

# **Gangotri Textiles Limited**

## *29th* *Annual Report* *2017 - 2018*

### **Gangotri Textiles Limited**

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

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

Mail Id : [tibre@gangotritextiles.com](mailto:tibre@gangotritextiles.com) ❖ Website : [www.gangotritextiles.co.in](http://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

**CONTENTS**

	Page No.
Notice to Shareholders	2
Directors' Report	5
Management Discussion & Analysis Report	7
Corporate Governance Report	9
Extract of Annual Return	14
Secretarial Audit Report	20
Independent Auditor's Report	22
Accounts	26
Cash Flow Statement	39

## 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](mailto: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](mailto: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 21 st 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](mailto: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](http://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](http://www.evotingindia.com) under help section or write an e-mail to [helpdesk.evoting@cdslindia.co](mailto:helpdesk.evoting@cdslindia.co).

The particulars of Directors seeking appointment/ re-appointment pursuant to clause 49 of the Listing Agreement are furnished hereunder.	Nil
--	-----

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 assets 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 filing returns with the Register of the Company, Stock Exchanges, where their Shares of the Company are 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 response 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. Gangadhran & 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.

### 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

### 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.



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
	<b>Total</b>	<b>66,59,45,764</b>	

#### 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.

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

The Stakeholder's Relationship Committee meeting was held on 28.4.2018 and reviewed the complaints received from the Investors during the financial year ended 31st March, 2018.

The Audit Committee meetings were held on the following dates:

- 1) 30th May, 2017 (2) 10th August, 2017 (3) 14th November, 2017
- (4) 19th January, 2018

During the financial year ended 31st March, 2018, the company has not received any- complaint from the Investor's and as on 31st March, 2018 no complaints / queries were there pending reply. The share transfer applications are normally completed within a period of 15 days.

ii. Attendance of the Audit Committee Meeting held during the financial year ended 31st March, 2018.

Name of the Member	No of Meetings Attended
Sri. N.Venkatesan	3
Sri.R.P.Joshua	4
Smt. .Suryaprabha	4

b) Details of Director seeking appointment / re-appointment at the ensuing Annual General Meeting fixed on 28 -9-2018 are given hereunder.

Pursuant to Section 149 of the Companies Act, 2013, the Company being a Listed Company need to appoint Independent Directors within a period of one year from the commencement of the said Act. Though the company is having two Independent Directors already, it is required to appoint them as per the new provisions of the Companies Act, 2013 as the definition of Independent Directors have been changed. Accordingly, the necessary approval for their appointment was obtained in the 26th Annual General Meeting held on 23-9-2015.

Further, In order to comply with the provision of Listing Agreement, the Company has appointed one more Independent Director on 14-2-2017 and necessary resolution seeking approval of the Shareholders as per the new provisions of the Companies Act, 2013 is being brought at the ensuing 29th Annual General Meeting.

6. Board Procedure :

The Members of the Board have been provided with all the information mentioned in the Listing Agreement which were placed before the Board Meetings and the same were dealt with appropriately at the meetings. All the Directors, who are on the various committees are within the permissible limits as given in the Listing Agreement. The Directors concerned also intimate from time to time about their membership in the various committees in other companies.

7. Compliance Certificate

Compliance Certificate for Corporate Governance from the Auditors of the Company is enclosed herewith.

8. Annual General Meetings / Extra Ordinary General Meetings :

a) Details of Annual General Meetings / Extraordinary General Meetings held during the last three years are as under:

AGM / NO	DAY	DATE	TIME	VENUE
26	Wednesday	23.9.2015	3.30 pm	A.R. Patel Hall, Sree Coimbatore Gujarat Samaj 662, Mettupalayam Road, P.B. No. 1164, R.S.Puram, Coimbatore - 641 002
27	Thursday	21.09.2016	3.30 pm	A.R. Patel Hall, Sree Coimbatore Gujarat Samaj 662, Mettupalayam Road, P.B. No. 1164, R.S.Puram, Coimbatore - 641 002
28	Monday	25.09.2017	3.30 pm	Mini Air - conditioned Hall Rajasthani Sangh, D.B. Road, R.S.Puram, Coimbatore - 641 002

In the 28th Annual General Meeting held on 25-9-2017, no Special Resolutions was proposed to be passed.

9. Disclosures :

- i) The transactions with related parties form part of the financial statements circulated to all the members in conformity with the necessary accounting standards to be followed by the Company
- ii) M/s. National Stock Exchange of India and M/s. Bombay Stock Exchange Ltd., have imposed fine for belated submission of Statutory filings in terms of the listing agreement.

10. Means of Communications

i) Quarterly Results will be published in Trinity Mirror (English) and in Makkal Kural ( Tamil )

ii) Any website where displayed : [www.gangotritextiles.co.in](http://www.gangotritextiles.co.in)

iii) Whether Management's Discussion and Analysis is part of Annual Report : Yes

11. General Shareholder Information :

a) Annual General Meeting to be held on 28.9.2018 ( 29th AGM )

Day : Friday

Date : 28.9.2018

Time : 3.30 P.M

Venue : Mini Airconditioned Hall, Rajasthani Sangh, R.S. Puram, Coimbatore - 641 002

b) Financial Calendar Year 2017-2018 :

First quarterly Financial Results : On or before 15-08-2018

Second quarterly Financial Results : On or before 15-11-2018

Third quarterly Financial Results : On or before 15-02-2019

Audited Financial Results for the year ended 31-3-2019 : On or before 30-05-2019

c) Dates of Book Closure : From: 22.9.2018 To : 28.9.2018 (Both the days inclusive) for the purpose of Annual General Meeting.

d) Dividend payment date :

In the absence of Profit for the financial year ended 31st March, 2018 the Board of Directors have not recommended any dividend for the financial year 31-3-2018.

e) Listing on Stock Exchanges :

The Equity Shares of the Company are listed on the following Stock Exchanges.

1 National Stock Exchange of India Ltd

2. Bombay Stock Exchange Limited

3 .The Calcutta Stock Exchange Limited

f) Delisting :

The company had already applied for de-listing of its Equity Shares from The Calcutta Stock Exchange and the order for de-listing is still awaited from them.

12. Market Price Data :

The details of the monthly highest and lowest closing quotations of the equity shares of the Company at the Bombay Stock Exchange Ltd, during the financial year 2017-18 are as under.

MONTH		Highest Rate (Rs)	Lowest Rate (Rs)
APRIL	2017	1.05	0.91
MAY	2017	1.27	0.91
JUNE	2017	1.21	1.21
JULY	2017	1.15	1.15
AUGUST	2017	1.05	1.00
SEPTEMBER	2017	1.00	1.00
OCTOBER	2017	0.99	0.91
NOVEMBER	2017	1.16	0.94
DECEMBER	2017	1.10	0.95
JANUARY	2018	1.18	0.98
FEBRUARY	2018	1.21	1.00
MARCH	2018	1.24	1.05

13. Registrar and Share Transfer Agents :

The Company has appointed Registrar and Share Transfer Agents for share transfers. The name and address of the Registrar and Share Transfer Agents is as under.

