



GANGOTRI

Textiles Ltd.



22nd

Annual Report 2010-2011



Corporate Information

BOARD OF DIRECTORS

Sri. MANOJ KUMAR TIBREWAL
MANAGING DIRECTOR

Sri. MOHANLAL TIBREWAL
EXECUTIVE DIRECTOR

Sri. ULLAS R SANGHVI
DIRECTOR

Sri. J.B.SIVAKUMAR
NOMINEE DIRECTOR OF IDBI

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

COMPANY SECRETARY

Sri. MAXIM JOSEPH

AUDITORS

M/S THAKKER & SANGHANI
Chartered Accountants
117A, West Bashyagarlu Road
R.S.Puram,
Coimbatore - 641 002

BANKERS

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

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENTS

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

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NOTICE TO SHAREHOLDERS :

NOTICE is hereby given that the Twenty second Annual General Meeting of the Company will be held on **Friday, the 23rd day of September, 2011 at 3.30 PM** at the Conference Hall, Shree Coimbatore Gujarati Samaj, 662, Meetupalayam Road, Post Box No 1164, R.S. Puram, Coimbatore - 641 002 to transact the following business :

A G E N D A

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March'31st 2011, the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors, and Auditor's Report thereon.
2. To appoint a Director in the place of Sri Ullas R Sanghvi, a Director who retires by rotation and being eligible seeks re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

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

RESOLVED that in accordance with the provisions of Section 198, 269, 309 and 311 and other applicable provisions if any of the Companies Act, 1956 as amended from time to time read with Schedule XIII of the Companies Act, 1956 and such other approvals as may be necessary, consent of the Company be and is hereby accorded for the appointment of Sri. Mohanlal Tibrewal , as Executive Director of the Company for a period of five years with effect from 1-4-2011 to 31-3-2016 and the payment of Remuneration to the Executive Director for a period of three years with effect from 1-4-2011 to 31-3-2014 as recommended by the Remuneration Committee as detailed hereunder.

REMUNERATION:

- a) Salary : 5 % on the Net Profit of the company computed under the relevant provisions of the Companies Act, 1956.
- b) Perquisites : The Executive Director shall not be entitled to any perquisites over and above the salary stated above. Provision of Company's car for the use of Company's business and Telephone facility at his residence will not be considered as perquisites. However, personal long distance calls shall be billed by the company to the Executive Director.

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

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

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

RESOLVED that in accordance with the provisions of Section 198, 269, 309 and 311 and other applicable provisions if any of the Companies Act, 1956 as amended from time to time read with Schedule XIII of the Companies Act, 1956 and such other approvals as may be necessary, consent of the Company be and is hereby accorded for the appointment of Sri. Manoj Kumar Tibrewal , as Managing Director of the Company for a period of five years with effect from 1-4-2012 to 31-3-2017 and the payment of Remuneration to the Executive Director for a period of three years with effect from 1-4-2012 to 31-3-2015 as recommended by the Remuneration Committee as detailed hereunder.

REMUNERATION:

a) Salary : 5 % on the Net Profit of the company computed under the relevant provisions of the Companies Act, 1956.

b) Perquisites : The Managing Director shall not be entitled to any perquisites over and above the salary stated above. Provision of Company's car for the use of Company's business and Telephone facility at his residence will not be considered as perquisites. However, personal long distance calls shall be billed by the company to the Managing Director.

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

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

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

Subject No 4 of the Agenda

The appointment of Sri. Mohanlal Tibrewal, as Executive Director was approved by the Shareholders in the Extraordinary General Meeting held on 15.02.2006 and his present term has come to an end on 31-3-2011. Considering his involvement in the day to day affairs of the company, the Board of Directors in their meeting held on 30-5-2011 have decided to re-appoint Sri. Mohanlal Tibrewal, as Executive Director for a further period of five years with effect from 1-4-2011 to 31-3-2016.

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

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

Minimum Remuneration

The resolution also provides for the payment of minimum remuneration to the Executive Director in case of absence or inadequacy of profit in any Financial Year. The Minimum Remuneration has been stipulated as the amount fixed as a ceiling prescribed in terms of Paragraph 1(A) of Section II in Part II of Schedule XIII of the Companies Act, 1956. On the basis of said Schedule, the Executive Director shall be eligible for a minimum remuneration of Rs 1,75,000 /- (Rupees one lakh seventy five thousand only) per month.

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

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

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

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

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

Subject No 5 of the Agenda

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

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

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

Minimum Remuneration

The resolution also provide for the payment of minimum remuneration to the Managing Director in case of absence or inadequacy of profit in any Financial Year. The Minimum Remuneration has been stipulated as the amount fixed as a ceiling prescribed in terms of Paragraph 1(A) of Section II in Part II of Schedule XIII of the Companies Act, 1956. On the basis of said Schedule, the Managing Director shall be eligible for a minimum remuneration of Rs 1,75,000 /- (Rupees one lakh seventy five thousand only) per month.

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

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

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

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

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

NOTE:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member.

2. Proxies must be received at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

3. The Register of Members and Share Transfer Books of the company will remain closed from 16-9-2011 to 23-9-2011 (both the days inclusive)

4. Share Transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Share Transfer Agents of the Company.

5. Members who hold shares in physical form are requested to notify immediately any change in their address to the Registrar and Share Transfer Agents of the Company. Similarly, members holding shares in Demat Form shall intimate the change of address, if any, to the respective Depository Participants. (DP).

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

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

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

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

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

Coimbatore
30 -5 -2011

MANOJ KUMAR TIBREWAL
MANAGING DIRECTOR

DIRECTORS' REPORT TO SHAREHOLDERS

Ladies and Gentlemen,

Your Directors present the 22nd Annual Report of the Company along with the audited statement of accounts for the year ended 31st March 2011.

FINANCIAL RESULTS

(Rs in lakhs)

	31-3-2011	31-3-2010
Sales Turnover	20838.45	14,294.03
Profit / Loss before Interest, Depreciation and Tax	2455.18	992.29
Less : Interest	2411.04	2,760.18
Depreciation	1831.69	1,801.17
Net Profit/loss for the year	(1787.56)	(3,569.06)
Add : Loss brought forward from previous year	(6884.46)	(3,641.47)
Taxes of prior years	0.60	---
Prior Year adjustment – Income	---	---
Investment Fluctuation Reserve reversed	---	0.23
Extraordinary Items	698.75	---
Less : Taxes of prior years	---	(0.33)
Profit / Loss available for Appropriation	(7972.67)	(7,210.63)
Appropriation :		
Provision for Taxation - Wealth Tax	0.75	0.50
Provision for Deferred Tax Liability / Asset	296.72	(326.67)
Deficit carried over to Balance Sheet	(8270.14)	(6,884.46)
	(7972.67)	(7,210.63)

PERFORMANCE

The performance of the company during the year under review has been by far the best in the period for the past 6 years. The working resulted in a cash profit before interest and depreciation of Rs.24,55,17,828/- as against Rs.9,92,28,927/- earned in the immediately preceding year. However against this profit, interest of Rs.24,11,04,253/- (Rs.27,60,18,498/- previous year) and depreciation of Rs.18,31,69,238/- (Rs.18,01,16,930/- previous year) are to be charged. After charging these two items, the working has resulted in a net loss of Rs.17,87,55,671/- as against a loss of Rs.35,69,06,501/- incurred in the immediately preceding year.

After adjustments for extra-ordinary items and taxes of prior years, etc., the company has a net loss of Rs.82,70,14,270/- as loss to be carried forward to the next year as against a loss of Rs.68,84,46,217/- brought in from the previous year. The performance during the year under review, the conditions in the industry as a whole, various favorable and unfavorable factors are being discussed in detail in the management discussion and analysis.

DIVIDEND

In view of the carry forward loss being more than 50% of the net worth of the company, dividend is not being declared for the year under review.

PROJECT

The project as it was envisaged has been more or less completed except the setting up of a new ring spinning unit at Udumalpet. In view of the financial constraints, there has been a change in the project and to the extent to which advances are available with the machinery suppliers; the project is being re-designed so that there is no additional outflow on the score of project implementation.

PROSPECTS

Your Directors, as the year 31.03.2011 came to a close, were of the view that, at that rate, the company will be able to overcome its problems in a matter of 2 to 3 years. However, during the current year, even as the current year went under way, the prices of cotton went higher with the result that cotton of a particular quality which was available in the month of January-March at a price of around Rs.30, 000 per candy started climbing and it reached a peak of Rs.64, 000 per candy. All large mills anticipating that the prices will go up further kept on buying and covering their cotton requirements for long duration. This further fueled the cotton prices and the price became totally unviable. The working of the company during the first quarter of the current year is bound to result in a huge loss because of the cumulative effect of high price of cotton, steep drop in the prices of yarn, paucity of lab our, erratic power situation, etc.

