

15. EMPLOYEE BENEFITS		31.03.2011	31.03.2010
	Company's Contribution to Provident Fund	5328626	47,96,896
	Defined Benefit Plans	Gratuity	Gratuity
a	Liability recognised in the balance sheet		
	Present value of obligations as at 01.04.2010	44,84,906	39,51,339
	Interest Cost	3,58,792	11,01,579
	Current Service Cost	10,64,401	11,01,579
	Benefits Paid	-3,93,275	-9,71,640
	Actuarial (gain)/ loss on obligations	1,27,079	87,521
	Present value of obligations as at 31.03.2011	56,41,903	44,84,906
b	Fair value of Plan Assets as on 01.04.10	52,26,851	82,94,697
	Expected return on plan assets	7,97,381	7,06,836
	Contributions	16,39,658	12,16,958
	Benefits Paid	-3,93,275	-9,71,640
	Actuarial (gain) / loss on plan assets	-	-
	Fair value of plan assets	1,12,90,615	92,46,851
	Funded Status	56,48,712	47,61,945
	Net Asset / (Liability ) recognised in the balance sheet	-56,48,712	-47,61,945
c	Actuarial (gain) /loss recognised 31.03.11		
	Actuarial (gain) /loss - obligation	-1,27,019	-87,521
	Actuarial (gain) / loss - plan assets	-	-
	Total (gain) / loss for the year	1,27,079	87,521
	Actuarial (gain) / loss recognised	1,27,079	87,521
d	Expenses during the year		
	Current service cost	10,64,401	11,01,579
	Interest Cost	3,58,792	3,16,107
	Expected return on plan assets	-7,97,381	-7,06,836
	Net actuarial (gain) / loss	1,27,079	87,521
	Total	7,52,891	7,98,371
e	Principal actuarial assumptions		
	Discounting rate	8.00%	8.00%
	Salary escalation	6.50%	6.50%

16. Previous year figures have been regrouped and reclassified wherever necessary.

17. Figures have been rounded off to the nearest rupee.

MAXIM JOSEPH Company Secretary	Vide our Report of Even Date For THAKKER & SANGHANI Firm Registration No. 004351S Chartered Accountants Aswin C Partner Membership No.22204	MANOJ KUMAR TIBREWAL Managing Director
Coimbatore 30.5.2011		MOHANLAL TIBREWAL Executive Director

NOTICE TO SHAREHOLDERS :

NOTICE is hereby given that the Twenty second Annual General Meeting of the Company will be held on **Friday, the 23<sup>rd</sup> day of September, 2011 at 3.30 PM** at the Conference Hall, Shree Coimbatore Gujarati Samaj, 662, Mettupalayam Road, Post Box No 1164, 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 audited Balance Sheet as at March 31<sup>st</sup> 2011, the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors, and Auditor's Report thereon.
2. To appoint a Director in the place of Sri Ullas R Sanghvi, a Director who retires by rotation and being eligible seeks re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

**4. 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 198, 269, 309 and 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 such other approvals as may be necessary, consent of the Company be and is hereby accorded for the appointment of Sri. Mohanlal Tibrewal, as Executive Director of the Company for a period of five years with effect from 1-4-2011 to 31-3-2016 and the payment of remuneration to the Executive Director for a period of three years with effect from 1-4-2011 to 31-3-2014 as recommended by the 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, 1956.
- 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.

Provided that in case of absence or inadequacy of profit in any financial year, the Executive Director shall be paid remuneration equivalent to the ceiling amount prescribed in terms of Paragraph 1( A ) of Section II in Part II of Schedule XIII of the Companies Act, 1956.

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

**5. 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 198, 269, 309 and 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 such other approvals as may be necessary, consent of the Company be and is hereby accorded for the appointment of Sri. Manoj Kumar Tibrewal , as Managing Director of the Company for a period of five years with effect from 1-4-2012 to 31-3-2017 and the payment of remuneration to the Managing Director for a period of three years with effect from 1-4-2012 to 31-3-2015 as recommended by the 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, 1956.
- b) Perquisites : The Managing 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 Managing Director.

Provided that in case of absence or inadequacy of profit in any financial year, the Managing Director shall be paid remuneration equivalent to the ceiling amount prescribed in terms of Paragraph 1( A ) of Section II in Part II of Schedule XIII of the Companies Act, 1956.