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

Phone No : 0422 – 4958995 Fax No : 0422 – 2539837 E-mail : info@skdc-consultants.com

14. Share Transfer System :

Share Transfers are registered and returned within a maximum period of 30 days from the date of receipt. If the documents are clear, the transfers are completed normally within one week and returned within 15 days. The Transfer Agents have been authorized to put through the transfers expeditiously.

15. Distribution of Shareholding as on 31.3.2018

No of Shares	No of Shareholders	Percentage	No of Shares	Percentage
Up to 5000	8578	96.35	53,14,625	16.28
5001-10000	170	1.91	12,27,269	3.76
10001 – 20000	75	0.84	10,45,364	3.21
20001- 30000	25	0.28	6,38,115	1.96
30001-40000	13	0.15	4,44,469	1.36
40001- 50000	4	0.04	1,83,361	0.56
50001-100000	15	0.17	11,96,740	3.67
100001 and above	23	0.26	2,25,64,691	69.19
<b>Total</b>	<b>8903</b>	<b>100.00</b>	<b>3,26,14,634</b>	<b>100.00</b>

Shareholding Pattern as on 31.3.2018

Category	No of Shares held	Percentage
Promoters	80,00,457	24.530
Mutual Funds	1,600	0.005
Financial Institutions / Banks	14,16,473	4.343
Bodies Corporate	29,01,930	8.898
NRI	76,764	0.235
Insurance Companies	12,02,000	3.685
General Public	1,90,15,410	58.304
<b>TOTAL</b>	<b>3,26,14,634</b>	<b>100.000</b>

16. Dematerialisation of Equity Shares :

As on 31-3-2018 shares representing 98.611% percentage of the total paid up capital of the Company is held in dematerialized form with NSDL.

17. Plant Location CDSL

Does not arise, since the Lenders have sold the entire Units of the company through e-auction.

18. Address for correspondence :

Registered Office : 25-A, Venkatachalam Co-oprative Colony, R.S. Puram, Coimbatore - 641 002

Telephone No : 0422 – 4332100 Fax No : 0422 – 2474499 Mail Id : tibre@gangotritextiles.com

CIN. L17115TZ1989PLC002491 Website : www.gangotritextiles.co.in

19. Chief Executive Declaration on Code of Conduct.

I hereby declare that the Board of Directors of the Company have adopted a Code of Conduct for the Board Members and Senior Management of the Company and the same has also been posted in the website of the Company and that all the Board Members and Senior Management Personnel to whom this Code of Conduct is applicable have affirmed the compliance of Code of Conduct during the year 2017-18

Coimbatore  
28.4.2018

MANOJ KUMAR TIBREWAL  
MANAGING DIRECTOR

20. CEO / CFO CERTIFICATE

We certify that

a) We have reviewed financial statements and cash flow statements for the year ended 31st March, 2018 and that to the best of our knowledge and belief :

i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading

ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee

i) significant changes in internal control over financial reporting during the year;

ii) significant changes in accounting policies during the year

iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management, or an employee having a significant role in the Company's internal control system over financial reporting. NIL;

Coimbatore  
28.4.2018

MANOJ KUMAR TIBREWAL  
MANAGING DIRECTOR

The above Corporate Governance Report has been placed before the Board of Directors at their meeting held on 13-5-2017 and the same was approved thereat.

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

TO

The members of Gangotri Textiles Limited

We have reviewed the implementation of Corporate Governance procedures by Gangotri Textiles Limited during the year ended 31st March, 2018, as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with in all material respect, the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that in respect of investor's grievances received during the year ended 31st March, 2018, no investor grievances are un-attended / pending for a period exceeding one month against the Company as certified by the Registrars of the Company and details presented to the Share Transfer cum Investors Grievance Committee of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Coimbatore  
Date : 28-4-2018

CA M. GANGADARAN  
Membership No:024949

For M. GANGADARAN & CO  
Firm Regn.No.0881S  
Chartered Accountants

## Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### **I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	L17115TZ1959PLC002491
ii.	Registration Date	26.07.1989
iii.	Name of the Company	GANGOTRI TEXTILES LIMITED
iv.	Category/Sub-Category of the Company	PUBLIC COMPANY
v.	Address of the Registered office and contact details	<b>No25, Venkatachalam Co-op Colony ,R. S Puram Coimbatore -641 002. Tamil Nadu</b> <b>CONTACT DETAILS :</b> <b>SRI. Manoj Kumar Tibrewal, Managing Director</b> <b>PHONE 0422-4332100</b> <b>MAIL ID : manoj.tibre@gmail.com</b>
vi.	Whether listed company	YES
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/S. SKDC CONSULTANTS LTD, KANAPATHY TOWERS, 3rd FLOOR 1391/A1, SATHY ROAD, GANAPATHY COIMBATORE – 641 006.

### **II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product / service	% to total turnover of the company
1	READY MADE GARMENTS	620100	95%

### **III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	NIL	NIL	NIL	NIL	NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demate	Phy sical	Total	% of Total Shares	
A.Promoter									
1) Indian									
a)Individual/ HUF	8000457		8000457	24.530	8000457		8000457	24.530	0.000
b)CentralGovt									
c)State Govt(s)									
d)Bodies Corp									
e)Banks / FI									
f)Any Other									
Sub-total(A)(1):-	8000457	0	8000457	24.530	8000457	0	8000457	24.530	0.000
2)Foreign									
g)NRIs-Individuals									
h)Other-Individuals									
i)Bodies Corp.									
j)Banks / FI									
k)Any Other....									
Sub-total(A)(2):-									
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	8000457	0	8000457	24.530	8000457	0	8000457	24.530	0.000
B. PUBLIC Shareholding									
1. Institutions									
a)Mutual Funds	1600	0	1600	0.005	1600	0	1600	0.005	0.000
b)Banks / FI	1416473	0	1416473	4.343	1416473	0	1416473	4.343	0.000
c)Central Govt									
d)State Govt(s)									
e)Venture Capital Funds									
f)Insurance Companies	1202000	0	1202000	3.685	1202000	0	1202000	3.685	0.000
g)FIIs									
h)Foreign Venture Capital Funds									
i)Others (specify)									
Sub-total(B)(1)	2620073	0	2620073	8.033	2620073	0	2620073	8.033	0.000
2. Non Institutions									
a)Bodies Corp.(i) Indian	2872267	18800	2891067	8.864	2848131	18800	2866931	8.790	0.074
(ii) Overseas									
b)Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	6439462	450230	6889692	21.125	6501539	434230	6935769	21.267	-0.142
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	10590892	0	10590892	32.473	10575125	0	10575125	32.424	0.049
c) Others(Specify)									
TRUST	1000	0	1000	0.003	1000	0	1000	0.003	0.000
NON RESIDENT INDIANS	80270	0	80270	0.246	70622	0	70622	0.217	0.029
CLEARING MEMBERS	373275	0	373275	1.145	375602	0	375602	1.152	0.007



