

Gangotri Textiles Limited

29th *Annual Report* *2017 - 2018*

Gangotri Textiles Limited

REGD. OFFICE : 25-A, Venkatachalam Co-operative Colony, R.S. Puram, Coimbatore - 641 002

Telephone No : 0422 – 4332100 Fax No : 0422 – 2474499

Mail Id : tibre@gangotritextiles.com ♦ Website : www.gangotritextiles.co.in

CIN. L17115TZ1989PLC002491

BOARD OF DIRECTORS

Sri. MANOJ KUMAR TIBREWAL
Managing Director
DIN : 00806653

Sri. MOHANLAL TIBREWAL
Executive Director
DIN : 00811843

Sri.N. VENKATESAN
Independent Director
DIN : 07029257

Sri. R.P.JOSHUA
Nominee Director of Lender Banks
DIN : 00045589

Smt. M.V. SURYAPRABHA
Independent Director
DIN : 05210644

Sri. R.ELANGO
Nominee Director of United Bank of India Ltd
DIN : 06747166

Sri. A.R. MURALIDHARAN
Independent Director
DIN : 07087606

COMPANY SECRETARY

Sri. MAXIM JOSEPH

BANKERS

STATE BANK OF INDIA
Stressed Asset Management Branch
Coimbatore

REGISTERED OFFICE

No. 25-A, Venkatachalam Co-op Colony,
R.S. Puram, Coimbatore – 641 002

**REGISTRAR AND SHARE
TRANSFER AGENTS**

M/S. S.K.D.C Consultants Ltd
Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road,
Ganapathy,
Coimbatore – 641 006

AUDITORS

M/S M. GANGADHARAN & CO
Chartered Accountants
Nanjappa Complex,
137 (Old No. 150) B.B. Street,
Coimbatore - 641 001
Firm Regn. No. : 0881S

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NOTICE TO SHAREHOLDERS :

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the company will be held on Friday, the 28th day of September, 2018 at 3.30 p.m at the mini Air conditioned hall, Rajasthani Sangh, D.B.Road, 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 Standalone Financial Statements including Profit & Loss Account for the year ended 31st March, 2018 and the Balance Sheet as at that date and the Statement of changes in Equity for the Financial Year ended 31-3-2018 and the Directors Report and the Auditors' Report thereon.

2) To consider the appointment of Statutory Auditor without ratification at every Annual General Meeting and in this regard pass the following resolution as an Ordinary Resolution.

RESOLVED THAT in partial modification of the Ordinary Resolution passed at the Extraordinary General Meeting held on 30-12-2015 and in accordance with the amended Section 139 and other applicable provisions of the Companies Act, 2013, read with Companies (Audit & Auditors) Rules 2014, including any Statutory enactments or modification thereof, the approval of the Members be and is hereby accorded to continue the appointment of M/s. M.Gangadaran & Co, Chartered Accountant, Coimbatore (Firm Regn No 0881S, Membership No 024949) at such remuneration as may be decided by the Board of Directors as per the recommendation of the Audit Committee to hold office till the conclusion of the Annual General Meeting to be held in the year 2021 and that the said appointment shall not be subjected to ratification at every subsequent Annual General Meeting.

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 in order to be effective, 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 Saturday, the 22nd day of September 2018 to Friday, the 28th day of September, 2018 (both the days inclusive) for the purpose of Annual General Meeting.

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. Electronic copy of the Annual Report 2018 is being sent to all the Members whose email ID is registered with the Company / Registrar & Share Transfer Agents for communication purpose unless any Member has requested for a Hard Copy of the same. For Members who have not registered their email address, physical copy of the Annual Report is being sent in the permitted mode.

7. Members / Proxies should bring the copy of the Annual Report along with the Attendance Slip duly filled in enclosed herewith to attend the meeting. The Route Map of the venue of the Meeting is given elsewhere in the Annual Report.

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are therefore requested to submit their PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agents viz M/s SKDC Consultants Ltd, Coimbatore

9. As per the Green Initiative taken by the Ministry of Corporate Affairs, the Shareholders are advised to register / update their e-mail address with the Company / RTA in respect of the shares held in physical form and with the concerned Depository Participant in respect of the shares held in electronic form to enable the company to serve documents in electronic mode.