FINANCE

As the members were informed in the previous year's report, the company had arrived at a debt restructuring. With the fortune of the industry going against the company, there was no option for the company than to approach the bankers for revised restructuring so that the burden of the company in terms of cash outflow will be reduced to manageable limits. In spite of that, the company is finding it extremely difficult to meet its commitments.

The Directors have come to the conclusion that long term solution for the company's problems lies only in reducing the debt burden thereby reducing the interest burden as well. This could be achieved either by increasing equity or by disposal of assets. The equity of the company is already too huge for the activities of the company and therefore no further increase is either justified or warranted. The only option would be to dispose off assets and reduce the Debt burden. With this end in view, your Directors are adopting a two pronged approach. On the one side, discussions are on with the bankers for a possible one time settlement of debts due and on the other side, the efforts are in full swing to dispose off some of the units as a going concern so that the resources for meeting the one time settlement obligations will be found. Efforts towards this end are in progress and it is only hoped that some positive results will be achieved sooner than later.

DEPOSITS

There are no deposits outstanding as on 31st March 2011 remaining unclaimed or unpaid. The company has complied with all the requirements of Sec.58A of the Companies Act and the rules there under in so far as the deposits which were in existence during the earlier period is concerned.

LISTINGS

The company's shares are listed both in National Stock Exchange and the Mumbai Stock Exchange. The company has paid listing fee to both the exchanges. The company has already applied for de-listing of its equity shares to Kolkatta Stock Exchange and the Coimbatore Stock Exchange. Though all the formalities have been completed and reminders have been sent, reply from these 2 stock exchanges are awaited. However no listing fee has been paid to these 2 stock exchanges.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of the requirement of Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm:

- i. that in the preparation of Annual Accounts, the applicable Accounting Standards have been followed;
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the accounting year (namely March 31, 2011) and of the profit of the Company for that year;
- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors have prepared the Annual Accounts on a going concern basis.

DIRECTORS

Mr.Ullas R Sanghvi, Director is retiring by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

AUDITORS

M/s.Thakker & Sanghani, Chartered Accountants, retire at the ensuing Annual General Meeting and they have given necessary certificate in terms of Section 224 (1) (b) of the Companies Act, 1956. They are entitled to be reappointed.

GENERAL

There are no employees falling under Section 217 (2A) of the Companies Act, 1956. The information pursuant to the Company (disclosure to particulars in the report of Board of Directors) Rules 1988 to the extent applicable is attached.

ACKNOWLEDGEMENT

Your Directors wish to thank and record their appreciation to all the Bankers of the Company for their valuable financial support extended to the Company as also for the valuable advice and guidance given by them for putting the Corporate Debt Restructuring Scheme in place. But for their co-operation, this would not have been possible. Your Directors also wish to thank the suppliers and all others who have extended their valuable support during times of turbulence. Last but not the least, your Directors express their heartfelt thanks for the employees at all levels who have stood by the Company in these testing times.

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

MANOJ KUMAR TIBREWAL
Managing Director

MOHANLAL TIBREWAL
Executive Director

Coimbatore
30-5-2011

Annexure to the Directors' Report
Information pursuant to the Companies (Disclosure of particulars in the Report of Board of Directors)
Rules, 1988

FORM A

(See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	CURRENT YEAR 2010-2011	PREVIOUS YEAR 2009-2010
A Power and Fuel Consumption		
1 Electricity		
a) Purchased Unit (KWH)	38769832	32494980
Total Amount (in Lakhs)	1912.00	1444.97
Rate/Unit (Rs.)	4.93	4.45
b) Own Generation		
Through Diesel Generator- Cotton Yarn		
Unit(KWH)	3349807	1385809
Units/Ltr of Diesel of Oil	3.69	3.57
Cost/Unit	11.11	9.77
c) Own Generation		
Through Diesel Generator- Fabrics		
Unit(KWH)	2242616	2192209
Units/Ltr of Diesel of Oil	3.76	3.77
Cost/Unit	9.40	8.85
d) Own Generation		
Through Diesel Generator- Garments		
Units	28854	24712
Units/Ltr of Diesel	2.97	2.84
Cost/Unit	14.97	12.25
E) Own Generation thro Windmill		
Units	20145382	21733589
Cost/Unit	4.22	3.36
2 Fuel Consumption		
a) Furnance Oil (Garments)		
Quantity (Kilo Litre)	99	80
Total Cost in Lakhs	31.43	20.11
Average Rate	31.80	25.14
B Consumption per unit of production standrads (if any)		
Products- Cotton Yarn (Kgs)	11227583	8994051
Consumption (units)	2.51	2.33
Products- Garments (Kgs)	242942	206741
Consumption (units)	1.20	0.96
Products- Fabrics (Mtrs)	8071443	8816100
Consumption (units)	1.98	1.69

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF ABSORPTION

Research and Development (R&D)

I. No research and development is pursued in-house. However, Research and Development is carried out by Southern India Textile Research Association (SITRA), of which company is a member. Suitable measures suggested by SITRA are adopted.

II. Benefits derived as a result of the above are,

- (a) Improvement in production efficiency and product quality
- (b) Higher market shares for Company's Product

III. Existing arrangements being comfortable for the company same may be continued for future operations as well.

IV. There is no expenditure on R&D

Technology absorption, adoption and innovation

- (a) There is no technology development at spinning sector. Spinning technology developed by textile machinery sector alone adopted at the spinning sector.
- (b) Spinning technology developed by textile machinery sector and absorbed and adopted by the Company has the positive effect on product improvement, cost reduction, product development, and import substitution.
- (c) Indigenous technology alone used.

Foreign Exchange Earnings and outgo (Rs. In lakh)

Foreign Exchange Earnings and Outgo	Current year 2010-2011	Previous year 2009-2010
1. Foreign exchange earned through Direct Export	109.00	117.43
2. Expenditure in Foreign Currency		
a. On Business Travel	---	---
b. On Capital Goods	---	25.62
c. On Stores and Spares	93.78	166.27
d. On Raw Materials	---	---

For and on behalf of the Board of
GANGOTRI TEXTILES LIMITED

MANOJ KUMAR TIBREWAL
Managing Director

Coimbatore
30.05.2011

MOHANLAL TIBREWAL
Executive Director

MANAGEMENT DISCUSSION AND ANALYSIS

The Company is engaged in Textiles starting from recycling of waste, spinning of yarn, both in Open End Spinning and Ring Spinning, Weaving & Processing and Garmenting. The Company's Garments are being marketed under the brand name "tibre" " Fugo" and " E Gen".

In so far as the structure of the Industry is concerned, there are all type of participants- small scale, medium scale and large scale units. Apart from that, there is also the unorganized sector which consists of units of various sizes, right from the small scale spinners to composite mills.

During the year under review, the company has registered substantial increase in sales in all the three products viz Yarn, Garments and Fabrics. The company has effected sales turnover of Rs 100.02 crores as against 63.68 crores last year in respect of yarn and Rs 14.70 crores as against Rs 11.06 crores last year in respect of Ready made Garments and Rs 84.47 crores as against Rs 64.51 crores last year in respect of Fabric . In spite of an unfavourable condition prevailing in the Textile Industry, the company was able to perform well during the year under review by efficient administration. In the Weaving & Processing Unit at Perundurai, the Company has undertaken the job work of Dyeing in addition to the regular production of Fabrics and collected charges for the dyeing to the extent of Rs 7.96 crores during the year under review as against Rs 2.25. crores previous year.

OPPORTUNITIES AND THREATS

The opportunities for the cotton and the textile industry particularly spinning continues to be weak. On the raw material front, higher MSP of cotton shot up the cotton prices with no corresponding increase in yarn prices. Availability of labour has become a real problem and in spite of various facilities provided, due to want of skilled work force, the production level are not at optimum level. Another factor that affects the opportunity is the power factor. Textile Industry is a power intensive industry today, particularly spinning. Power situation in our Country, particularly in Tamil Nadu is erratic with frequent unscheduled tripping. This not only affects the production but also the quality of the product. Secondly, this has resulted in production of more seconds than of first quality products.

The money market which was very liquid and easy in the past is witnessing continuous increase in the interest rates and the company being a heavy borrower, the interest charges have become one of the major elements. What was once considered to be a distance threat, has become a reality so soon.

However, the Fabric of the Weaving & Processing Plant at Perundurai is getting acceptance from the market and the company is getting huge orders from the reputed customers. In the Garment division, the company has produced innovative product under "tibre" brand to enlarge range. All efforts are being made to tap retailers also who have locations at vantage points to see that we achieve better sales turnover of the Garments made by the company.

