

30th
Annual Report
2018 - 2019

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

Sri. MOHANLAL TIBREWAL
Executive Director

Sri.N.VENKATESAN
Independent Director

Sri. R.P.,JOSHUA
Nominee Director of Lender Banks

Smt. M.V. SURYAPRABHA
Independent Director

Sri. A.R. MURALIDHARAN
Independent Director

Sri. S. SIVASHANMUGAM
Independent Director
(w.e.f 11.12.2018)

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

COMPANY SECRETARY

Sri. MAXIM JOSEPH

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NOTICE TO SHAREHOLDERS :

NOTICE is hereby given that the **30th Annual General Meeting** of the company will be held on **Friday, the 27th day of September, 2019 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 Directors' Report, Profit & Loss Account for the year ended 31st March, 2019 and the Balance Sheet as at that date and the Auditors' Report thereon.

SPECIAL BUSINESS :

2. To consider and if deemed fit to pass with or without modification, the following resolution as an Ordinary Resolution.

RESOLVED that pursuant to Section 149, 152 and other applicable provisions if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV of the Companies Act, 2013 Sri. S.Sivashanmugam (DIN 08299022) a Director of the company, in respect of whom, the company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Sri.S.Sivashanmugam a candidate for the office of Independent Director of the company, be and is hereby appointed as an Independent Director to hold office for a period of five years from the conclusion of this Annual General Meeting and he is not liable to retire by rotation.

3. 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 196, 197 198 & 199 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 as amended from time to time including any statutory modification or re-enactment thereof for the time being in force and subject to such consents, approvals and permission that may be necessary from time to time, consent of the company be and is hereby accorded for payment of remuneration to Sri. Mohanlal Tibrewal, Executive Director for the remaining period of two years with effect from 1-4-2019 to 31-3-2021 as recommended by the Nomination and 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, 2013.

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.

Minimum Remuneration :

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of Sri. Mohanlal Tibrewal, Executive Director, the Company has no profit or the profits of the company are inadequate, the company will pay remuneration to Sri. Mohanlal Tibrewal, Executive Director equivalent to the ceiling amount prescribed in terms of Section II in Part II of Schedule V of the Companies Act, 2013 however subject to maximum of Rs 75,000 (Rupees Seventy Five Thousand only) per month as recommended by the Board of Directors and approved by the Nomination and Remuneration Committee.

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

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

RESOLVED that pursuant to the provisions of Sections 302, 304(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules made thereunder consent of the Board of Directors of the Company be and is hereby accorded to voluntarily wind up the affairs of the company subject to the approval of the Members in General Meeting.

RESOLVED FURTHER that the Board of Directors have made a pragmatic assessment of the affairs of the company and have a reasonable grounds to form a opinion that the Company has become financially sick and is unable to meet even its day-to-day expenses like office rent, salaries, electricity charges and Listing Fee to Stock Exchanges. As the company has no business left after the Lenders sold all the Assets of the company, there is no reason to continue the company as a going concern.

RESOLVED FURTHER THAT Sri. Manoj Kumar Tibrewal, Managing Director be and is hereby authorized to proceed further and to do all such acts, deeds and things as may be required to implement the above said decision of the Board and issue Notice to Shareholders convening the General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Subject No 2 of the Agenda

Sri. S.Sivashanmugam, (DIN 08299022) was co-opted as Additional Director in the Board Meeting held on 11.12.2018. Sri. S.Sivashanmugam, (DIN 08299022) is a Practising Advocate in Coimbatore. He has got a specialized knowledge in Income Tax Appeals. He was in the service of Income Tax Department and retired as Income Tax Officer in the year 2001. His inclusion in the Board will be of useful in Legal, Tax matters and other contribution incidental to the activities of the Company. The Board considered that his continued association would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

Sri. S.Sivashanmugam is presently aged about 77 years. As per regulation 17(1A) of SEBI (Listing Obligation and Disclosure Requirements) a Non-Executive Director of a Company who has attained the age of 75 Years can continue as a Director only with the approval of the Shareholders by a Special Resolution with effect from 1.4.2019.

Accordingly, the Company has sought for the approval of the Special Resolution of the Shareholders for the continuance his Directorship beyond the age of 75 years by sending Postal Ballot to all the Shareholders along with the Notice to Shareholders on 22-2-2019. The Company has also provided e-voting facility to the Shareholders to cast their votes electronically. The voting

period began on Tuesday, the 26th day of February, 2019 and ended on Wednesday, the 27th day of March, 2019.