10. Voting through Electronic Means

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide Members facility to exercise their votes for all the resolutions detailed in the Notice of the 29th Annual General Meeting scheduled to be held on Friday, the 28th Day of September, 2018 by electronic means and the business may be transacted through remote e-Voting.

The Company has engaged the service of CDSL as the authorized Agency to provide remote e-voting facilities. The instruction for remote e-voting is provided below.

Members, who have not voted through remote e-voting and present at the AGM in person or proxy, can vote through the Ballot to be kept at the AGM. Kindly note that Members can opt for only one mode of voting ie either by remote e-voting or by Ballot at the AGM. A Member present at the AGM and already voted by remote e-voting will not be permitted to vote at the AGM by Ballot.

Votes cast by Members who hold shares on the cut-off date viz Friday, , the 21st day of September, 2018 alone will be counted.

The voting period begins at 9.00 am on Tuesday, the 25th day of September, 2018 and ends on 5.00 pm on Thursday, the 27th day of September, 2018.

i) The Shareholders should log on to the e-voting website <http://www.evotingindia.com>

ii) Click on "shareholders" tab.

iii) Now enter your User Id

a) For CDSL: 16 digits beneficiary Id

b) For NSDL: 8 character DP Id followed by 8 digits Client Id

c) Members holding shares in physical form should enter folio number registered with the company.

Next enter the image Verification as displayed and click on Login.

v) If you are holding shares in demat form and had logged on to <http://www.evotingindia.com>

and casted your vote for any company, then your existing password is to be used.

vi) If you are a first time user, follow the steps given below.

(vii) After entering these details appropriately, click on

For Members holding shares in demat form and physical form

PAN	Enter your 10 digits alpha -numeric PAN issued by the Income Tax Department. (Applicable for both Demat shareholders as well as Physical shareholders) # Members who have not updated their PAN with the company / Depository Participant are requested to use the first two letters of their name and last 8 digits of the demat account / folio number in the PAN field. # In case the folio number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in capital letters. eg if your name is Ramesh Kumar with folio number 100, then enter RA00000100 the PAN Field.
Date of Birth	Enter the date of birth as recorded in your demat account in dd/mm/yyyy format.
Dividend Bank details	Enter the dividend bank details as recorded in your demat account or in the company records. Please enter the Member Id / folio number in the dividend bank details, if the details are not recorded with the Depository or Company.
Please enter the DOB or Dividend Bank Details in order to login.	

"SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly the "Gangotri Textiles Limited" screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the relevant EVSN – Gangotri Textiles Limited on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION

DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONSFILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A Confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(XVI) If a Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- a) Institutional shareholders (i.e., other than Individuals, HUF, NRI, etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

- 2 After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(B) In case of members receiving the physical copy:

- i) Please follow all steps from Sl. No. (i) to Sl. No. (xvi) above to cast vote.

ii) The voting period begins on Tuesday, the 25th day of September 2018 at 9.00 A:M and ends on Thursday the 27th September 2018 at 5.00 P:M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date being the Friday, the 21st Day of September 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- iii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at <http://www.evotingindia.co.in> under help section or write an email to helpdesk.evoting@cdslindia.com.

III. Mr. Mr. B, Krishnamoorthi Chartered Accountant, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process Ballot in a fair and transparent manner.

IV. The Scrutinizer shall after the completion of polling at AGM, unblock the e-votes in the presence of at least two (2) Witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman.

V. The Results shall be declared within 24 hours of the conclusion of the Annual General Meeting. The Results declared along with the Scrutinizer's Report shall be placed on the Company's Website www.gangotritextiles.com and communicated to the Stock Exchanges where the Company's shares are listed.

- VI. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk evoting@cdslindia.co.