FINANCIAL PERFORMANCE AND ANALYSIS

Rs in lakhs

Particulars	2010 -11	2009 -10	Change Increase (+) Decrease(-)	%
Turnover	20,838	14, 294	6,544	46
Other Income	397	195	202	104
Gross Revenue	21,235	14,489	6,746	47
PBIDT	2,455	992	1,463	147
Interest	2,411	2,760	349	13
PBDT	44	(1,768)	1,812	102
Depreciation	1,832	1,801	31	2
Net Profit	(1,788)	(3,569)	1,781	49
Provision for Taxation	0.75	0.50	0.25	50
Deferred Tax	297	(327)	624	190

SEGMENTWISE OR PRODUCTWISE PERFORMANCE

As has been stated already, the company continues to manufacture yarn, cloth and Garments. The situation prevailing in all these products have been fully explained and the company continues to work at levels which are below the break even point. It is not predictable as to when the Industry will return to the robust condition. We can only hope that the efforts which have been taken and with possibility of global economic crisis getting solved , the position of the industry will also improve.

YARN

In so far as the Open End Spinning Industry is concerned, it has been already stated that the recession in the Textile Industry continued . The raw material viz Cotton Waste has proved to be very costly and it is not available in the right quantity at the right time. As a result, there has been a scarcity and we could make use of our production facilities only partially.

The policies announced by the Government with regard to Cotton and Cotton Yarn Export has also affected the Textile Industry very badly. The closure of the Dyeing Units in the Tiruppur and several other processing clusters have added the woes of the Spinning Sector. The availability of skilled labour as well as the cost of the labour were also not favourable to the spinning industry. The other major factor that has affected the Textile Industry is the unscheduled power tripping. With all these adverse factors, your company was able to achieve better performance over the previous years.

FABRIC

With the installation of the state –of-art of machines, your company is producing very high quality Fabric for which there is a good demand in the market. During the year under revenue, the company has effected sales to the extent of Rs 84.47 crores compared to the previous year's sales of Rs 64.50 crores registering an increase of 31 %. The Fabric unit at Perundurai was also engaged in executing job orders for fabric dyeing.

GARMENTS

In spite of stiff competition prevailing in the Garment sector and in spite of the fact that even branded readymade Garments are being sold in the street corners, your company has effected sales of 259566 pieces of readymade Garments for Rs 14.70 crores as against last year sales of 190138 pieces for Rs 11.06 crores. However, with the introduction of Excise Duty @ 10 % from 1-3-2011 , the Garment Industry appears to be again in a challenging situation and the impact will be known in the coming season only.

WIND ENERGY

All the five Wind Energy Generators are producing electricity but lesser estimated and the entire production of energy is being consumed by the company for its own requirements.

OUTLOOK

With the recession likely to continue and in the backdrop of Global Economic and financial condition, the outlook for the Industry in general is not that much promising atleast in short term. Unless all the favorable factors like availability of raw material at an affordable cost, availability of skilled labour at a reasonable cost, financial assistance at a lower rate of interest and above all, the improved power position come into existence, the question of survival of the industry will be a question mark..

FINANCE

As has been stated, the overall liabilities ought to be brought down. Efforts are on for disposal of Weaving & Processing Unit situated at Perundurai and Ring Spinning Unit at Pushpatur and the vacant lands situated at Sullakkal Village, Pollach Taluk, Munduvelampatty Village, Dharapuram Taluk, and Kalappaty Village , Coimbatore District. In this connection, necessary Notice under the provisions of Companies Act, has already been sent to the Shareholders for their consent. Discussions are on with strategic investors who can bring in money and reduce the debt burden.

RISK AND CONCERNS

The risk the Industry is facing are

- 1) Non-availability of quality raw material at an affordable prices .

- 2) Non-availability of skilled and adequate Labour.
- 3) Erratic power situation which affects both the quantity and quality of the production.
- 4) Ever ballooning Interest Cost.
- 5) Fierce competition both from domestic manufacturers as well as the International Brands which are now freely available in India.

Not only your company but also the whole industry is facing these problems with the added problem in case of our company with regard to finance due to loan burden.

While in so far as setting right the financial situation, it can be achieved only by disposing the units as stated above./ infusion of funds by strategic investors.

In so far as the other risks and threats are concerned, the industry as a whole does not have any clue whatsoever,.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY.

In order to ensure proper implementation of the Corporate Debt Restructuring Scheme, the Lenders have appointed concurrent Auditors who are at present available always and no transaction goes through without their prior approval. That apart, the Company has an adequate internal control procedure commensurate with the size and the nature of the business.

The Company has appointed an Internal Auditor also , in addition to the concurrent Auditors appointed by the Lenders and he audits 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.

HUMAN RESOURCES

The industry as a whole as well as the Company is not able to get adequate hands. We are trying to get personnel from outside, give them training and retain them. Various incentives comparable to units in the region being offered to retain capable hands. Efforts are being taken to make a culture of competency, self-motivation and total involvement as corner stone of all work force related activities.

INDUSTRIAL RELATIONS

Industrial relations continue to be harmonious in all the Units.

CAUTIONARY STATEMENTS

Statements describing Company's projections, estimates, expectations etc may be forward looking statements in the context of applicable Securities, Laws and Regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic market and changes in the Government Regulations, Tax Laws and other Statutes and other incidental factors.

CORPORATE GOVERNANCE REPORT

Companies policies on the Corporate Governance under the due compliance report on specific areas, where applicable for the year 2010-2011 are given hereunder, classified under broad heads.

1. Company's Philosophy on Corporate Governance:

Achievement of long term corporate goals and enhancement of shareholder value are the objective. Gangotri believes that one essential factor for achieving the said objective is good Corporate Governance. The Gangotri's management and the employees have the common objective of manufacturing and marketing the Company's products which will create value, which can be sustained over a long term for all viz shareholders, employees, customers, lenders and the Government. 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, on the date of this report is comprised of five members, out of which three are non-executive Directors who account for two-thirds of the Board's strength as against minimum requirement of one half in terms of the Listing Agreement.

The composition of Board of Directors is as under.

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.Ullas R Sanghvi	Independent Non-Executive	NIL	NIL	NIL
Sri. J.B.Sivakumar	Independent Non-Executive	NIL	NIL	NIL
SRI. R.P.Joshua	Independent Non-Executive	1	NIL	NIL

b) Details of Sitting Fees and remuneration etc paid to Directors and Non Executive Directors

Name of the Director	Remuneration paid During the year 2010-11 (Rs)	Sitting Fees for Attending meetings of the Board and / or Committee thereof (Rs)
Sri. Manoj Kumar Tibrewal	21,00,000	Nil
Sri. Mohanlal Tibrewal	21,00,000	Nil
Sri. Ullas R.Sanghvi	Nil	50,000
Sri. J.B.Sivakumar	Nil	45,000*
Sri. R.P.Joshua	Nil	50,000

* Paid to IDBI.

c) Number of Board Meetings and the date on which held :

i. Meetings of the Board of Directors were held during the year ended 31-3-2011 on the following dates.

- 1) 19th May, 2010 2) 30th July, 2010 3) 12th November, 2010
4) 11th February, 2011

ii. Attendance recorded of each of the Directors at the Board Meeting during the year ended 31st March, 2011 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. Ullas R Sanghvi	4	Yes
Sri. J.B.Sivakumar	4	No
Sri. R.P.Joshua	4	No

3.Audit Committee

COMPOSITION

The Audit Committee of the Board comprises of the following Members.

1. Sri. Ullas R Sanghvi -- Chairman (Independent)
2. Sri. J.B.Sivakumar -- Member (Independent)
3. Sri. R.P.Joshua -- Member (Independent)

i) The Audit Committee meetings were held on the following dates:

- 1) 19th May, 2010 2) 30th July, 2010 3) 12th November, 2010
4) 11th February, 2011

ii) Attendance of each member at the Audit Committee Meeting held during the year.

Name of the Member	No of Meetings Attended
Sri.Ullas R Sanghvi	4
Sri.J.B.Sivakumar	4
Sri. R.P. Joshua	4

Objective:

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors and the Company's risk management policies.

The role and terms of the Audit Committee covers the various matters specified in Clause 49 of the Listing Agreement as also what is contained in section 292 A of the Companies Act, 1956,

4. Remuneration Committee:**Composition:**

The Remuneration Committee of the Company comprises the following Members.

1. Sri. Ullas R Sanghvi -- Chairman (Independent)
2. Sri. J.B.Sivakumar -- Member (Independent)
3. Sri. R.P.Joshua -- Member (Independent)

Terms of Reference:

The Remuneration Committee has been constituted to recommend / review remuneration of the Managing Director and Whole – Time Director based on their performance and defined assessment criteria.

Meetings:

The Remuneration Committee meeting was held on 19.05.2010 and approved the remuneration payable to Sri.Manoj Kumar Tibrewal , Managing Director for the period from 01.04.2010 to 31.03.2012.

5. Investors Grievance Committee:**Composition:**

a) The Investors' Grievance Committee of the Company consists of the following Members.

1. Sri. Manoj Kumar Tibrewal -- Chairman
2. Sri. Mohanlal Tibrewal -- Member
3. Sri. Ullas R Sanghvi -- Member

The Investors' Grievance Committee meeting was held on 11-2-2011 and reviewed the complaints received from the Investors.