According to the Scrutinizer Report, 65 Shareholders have Voted for the resolution and 14 Shareholders Voted against the resolution. The Scrutinized Report is displayed in the Company's Website. In the opinion of the Board of Directors Sri.S.Sivashanmugam fulfills the conditions specified in the Act and Rules made thereunder and he is independent of the management.

None of the Directors, Key Managerial Personnel or their relatives other than Sri.S.Sivashanmugam is concerned or interested in the resolution.

Subject No 3 of the Agenda

The appointment of Sri. Mohanlal Tibrewal as an Executive Director for the period from 1-4-2016 to 31-3-2021 and the payment of remuneration initially for a period of three years from 1-4-2016 to 31-3-2019 as recommended by the Nomination and Remuneration Committee was approved by the Shareholders in the 26th Annual General Meeting of the company held on 23-9-2015.

The Board of Directors in their meeting held on 12-4-2019 have considered and decided to refer to the Nomination and Remuneration Committee the remuneration payable to Sri. Mohanlal Tibrewal, Executive Director for the remaining period of two years from 1-4-2019 to 31-3-2021.

The Nomination and Remuneration Committee after considering the various aspects which it is expected to consider has recommended the remuneration payable to Sri. Mohanlal Tibrewal, Executive Director for the remaining period of two years from 1-4-2019 to 31-3-2021, as stated in the body of the resolution.

The Board is now placing the resolution for the payment of remuneration to Sri. Mohanlal Tibrewal, Executive Director for the remaining period of two years from 1-4-2019 to 31-3-2021 as recommended by the Nomination and Remuneration Committee 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 Section II in Part II of Schedule VI of the Companies Act, 2013. However, the Board of Directors

have fixed the remuneration to Sri, Mohanlal Tibrewal, Executive Director up to a maximum of Rs 75,000 (Rupees Seventy Five Thousand only) per month.

Sri. Mohanlal Tibrewal, Executive Director, holding 2000 Equity Shares in the Company and Sri. Manoj Kumar Tibrewal, Managing Director as his elder brother is interested in the subject matter of the resolution. None of the other Directors or Key Managerial Personnel or their relatives is interested or concerned in the resolution.

STATEMENT AS REQUIRED UNDER SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 FOR THE APPOINTMENT OF SRI. MOHANLAL TIBREWAL.

1. GENERAL INFORMATION

- Nature of Industry :
The Company is engaged in trading Cotton Yarn, Cotton Waste
- Date or expected date of commencement of commercial production:
The company had commenced its commercial production on 24-7-1989.
- In case new companies, expected date of commencement of activities: Does not arise.
- Financial performance based on given indicators:
The company has effected Nil turnover of as against a turnover of Rs 1,46,21,059 previous year.
- Foreign Investment or collaborators if any : Nil.

**II. INFORMATION ABOUT THE APPOINTEE
-SRI. MOHANLAL TIBREWAL**

- Background details.
Sri. Mohanlal Tibrewal is the Promoter of the Company. He has been associated with the company right from the inception. He has been looking after the day-to day affairs of the company.

- Past remuneration :

Salary	= 9,00,000
Commission	= ---
Perquisites	= ---
<hr/>	
Total	9,00,000
<hr/>	

- Job profile:

Sri. Mohanlal Tibrewal will function as an Executive Director looking after the day-to-day affairs of the company under the guidance, superintendence and control of the Board of Directors of the Company.

- Remuneration proposed:

Salary	= 9,00,000
Commission	= ---
Perquisites	= ---
<hr/>	
Total	9,00,000
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In the case absence or inadequacy of profits, the remuneration as detailed above shall be paid as Minimum Remuneration.

- Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:
The remuneration proposed to the appointee is comparable with the remuneration with respect to industry, size of the company and profile of the position.
- Pecuniary relationship directly or indirectly with the company, or relationship with the Key Managerial Personnel if any :
Sri. Mohanlal Tibrewal is holding 2000 Equity Shares in the company and has no other Pecuniary relationship directly or indirectly with the company.

III. OTHER INFORMATION:

- Reason for the loss or inadequacy of profits :
The Lenders have sold the entire Assets of the company through e-auction under the SARFAESI Act, and adjusted the proceeds against the loan due from the Company. Consequently, the entire operation of the Company have been suspended.