The particulars of Directors seeking appointment/ re-appointment pursuant to clause 49 of the Listing Agreement are furnished hereunder.	Nil
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By Order of the Board
For **GANTOTRI TEXTILES LIMITED**

Place : Coimbatore
Date : 28.4.2018

MANOJ KUMAR TIBREWAL
Managing Director

DIRECTORS' REPORT TO SHAREHOLDERS

Ladies and Gentlemen,

Your Directors present the 29th Annual Report of the Company along with the audited statement of accounts for the year ended 31st March 2018.

FINANCIAL RESULTS

(in Rs)

PARTICULARS	31.03.2018	31.03.2017
Sales Turnover	1,46,21,059	57,66,292
Profit/Loss before interest, depreciation and tax	1,32,98,539	(53,02,382)
Less: Depreciation	--	9,652
Net Profit / loss for the year before Tax	1,32,98,539	(53,02,382)

PERFORMANCE

During the year under review, the Company has effected only Trading Activities to meet out the day to day administrative expenses. As already stated, the Lenders have sold the entire Assets of the Company and adjusted the proceeds against the loan due from the company. Even after adjusting the entire sale proceeds against the loan, there remains huge amount to be settled by the company. Now, the company has zero assets with huge liability on hand. The Promoters are negotiating with the Banks for One Time Settlement once the Banks agree.

LEGAL

1. M/s State Bank of India, Stressed Asset Management Branch, Coimbatore, as the leader of the consortium banks have filed Original Application in O.A 40 / 2013 against the company in the Debt Recovery Tribunal, Coimbatore for the recovery of outstanding dues of Rs 3,53,38,13,295 as on 1-3-2013. This outstanding is exclusives of the dues to IDBI. The matter is sub-judice.

2. The company has filed Appeal against this in S.A 174 / 2013 before the Debt Recovery Tribunal, Coimbatore challenging the Original Application filed by State Bank of India.

3. M/s State Bank of India, Stressed Asset Management Branch, Coimbatore has filed a Writ Petition in W.P. No 24864 / 15 before the Hon'ble Madras High Court, Chennai challenging that the Customs Department is not having a first charge on the properties put to e-auction under the Provisions of SARFAESI Act contending that the SARFAESI Act overrides the Customs Act on priority charge.

4. The Directorate of Revenue Intelligence, Coimbatore have filed a Miscellaneous Petition in MP No 24864 / 15 praying to permit them to implead as 3rd Respondent in W.P 24864 / 15.

The above matters are sub-judice.

5. The Directorate General of Foreign Trade, Coimbatore has passed orders on 20-1-2016 levying penalty to the extent of Rs. 55,90,28,760 /- due to non-fulfillment of Export Obligation in respect of 45 Licenses issued to the company. The Company has preferred an Appeal against this Order before the Deputy Directorate General of Foreign Trade, New Delhi. The matter is sub-judice.

6. The company has also received demand for Rs. 1,53,77,000/- from the office of the Assistant Commissioner of Customs, Chennai due to non-fulfillment of Export Obligation in respect of 6 Licenses issued to the company.

Since the entire Assets have been sold, the company is having neither any machinery to fulfill the Export Obligation nor have any source of funds to pay the liability.

7. The Income Tax Appellate Tribunal, " A' Bench, Chennai has vide its Order dated 26-5-2017 dismissed our Appeal against the Order of the Commissioner of Income Tax for the levy of Penalty for a sum of Rs 7,30,48,152 / levied under Section 271(1) (c) of the Income Tax Act. The Company has filed an Appeal before the Hon'ble Madras High Court, Chennai against the Order of the Tribunal vide S.R No74974 / 2017 and the matter is sub-judice.

The Assistant Commissioner of Income Tax, Corporate Circle-2, Coimbatore has also filed a Criminal Case in C.C. NO 11 / 2018 in Coimbatore Court for the recovery of the Penalty for a sum of Rs 7,30,48,152 / levied under Section 271(1) (c) of the Income Tax Act. The matter is sub-judice.

DIVIDEND

No dividend has been recommended for the Financial Year ended 31st March, 2018.