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

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

Subject No 4 of the Agenda

The appointment of Sri. Mohanlal Tibrewal, as Executive Director was approved by the Shareholders in the Extraordinary General Meeting held on 15-02-2006 and his present term has come to an end on 31-3-2011. Considering his involvement in the day to day affairs of the company, the Board of Directors in their meeting held on 30-5-2011 have decided to re-appoint Sri. Mohanlal Tibrewal, as Executive Director for a further period of five years with effect from 1-4-2011 to 31-3-2016.

The Board also referred the remuneration payable to Sri. Mohanlal Tibrewal, Executive Director to the Remuneration Committee as required by the amended Schedule XIII of the Companies Act, 1956. The Remuneration Committee after considering the various aspects which it is expected to consider, has recommended the remuneration payable to Sri. Mohanlal Tibrewal, Executive Director as stated in the body of the resolution.

The Board is now placing the resolution for the appointment of Sri. Mohanlal Tibrewal as Executive Director for a period of five years with effect from 1-4-2011 to 31-3-2016. and payment of remuneration for the first three years with effect from 1-4-2011 to 31-3-2014 as recommended by the Remuneration Committee for the approval of the Members

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 terms of Paragraph 1( A ) of Section II in Part II of Schedule XIII of the Companies Act, 1956. On the basis of said Schedule, the Executive Director shall be eligible for a minimum remuneration of Rs 1,75,000 /- ( Rupees one lakh seventy five thousand only) per month.

PART IV - SCHEDULE VI OF COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

A) REGISTRATION DETAILS

Registration No : 181 02491  
CIN No : L17115TZ1989PLC002491  
State Code : 18  
Balance Sheet : 31-03-2011

B) CAPITAL RAISED DURING THE YEAR (Amount in Rs thousands)

Public Issue : Nil  
Rights Issue : Nil  
Bonus Issue : Nil  
Private Placement : Nil

C) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS 31.03.2011

(Amount in Rs thousands)

Total Liabilities	:	50,47,656	Total Assets	:	50,47,656
Source of Funds	:		Application of Funds	:	
Paid –up Capital	:	10,67,273	Net Fixed Assets	:	33,49,848
Reserves & Surplus	:	5,28,985	Investments	:	1,50,066
Secured Loans	:	32,88,883	Net Current Assets	:	5,54,340
Unsecured Loans	:	1,62,515	Miscellaneous Expenditure	:	25,914
			Deferred Tax Asset	:	1,40,474
			Profit & Loss Account	:	8,27,014
Total		50,47,656	Total		50,47,656

D) PERFORMANCE OF THE COMPANY (Amount in Rs thousands)

Turnover : 20,83,845  
Total Expenditure : 21,92,666  
Profit before Tax : -1,08,821  
Loss after tax (after Extra Ordinary items) : -1,38,568  
Earning per share (Rs) : -6.35  
Dividend Rate : Nil

E. GENERIC NAMES OF PRINIPAL PRODUCTS / SERVICE OF THE COMPANY

Product Description	Cotton Yarn	Cotton Waste	Garments	Mill Made Fabrics
Code Number	520511	520200	620100	520800

MAXIM JOSEPH Company Secretary	Vide our Report of Even Date For THAKKER & SANGHANI Firm Registration No. 004351S Chartered Accountants Aswin C Partner Membership No.22204	MANOJ KUMAR TIBREWAL Managing Director
Coimbatore 30.5.2011		MOHANLAL TIBREWAL Executive Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Sri. MANOJ KUMAR TIBREWAL  
MANAGING DIRECTOR

Sri. MOHANLAL TIBREWAL  
EXECUTIVE DIRECTOR

Sri.ULLAS R SANGHVI  
DIRECTOR

Sri. J.B.SIVAKUMAR  
NOMINEE DIRECTOR OF IDBI

Sri. R.P. JOSHUA  
NOMINEE DIRECTOR OF LENDER BANKS

COMPANY SECRETARY

Sri. MAXIM JOSEPH

AUDITORS

M/S THAKKER & SANGHANI  
CHARTERED ACCOUNTANTS  
117-A, WEST BASHYAGARLU ROAD  
R.S. PURAM  
COIMBATORE - 641 002

BANKERS

STATE BANK OF INDIA  
STATE BANK OF HYDERABAD  
STATE BANK OF MYSORE  
STATE BANK OF TRAVANCORE  
SYNDICATE BANK  
UNITED BANK OF INDIA  
CANARA BANK  
CORPORATION BANK  
IDBI BANK LTD

REGISTERED OFFICE  
OLD NO 42, NEW NO 35  
ROBERTSON ROAD  
R.S.PURAM  
COIMBATORE – 641 002

REGISTRAR AND SHARE  
TRANSFER AGENTS  
M/S. S.K.D.C CONSULTANTS LTD  
KANAPATHY TOWERS, 3rd FLOOR,  
1391/A1, SATHY ROAD,  
GANAPATHY,  
COIMBATORE - 641 006



**Memorandum of Interest under Section 302 of the Companies Act, 1956**

Sri, Mohanlal Tibrewal may be deemed to be interested or concerned in the subject matter of the resolution to the extent of benefits accruing to him by way of remuneration and perquisites.