During the financial year ended 31st March, 2011, the company did not receive any complaint from the Investor's and as on 31st March, 2011 no complaints / queries were there pending reply. The share transfer applications are normally completed within a period of 15 days.

b) Details of Director seeking appointment / re-appointment at the ensuing Annual General Meeting fixed on 23-9-2011 are given hereunder.

Out of five Directors, namely Sri. Manoj Kumar Tibrewal, Managing Director, Sri. Mohanlal Tibrewal, Executive Director, Sri. J .B. Sivakumar , Nominnee Director of IDBI and Sri. R.P Joshua, Nominee Director of Lending Banks

are not liable to retire by rotation. The Director Sri. Ullas R.Sanghvi due to retire by rotation at the ensuing 22nd Annual General Meeting.

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

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/ EGM NO	DAY	DATE	TIME	VENUE
19	Thursday	18-9-2008	3.30 P.M	Banquet Hall – Legend The Residency Avinashi Road Coimbatore - 641 018
20	Friday	25-9-2009	3.30 P.M	T.V.Brother's Hall Sree.Coimbatore Gujarat Samaj 622, Mettupalaym Road, PB NO 1164 R.S.Puram, Coimbatore -641 002
21	Wednesday	8-9-2010	3.30 P.M	Conference Hall Sree.Coimbatore Gujarat Samaj 622, Mettupalaym Road, PB NO 1164 R.S.Puram, Coimbatore -641 002
E.G.M	Wednesday	3-11-2010	3.30 P.M	A.R.Patel Hall Sree.Coimbatore Gujarat Samaj 622, Mettupalaym Road, PB NO 1164 R.S.Puram, Coimbatore -641 002

- b) In the 21ST Annual General Meeting held on 8-9-2010, three Special Resolutions were proposed to be passed as detailed below.

Resolution No	Relating to
4	Remuneration to the Managing Director for the period from 1-4-2010 to 31-3-2012.
5	Revision of Salary to Mr. Mayank Tibrewal s/o Sri. Manoj Kumar Tibrewal, Managing Director
6	Sale of whole or substantially whole of the Units of the Company

Postal Ballot.

Pursuant to Section 192A of the Companies Act, 1956 read with the Companies (passing of the resolution by the Postal Ballot) Rules, 2001 approval of the Members of the Company was sought by means of Postal Ballot vide Notice dated 11-2-2011 for the following matter.

Ordinary Resolution for consent for the Board of Directors under Section 293 (1) (a) of the Companies Act, 1956, to take decision to sell, transfer, lease or dispose off the following units and vacant lands belonging to the company .

- 1) Weaving and Processing Unit together with all other facilities located at SIPCOT Industrial Growth Centre, Perundurai, Erode District referred to as Unit - 8 as a going concern.
- 2) Ring Spinning Unit together with all other facilities including the Furnace Oil Power Generation Plant situated at Pushpathur, Udumalpet Taluk referred to as Units- 4 and Unit – 9 as a going concern.
- 3) Vacant Land admeasuring 25.03acres situated at Sullakkal Village, Pollachi Taluk
- 4) Vacant Land admeasuring 26.49 ½ acres situated at Munduvelampatty Village,Dharapuram Taluk
- 5) Vacant Land admeasuring 1.62 acres situated at Kalappatty Village, Coimbatore

Based on the Scrutnizer's Report dated 24-3-2011, the Managing Director has declared the Results of the Postal Ballot as under.

PARTICULARS	Option
Number of valid Postal Ballot forms received	447
Votes in favour of the Resolution	409 shareholders representing 79,23,581 shares
Percentage of votes in favour of the Resolution	99.75 %
Votes against the Resolution	27 shareholders representing 20,114 shares
Percentage of votes against the Resolution	0.25 %
In- valid votes	11 shareholders representing 5,435 shares

Accordingly, the Managing Director has declared the Ordinary Resolution as set out in the Notice dated 11-2-2011 to be passed by Shareholders with requisite majority.

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) No penalty or levy was imposed by the Stock Exchanges or SEBI or any other statutory authority on any matter related to Capital Markets during the last three years.

10. Means of Communications

- i) Quarterly Results are published in following News papers – One in English and One in Tamil
 - 1) Business Line 2) Business Standard 3) Financial Express 4) Trinity Mirror **(English)**
 - 1) Dinamalar 2) Malai Malar 3) Makkal Kural **(Tamil)**

- ii) The Company's website is [www.gangotritextiles .com](http://www.gangotritextiles.com)

The Annual Report of the Company is also available on this website.

- iii) The Management's Discussion and Analysis is part of Annual Report

11. General Shareholder Information:

a) Annual General Meeting to be held on (22nd AGM)

Day : Friday
Date : **23 -9-2011**
Time : 3.30 P.M
Venue : **Shree Coimbatore Gujarati Samaj**
500, Mettupalyam Road,
Post Box No 1164, R.S.Puram, Coimbatore - 641 002

b) Financial Calendar Year 2011-2012 :

First quarterly Financial Results : On or before 14-8-2011
Second quarterly Financial Results : On or before 15-11-2011
Third quarterly Financial Results : On or before 15.02-2012
Audited Financial Results for the year : On or before 30-5-2012
ended 31-3-2012

c) Dates of Book Closure : From: 16-09-2011 To :23 -09-2011

(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, 2011, the Board of Directors have not recommended any dividend for the financial year 31-3-2011.

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. Coimbatore Stock Exchange Ltd
4. The Calcutta Stock Exchange Association Ltd

f) Delisting:

The company had already applied for de-listing of its Equity Shares from 1) Coimbatore Stock Exchange Ltd and 2) The Calcutta Stock Exchange and the order for delisting 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 2010-11 are as under.

MONTH		HIGHEST RATE (Rs)	LOWEST RATE (Rs)
APRIL	2010	12.14	7.75
MAY	2010	9.85	7.35
JUNE	2010	10.30	7.31
JULY	2010	9.95	8.00
AUGUST	2010	10.45	8.06
SEPTEMBER	2010	9.50	8.00
OCTOBER	2010	10.00	7.51
NOVEMBER	2010	10.96	7.50
DECEMBER	2010	8.88	7.12
JANUARY	2011	9.14	6.63
FEBRUARY	2011	7.89	5.51
MARCH	2011	7.87	6.00

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, Ganapathy,
Coimbatore – 641 006

Phone : 0422- 4039900 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 30days 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. Shareholding Pattern by size as on March 31, 2011.

No of Shares Category	No of Shareholders	No of Shares	%
Up to 5,000	8762	29,92,894	9.18
5001 - 10000	752	11,65,080	3.57
10001 - 20000	403	11,80,039	3.62
20001 - 30000	132	6,62,952	2.03
30001 - 40000	56	3,93,917	1.21
40001 - 50000	48	4,48,729	1.38
50001 - 100000	62	9,01,556	2.76
100001 and above	74	2,48,69,467	76.25
Total	10,289	3,26,14,634	100.00

Distribution of Shareholding as on March 31, 2011.

Category	No of Shares held	%
Promoters	79,83,457	24.480
Mutual Funds and UTI	1,600	0.005
Financial Institutions / Banks	16,37,750	4.922
Bodies Corporate	34,69,668	10.390
NRI / OCB	1,78,793	0.001
Insurance Companies	12,02,000	3.685
General Public	1,81,41,366	56.517
TOTAL	3,26,14,634	100.00

16. Dematerialisation of Equity Shares:

As on 31-3-2011 shares representing 98.453 % of the total paid up capital of the Company is held in dematerialized form with NSDL and CDSL.

17. Plant Location

Unit I:

S.F.No 496/A, 497
Kaduvettipalayam Post
Karumathampatty
Palladam Taluk
Coimbatore District

Unit II

Sri. Dwarka Textiles
3/161, Ponnandampalayam
Kaniyur Post
Avinashi Taluk
Coimbatore District

Unit III

Kumbhojgiri Road
Village Alate
Tal. Hatkanangale
District Kolhapur

Unit IV

Pushpattur Village
Palani Taluk
Dindigul District

UNIT – V (Stitching Unit)

3/161,Ponnandampalyam
Kaniyur Post
Avinashi Taluk
Coimbatore District

UNIT - VI

Plot No L4,L5 & L6
5th Cross Road
SIPCOT Industrial Growth Centre
Perundurai

UNIT – VII

S.F No 262 / 2B, 262 /3, 262/4
Mopperipalayam Village
Palladam Taluk
Coimbatore District

UNIT – VIII

Plot No PP2,PP3,PP4
SIPCOT Industrial Growth Centre
Perundurai
Erode District

UNIT IX

S.F No 138,142,143,78
Pushpattur Village
Palani Taluk
Dindigul District

18. Address for correspondence :

Registered Office

Old No 42, New No 35, Robertson Road
R.S.Puram
Coimbatore - 641 002

19. Whistle Blower Policy

The Company promotes ethical behavior in all its Business activities and has put in a mechanism of reporting illegal and ethical behavior. The Company has a whistle blower policy wherein the employees are free to report violations of Laws, Rules, Regulation or unethical contact to their immediate supervisor or such other person as may be notified by the management to the workgroups. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

20. 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 2010-11

Coimbatore
30-5 – 2011

Manoj Kumar Tibrewal
Managing Director

21. CEO / CFO CERTIFICATE

We certify that

a) We have reviewed financial statements and cash flow statements for the year ended 31.03.2011 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 and that the same have been disclosed in the Notes to the financial statements.
- 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.