FINANCE

The total outstanding dues to the consortium of Lenders as on 31-3-2018 is more than Rs. 200 crores including interest accrued but not paid. As stated earlier, the Lenders have realized a sum of Rs. 191.05 crores by selling the entire Assets of the Company through e-auction. The Lenders have adjusted the sale proceeds against loan due from the company. Even after adjusting the said amount, the company owes huge sum to the Banks and the company is not having any assets to pay the balance dues. Now, the Promoters are negotiating with the Banks for One Time Settlement.

Since the entire assests of the Company have been sold by the Bankers, there is no source of income or revenue to the Company. Hence, the Company has become financially sick and therefore not in a position to meet out the day to day expenses. The Company is presently barrowing money from others which situation cannot sustain for a long time. Even the salary to the Managing Director and Whole time Director is pending from July 2017 onwards.

Further, The Company being a listed Company, has to comply with statutory obligation and filling returns with the Register of the Company, Stock Exchanges, where their Shares of the Company or listed. The Company is liable to have the Financial Accounts Audited by the statutory Auditor every year, and have the same printed and despatched to more than 4000 share holders. The Company finds it extremely difficult to meet out the huge expenses for printing and despatching. Besides The Company has also to conduct Board Meetings once in three months and submit quarterly, halfyearly, annual reports to the stock exchangers and publish financial results in the news papers. All these involves huge expenses. The Company has not paid listing fee to the Stock Exchanger for the last two years.

The Company has already brought to the knowledge of the Lenders of the current financial difficulties being faced by the Company and sought the way out but no reponse from them.

DEPOSITS

Does not arise

CORPORATE GOVERNANCE

A separate Report on the Corporate Governance is enclosed as part of this Annual Report. The Auditors of the Company have also given their certificate relating to compliance of Corporate Governance and this report is annexed to the report of Corporate Governance as is required by the Listing Agreement.

LISTINGS

The company's shares are listed in National Stock Exchange of India Ltd , Mumbai Stock Exchange Ltd and The Calcutta Stock Exchange Ltd. The company has not paid listing fee to the above Exchanges. The company has already applied for de-listing of its equity shares to Calcutta Stock Exchange Ltd and the Orders are awaited.

EXTRACT OF THE ANNUAL RETURN

As per the requirements of provisions of the Companies Act, 2013, the extract of the Annual Return in the prescribed Form MGT-9 is annexed forming part of this report.

NUMBER OF MEETINGS OF THE BOARD.

Details of number of meetings of Board of Directors and Committees thereof and the attendance of the Directors in such meetings are provided in the Corporate Governance Report attached elsewhere in the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT.

In terms of the requirement of Section 134 (3) (c) of the Companies Act, 2013, the Directors hereby confirm:

NOMINATION AND REMUNERATION COMMITTEE AND POLICY.

As per the requirements of the provisions of the Companies Act, 2013, a Nomination & Remuneration Committee was formed by the Board of Directors consisting of

1. Sri. N. Venkatesan - Chairman (Non-Executive – Independent)
2. Smt. M.V.Suryaprabha - Member (Non-Executive – Independent)
3. Sri. R.P.Joshua - Member (Non-Executive – Independent)

The said committee has been empowered and authorized to exercise the power as entrusted under the provisions of Section 178 of the Companies Act, 2013. The Company has a policy on Directors' appointment and remuneration including criteria for determining qualification, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013 .

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149 (6) of the Companies Act, 2013 so as to qualify themselves to be appointed / continued as Independent Directors under the provisions of the Companies Act, 2013 and the relevant Rules there under.

EXPLANATION & COMMENTS

The reports of Statutory Auditors appearing elsewhere in the Annual Report and that of the Secretarial Auditors (annexed hereto) are self-explanatory having no adverse comments.

PARTICULARS OF LOANS / GUARANTEE / INVESTMENTS

Details as per the provisions of Section 186 of the Companies Act, 2013 is given under Notes to Financial Statements.

PARTICULARS OF CONTRACT WITH RELATED PARTY

All the transactions of the company with related parties are at arm's length and have taken place in the ordinary course of business. Provisions of Section 188 of the Companies Act, 2013 is not applicable.

MATERIAL CHANGES

There is no material changes or commitments after closure of the financial year till the date of this report.