HINDU UNDIVIDED FAMILIES	1167908	0	1167908	3.581	1169055	0	1169055	3.584	0.003
Sub-total(B)(2)	21525074	469030	21994104	67.437	21541074	453030	21994104	67.437	-0.000
Total Public Shareholding (B)=(B)(1)+ (B)(2)	24145147	469030	24614177	75.470	24614177	453030	24614177	75.470	-0.000
C Shares held by Custodian for GDRs&ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	32145604	469030	32614634	100.000	32161604	453030	32614634	100.000	0.000

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%Of Shares Pledged / encumbered to totalshares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	MANOJ KUMAR TIBREWAL HUF	171200	0.525	0.000	171200	0.525	0.000	0.000
2.	MOHANLAL TIBREWAL	2000	0.006	0.000	2000	0.006	0.000	0.000
3.	ANITA TIBREWAL	5233661	16.047	75.000	5233661	16.047	75.000	0.000
4.	MANOJ KUMAR TIBREWAL	2192596	6.723	0.000	2192596	6.723	75.000	0.000
5.	UMANG TIBREWAL	194000	0.595	0.000	194000	0.595	0.000	0.000
6.	MAYANG TIBREWAL	207000	0.635	0.000	207000	0.635	0.000	0.000
	Total	8000457	24.531	75.000	8000457	24.531	75.000	0.000

iii. Change in Promoters 'Share holding (please specify ,if there is no change

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	8000457	24.531	8000457	24.531
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	8000457	24.531	8000457	24.531

Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S.No	For each of top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	%	No. of Shares	%
1	LEEMA ROSE. M	3348066	10.266	3348066	10.266
2	USHA TIBREWAL	1768531	5.423	1768531	5.423
3	BSEL INFRASTRUCTURE REALTY LTD	1473188	4.517	1473188	4.517
4	RAMESH KUMAR TIBREWAL	1310816	4.019	1310816	4.019
5	UNITED INDIA INSURANCE COMPANY LIMITED	1202000	3.685	1202000	3.685
6	SHASHIKANT GORDHANDAS BADANI	857942	2.631	857942	2.631
7	RAMESH KUMAR TIBREWAL (HUF)	676000	2.073	676000	2.073
8	STATE BANK OF TRAVANCORE	609750	1.870	609750	1.870
9	SENGOTTUVELU SENTHILNATHAN	600000	1.840	600000	1.840
10	RASI SEEDS (P) LTD	600000	1.840	600000	1.840

Shareholding of Directors and KMP

NAME	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	%	No. of Shares	%
MANOJ KUMAR TIBREWAL	2192596	6.723	2192596	6.723
MANOJ KUMAR TIBREWALA	171200	0.525	171200	0.525
MOHANLAL TIBREWAL	2000	0.006	2000	0.006

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits
Indebtedness at the beginning of the financial year 01.04.2015	
i) Principal Amount	240,46,84,989
ii) Interest due but not paid	-
iii) Interest accrued but not due	-
Total (i+ii+iii)	240,46,84,989
Change in Indebtedness during the financial year	
- Addition	---
- Reduction	---
Net Change	240,46,84,989
Indebtedness at the end of the financial year 31.03.2016	
i) Principal Amount	240,46,84,989
ii) Interest due but not paid	-
iii) Interest accrued but not due	-
Total (i+ii+iii)	240,46,84,989
Less collection & Current A/c	
Total	240,46,84,989

Note : Interest not provided since sep. 2015

**VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl.No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1.	Gross salary  (a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b)Value of perquisites u/s 17(2) Income-tax Act, 1961 (c)Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Mr. Manoj Kumar Tibrewal  9,00,000	Mr. Mohan Lal Tibrewal  9,00,000	18,00,000
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as% of profit - others, specify...	Nil	Nil	Nil
5.	Others ,please specify	Nil	Nil	Nil
6.	Total(A)	9,00,000	9,00,000	18,00,000
	Ceiling as per the Act			

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
	Independent Directors	Mr. N. VENKATESAN	Mrs. Surya Prabha	Mr. A.R. Muralidharan		
	· Fee for attending board committee meetings	19,000	18,000	6,000		43,000
	· Commission	-				
	· Others ,please specify	-				
	Total(1)	19,000	18,000	6,000		43,000
	Other Non-Executive Directors	Mr. R.P. JOSHUA - SBI				
	· Fee for attending board committee meetings	15,000				15,000
	· Commission					
	· Others ,please specify					
	Total (2)	15,000				15,000

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				
				Company Secretary		Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			50,000		50,000
				Nil		Nil
				Nil		Nil
2.	Stock Option			Nil		Nil
3.	Sweat Equity			Nil		Nil
4.	Commission - as % of profit - others, specify...			Nil		Nil
5.	Others, please specify			Nil		Nil
	Total			50,000		50,000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/Punishment/Compounding Offences etc	Authority	Appeal made. If any
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment			Nil		
Compounding					
C. Other Officers In Default					
Penalty					
Punishment					
Compounding					

**FORM MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31-03-2018**

(Pursuant to section 204 (1) of the Companies Act 2013 and rule No 9 of the Companies (Appointment and remuneration of Managerial personnel) Rules, 2014.)

To,  
The Members,  
GANGOTRI TEXTILES LIMITED  
COIMBATORE.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s GANGOTRI Textiles Ltd. (herein after called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, I hereby report that in my opinion , the company has, during the audit period covering the financial year ended on 31-03-2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31-03-2018 according to the provisions of

- (i) The Companies Act, 2013 (the act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act")
  - (a) The securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock option Scheme and Employee Stock purchase Scheme) Guidelines, 1999;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The other laws that are applicable to the company are as follows

- a. Income Tax Act, 1961
- b. The Sales Tax Act, 1956
- c. Central Excise Act, 1944
- d. Factories Act, 1948
- e. Industrial Dispute Act, 1948
- f. The Payment Of Wages Act, 1936
- g. The Minimum Wages Act, 1948
- h. Employees State Insurance Act, 1948
- i. Employees Provident Funds And Miscellaneous Provisions Act, 1952
- j. The Payment Of Bonus Act, 1965
- k. The Payment Of Gratuity Act, 1972
- l. The Maternity Benefit Act, 1961
- m. The Child Labour (Prohibition And Regulation) Act, 1986
- n. The Industrial Employment (Standing Order) Act, 1946
- o. The Employees Compensation Act, 1923
- p. The Apprentice Act, 1961
- q. Equal Remuneration Act, 1976
- r. Additional Duties of Excise (Textiles and Textile Articles) Act, 1978
- s. Textiles Committee Act, 1963
- t. Textiles (Development and Regulation) Order, 2001
- u. Textiles (Consumer Protection) Regulations, 1988
- v. SARFAESI Act 2002
- w. Foreign Trade (Development & Regulation) Act, 1992
- x. Customs Act, 1962

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (j) The Listing Agreements entered into by the Company with Calcutta Stock Exchange, National Stock Exchange and Bombay Stock Exchanges.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