Subject No 4 of the Agenda.

The Members are aware that the lenders have sold all the assets of the company during the year 2015 and 2016 and subsequently there is no operation taking place in the company. All the employees except one have left the service of the company.

- There is no turnover and source of income in the company since 1-10-2017
- Salary of Managing director and Executive Director has not been paid since 1-01-2018
- The Promoters have brought in a sum of Rs 31,76,000 on various dates from 11-11-2018 to meet the day to day expenses (like rent, salary, board meeting expenses, audit fees, compliance cost etc.) of company. Now they have

exhausted their personal resource entirely. So the greatest difficulty now is to meet the day to day expenses.

4. The company being a listed company has to fulfill Statutory Compliance/ Reportings/Returns of various Authorities and Institutions like Stock Exchanges, Registrar of Companies, Statutory Audit, Secretarial Audit, Registrar and Share Transfer Agent, Income Tax/ GST returns. Under the present situation, due to lack of resources, it is not possible to fulfill all the above compliances.
 5. The company has informed its situation to the lenders and sought advice/ help but did not receive any communication on this matter.
 6. Continuing with such defaults and non compliance may lead to more penalties/ penal action on Company / Directors.
 7. So under such circumstances, the Management felt Compelled to wind up the company and brought this to the knowledge of the Board in their meeting held on 6-8-2019 for consideration. The Directors have discussed the issue in depth and the necessary enabling resolution to wind up the company voluntarily was approved by the majority of the Directors present. However, The Nominee Director of the Lender Banks has opposed the resolution and the Woman Independent Director abstained from passing the resolution. The Board also authorized Sri. Manoj Kumar Tibrewal, Managing Director to proceed further in this regard. In terms of provisions of Section 304 (b) of the Companies Act, 2013, the approval of the Shareholders is required. Therefore, the above said Special Resolution is brought before you for your approval.
- None of the Directors are interested in the subject matter of the resolution except the Managing Directors and the Executive Director to the extent of their difficulty in running the company without Income / Revenue to the company.

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 Books of the company will remain closed from Saturday the 21st day of September 2019 to Friday, the 27th day of September, 2019 (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 2019 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. The Securities and Exchange Board of India 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 the PAN details to their Depository Participants with whom they are maintaining their demat account. Members holding shares in Physical Form can submit their PAN details to the Company or RTA.
8. 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 shares held in physical form and with the concerned Depository Participant in respect of shares held in Electronic Form in order to enable the company to serve documents in Electronic Mode.
9. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting. The route map of the venue of the Annual General Meeting is given elsewhere in the Annual Report.
8. **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 30th Annual General Meeting scheduled to be held on Friday, the 27th day of September, 2019 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 i.e. 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 20th day of September, 2019 alone will be counted. The voting period begins at 9.00 am on Tuesday, the 24th day of September, 2019 and ends on 5.00 pm on Thursday, the 26th day of September, 2019.

- 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.

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 RAO0000100 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.	

(ix) After entering these details appropriately, click on "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 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. 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.

Name of the Director	Sri.S.Sivashanmugam
Date of Appointment	11-2-2018
Expertise in specific functional Areas	He is a practicing Advocate, He is a retired IT Officer, He has got vast knowledge in the field of legal and Taxation,
List of other Directorship held	He is a Director in M/s Warrior Management Services Private Ltd
Chairman / Member of Committees of other companies in which he is a Director.	Nil

Place: Coimbatore
Date : 12-4-2019

DIRECTORS' REPORT TO SHAREHOLDERS

Ladies and Gentlemen,

Your Directors present the 30th Annual Report of the Company along with the audited statement of accounts for the year ended 31st March 2019.

FINANCIAL RESULTS

(in Rs)

PARTICULARS	31.03.2019	31.03.2018
Sales Turnover	0	1,46,21,059
Profit/Loss before interest, depreciation and tax	(18,23,082)	1,33,02,168
Less: Interest Depreciation	3,629	3,629
Net Profit / Loss for the Period	(18,26,711)	1,32,98,539

PERFORMANCE

During the year under review, the Company could not do any business. The company is facing severe financial crisis. The day-to-day expenses are being met by borrowing funds from the Promoters. Even the Managing Director and Executive Director are not being paid their salary regularly. 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. The company has requested the Lenders to let the company wind-up as it is not possible to meet all legal compliances and Statutory expenses.