AUDITORS

a) Statutory Auditors

M/s.M. Gangadharan & Co , Chartered Accountants, retires at the ensuing Annual General Meeting and they have given necessary certificate in terms of Section 139 of the Companies Act, 2013. They are entitled to be re-appointed. They have consented and confirmed their eligibility and desire to continue as Statutory Auditors of the Company.

b) Cost Auditor

Not Applicable

c) Secretarial Auditor.

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 , the Company has appointed Mrs. V.M.Vennila , a Practicing Company Secretary to undertake the Secretarial Audit of the Company for the financial

year 2017-18.

13. AUDIT COMMITTEE

In pursuance of the applicable provisions of Section 177 of the Companies Act, 2013 a committee of Directors consisting of three Directors has been constituted as Audit Committee. The Directors who are the members of this committee are

- 1) Sri. N.Venkatesan - Independent Director - Chairman
- 2) Sri. R.P.Joshua - Nominee Director - Member
- 3) Smt .M.V.Suryaprabha - Independent Director - Member

The Company Secretary shall act as the Secretary of the Audit Committee as well.

The Board has accepted the recommendations of the committee and there were no incidences of deviation from such recommendations during the financial year under review.

The company has devised a Vigil Mechanism in the form of a Whistle Blower Policy in pursuance of the provisions of Section 177 (10) of the Companies Act, 2013 . During the year under review, there were no complaints received under this mechanism.

STAKEHOLDERS RELATIONSHIP COMMITTEE

In pursuance of the applicable provisions of Section 178 (5) of the Companies Act, 2013 a committee of Directors consisting of three Directors has been constituted as Stakeholders Relationship Committee. The Directors who are the members of this committee are

- 1) Sri. N.Venkatesan - Independent Director - Chairman
- 2) Sri. Manoj Kumar Tibrewal - Managing Director - Member
- 3) Sri. Mohanlal Tibrewal - Executive Director - Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of the provisions of Section 135 of the Companies Act, 2013, a Corporate Social Responsibility Committee is to be constituted for the purpose of implementing the Corporate Social Responsibility. As on date, the Company does not come under the category of Companies who have to implement this scheme.

INDUSTRIAL RELATIONS

Not Applicable

ENERGY CONSUMPTION

Not Applicable

TECHNOLOGY ABSORPTION

Not Applicable

FOREIGN EXCHANGE EARNINGS AND OUTGO

Not Applicable

EVALUATION OF BOARD'S PERFORMANCE

On the advise of the Board of Directors , the Nomination and Remuneration Committee , the company have formulated the criteria for the evaluation of the performance of Board of Directors Independent Directors, Non-Independent Directors and the Chairman of the Board. Based on that performance, evaluation has been undertaken. The Independent Directors have also convened a separate meeting for this purpose. All the results and the evaluation has been communicated to the Chairman of the Board of Directors. All the Directors of the Board are familiar with the business of the company.

GENERAL

Does not arise.

MATTERS AS MAY BE PRESCRIBED

As per Rule 8(5) of the Companies (Accounts) Rule, 2014 certain additional information are provided.

Does not arise.

ACKNOWLEDGEMENT.

Your Directors wish to thank and record their appreciation to all the employees and Shareholders of the company for their continued support.

Place : Coimbatore

Date : 13.5.2017

By Order of the Board
For GANGOTRI TEXTILES LIMITED

MOHANLAL TIBREWAL
EXECUTIVE DIRECTOR

MANOJ KUMAR TIBREWAL
MANAGING DIRECTOR

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT :

The company has effected sales turnover of Rs 1,46,21,059 as against Rs 57,66,292 last year . This year turnover is only by way of trading of Cotton Yarn and Cotton Waste and the income generated out of the above was utilized for the day –to-day administrative expenses.