Sri, Manoj Kumar Tibrewal, Managing Director being the younger brother of Sri, Mohanlal Tibrewal may also be deemed to be interested or concerned in the resolution of appointment of Sri, Mohanlal Tibrewal

None of the other Directors are interested or concerned in the subject matter of the resolution.

This may be treated as an abstract of the Memorandum of Interest under Section 302 of the Companies Act , 1956.

**Subject No 5 of the Agenda**

The appointment of Sri, Manoj Kumar Tibrewal, as Managing Director was approved by the Shareholders in the 17<sup>th</sup> Annual General Meeting held on 30-9-2006 and his present term will come to an end on 31-3-2012. Considering his involvement in the day to day affairs of the company, the Board of Directors in their meeting held on 30-5-2011 have decided to re-appoint Sri, Manoj Kumar Tibrewal, as Managing Director for a further period of five years with effect from 1-4-2012 to 31-3-2017.

The Board also referred the remuneration payable to Sri, Manoj Kumar Tibrewal, Managing Director to the Remuneration Committee as required by the amended Schedule XIII of the Companies Act, 1956. The Remuneration Committee after considering the various aspects which it is expected to consider has recommended the remuneration payable to Sri, Manoj Kumar Tibrewal, Managing Director as stated in the body of the resolution.

The Board is now placing the resolution for the appointment of Sri,Manoj Kumar Tibrewal as Managing Director for a period of five years with effect from 1-4-2012 to 31-3-2017, and payment of remuneration for the first three years with effect from 1-4-2012 to 31-3-2015 as recommended by the Remuneration Committee for the approval of the Members

**Minimum Remuneration**

The resolution also provides for the payment of minimum remuneration to the Managing 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 terms of Paragraph 1(A) of Section II in Part II of Schedule XIII of the Companies Act, 1956, On the basis of said Schedule, the Managing Director shall be eligible for a minimum remuneration of Rs 1,75,000 /- (Rupees one lakh seventy five thousand only) per month.

**Memorandum of Interest under Section 302 of the Companies Act, 1956**

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

Sri, Mohanlal Tibrewal, Managing Director being the elder brother of Sri, Manoj Kumar Tibrewal may also be deemed to be interested or concerned in the resolution of appointment of Sri, Manoj Kumar Tibrewal .

None of the other Directors are interested or concerned in the subject matter of the resolution.

This may be treated as an abstract of the Memorandum of Interest under Section 302 of the Companies Act , 1956.

**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. Instrument Oppointing 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 16-9-2011 to 23-9-2011 (both the days inclusive)**

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. During the financial year 2010-11, unclaimed dividend of Rs 1,39,023 /declared for the financial year 2002-03 has been transferred to the Investors' Education & Protection Fund on 27-10-2010. Shareholders who have not encashed the dividend warrants for the years 2003-04 , 2004-05, 2005-06 and 2006-07 are requested to write to the Secretarial Department of the Company at Old No 42, New No 35, Robertson Road, R.S.Puram, Coimbatore - 641 002.

**7. Members who have not provided their E-mail address are requested to provide the same forthwith to enable the Company to forward the Documents / Annual Report etc., through Electronic Mode in future in terms of Circular No. 18/ 2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs regarding Green Initiative in the Corporate Governance.**

8. The particulars of Directors retiring by rotation eligible for re-appointment and seeking re-election pursuant to clause 49 of the Listing Agreement are furnished hereunder.

