proposed Dividend | 144.00 | 120.00 |
| Corporate Tax on Proposed Dividend | 18.45 | 15.38 |
| Transfer to General Reserve | 400.00 | 325.00 |
| Surplus carried forward | <u>149.48</u> | <u>49.05</u> |
| TOTAL | 343.69 | 606.85 |

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.

DIVIDEND

Your Directors are extremely happy to recommend a dividend of 30% for the year as against 25% paid for the previous year. Keeping in view the better performance of the company during the year under consideration and with indications for the year remaining positive, your directors have hiked the dividend by 5% from that of the previous year.

POWER GENERATION PLANT

Furnace oil based Power Generation Plant (PGP) has been set-up as a separate undertaking adjacent to the Ring Spinning Unit in Pushpathur Village at a total capital outlay of Rs. 584 lakh. The PGP is now working at the expected level of efficiency and capacity. PGP, presently, caters to the entire demand of the Ring Spinning unit at Pushpathur. This has resulted in substantial savings in cash out taking the company as a whole.

MODERNISATION

The modernisation programme which was continued in the Ring Spinning Unit at an additional outlay of Rs.368 lakh was completed during the year under review. Performance of the new machineries is at the expected level of efficiency and capacity. The unit is expected to make higher contributions from the current year onwards.

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

There is a system in place with regard to Corporate Governance as required by the relevant clauses of 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.