1. Website of the Company is not disclosing mandatory information
2. The Company has not appointed a CFO
3. Listing fee not paid for the Financial Year 2016 - 17 & 2017-18
4. The Company has received an order under Section 15 of Foreign Trade (Development and Regulation) Act, 1992, which imposes a penalty of Rs.1,51,37,826 on the Company on 20/1/2016- the Director of Revenue intelligence has filed a Writ Petition before the Chennai against State Bank of India Claiming that the dues to DGFT shall be given priority over other dues the case is pending before Chennai High Court.
5. The Company has received a demand notice from Commissioner of Customs vide notification No.97/2004 proposing a penalty of Rs.55,90,28,760 for non fulfillment of export obligation by the Company on 20/01/2016 - the Director of Revenue intelligence has filed a Writ Petition before the Chennai against State Bank of India Claiming that the dues to DGFT shall be given priority over other dues the case is pending before Chennai High Court.
6. M/s. National Stock Exchange of India, Mumbai has levied penalty of Rs. 34,68,073/- due to belated submission of un-audited financial results for the quarter ended 30.9.2015 under Clause 41 of Listing Agreement.
7. M/s. National Stock Exchange of India, Mumbai has levied penalty of Rs. 8,03,073/- due to belated submission of audited financial results for the quarter ended 31.3.2017 under Regulation 33 (d) of SEBI (Listing Obligation and Disclosure Requirement).
8. The Management states that all the units of the Company have been sold by the lenders and hence only limited workers/ employees exists in the Company.
9. The Commissioner of Income tax, Coimbatore vide his order dated 28/09/2016 dismissed the appeal (Appeal No.148/15-16) and Confirmed penalty under section 271 (1) (c) amounting to Rs.7,30,48,153. The Company has filed appeal before the Income tax Appellate Tribunal, Chennai. The tribunal has dismissed the appeal. The Company has filed an appeal before the Honourable Chennai High Court against the order of the Tribunal. The matter is subjudiced. The Assistant Commissioner of Income Tax, Corporate Circle II, Coimbatore has also filed a criminal case in Coimbatore Court and the matter is subjudiced.
10. Mr. N. Venkatesan, Independent Director has been disqualified under section 164 (2) (a) of Companies Act, 2013 during the year.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the application made for delisting with Calcutta Stock Exchange is in process.

I further report that it has been noted at the time of audit that

The bankers have sold the entire assets of the Company for recovery of dues under SARFAESI ACT, 2002.

Place : Coimbatore  
Date : 27.4.2018

Name: V.M.Vennila  
Membership No: 18193  
C.P.No: 7425

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF M/s. GANGOTRI TEXTILES LIMITED

### Report on the IND AS Financial Statements

We have audited the accompanying IND AS financial statements of GANGOTRI TEXTILES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to IND AS financial statements).

### Management's Responsibility for the IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these IND AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (IND AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these IND AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143 (11) of the Act. We conducted our audit of the IND AS financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the IND AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the IND AS financial statements,

whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the IND AS financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the IND AS financial statements

### BASIS FOR QUALIFIED OPINION

1. In our opinion, there prevails material uncertainty related to events/ conditions which individually/ collectively cast significant doubts on going concern assumption.
2. The interest provisions for all Loans from Banks has not been worked out since the date of taking over of assets by the bank. We could not able to quantify the interest amount.
3. The balances shown under Secured loans and Balances with bank. Confirmation of balance is yet to be given by the Bankers. Hence, the balances reflected under these two heads are as per the books of account of the company.

### QUALIFIED OPINION

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the cash flows and the changes in equity for the year ended as on that date

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) Except for the effects of the matters described in the basis for qualified opinion paragraph above, the aforesaid IND AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
  - (e) The matters described on the Basis for Qualified Opinion paragraph above, in our opinion, may have adverse effect on the functioning of the Company.
  - (e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated on the Basis for Qualified Opinion paragraph above
  - (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone IND AS financial statements – Refer Note 26 to the financial statements;
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M. GANGADARAN & CO  
Firm Regn. No. 0881S  
Chartered Accountants

Place : Coimbatore  
Date : 10.08.2018

M. GANGADARAN  
Membership No:024949



## ANNEXURE-A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

- I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
 (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. As explained to us, the Fixed Assets were taken over by the bank and took possession of all assets, and hence Physical verification was not done.  
 (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company
- II) As explained to us, inventories of the company have been physically verified by the management during the year.
- III) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year.
- IV) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- V) The Company has not accepted any deposit from public during the year.
- VI) We have broadly reviewed the records maintained by the company, till the date of possession taken over by the bank, pursuant the Rules made by the Central Government for the maintenance of the cost records under 148(1) of the Companies Act. We are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed Examination of the records with a view of determining whether they are accurate or complete
- VIII) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amount deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection fund, income-tax, Sales-tax, Wealth tax, service Tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities, As explained to us, the Company did not have any dues on account of employees' State Insurance, Customs duty and Excise duty except the following.

Name of the Statute	Year	Nature of Dues	Amount in Lakhs	Forum where dispute is pending	Provided in the books of accounts	Amount in Lakhs
TamilNadu Additional Sales Tax Act, 1970	1996-97	Additional Sales Tax	20.07	Supreme Court of India	Yes	20.07
CST Acts	2002-03	TNGST, Surcharge AST, Penalty	1.82	STAT Coimbatore	No	1.82
TNGST, CST Acts	2003-04	TNGST, Surcharge AST, Penalty	13.54	STAT Coimbatore	No	13.54
Income Tax Act, 1961	2004-05	Interest U/S 234B / 234C	5.85	ITAT Chennai	No	5.85
Income Tax Act, 1961	2012-13	Penalty U/S 271 (1) (c)	730	ITAT Chennai	No	730

- (b) According to the records of the company, there are no statutory dues, which have not been deposited on account of any disputes
- VIII The Company has defaulted in repayment of interest and principal to bank and financial institutions.
- IX. During the year, the company has not given any guarantee for loan taken from others, from banks, or financial institution.
- X. The company has not obtained any term loan during the year.
- XI. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- XII. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- XIII. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act
- XIV. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- XV. The Company is not a Nidhi Co. And therefore clause 3(12) of the Order is not applicable to the Company
- XVI. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- XVII. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place : Coimbatore  
Date : 10.08.2018

M.GANGADARAN  
Membership No : 024949

For M. GANGADARAN & CO  
Firm Regn.No.0881S  
Chartered Accountants

## ANNEXURE B" TO THE AUDITOR'S REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls systems over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company;
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In Our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Place : Coimbatore  
Date : 10.08.2018