Name of the Director	Sri.Ullas R Sanghvi
Date of Appointment	7-5-2009
Expertise in specific functional Areas	He is a Chartered Accountant and has got vast knowledge in Accounts. He has thorough knowledge in Software Development.
List of other Directorship held	NIL
Chairman / Member of Committees of other companies in which he is a Director.	NIL

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

**Coimbatore  
30-5-2011**

**MANOJ KUMAR TIBREWAL  
MANAGING DIRECTOR**

		2010 - 11		2009 - 10	
ii) a.	Finished Goods - CottonYarn (Kgs.)				
	Opening Stock	529729	42008616	538840	41911444
	Closing Stock	807312	74536554	529729	42008616
b.	Finished Goods - Garments (Nos)				
	Opening Stock	103026	27610865	83151	23971890
	Closing Stock	92935	20801989	103026	27610865
c.	Finished Goods - Fabrics(mtrs)				
	Opening Stock	505642	34313692	712813	32729076
	Closing Stock	685912	42934899	505642	34313692
iii)	Waste (Kgs)				
	Opening Stock	644877	2761537	116020	1269182
	Closing Stock	509543	4469175	644877	2761537
iv) a.	Semi-finished Goods Yarn (Kgs)				
	Opening Stock	268275	20646412	143224	7214469
	Closing Stock	305475	33761180	268275	20646412
b.	Semi-finished Goods - Garments (mts)				
	Opening Stock	69532	12623713	63987	10402925
	Closing Stock	56060	14231232	69532	12623713
c.	Semi-finished Goods Fabric Division				
	A) Fabric (Mts)				
	Opening Stock	597986	40576492	989073	47636650
	Closing Stock	241653	18991806	597986	40576492
	B) Yarn (Kgs)				
	Opening Stock	135117	30285427	40088	6254589
	Closing Stock	148522	44045123	135117	30285427
(f)	Value and percentage of imported and indigenous raw materials and stores consumed				
i)	Raw materials				
	- Indigenous	100%	1241154592	100%	806805690
	- Imported		-		-
ii)	Stores and spares				
	- Indigenous	75%	28333670	55%	20691513
	- Imported	25%	9377889	45%	16627105
(g)	CIF Value of Imports				
			0		2561623
i)	Capital Goods		9377889		16627105
ii)	On Stores Spares				
(h)	Expenditure in foreign currency				
i)	On Business Travel		Nil		Nil
(i)	Earnings in foreign Exchange				
i)	FOB Value of Exports		10900232		11743346

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**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011**

	31.03.2011		31.03.2010	
<b>CASH FLOW FROM OPERATING ACTIVITY</b>				
Net Loss before tax and extraordinary items		-1787.56		-3569.07
Adjustment for				
Depreciation	1831.69		1801.17	
Profit/Loss on sale of assets	1.39		1.30	
Dividend Receipt	-180.02			
Interest Receipt	-7.69			
Interest on Term Loan	2191.72	3837.09	2760.19	4562.66
Operating profit before working capital changes		2049.53		993.59
Adjustment for:				
Trade & other receipts	-863.09		961.09	
Inventories	-944.88		-799.93	
Trade payable	988.08	-819.89	266.26	427.42
<b>Cash generated from operation</b>		<b>1229.64</b>		<b>1421.01</b>
Direct taxes paid	-0.60		0.83	
Interest	0.00	-0.60	2760.19	2761.02
<b>Cash flow before extraordinary items</b>		<b>1230.23</b>		<b>-1340.01</b>
Extraordinary items		698.75		0.00
<b>Net cash from operation Total (A)</b>		<b>1928.98</b>		<b>-1340.01</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Purchase of fixed assets(less revaluation amount)		222.34		241.33
Sale of fixed assets		-0.25		-6.25
Capital subsidy		186.27		53.22
Miscellaneous Expenses written off		-194.74		-56.54
Dividend Receipt		180.02		
Dividend Paid		-		-
<b>Total (B)</b>		<b>33.60</b>		<b>231.76</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds/Repayment of borrowings		-62.43		-7137.43
Increase/Decrease in Equity- Share Capital/Premium		0.00		9042.00
Interest Receipt		7.69		0.00
Interest on Term Loan		-2191.72		0.00
<b>NET CASH FROM FINANCIAL ACTIVITIES</b>		<b>-2246.46</b>		<b>1904.57</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS(A+C-B)</b>		<b>-351.07</b>		<b>332.80</b>
<b>CASH AND CASH EQUIVALENTS OPENING BALANCE</b>				
Cash and bank balances		469.36		136.56
<b>CASH AND CASH EQUIVALENTS CLOSING BALANCE</b>				
Cash and bank balances		122.55		469.36
		346.81		-332.80

MAXIM JOSEPH  
Company Secretary

Vide our Report of Even Date  
For THAKKER & SANGHANI  
Firm Registration No. 004351S

MANOJ KUMAR TIBREWAL  
Managing Director

Coimbatore  
30.5.2011

Aswin C  
Partner  
Membership No.22204

MOHANLAL TIBREWAL  
Executive Director