LEGAL

The Legal issues against the Company were elaborately disclosed in our previous year's Annual Report. The status quo remains the same.

DIVIDEND

No dividend has been recommended for the Financial Year ended 31st March, 2019.

FINANCE

The total outstanding dues to the consortium of Lenders as on 31-3-2019 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.

DEPOSITS

Nil

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:

- 1) that in the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures
- 2) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 accounting year namely March 31, 2019 and of the profit / loss of the Company for that period.
- 3) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) the Directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate
- 5) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and are operating effectively.

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 Practising Company Secretary to undertake the Secretarial Audit of the Company for the financial year 2018-19.

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

LIQUIDATION

Consequent to the sale of entire Assets of the Company by the lenders during the year 2015 - 16, the Company has become financially sick as there is no source of Income / Revenue to the Company.

1. There is no turnover and source of income in the company since 1-10-2017
2. Salary of Managing director and Executive Director has not been paid since 1-01-2018
3. The Promoters have brought in a sum of Rs 31,76,000 on various dates from 11-11-2018 to meet the day to day expenses (like rent, salary, board meeting expenses, audit fees, compliance cost etc.) of company. Now they have exhausted their personal resource entirely. So the greatest difficulty now is to meet the day to day expenses.
4. The company being a listed company has to fulfill Statutory Compliance/ Reportings/Returns of various Authorities and Institutions like Stock Exchanges, Registrar of Companies, Statutory Audit, Secretarial Audit, Registrar and Share Transfer Agent, Income Tax / GST returns. Under the present situation, due to lack of resources, it is not possible to fulfill all the above compliances.
5. The company has informed its situation to the lenders and sought advice/ help but did not receive any communication on this matter.

Therefore, the Board of Directors felt that the Company could go for liquidation under Insolvency & Bankruptcy Code (IBC Code) before the National Company Law Tribunal (NCLT). Accordingly, necessary resolution for the liquidation of the Company was passed by the majority of the Directors present in their Board Meeting held on 6.8.2019. However the Nominee Director of Lender Banks has opposed the resolution and the Woman Independent Director abstained from passing the resolution. The said resolution is also brought before the Members for their approval.

EVALUATION OF BOARD'S PERFORMANCE

On the advice 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.

By Order of the Board
For GANGOTRI TEXTILES LIMITED

MANOJ KUMAR TIBREWAL
MANAGING DIRECTOR

MOHANLAL TIBREWAL
EXECUTIVE DIRECTOR

Place : Coimbatore
Date : 12.04.2019

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT :

The company has effected zero turnover as against Rs 1,46,21,059 last year.

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 31-3-2019 including interest accrued but not paid. The company has no assets on hand, to sell and make the payment for the balance loan amount. The company is still 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. There is no source of Income and the company is struggling for meeting day-to-day expenses and compliances. However, as the company is having huge negative Net Worth and no source of Income, the company is considering to approach National Company Law Tribunal (NCLT) for liquidation under Insolvency & Bankruptcy Code (IBC Code) process.

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 below.

Since all the Units of the Company have been sold by the Lenders, presently, the Company does not own any assets / source of Income. Therefore, the Management is finding it very difficult to meet out the day-to-day expenses and also comply with various Statutory Obligations and compliances to Stock Exchanges and Registrar of Companies. The Company has already approached the Lenders for their approval for de-listing of the shares which is pending with the Lenders.

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.

FINANCIAL PERFORMANCE AND ANALYSIS

Particulars	2018 -19	2017 -18	Change Increase (+) Decrease(-)	%
Turnover	0	1,46,21,059	(1,46,21,059)	(100.00)
Other Income	7,48,665	1,61,77,469	(1,54,28,804)	(95.37)
Gross Revenue	7,48,665	3,07,98,528	(3,00,99,863)	(97.73)
Profit before Exceptional Items and Tax	(18,23,082)	1,33,02,168	1,14,79,086	(86.29)
Exceptional Items	0	0	0	0
Interest	0	0	0	0
Profit before Tax	(18,23,082)	1,33,02,168	(1,14,79,086)	(86.29)
Depreciation	3,629	3,629	0	0
Tax relating to earlier years	0	0	0	0
Net Profit /Loss for the period	(18,26,711)	1,32,98,539	(1,14,71,828)	(86.26)