COIMBATORE
30-5-2011

MANOJ KUMAR TIBREWAL
MANAGING DIRECTOR

The above Corporate Governance Report has been placed before the Board of Directors at their meeting held on 30-5-2011 and the same was approved thereat.

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CALUSE 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'2011, 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 grievances received during the year ended 31st March, 2011, no investor grievances are unattended/ 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.

**For THAKKER & SANGHANI
Firm Registration No: 004351S
Chartered Accountants**

**Aswin C
Partner
Membership No: 22204**

**Coimbatore
30.05.2011**

AUDITORS' REPORT

To the Members of M/s. GANGOTRI TEXTILES LIMITED

1. We have audited the attached Balance Sheet of M/s.GANGOTRI TEXTILES LIMITED, Coimbatore as at 31st March 2011 and also the Profit and Loss Account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion of these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion. We report that -
3. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above.
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. On our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of Accounts.
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - e. On the basis of the written representations received from all the directors as on March31, 2011 and taken on record by the Board of Directors, we report that none of the Directors of the Company are disqualified as on March,31 2011 from being appointed as a director under clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account together with the notes thereon, and attached thereto given in the prescribed manner the information required by the Companies Act, 1956 and together with the Cash Flow Statement also give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of Balance sheet, of the state of Company's affairs as on 31st March'2011.
 - (ii) In the case of Profit and Loss Account, of the Loss for the Year ended on that date and
 - (iii) In case of the Cash Flow statement, of the cash flow for the year ended on that date.

For THAKKER & SANGHANI
Firm Registration No:004351S
Chartered Accountants

Coimbatore
30.05.2011

Aswin C
Partner
Membership No:22204

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

On the basis of such checks as we considered appropriate in terms of information and explanations given to us, we state that:-

- i).**
 - a)** The Company has maintained proper records showing full particulars, including Quantitative details and situation of fixed assets
 - b)** The Fixed assets of the Company have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification
 - c)** No substantial part of fixed assets of the company has been disposed off during the year affecting the status of the company as a going concern.
- ii).**
 - a)** As explained to us, inventories of the company at all its locations have been Physically verified at reasonable intervals by the management during the year.
 - b)** In our opinion, the Procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business
 - c)** The Company is maintaining proper records of inventory and material discrepancies, if any noticed on physical verification have been properly dealt with in the books of account
- iii)**
 - a)** According to the information and explanations given to us, The Company has not granted any loans, secured or unsecured, to the companies firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions stated in para 4(iii) (b) (c) and (d) of the order are not applicable.
 - b)** The Company has taken unsecured interest free loan from two parties involving an amount of Rs. 8.70 crores, and year end balances remain the same.
 - c)** The terms and conditions in respect of the above loan taken by the company are, prima facie, not prejudicial to the interests of the Company.
- iv).** In our opinion and accordingly to the information and explanation given to us, the Internal control system needs to be strengthened to make it commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods. During the course of our audit, we have not observed any major weakness in such internal control systems.
- v).**
 - a)** To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the contracts and agreements that need to be entered in the register maintained u/s 301 of the Companies Act, 1956 have been so entered;
 - b)** In our opinion and according to the explanations given to us, the transactions made in pursuance of contract or arrangements to be entered in the Register maintained under Section 301 of the Companies Act 1956, and exceeding the value of Rs. 5 lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the market prices prevailing at that time.
- vi).** In our opinion and according to the explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India, and also provisions of the Section 58A and Section 58AA of the Companies Act, 1956 and the rules framed there

under, in respect of deposits accepted by it. No order has been passed by the Company Law Board and the Company has not accepted any deposit under 58A and 58AA of the Companies Act, 1956.

vii). In our opinion the company has an internal audit system commensurate with its size and nature of its business;

viii). We have broadly reviewed the records maintained by the company pursuant to the rules made by the Central Government for the maintenance of the cot records u/s 209(1) (d), of the Act. We are of the opinion that, prima facie, the prescribed accounts and records haven 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.

ix). a) According to the records of the Company, it has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities during the year.

b)At the end of the Financial year there were no dues of Sales Tax, Customs Duty, Wealth Tax, Excise Duty, Cess which have not been paid for a period of more than 6 months from the date they become payable except as detailed below:

Name of the Statute	Year	Nature of Dues	Amount in Lacs Rs	Forum where dispute is pending	Provided in the books of accounts
Tamilnadu Additional Sales Tax Act ,1970	1996-97	Additional Sales Tax	20.07	Supreme Court of India	Yes
CST Acts	2002-03	TNGST, Surcharge AST, penalty	1.82	STAT Coimbatore	No
TNGST, CST Acts	2003-04	TNGST, Surcharge AST, penalty	13.54	STAT Coimbatore	No
Income Tax Act 1961	2004-05	Interest u/s 234B / 234C	5.85	ITAT Chennai	No

x). There are accumulated losses at the end of the financial year ended 31.03.2011. In our opinion, the accumulated losses of the company as on 31.03.2011 are more than 50% of its net worth. As on 31.03.2011 the company has not incurred cash loss during the financial year covered by our Audit and had incurred cash loss in the immediately preceding financial year.

xi). The Company has not defaulted in repayment of dues to financial institution or Bank considering the relief in the CDR package sanctioned.

xii). During the year the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, according to the information and explanation given to us.

xiii). In our opinion, the provisions of special statute applicable to Chit Fund, Nidhi/ Mutual Benefit Fund/ Societies are not applicable to the company;

xiv). The Company is not dealing or trading in shares, securities, debentures and other investments.

xv). In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.

xvi). According to the information and explanation given to us, the company has utilized term loans for the purpose for which the loans were obtained.

xvii). On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis, which have been used for any long-term investments by the Company.

xviii). According to the information and explanation given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.

xix). During the year the Company has not issued any debentures.

xx). According to the information and explanation given to us, during the year the Company has not raised money by public issue.

xxi). To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

**For THAKKER & SANGHANI
Firm Registration No: 004351S
Chartered Accountants**

**Aswin C
Partner
Membership No: 22204**

**Coimbatore
30.05.2011**

GANGOTRI TEXTILES LIMITED

BALANCE SHEET AS AT 31st MARCH, 2011

	SCHEDULE	AS AT 31.03.2011 Amount in Rs.	AS AT 31.03.2010 Amount in Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	1067273170	1067273170
Reserves and Surplus	2	528984613	548605356
LOAN FUNDS			
Secured Loans	3	3288883068	3278573715
Unsecured Loans	4	162514794	179066917
	TOTAL	5047655645	5073519158
APPLICATION OF FUNDS			
Net Fixed Assets	5	2998896321	3083182155
Capital Work-in-Progress	5	350951370	427825448
		3349847691	3511007603
Investments	6	150065500	150065500
Deferred Tax Assets		140473811	170145940
Current Assets, Loans and Advance			
CURRENT ASSETS			
Inventories	7	399524575	305036942
Trade Debtors	8	223138698	166553170
Cash and Bank Balances	9	12255335	46935604
Loans and Advances	10	204014548	165126755
	(A)	838933156	683652471
Current Liabilities	11	284517793	176570790
Provisions	12	75000	50000
	(B)	284592793	176620790
Net Current Assets	(A-B)	554340364	507031681
Miscellaneous Expenditure		25914009	46822217
Profit and Loss account		827014270	688446217
	TOTAL	5047655645	5073519158