OPERATION OF UNITS :

Since the Lenders have sold the entire assets of the company for the non-payment of loan , there was no manufacturing operation taking place in the company during the year under review. Even after the sale proceeds of the entire assets have been adjusted by the lenders against the loan due , still the company owes more than Rs 200.00 crores as on 31-3-2018 including interest accrued but not paid. The company has no assets on hand. to sell and make the payment for the balance loan amount. In the meantime , the Promoters are negotiating with the Lenders for One Time Settlement and the settled amount could be managed by the Promoters personally. Till then, the company is liable to function just to comply with the statutory obligations with the Registrar of Companies, Stock Exchanges etc. Hence, the company has engaged few staffs to carry out the above work.

OUTLOOK

Entire manufacturing activities have been suspended due to sale of all the units of the company by the Lenders. Time being the company is looking forward to carryout trading activities . However, as the company is having huge negative Net Worth and no source of Income, the company is considering Voluntary Winding-up.

FINANCE

The Report about finance is elaborately given in the Directors' Report to the Shareholders which is appended in the Annual Report.

OPPORTUNITIES AND THREATS

Since, the question of revival of the company is ruled out at present, there are no opportunities as of now . Only, threats are more due to the loan outstanding to the banks as well as Notices received by the company from various departments as shown in the next page.

The current financial crisis faced by the company and the commitment of the Company towards statutory obligation or elaborately discussed in the Director's Report.

FINANCIAL PERFORMANCE AND ANALYSIS

Particulars	2017 -18	2016 -17	Change Increase (+) Decrease(-)	%
Turnover	1,46,21,059	57,66,292	88,54,767	153.56
Other Income	1,61,77,469	1,81,37,265	(19,59,796)	(10.80)
Gross Revenue	3,07,98,528	2,39,03,557	68,94,971	28.84
Profit before Exceptional Items and Tax	1,32,98,539	43,17,089	89,81,451	208.04
Extraordinary Items	---	(93,06,545)	(93,06,545)	(100.00)
Profit before Tax	1,32,98,539	(49,89,456)	83,09,083	166.53
Tax relating to earlier years	---	3,12,925	(3,12,925)	100.00
Net Profit /Loss for the period	1,32,98,539	(53,02,381)	79,96,157	150.80

S.No	Demand Received from	Amount	Reason
	Joint Director General of Foreign Trade, Coimbatore	55,90,28,760	Non-fulfillment of Export Obligation in respect of 45 Licenses issued to the company
	Assistant Commissioner of Customs, Chennai	1,53,77,000	Non-fulfillment of Export Obligation in respect of 6 censes issued to the company
	Assistant Commissioner of Income Tax, Corporate Circle -2. The Commissioner of Income Tax, Appeal has vide his Order dated 28-9-2016 upheld the Penalty. Against this, the Company has preferred Appeal before the Tribunal, Chennai . The order is awaited.	7,30,48,152	Penalty levied u/s Section 271(1) (c) of the Income Tax relating to the Assessment Year 2012-13. The Company has preferred an appeal before the Income Tax Appellate Tribunal Chennai against the levy of penalty, which has also dismissed the above appeal vide is order dated 26.5.2017 and confirmed the penalty. The Company has preferred an appeal before the honourable Madras High Court, Chennai and matter is pending before the Court.
	The Assistant Commissioner of Commercial Taxes, Mettupalayam Road Circle, Coimbatore	20,06,535	Short levy of AST for the Assessment year 1999-2000
	Income Tax Department	5,85,000	Department have preferred Appeal before I.T.A.T, Chennai against the order of C.I.T Appeal relating to the Assessment Year 2004-05
	Income Tax Department	1,25,000	The Department have filed an Appeal before the Hon'ble High Court , Chennai against Company's stand regarding sec 80 (1A)
	Maharashtra Sales Tax Department	32,46,000	Issues representing reversal of Input Vat Credit relating to the Assessment Year 2005-06 and 2006-07
	M/s Think Capital	93,86,000	Winding up petition filed by them for non-compliance of certain commitments.
	M/s Vijay Fabrics	1,18,000	M/s Vijay Fabrics , Erode have obtained Decree against the company and filed Execution Petition before the Sub-Court, Perundurai
	The company has sold its vacant land at Kalappatty for Rs 1.62 crores. The co-owners of erstwhile sellers have filed a case for their shares in O.S.J Court, Coimbatore		
	National Stock Exchange of India Limited Mumbai	34,68,073	Due to belated submission of un-audited Financial Results for the quater ended 30.9.2015
	National Stock Exchange of India Limited Mumbai	8,03,073	Due to belated submission of Financial Results under Reg. 33 relating to the year ended 31.3.2015
	Total	66,59,45,764	

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY.