CA. M. GANGADARAN  
Membership No:024949

For M. GANGADARAN & CO  
Firm Regn.No.0881S  
Chartered Accountants

**BALANCE SHEET AS AT 31st MARCH, 2018**

Particulars	Note No.	31.03.2018 (Rs.)	31.03.2017 (Rs.)
<b>ASSETS</b>			
<u>Non-Current Assets</u>			
a. Property, Plant and Equipments	<b>3</b>	2,50,640	7,77,331
b. <u>Financial Assets</u>			
(i) Investments	<b>4</b>	15,00,00,000	15,00,00,000
c. Other Non-Current Assets	<b>5</b>	94,50,700	97,61,806
<u>Current Assets</u>			
a. Inventories	<b>6</b>	0	25,76,301
b. <u>Financial Assets</u>			
(i) Investments	<b>7</b>	52,000	52,000
(ii) Trade Receivables	<b>8</b>	0	44,92,695
(iii) Cash and Cash Equivalents	<b>9</b>	16,10,357	11,24,320
(iv) Bank Balance other than (iii) above	<b>10</b>	7,500	1,08,500
c. Other Current Assets	<b>11</b>	46,37,242	1,33,44,936
<b>TOTAL ASSETS</b>		<b>16,60,08,439</b>	<b>18,22,37,889</b>
<b>EQUITY AND LIABILITIES</b>			
<u>EQUITY</u>			
a. Equity Share Capital	<b>12</b>	1,06,72,73,170	1,06,72,73,170
b. Other Equity	<b>13</b>	(3,41,73,78,550)	(3,43,06,77,089)
<u>LIABILITIES</u>			
<u>NON CURRENT LIABILITIES</u>			
a. Financial Liabilities			
(i) Other Financial Liabilities	<b>14</b>	4,81,46,535	6,62,56,535
b. Other Non-Current Liabilities	<b>15</b>	5,55,00,000	5,55,00,000
<u>CURRENT LIABILITIES</u>			
a. Financial Liabilities			
(i) Trade Payables	<b>16</b>	11,98,264	32,67,105
(ii) Other Financial Liabilities	<b>17</b>	2,40,46,84,989	2,40,91,57,989
b. Other Current Liabilities	<b>18</b>	65,84,031	1,14,60,179
<b>Total Equity and Liabilities</b>		<b>16,60,08,439</b>	<b>18,22,37,889</b>

MAXIM JOSEPH  
Company Secretary

Place : Coimbatore  
Date : 28.04.2018

Vide our Report of Even Date  
For M. GANGADARAN & CO  
Firm Regn.No.0881S  
Chartered Accountants  
CA. M. GANGADARAN  
Membership No:024949

MANOJ KUMAR TIBREWAL  
Managing Director

MOHANLAL TIBREWAL  
Executive Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2018**

Particulars	Note No.	31.03.2018 (Rs.)	31.03.2017 (Rs.)
<b>INCOME</b>			
a. Revenue From Operations	19	1,46,21,059	57,66,292
b. Other Income	20	1,61,77,469	1,81,37,265
<b>TOTAL</b>		<b>3,07,98,528</b>	<b>2,39,03,557</b>
<b>EXPENSES</b>			
a. Cost of Materials consumed	21	75,74,516	79,45,644
Purchases of Stock-in-Trade			
b. Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	22	25,76,301	(25,76,301)
c. Employees Benefit Expenses	23	21,88,909	43,67,596
d. Finance Costs		0	0
e. Depreciation and Amortization Expenses	24	3,629	9,652
f. Other Expenses	25	51,56,634	98,39,877
<b>TOTAL</b>		<b>1,74,99,989</b>	<b>1,95,86,468</b>
Profit / (Loss) Before Exceptional Items and Tax		1,32,98,539	43,17,089
Less : Exceptional Items		0	0
Profit / (Loss) Before Extrodinary Items and Tax		1,32,98,539	43,17,089
Less : Extrodinary Items		0	(93,06,545)
Profit / (Loss) Before Tax		1,32,98,539	(49,89,456)
Tax Expenses :			
(i) Current Tax		0	0
(ii) Deferred Tax		0	0
(iii) Tax relating to earlier year		0	3,12,925
Profit / (Loss) for the period from continuing operations		1,32,98,539	(53,02,381)
Profit / (Loss) from discontinued operations		0	0
Tax Expenses of discontinued operations		0	0
Profit / (Loss) from discontinued operations (After Tax)			
Profit / (Loss) for the period		1,32,98,539	(53,02,381)
Other Comprehensive Income		0	0
A. (1) Items that will not be reclassified to Profit or Loss		0	0
(2) Income Tax relating to Items that will not be reclassified to Profit or Loss			
Total Comprehensive Income for the period (Comprising Profit / (Loss) and Other Comprehensive Income for the period)		1,32,98,539	(53,02,381)
Earnings per Equity Share (for continuing operation)			
1. Basic		1,32,98,539	(53,02,381)
2. Diluted		(1.72)	(-2.29)
Earnings per Equity Share (for discontinued operation)		(1.70)	(-2.29)
1. Basic		-	-
2. Diluted		-	-
Earnings per Equity Share (for discontinued and continuing operation)			
1. Basic		(1.72)	(-2.29)
2. Diluted		(1.70)	(-2.21)

MAXIM JOSEPH  
Company Secretary

Place : Coimbatore  
Date : 28.04.2018

Vide our Report of Even Date  
For M. GANGADARAN & CO  
Firm Regn.No.0881S  
Chartered Accountants  
CA. M. GANGADARAN  
Membership No:024949

MANOJ KUMAR TIBREWAL  
Managing Director

MOHANLAL TIBREWAL  
Executive Director



**കേരള സർവ്വകലാശാല**

... കേരള സർവ്വകലാശാലയിലെ വിവിധ വിഭാഗങ്ങളിലെ വിദ്യാർത്ഥികളുടെ പേരുകളും വിദ്യാർത്ഥി നമ്പരുകളും താഴെ പറയുന്ന വിധത്തിൽ നൽകിയിരിക്കുന്നു.

S. No	വിദ്യാർത്ഥി പേര്	വിദ്യാർത്ഥി നമ്പർ		വിഭാഗം		വിദ്യാർത്ഥി നമ്പർ		വിഭാഗം		വിദ്യാർത്ഥി നമ്പർ		വിഭാഗം	
		Part A	Part B	Part A	Part B	Part A	Part B	Part A	Part B	Part A	Part B	Part A	Part B
1	പ്രൊഫ. എ. വി. ജോർജ്ജ്	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000
	പ്രൊഫ. എ. വി. ജോർജ്ജ്	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000

... കേരള സർവ്വകലാശാലയിലെ വിവിധ വിഭാഗങ്ങളിലെ വിദ്യാർത്ഥികളുടെ പേരുകളും വിദ്യാർത്ഥി നമ്പരുകളും താഴെ പറയുന്ന വിധത്തിൽ നൽകിയിരിക്കുന്നു.