Notes on Accounts 23

Schedules 1 to 12 and 23 form part of this Balance Sheet

Maxim Joseph
Company Secretary

Coimbatore
30.05.2011

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

Aswin C
Membership No: 22204

MANOJ KUMAR TIBREWAL
Managing Director
MOHANLAL TIBREWAL
Executive Director

GANGOTRI TEXTILES LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	SCHEDULE	31.03.2011 Amount in Rs.	31.03.2010 Amount in Rs.
INCOME			
Sales	13	2083844560	1429402925
Other Income	14	39744005	19531087
Stock Adjustment	15	36047906	6909110
	TOTAL	2159636471	1455843122
EXPENDITURE			
Raw Materials consumed	16	1241154592	797175630
Stores consumed	17	37711559	37318618
Power and fuel		225089563	148200188
Personnel cost	18	98967638	80199856
Processing charges		110285138	140277029
Repairs and Maintenance	19	55125158	33547519
Other expenses	20	84570630	78844105
Selling expenses	21	61214373	41051250
	TOTAL	1914118651	1356614195
GROSS PROFIT		245517820	99228927
Less: Financial Charges	22	241104253	276018498
Depreciation		183169238	180116930
NET PROFIT		-178755671	-356906501
Add: Surplus/Deficit b/f from previous year		-688446217	-364146815
Taxes of prior years		59738	-
Extra Ordinary Items		69875009	-
Investment Fluctuation Reserve		-	22944
		-797267141	-721030372
Less: Taxes of Prior Years		-	33293
PROFIT AVAILABLE FOR APPROPRIATION		-797267141	-721063665
APPROPRIATIONS :			
Provision for Taxation-Wealth Tax		75000	50000
Provision for (Deferred Tax Liability)/Asset		29672129	-32667448
Deficit carried over to Balance sheet (Debit balance of P&L account)		-827014270	-688446217
		-797267141	-721063665
Earnings per Share (Face Value Rs.5/-) (refer Notes no.10)		-6.35	-11.61
Notes on Accounts 23			
Schedules 13 to 22 form part of this Profit & Loss Account			
MAXIM JOSEPH Company Secretary Coimbatore 30.05.2011	For THAKKER & SANGHANI Chartered Accountants ASWIN C Membership No:22204	MANOJ KUMAR TIBREWAL Managing Director MOHANLAL TIBREWAL Executive Director	

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH ,2011

		31.03.2011	31.03.2010
		Amount in Rs	Amount in Rs
1. SHARE CAPITAL			
Authorised Capital			
6,00,00,000 Equity Shares of Rs. 5/- each	300000000		
92,00,000 Preference Shares of Rs.100/- each	920000000	1220000000	1220000000
Issued, Subscribed, and Paid-up Capital			
32614634 Equity Shares of Rs. 5/- each (Of the above 96,00,000 shares of Rs.5/- each fully paid up was allotted as bonus shares by capitalisation of reserves)		163073170	163073170
PREFERENCE SHARE CAPITAL			
90,42,000 Cumulative Redeemable Preference Shares of Rs.100/-each issued at par 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)		904200000	904200000
	Total	1067273170	1067273170
2. RESERVES AND SURPLUS			
General Reserve			-
Balance as per last Balance Sheet		-	-364146815
Less: Transfer from General Reserve		-	-364146815
Surplus (I.e Balance in Profit and Loss Account after providing for appropriation)		-	-
Deferred Govt. Grants- Capital Subsidy		18627490	37254977
Share Warrant Forfeited		8000000	8000000
Capital Reserve	20423549		
Less: Transferred to Profit and loss a/c	993256	19430293	20423549
Share premium		482926830	482926830
	Total	528984613	548605356
3. SECURED LOANS			
Fixed Loans-Term Loans			
From Banks		3110303479	3118040653
Hire Purchase Loan		1714880	668596
WC loans/Cash credit from banks		176864709	159864466
	Total	3288883068	3278573715
4. UNSECURED LOANS			
Interest Free Sales Tax Loan		35236509	49362455
Trade Deposits		5659000	8085177
From Others		121619285	121619285
	Total	162514794	179066917

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011

5. FIXED ASSETS

PARTICULARS	GROSS BLOCK		DEPRECIATION				NET BLOCK			
	UP TO 31.03.2010	ADDITION	SALE	TOTAL 31.03.2010	UP TO 31.03.2010	FOR THE YEAR	WITHDRAWN DURING THE YEAR	TOTAL 31.03.2011	W.D.V AS 31.03.2011	W.D.V AS 31.03.2010
LAND	10,04,62,870	-	-	10,04,62,870	-	-	-	-	10,04,62,870	10,04,62,870
BUILDING	89,61,72,161	6,11,76,673	-	1,06,73,48,824	13,29,81,066	3,41,36,902	-	16,71,17,967	89,02,30,867	86,31,91,096
PLANT & MACHINERY	3,13,70,49,717	3,55,50,367	-	3,17,26,00,084	1,05,81,22,927	14,47,28,972	-	1,20,28,51,899	1,96,97,48,195	2,07,99,26,790
OFFICE EQUIPMENT	4,05,11,767	3,62,761	1,11,893	4,07,62,635	2,56,35,315	18,46,304	14,481	2,74,66,138	1,32,96,497	1,48,76,452
FURNITURE	1,79,06,595	2,41,119	2,01,768	1,79,46,946	61,21,503	10,85,620	20,966	71,86,167	1,07,59,779	1,17,85,092
VEHICLES	2,90,66,766	32,11,362	10,49,494	3,12,20,624	1,71,66,689	22,51,162	7,38,086	1,86,79,746	1,25,40,879	1,18,92,067
CANTEEN ASSETS	25,91,302	-	-	25,91,302	7,17,014	1,14,544	-	8,31,558	17,59,744	18,74,288
LIVE STOCK	1,73,500	-	76,000	97,500	-	-	-	-	97,500	1,73,500
TOTAL	4,32,39,26,658	10,05,42,282	14,39,155	4,42,39,29,785	1,24,07,44,503	18,41,62,494	7,73,533	1,42,41,33,464	2,99,88,96,321	3,08,31,82,155
PREVIOUS YEAR	4,18,76,86,125	13,83,11,108	20,70,575	4,32,39,26,658	1,06,00,61,910	18,17,83,712	11,01,121	1,24,07,44,503	3,08,31,82,155	3,12,76,24,216

CAPITAL WORK IN PROGRESS AS ON 31.03.2011

PARTICULARS	AS ON 31.03.2010	ADDED DURING THE YEAR	TOTAL	BROUGHT INTO USE	AS ON 31.03.2011
BUILDING & DEVELOPMENT	18,30,51,965	350	18,30,52,315	6,03,62,127	12,26,90,188
PLANT AND MACHINERY	24,47,73,483	1,77,67,235	3,42,40,718	3,42,79,536	22,82,61,181
TOTAL	42,78,25,448	1,77,67,586	44,55,93,033	9,46,41,663	35,09,51,370

Note: Depreciation includes depreciation on revaluation assets of Rs. 9,93,256/- (Previous Year Rs.16,66,782/-)

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH ,2011

		31.03.2011 Amount in Rs	31.03.2010 Amount in Rs
6. INVESTMENTS			
(AT COST) - NON TRADING			
QUOTED			
640 IDBI Shares of Rs. 10/- each at a premium of Rs. 120/- each (Market value Rs.91168/-)		52000	52000
UNQUOTED			
1,50,00,000 6% Redeemable cumulative preference shares of Rs.10 each of M/s.Jagannath Textiles Co Ltd		150000000	150000000
National Saving Certificate		13500	13500
	Total	150065500	150065500
7. INVENTORIES(As furnished, valued & certified by the Management)			
Stock of stores, spares etc.,		18602406	13171335
Stock-in-trade:			
Raw Materials		118582048	75856736
Mixing and Process Stock		111029341	104132044
Finished Goods		138273442	103933173
Waste		4469175	2761537
Fabric & Accessories		8568163	5182117
	Total	399524575	305036942
8. TRADE DEBTORS			
Unsecured			
Debts considered good for which the Company holds no security other than the debtors personal security, other than provisions for Doubtful Debts			
a) More than 6 months		15134923	
b) Other debts		215175100	
		230310023	
Less: Provision for Doubtful Debts		7171324	166553170
	Total	223138699	166553170
9. CASH AND BANK BALANCES			
Cash on hand		2193370	1334086
Balance with scheduled Banks			
In Current Accounts		7885967	41637205
In Deposit Accounts		1607500	3257500
In Unpaid Dividend Accounts		568498	706813
	Total	12255335	46935604

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH ,2011

	31.03.2011	31.03.2010
	Amount in Rs	Amount in Rs
10. LOANS AND ADVANCES		
Unsecured - Considered Good		
Advances recoverable in cash or in kind or for the value to be received	64359981	86452145
Advances to Staff and Operatives	563043	435795
Sundry Deposits	26341400	33307965
Tender / Trade Deposits	3235000	3270000
Prepaid Expenses	2748054	3218650
Prepaid Taxes	21250223	20897950
TUF, Capital Subsidy & Interest Receivable	85516847	17544250
Total	204014548	165126755
11. CURRENT LIABILITIES		
Sundry Creditors		
For Capital Items	180139	3914589
For Purchases	97473451	65179063
For Expenses - MSME Unit(Previous year Rs.2311597)	7278450	2311597
For Expenses - Others	170442048	99558505
For Customer's credit balance	8575207	4900223
Investor Education and Protection fund (Unpaid Dividend)	568498	706813
Total	284517793	176570790
12. PROVISIONS		
For Taxes - Wealth Tax	75000	50000
Total	75000	50000