The Company has appointed M/s M.Gangadharan & Co as Statutory Auditors of the Company and they audit the adequacy and the effectiveness of the internal controls prescribed by the Management and wherever necessary suggests improvements.

The Audit Committee of the Board of Directors periodically review the financial positions, audit plans, internal audit reports adequacy of internal controls and risk management.

By Order of the Board
For GANGOTRI TEXTILES LIMITED

INDUSTRIAL RELATIONS

The Industrial Relation continued to be harmonious with the available few staffs.

MANOJ KUMAR TIBREWAL
MANAGING DIRECTOR

Place : Coimbatore
Date : 28.4.2018

MOHANLAL TIBREWAL
EXECUTIVE DIRECTOR

CORPORATE GOVERNANCE REPORT

Companies policies on the Corporate Governance under the due compliance report on specific areas, where applicable for the year 2017-18 are given here under, classified under broad heads.

1. Company's Philosophy on Corporate Governance :

Gangotri puts in every effort towards compliance of all regulatory requirements and ensures highest standards of ethical conduct are practiced throughout the organization.

2. Board of Directors :

The Board of Directors, on the date of this report is comprised of seven members, out of which five are non-executive Directors who account for two-thirds of the Board's strength.

a) Composition of the Board :

Name of the Director	Category	No. of other Directorship Held	No. of other Board Committees of which he is a member	No. of other Board Committees of which he is a Chairman
Sri. Manoj Kumar Tibrewal	Managing Director - Executive	Nil	Nil	Nil
Sri. Mohanlal Tibrewal	Executive Director - Executive	Nil	Nil	Nil
Sri. N. Venkatesan	Independent Director	Nil	Nil	Nil
Smt. M.V. Suryaprabha	Independent Director (Woman Director)	Nil	Nil	Nil
Sri. R.P. Joshua	Nominee Director	4	Nil	Nil
Sri. R. Elango	Nominee Director	Nil	Nil	Nil
Sri. A.R. Muralidharan	Independent Director	1	Nil	Nil

b) Details of Sitting Fees, remuneration etc paid to Directors:

Name of the Director	Remuneration paid During the year 2017 - 18 (Rs)	Sitting Fees for Attending meetings of the Board and / or Committee thereof (Rs)
Sri. Manoj Kumar Tibrewal	9,00,000*	Nil
Sri. Mohanlal Tibrewal	9,00,000*	Nil
Sri. R.P. Joshua	Nil	15,000
Sri. A.R. Muralidharan	Nil	6,000
Sri. N. Venkatesan	Nil	19,000
Ms. Suryaprabha	Nil	18,000

* Provision made for the whole year, but payment not made since July 2017

c) Number of Board Meetings held and attended by the Directors :

Meetings of the Board of Directors were held during the year ended 31-3-2018 on the following dates.

(1) 13th May, 2017 (2) 10th August, 2017 (3) 14th November, 2017 (4) 19th January, 2018

ii. Attendance recorded of each of the Directors at the Board Meeting during the year ended 31st March, 2018 as also of the Annual General Meeting is as under.

Name of the Director	No of Board Meetings Attended	Attendance at the Last AGM
Sri. Manoj Kumar Tibrewal	4	Yes
Sri. Mohanlal Tibrewal	4	Yes
Sri. R.P. Joshua	4	No
Sri. N. Venkatesan	3	Yes
Ms. Suryaprabha	4	No
Sri. A.R. Muralidharan	2	No

3. Audit Committee

The Audit Committee was constituted with terms of reference in line with the provisions of the Companies Act, 2013, and SEBI (Listing Obligation and Disclosure requirement) Regulations 2015. The terms of reference include review of financial statements, internal control system, accounting policies and practices internal audit and administration. The Audit Committee consists of the following Members.