S. No	വിദ്യാർത്ഥി പേര്	വിദ്യാർത്ഥി നമ്പർ		വിഭാഗം		വിദ്യാർത്ഥി നമ്പർ		വിഭാഗം		വിദ്യാർത്ഥി നമ്പർ		വിഭാഗം	
		Part A	Part B	Part A	Part B	Part A	Part B	Part A	Part B	Part A	Part B	Part A	Part B
1	പ്രൊഫ. എ. വി. ജോർജ്ജ്	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000
2	പ്രൊഫ. എ. വി. ജോർജ്ജ്	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000	1000000000

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31.03.2018

FINANCIAL ASSETS

4. INVESTMENTS

PARTICULARS	As at 31st March 2018	As at 31st March 2017
<u>UNQUOTED</u>		
Preference Shares (15000000 6% Redeemable cumulative preference shares of Rs.10/- each at par M/s.Jagannath Textile Co.Ltd.,)	15,00,00,000	15,00,00,000
Total	15,00,00,000	15,00,00,000

5. OTHER NON CURRENT ASSETS

PARTICULARS	As at 31st March 2018	As at 31st March 2017
Long Term Trade Receivables (Including Trade Receivables on Deferred Credit Terms)		
MAT Credit Receivables	49,61,696	49,61,696
Others	44,89,004	48,00,110
Total	94,50,700	97,61,806

CURRENT ASSETS

6. INVENTORIES

PARTICULARS	As at 31st March 2018	As at 31st March 2017
Raw Materials	0	21,13,081
Finished Goods	0	4,63,220
Stores & Spares	0	0
Total	0	25,76,301

7. INVESTMENTS

PARTICULARS	As at 31st March 2018	As at 31st March 2017
<u>QUOTED</u>		
Equity Shares - 640 IDBI Shares of Rs.10/- each at premium of Rs.120/- each,(Market Value of Rs.45440/-)	52,000	52,000
Total	52,000	52,000

8. TRADE RECEIVABLES

PARTICULARS	As at 31st March 2018	As at 31st March 2017
Trade receivables outstanding for a period exceeding six months	0	0
Less : Provision for doubtful debts	0	0
Trade receivables outstanding for a period less than six months	0	44,92,695
Less : Provision for doubtful debts	0	0
	0	44,92,695
Total	0	44,92,695

9. CASH AND CASH EQUIVALENTS

PARTICULARS	As at 31st March 2018	As at 31st March 2017
Cash in hand	12,64,083	4,50,349
Balances with Banks	3,46,274	6,73,971
Total	16,10,357	11,24,320

10. OTHER BANK BALANCE

PARTICULARS	As at 31st March 2018	As at 31st March 2017
Bank Deposits (Deposits with Original Maturity more than 12 Months)	7,500	1,08,500
Total	7,500	1,08,500

11. OTHERS CURRENT ASSETS

PARTICULARS	As at 31st March 2018	As at 31st March 2017
Advance to Suppliers	7,90,000	48,83,099
Advance Tax	38,42,889	83,15,889
Advances receivable in cash or in kind or for value	0	1,31,095
Others	4,353	14,853
Total	46,37,242	1,33,44,936



12. EQUITY SHARE CAPITAL

PARTICULARS	As at 31st March 2018	As at 31st March 2017
<u>Authorised Share Capital</u>		
6,00,00,000 Equity Shares of Rs.5/- each	30,00,00,000	3,00,000,000
92,00,000 Cumulative Preference Shares of Rs.100/- each	92,00,00,000	9,20,000,000
	12,20,00,000	12,20,000,000
<u>Issued Capital</u>		
3,26,14,634 Equity Shares of Rs.5 each (Of the above 96,00,000 shares of Rs.5/- each fully capitalisation of reserves)	16,30,73,170	16,30,73,170
Preference Share Capital		
90,42,000 Cumulative Redeemable Preference Shares of Rs.100/- each issued at part for consideration other than cash (of this 1/3rd will be redeemed on 31.03.2016, another 1/3rd will be Redeemed on 31.03.2017 and Final 1/3 will be redeemed on 31.03.2018)	90,42,00,000	90,42,00,000
	1,06,72,73,170	1,06,72,73,170
<u>Subscribed &amp; Paid up</u>		
3,26,14,634 Equity Shares of Rs.5 each fully paid	16,30,73,170	16,30,73,170
90,42,000 6.5% Cumulative Redeemable Preference Shares of Rs.100/- each fully paid	90,42,00,000	90,42,00,000
<b>Paid up Share Capital</b>	<b>1,06,72,73,170</b>	<b>1,06,72,73,170</b>

13. OTHER EQUITY

PARTICULARS	As at 31st March 2018	As at 31st March 2017
<u>a. GENERAL RESERVE</u>		
Opening Balance	(3,93,70,78,038)	(3,92,77,13,360)
Prior Year Taxes	0	(40,62,297)
Profit / (Loss) for the year	13,298,539	(53,02,381)
Closing Balance	(3,92,37,79,499)	(3,93,70,78,038)
<u>b. CAPITAL RESERVE</u>		
Opening Balance	1,54,74,119	1,54,74,119
Less : Transfer to Profit & Loss A/c	0	0
Closing Balance	1,54,74,119	1,54,74,119
<u>c. SHARE WARRANT FORFEITED</u>		
Balance as per last account	8,000,000	8,000,000
	8,000,000	8,000,000
<u>d. SHARE PREMIUM</u>		
As per Last year Balance Sheet	48,29,26,830	48,29,26,830
	48,29,26,830	48,29,26,830
<b>OTHER EQUITY = (a+b+c+d)</b>	<b>(3,41,73,78,550)</b>	<b>(3,43,06,77,089)</b>

14. OTHER FINANCIAL LIABILITIES

PARTICULARS	As at 31st March 2018	As at 31st March 2017
Other Payables	4,81,46,535	6,62,56,535
Total	4,81,46,535	6,62,56,535

15. OTHER NON CURRENT LIABILITIES

PARTICULARS	As at 31st March 2018	As at 31st March 2017
Others	5,55,00,000	5,55,00,000
Total	5,55,00,000	5,55,00,000

16. TRADE PAYABLES

PARTICULARS	As at 31st March 2018	As at 31st March 2017
Sundry Creditors for Goods	0	20,40,530
Sundry Creditors for Expenses	11,98,264	12,26,575
Total	11,98,264	32,67,105

17. OTHER FINANCIAL LIABILITIES

PARTICULARS	As at 31st March 2018	As at 31st March 2017
Loan from Banks	2,40,46,84,989	2,40,91,57,989
Funded Interest Term Loan and Interest Accrued	0	0
Current Maturities of Long Term Loan	0	0
Total	2,40,46,84,989	2,40,91,57,989

18. OTHER CURRENT LIABILITIES

PARTICULARS	As at 31st March 2018	As at 31st March 2017
Statutory Dues	79,416	31,283
Advance Received from Customers	0	9,89,026
Other Payables	65,04,615	1,04,39,870
Total	65,84,031	1,14,60,179

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31.03.2018

19. REVENUE FROM OPERATIONS

PARTICULARS	Year ended 31.03.2018	Year ended 31.03.2017
Yarn Sales - Domestic	5,50,160	57,66,292
Cotton Waste & Garment Sales	1,40,70,899	0
Total	1,46,21,059	57,66,292

20. OTHER INCOMES

PARTICULARS	Year ended 31.03.2018	Year ended 31.03.2017
Interest Receipts	0	41,774
Misc. Income	1,00,50,495	0
Insurance Receipts	0	5,571
Professional & Consulting Charges	550	1,00,00,000
Written Off (2017-18)	61,26,424	0
Brokerage & Inspection Charges - TIBRE Brand	0	80,89,920
Total	1,61,77,469	1,81,37,265