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st, MARCH 2011

		31.03.2011	31.03.2010
		Amount in Rs.	Amount in Rs.
13. SALES			
Yarn Sales - Domestic		989619812	622698070
Yarn Sales - Export		10613114	14077232
Fabric Sales- Domestic		844441232	633356026
Fabric Sales- Export		287118	11743346
Garment Sales		146022111	110580337
Garment Sales Trading		979689	-
Waste Sales		10905090	9577722
Panel Sales		-	653051
Scrap Sales		1406359	1173738
Dyeing Charges Receipts		79570035	25543403
	Total	2083844560	1429402925
14. OTHER INCOME			
Dividend Receipts		18001920	1600
Insurance Receipts		768507	-
Miscellaneous Income		262005	11240335
Interest Receipts(TDS Rs.2.93 lakh for 2010-11, previous year Rs.4.28 lakh)		2084086	2967013
Capital Subsidy - Income		18627487	5322139
	Total	39744005	19531087
15. STOCK ADJUSTMENTS			
Opening Stock of Finished Goods		106694711	99785601
Closing Stock Of Finished Goods		142742617	106694711
	Total	36047906	6909110
16. RAW MATERIALS CONSUMED			
Purchases & Expenses		1293423234	870495372
Add: Opening Stock		185170897	111851155
Less: Closing Stock		237439539	185170897
	Total	1241154592	797175630
17. STORES CONSUMED			
Purchases and Expenses		43882643	36786661
Add: Opening Stock		13171335	13703292
Less: Closing Stock		19342419	13171335
	Total	37711559	37318618
18. PERSONNEL COST			
Managing/Whole Time Director's Remuneration		4200000	4200000
Salary to Management Trainee		180000	180000
Salaries, Wages and Bonus		65387922	54177006
Welfare Expenses		23118199	15545954
PF Contribution		4767736	4280661
PF Administration charges		560890	516235
Group Gratuity Premium		752891	1300000
	Total	98967638	80199856

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st, MARCH 2011

		31.03.2011	31.03.2010
		Amount in Rs.	Amount in Rs.
19.REPAIRS AND MAINTENANCE			
Machinery		44044390	24782915
Building		1916522	1590979
Sundry Repairs		9164246	7173625
	Total	55125158	33547519
20.OTHER EXPENSES			
Rent		596810	2025830
Printing and stationery		953666	978181
Postage, telegram and telephone		2607015	2306304
Travelling and Motor Vehicle expenses		12689451	10483083
Insurance		4764819	4900815
Rates, Taxes and Licence Fees		8208518	15250343
Sales Tax Payment		665508	355737
Advertisement Expenses		229383	253339
Audit fees and Expenses		423921	284489
Professional and Consultancy charges		4698761	1829622
Sitting Fees		145000	135000
Software development charges		-	225008
Miscellaneous Expenses		44970559	29525199
Bad & Doubtful Debts		-	7171324
Watch and Ward Expenses		3478093	2989610
Loss on Sale of Assets		139126	130221
	Total	84570630	78844105
21.SELLING EXPENSES			
Brokerage and Commission		13026936	10581916
Carriage Outwards		9726805	9297189
Packing charges		17998937	11073410
Testing Fee		650162	529489
Consignment Expenses		2902188	2428953
Depot Expenses		261043	401078
Garment Selling Expenses		16648302	6739215
	Total	61214373	41051250
22.FINANCIAL CHARGES			
Interest on Term Loans		211833159	232484791
Interest on Working capital / others		21932048	36512161
Bank and other charges		7339046	7021546
	Total	241104253	276018498

Schedule 23

NOTES ATTACHED TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH'2011

A.SIGNIFICANT ACCOUNTING POLICES

1. BASIS OF ACCOUNTING

i) The Financial statements are prepared on the basis of historical cost convention based on the accrual concept and in accordance with applicable Accounting Standards referred under Section 211 (3C) of the companies Act, 1956. The accounting is on the basis of going concern concept.

ii) Income and expenditure are recongnized and accounted on 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 results and estimates are recognized in the period in which results are known/materizlised.

3. INVENTORIES

Inventories are valued as under

(As Furnished, valued and certified by the Management)

- | | |
|---------------------------------|---|
| i) Raw Materials | - At Identified Cost |
| i) Raw Materials obsolete | - At lower of identified cost or Realisable value |
| ii) Process Stock | - At Average Cost |
| iii) Finished Goods | - At Lower of Cost or Net Realisable value |
| iv) Waste | - At Net Realisable Value |
| v) Stores, Consumables & Spares | - At Weighted Average cost |

4. FIXED ASSETS

Fixed Assets are stated at cost and includes all expenditure of capital nature including the cost of borrowings and net of Cenvat Credit wherever applicable. The preoperative expenses and the loss during trial production of new units are capitalized as Fixed Assets wherever applicable.

5. DEPRECIATION

Depreciation has been provided on Straight Line Method in accordance with the rates specified under schedule XIV of the Companies Act, 1956. Depreciation on additions during the year is provided on pro-rata basis with reference to the date of installation and period of use. 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

The Company has internal system to access their 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. Diminution in the value of investments, other than temporary in nature, are provided for.

8. EMPLOYEE RETIREMENT BENEFITS

i) Defined Benefit Plan

The Company has taken out a Master policy with LIC of India Under the "Cash Accumulation Scheme" to cover the gratuity liabilities of the Company. The amount charged to Profit & Loss A/c recognized at the present value of the amount payable determined using actuarial valuation techniques.

ii) Defined Contribution Plan

Company's Contribution paid/payable during the year towards Provident Fund Scheme and Employee State Insurance are recognized in the Profit and Loss Account.

9. FOREIGN CURRENCY TRANSACTIONS

i) Transactions arising in foreign currency for import of raw materials, spares and fixed assets and for exports during the year are converted at exchange rates prevailing on the date of transaction.

ii) Liabilities payable in foreign currencies as on the date of the Balance sheet are restated at year end exchange rate in such cases where the fluctuations results in losses or at the rates at which foreign currency forward covers have been obtained. All exchange differences arising from conversion are included in the Profit and Loss Account except relating to specific borrowings and other liabilities attributable to the fixed assets, which are capitalized.

10. INTEREST ON BORROWINGS

Borrowing cost is charge to the Profit and Loss Account for the year in which it is incurred except for capital assets which is capitalised till the date the asset is put to commercial use.

11. INTEREST UNDER TUF SCHEME

Certain term loans of the company have been sanctioned under the TUF scheme of the Govt. of the India. Under this scheme, an interest subsidy @ 5% p.a is given by the Government on the interest paid by the company on its term loans which is refunded quarterly after TUF claim is lodged. This refund is accounted for on mercantile basis.

12. TAXES ON INCOME

a. Deferred tax is recognized, subject to consideration of prudence on all timing differences between taxable income and accounting income that originate in one period and are capable of being reversed in one or more subsequent periods. The accumulated deffered tax liability is adjusted by applying applicable tax rates under relevant tax laws.

b. 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 Accountant 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.

13. MISCELLANEOUS EXPENDITURE

Hitherto the Company was amortising the Preliminary and Public Issue expenses over a period of 10 years. From the current year onwards the expenses are rescheduled and amortised over a total period of five years.

14. CONTINGENT LIABILITIES

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

15. GOVERNMENT GRANTS – CAPITAL SUBSIDY

In respect of Capital Subsidy on Specific Machinery from Government, the Company has opted the second option spelt out in AS 12 – Accounting for Government Grants, which is the “income Approach” due to which the income is recognized in the Profit & Loss Account. Hitherto the above subsidy is recognized as income equally over 10 years. From the current year onwards the income is rescheduled and recognized over a total period of five years.

B. OTHER NOTES ON ACCOUNTS

1. Secured Loans from Banks and Financial Institutions have been guaranteed by the Managing Director and Executive Director of the Company. No guarantee commission has been paid to any director in this connection. Security details of the said loans are:-

i. TERM LOANS

(a) TUF Loan	Rs.150 million
(b) TUF Loan	Rs. 95 million
(c) Funded Interest Term Loan (FITL)	Rs.4.94 million

Above term loans sanctioned by IDBI are secured by extension of first charge on all assets of the Company, present and future, except to the prior charge created/ to be created (i) on specific assets covered by loans from other financial institutions and banks (ii) on specified movables (Current Assets) in favour of the Company’s Bankers for working capital borrowings.

(d) TUF Loan	Rs.76.10 million
(e) FITL	Rs. 2.36 million

The Term Loan availed from Corporation Bank is secured by way of exclusive charge over the assets created out of the said loan.

(f) TUF Loan Rs.190 million & Non TUF Loan	Rs.15 million
(g) FITL	Rs.20.79 million

The Term Loan sanctioned by State Bank of India is secured by exclusive first charge over the assets financed under the term loan and second charge on the entire current assets of the Company on pari passu basis and extension of charge on the fixed assets of washing unit at Perundurai.