21. COST OF MATERIALS CONSUMED

PARTICULARS	Year ended 31.03.2018	Year ended 31.03.2017
Opening Stock of Raw-Materials	0	0
Opening Stock of Components	0	0
Opening Stock-in-Transit	0	0
Total	0	0
Purchases & Expenses	75,74,516	7,945,644
Closing Stock of Raw-Materials	0	0
Closing Stock of Components	0	0
Closing Stock-in-Transit	0	0
Total	0	0
Cost of Materials Consumed	75,74,516	79,45,644

22. CHANGE IN INVENTORIES

PARTICULARS	Year ended 31.03.2018	Year ended 31.03.2017
Opening Stock of Finished Goods	25,76,301	0
Opening Stock of Process Stock	0	0
Opening Stock of Salable Waste	0	0
Total - A	25,76,301	0
Closing Stock of Finished Goods	0	25,76,301
Closing Stock of Process Stock	0	0
Closing Stock of Salable Waste	0	0
Total - B	0	25,76,301
Change in Inventories ( A - B)	25,76,301	(25,76,301)

23. EMPLOYEES BENEFIT EXPENSES

PARTICULARS	Year ended 31.03.2018	Year ended 31.03.2017
Salary & Bonus to Staff & Workers	3,59,292	25,09,175
Contribution to Provident Fund	16,028	48,084
Employees welfare expenses	13,589	10,337
Managing/Whole Time Director Remuneration	18,00,000	18,00,000
Total	21,88,909	43,67,596

24. DEPRECIATION AND AMORTISATION EXPENSE

PARTICULARS	Year ended 31.03.2018	Year ended 31.03.2017
Depreciation of Property, Plant and Equipment	3,629	9,652
Total	3,629	9,652

25. OTHER EXPENSES

PARTICULARS	Year ended 31.03.2018	Year ended 31.03.2017
Carriage Inwards	0	2,142
Brokerage & Inspection Charges	13,48,320	0
Power and Fuel	5,463	14,892
Repairs Others	0	5,474
Factory and Office Maintenance	0	773
Stores and Spares	0	11,225
Insurance	28,287	6,409
Sitting Fee to Directors	58,000	67,000
Travelling Expenses	6,70,802	9,46,369
Postage, Courier and Telephone	3,95,737	4,71,393
Rent	28,000	84,000
Audit Fees	66,250	1,13,750
Legal and Professional charges	1,52,546	1,21,840
Rates and Taxes and Licence Fees	5,08,638	5,47,029
Printing and Stationery	70,626	61,943
General Expenses	23,032	68,642
Advertisement Expenses	73,403	70,674
Bank Charges	4,919	9,936
Selling Expenses	14,333	38,755
Loss on Sale of Assets	4,64,922	10,39,655
Subscription & Periodicals	0	600
Discount & Allowances	25,250	66,451
Administrative Expenses	16,556	1,34,953
Quality Allowance	11,99,550	0
Donations	2,000	0
Written Off	0	59,55,972
Total	51,56,634	98,39,877

## 26. CONTINGENT LIABILITIES NOT PROVIDED FOR IN THE ACCOUNTS.

- 1) Estimated amount of contract remaining to be executed on capital accounts – Rs. Nil (Previous Year Rs. Nil)
- 2) The Company has export obligation for value of Rs.40,931 Lakhs under EPCG scheme against which exports aggregating Rs.5,626 Lakhs including third party exports have been made on 31.03.2015. Balance obligation required to be fulfilled as per various schedules, culminating on 20.07.2015 is Rs.35,305 Lakhs. The Company fails to comply with obligation the customs duty of Rs.18.45 Crores along with applicable interest is to be paid to Customs department of DGFT.
- 3) The Sales Tax Department has preferred an appeal before STAT Coimbatore for the year 2002-03 for issues representing sales tax demand of Rs.1.82 Lakhs which is pending before STAT, Coimbatore.
- 4) The Sales Tax Department has preferred an appeal before STAT Coimbatore for the year 2003-04 for issues representing sales tax demand of Rs.13.54 Lakhs which is pending before STAT, Coimbatore.
- 5) The Income Tax Department has preferred an appeal with a tax effect of Rs.5.85 lakhs before ITAT Chennai against the Order of CIT (appeal) in favour of the Company regarding interest claim U/S 234B/234C for the Assessment year 2004-05.
- 6) The Income Tax Department's appeal for assessment year 1998-99 before the Honorable High Court, Chennai Against the company's stand regarding Sec 80 IA has been decided in favour of the department and there by the likely demand on the company is estimated at Rs.1.25 Lakhs.
- 7) The Company is out of CDR Package with effect from 22.10.2012 However, the interest in various loans availed by the company has been continued to be charged based on the CDR rates. The differential interest that ought to have been provided for in the account is estimated at Rs.103. Crores, (01.07.2008 – 31.03.2015)
- 8) The Company has been served with a demand notice by Maharashtra Sales Tax Department for Rs.32.46 lakhs for issues representing reversal of input vat credit for the Assessment year 2005-06 & 2006-07, an appeal is preferred by the company.
- 9) (a) One claimant has attained a decree against the company for claim of Rs. 1.18 lakhs which is being disputed by the Company.  
(b) One claimant who has issued a legal notice against the Company for Rs. 93.86 Lakhs has also proposed winding up of the Company.
- 10) The Company has received legal notice from two of the claimants and the matter is sub-Judice. Further one of the claimants has also proposed winding up provision in the legal notice.
- 11) The Company has sold its Land to the extent of 1.62 acres Kalapatty. The Co-owners of the erstwhile sellers to the Company have filed a case against the company. The matter is sub-judice.
- 12) The Company has received notice for the payment of penalty u/s 271(1)(c) of the Income Tax Act, 1961 of Rs. 730 Lakhs for the Asst. year : 2012 - 2013. The Income Tax Appellate Tribunal, Chennai vide its order dated 26.05.2017 has also confirmed the above demand. The Company has preferred appeal against this order before the Honourable High Court of Madras, Chennai.
27. A Provision is recognized when there is present obligation as a result of a past event. That probably requires an outflow of resources and a reliable estimate can be made to settle the amount of obligation. Provision is not discounted to its present value and is determined based on the last estimate required to settle the on obligation at the year end. These are reviewed at each year end and adjusted to reflect best current estimate.
28. The investment in 6% Redeemable Cumulative preference Shares is redeemable as under
  - a. On 25.11.2012 – Rs. 5,00,00,000/- (Due but not received)
  - b. On 25.11.2013 - Rs. 5,00,00,000/- (Due but not received)
  - c. On 25.11.2014 - Rs. 5,00,00,000/- (Due but not received)

Total Rs. 15,00,00,000/-

The Management had unilaterally rescheduled the Redemption of CRPS and subsequently the re-schedulement was withdrawn as per the advice of the Board. The total amount having fallen due has not yet been received by the Company.

## 29. TRANSACTION OF RELATED PARTIES (AS 18)

PARTICULARS	Associates	Key Management Personal	Relative of Key Management Personal	Total (In Rs.)
	31.03.2018	31.03.2018	31.03.2018	31.03.2018
Finance	-	-	-	-
Salary	-	-	-	-
Managerial Remuneration	-	18,00,000	-	18,00,000

Name of related parties and description of relationship upto 31.03.2018  
Key Management Personal

MANOJ KUMAR TIBREWAL - Managing Director  
MOHANLAL TIBREWAL - Executive Director

Sri. Manoj Kumar Tibrewal	: Managing Director
Smt. Anitha Tibrewal	: Wife
Mr. Mayank Tibrewal	: Son
Mrs. Arpita Tibrewal	: Daughter in Law
Mr. Umang Tibrewal	: Son

Sri. Mohanlal Tibrewal	: Executive Director
Smt. Lakshmi Devi Tibrewal	: Wife
Mrs. Suman Tibrewal	: Daughter
Mrs. Neha Tibrewal	: Daughter

**30. EARNING PER SHARES (EPS)**

Rs. In Lakhs

PARTICULARS	2017 - 18	2016 - 17
Profit / Loss After Tax (Rs. in Lakhs)	132.98	-53.00
Average number of equity shares (face value of Rs. 5/- each)	3,26,14,634	3,26,14,634
Basic and diluted before extraordinary items EPS (in Rupees)	0	0
Basic and diluted after extraordinary items EPS (in Rupees)	0	0

31. Requirement under clause 32 of the Listing Agreement. Loan and advance in the nature of loans to Subsidiaries Firms, Associates and Companies in which Directors are interested in Rs. Nil (Previous Year Nil)

**32. Audit Fees**

Details	2017 - 18	2016 - 17
For Statutory Audit & Tax Audit	50,000	50,000
For Certification		
For Cost Audit & Out of Pocket Expenses		
TOTAL	50,000	50,000

## SIGNIFICANT ACCOUNTING POLICIES – ANNEXURE I

### 1. BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with Schedule III of the Companies Act, 2013, and the accounting standards specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

Income and expenditure are recognized and accounted on an accrual basis. Revenue for sale transaction is recognized as and when the property in the goods sold is transferred to the buyer for a definite consideration.

### 2. USE OF ESTIMATES

The Preparation of financial Statement requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Difference between the actual result and estimates are recognized in the period in which results are known / materialized.

### 3. INVENTORIES

Inventories are valued as under (As furnished, valued and certified by the Management.

1. Raw Material - At Identified Cost
2. Finished Goods - At lower cost or Net realizable value
3. Stores and Spares - At weighted Average cost

### 4. FIXED ASSETS

All the Assets except vehicles are taken over, sold, realized and adjusted against loan dues by the bank. The difference between the realized amount and written down value of the assets are charged to impairment of assets.

### 5. DEPRECIATION

Depreciation on fixed assets is provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. No additions made during the year. In respect of assets up to Rs.5000/- each, the policy of the Company is to charge 100% depreciation in the year in which such assets are installed or put to use.

### 6. IMPAIRMENTS OF ASSETS

Since the assets are taken over by the bank and sold, difference between written down value of assets and amount realised charged

to impairment of assets. appropriate disclosure on material impairment of losses and their treatment in profit and loss account, classes of assets and nature of impairment will be made during the period in which the impairment is recognized.

### 7. INVESTMENTS

Investments are meant to be long term investments and are stated at cost. Diminutions in the value of investments, other than temporary in nature, are provided for.

### 8. EMPLOYEE RETIREMENT BENEFITS

The management certifies that all dues to workers are settled and no provision is made for employee retirement benefit.

### 9. FOREIGN CURRENCY TRANSACTIONS

No such foreign currency transactions.

### 10. INTEREST ON BORROWINGS

INTEREST is not charged to the profit and Loss Account from the date on which the assets of the company took over by the bankers under SARFAESI proceedings.

### 11. TAXES ON INCOME

1. In compliance with AS 22 relating to " Taxes on Income " The Company has not recognized Deferred Taxes Liability / Assets for the current year on account of absence of virtual certainty.

2) Minimum alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. MAT credit becomes eligible to be recognized as an asset in accordance with the recommendation contained in the Guidance Note issued by the Institute of Chartered Accountants of India. The said asset is created by way of credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

### 12. CONTINGENT LIABILITIES

Contingent liabilities are not provided for and are disclosed by way of notes.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

(in. Rs)

Particulars		31.03.2018		31.03.2017	
A	CASH FLOW FROM OPERATING ACTIVITY				
	Profit/Loss before tax and extraordinary items		1,32,98,539		(49,89,457)
	Adjustment for Depreciation	3,629		9,652	
	Profit/Loss on sale of assets	4,64,922		1,03,46,200	
	Dividend Receipt	0	4,68,551	0	1,03,14,078
	Interest Receipt		0	(41,774)	0
	Interest on Term Loan				
	Operating profit before working capital changes		1,37,67,090		53,24,621
	Adjustment for:				
	Trade & other receipts			59,14,689	
	Inventories	83,24,241		39,741	
	Trade payable	25,76,301	88,31,701	28,93,331	88,47,761
		(20,68,841)			
	Cash generated from operation		2,25,98,791		1,41,72,382
	Direct taxes paid		0		0
	Cash flow before extraordinary items		2,25,98,791		1,41,72,382
	Extraordinary items		0		0
	Net cash from operation Total (A)		2,25,98,791		1,41,72,382
B	CASH FLOW FROM INVESTMENT ACTIVITIES				
	Purchase of fixed assets(less revaluation amount)		0		0
	Sale of fixed assets		58,140		38,57,22,847
	Capital subsidy		0		0
	Miscellaneous Expenses written off		0		0
	Dividend Receipt		0		0
	Long term Liabilities		(1,81,10,000)		(1,88,50,000)
	Long term Loans and advances / Non current assets		3,11,106		73,04,743
	Total (B)		(1,77,40,754)		37,41,77,590
C	CASH FLOW FROM FINANCIAL ACTIVITIES				
	Proceeds/Repayment of borrowings		(44,73,000)		(38,85,39,289)
	Increase / Decrease in Equity - Share Capital / Premium		0		0
	Interest Receipt		0		0
	Repayment of Longterm Borrowings		0		0
	NET CASH FLOW FROM FINANCIAL ACTIVITIES (C)		(44,73,000)		(38,85,39,289)
D	NET INCREASE IN CASH AND CASH EQUIVALENTS(A-B+C)		3,85,037		(1,89,317)
E	CASH AND CASH EQUIVALENTS OPENING BALALNCE		12,32,820		14,22,137
F	CASH AND CASH EQUIVALENTS CLOSING BALANCE		16,17,857		12,32,820

MAXIM JOSEPH  
Company Secretary

Vide our Report of Even Date  
For M. GANGADARAN & CO  
Firm Regn.No.0881S  
Chartered Accountants

CA M. GANGADARAN  
Membership No:024949

MANOJ KUMAR TIBREWAL  
Managing Director

Place : Coimbatore  
Date : 28.04.2018

MOHANLAL TIBREWAL  
Executive Director