(h) Corporate Loan	Rs.100 million
(i) FITL	Rs. 23.10 million

The Corporate Loan sanctioned by IDBI is secured by extension of first charge on Pari Pasu basis except the assets which are exclusively charged by SBI and Corporation Bank. First charge by way of Hypothecation in favour of IDBI of all assets of the Company's movable (save and except book debts), including movable machinery, machinery spares, tools and accessories, present and future, subject to the prior charge created/ to be created in favour of company's bankers on the company's stocks of raw materials, semi finished and finished goods, consumable stores and such other movable as may be agreed to by IDBI for securing the borrowings for working capital requirements in the ordinary course of business.

(j) Term Loan	Rs.150 million
(k) FITL	Rs.9.59 million

The Term Loan sanctioned by the State Bank of Indore is secured by second charge on all present fixed assets of the company.

(L) Term Loan for New Project from Sanctioned Amount

Bank Name	Sanctioned Amount	Rs. In million
		FITL1&2*
State Bank of Hyderabad	250	29.80
Canara Bank	500	79.65
State Bank of Indore	250	33.42
State Bank of Mysore	300	31.83
State Bank of Travancore	200	22.86
Corporation Bank	400	43.87
State Bank of India	160	17.43
Syndicate Bank	240	27.37
United Bank of India	400	44.07

The term loan sanctioned by the above banks in consortium is secured by first charge on pari passu basis by way of Equitable mortgage of Land and Buildings and Hypothecation of all the fixed assets and second charge on all the current assets of the Company shared on pari passu basis with banks in the consortium for new Project of Rs.351 cores.

*FITL - Funded Interest Term Loan - Under the CDR and reworked packages.

ii) WORKING CAPITAL LOANS

a) Fund based limits	Rs.130.30 million
Non fund based	Rs. 70.00 million

The working capital facility sanctioned by State Bank of India is secured by hypothecation of entire current assets and movable assets of the Company and a second charge over entire fixed assets of the Company on pari passu basis with other commercial bankers under consortium agreement.

b) Fund based limit	Rs.28.30 million
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The working capital facility sanctioned by State Bank of Hyderabad is secured by hypothecation of the entire current assets of the Company and movable assets of the Company and a second charge on the fixed assets of the Company on pari passu basis with other commercial banks under consortium agreement.

c) Fund based limit	Rs.18.70 million
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The working capital facility sanctioned by Corporation Bank is secured by hypothecation of the entire current assets of the Company and movable assets of the Company and a second charge on the fixed assets of the Company on pari passu basis with other commercial banks under Consortium agreement.

iii) FUNDED INTEREST TERM LOAN

State Bank of India	Rs.99.07 million
State Bank of Hyderabad	Rs.23.39 million
Corporation Bank	Rs.15.78 million

Funded interest Term Loan is secured by First charge on the entire fixed assets of the company existing / proposed including EM on factory land and buildings on pari passu basis with other Consortium TL Bankers.

iv) WORKING CAPITAL TERM LOAN

State Bank of India	Rs.399.76 million
State Bank of Hyderabad	Rs. 88.60 million
Corporation Bank	Rs. 57.30 million

1. Corporate Debt Restructuring (CDR Package)

The Company opted for financial restructuring under Corporate Debt Restructuring Scheme, with the cut off date being 31.10.2011.

In the above reworked package under CDR, the company has given an undertaking to adhere to various restructuring schemes, as detailed below:

1. The interest portion of the TUF Loans for the financial year is being funded as FITL-II @ 15% pa., and the repayment of the same would be immediately on receipt of TUF subsidy or by 31/10/2011, whichever is earlier.
2. The repayment of the loan outstanding shall be as per the reschedulement program, and will have a moratorium repayment period of 18 months and the actual repayment shall commence from 2012.
3. The existing securities available and charged to the CDR lenders shall continue.

2. Others

Amount outstanding for more than 30 days to Micro and small Enterprises undertaking is Rs. 12.71 lakhs as detailed below (Previous year Rs.14.39 lakhs)

- 1) Akil Cones
- 2) Coimbatore Anamallais Agencies Pvt Ltd
- 3) Harini Engineering
- 4) India Bearing & Mill Stores
- 5) Line Logic Technolics
- 6) Lloyds Polybag
- 7) Mayura Paper Tubes
- 8) P.K.Printers
- 9) Print Park
- 10) Sony Industres
- 11) Summits Hygronics Pvt Ltd
- 12) Sun Enterprises
- 13) Sekar Engineering Works
- 14) Sri Krishna Chemicals
- 15) Sri Raghavendra Chemicals
- 16) Sri Vignasha Engineers
- 17) Tandam Enterprises
- 18) Turbo Electricals
- 19) Top Light Lables

3. Contingent Liabilities not provided for in the accounts

1) Estimated amount of contracts remaining to be executed on capital accounts – Rs.Nil
(Previous year Rs.Nil)

2) The Company has export obligations for value of Rs.24106 lakhs under EPCG Scheme against which exports aggregating Rs. 5626.53 lakhs including third party exports have been made as on 31.03.2011. Balance obligations required to be fulfilled as per various schedules, culminating on 20.07.2015.

3) The Counter guarantee given by the Company for the guarantees issued by the Bankers is Rs.Nil (previous year Rs.14.03 lakhs)

4) The sales Tax department has preferred an appeal before STAT Coimbatore for the year 2003-04 for issues representing sales tax of Rs.3.68 lakhs which is pending before STAT, Coimbatore.

5) The Income Tax Department has preferred an appeal before ITAT, Chennai against the Order CIT (Appeal) in favour of the Company regarding interest claim U/S 234B/234C for the Assessment Year 2004-05.

6) The Lenders, with the approval of the Corporate Debt Restructuring Empowered Group shall have the right to recompense the relief's / sacrifices/ waivers extended by respective CDR lenders amounting to Rs.1012 million as on 31.03.10 with regard to the interest differential as per CDR guidelines. In the event of default, Lenders shall have the right to reverse the waivers with the approval of Corporate Debt Restructuring Empowered Group.

4. The amount falling due within one year in respect of long term secured loans are as follows:

a) Term Loan Rs. 2227.98 million** (Previous year Rs.105.80 million)

** As per the rework package under CDR System, substantial amount of loan is expected to be repaid out of the sale proceeds of the assets.

IFST dues – Rs.14.70 million (Previous year Rs.14.12 million)

- b) In the opinion of the Board of Directors, Current Assets, Loans and Advances will fetch the amounts stated, if realized in the normal course of Business.
- c) The Balances due to/ due from parties and Loans and Advances are subject to confirmation.

- d) Miscellaneous expenses not yet written off as shown on the asset side of Balance Sheet includes Rs.19.34 million towards follow on public issue made during the year.

5. The provision for all liabilities is neither inadequate nor more than what is reasonably necessary.

**6. The borrowings cost capitalized during the year in respect of the qualifying assets is Rs.Nil
(Previous year Nil)**

7. TRANSACTION OF RELATED PARTIES (AS18)

Particulars	Rs. In Lakhs			
	Associated	Key Management Personnel	Relatives of key Management Personnel	Total
	31.03.2011	31.03.2011	31.03.2011	31.03.1011
For Services	-	-	-	-
Finance				
a) Loans accepted	-	-	-	-
b) Interest Paid	-	-	-	-
c) Salary	-	-	1.80	1.80
Managerial Remuneration	-	42.00	-	42.00
Rent payments				
Loans	-	-	-	-
Outstanding balance				
Debits	-	-	-	-
Credits-Op Balance	-	-	870.00	870.00
Loan Receipts			-	-
Loan Repayment			-	-
Closing Balance			870.00	870.00

Names of related parties and description of relationship up to 31.03.2011

Key Management Personnel : Sri.Manoj Kumar Tibrewal, Managing Director
Sri.Mohanlal Tibrewal, Executive Director

List of relatives of key personnel

Sri Manoj Kumar Tibrewal	: Smt.Anitha Tibrewal	Wife
Managing Director	: Mr.Mayank Tibrewal	Son
	: Mr.Umang Tibrewal	Son
Sri Mohanlal Tibrewal	: Smt.Lakshmi Devi Tibrewal	Wife
Executive Directors	: Ms.Suman Tibrewal	Daughter
	: Ms.Neha Tibrewal	Daughter

8. Earning per Share (EPS)

	2010-11	2009-10
Profit /Loss After Tax (Rs.In lakhs)	-1,386	-3,569
Profit /Loss available to Equity Shareholder (after Deducting the probable Dividend on preference Shares and Dividend Distribution Tax)	-2,071	-3,786
Average Number of Equity shares (Face Value of Rs.5/- each) (No in Lakhs)	326	326
Basic EPS (in Rupees)	-6.35	-11.61
Diluted EPS (in Rupees)	-6.35	-11.61

9. Requirement under Clause 32 of the Listing Agreement. Loans and advances in the nature of loans to subsidiaries, Firms, Associates and Companies in which Directors are interested is Rs.Nil (previous year Nil)

10. In compliance with AS 22 relating to "Taxes on Income" the company has recognized Deferred Tax Liability/ assets on account of the Net Deferred Tax Asset and Liability are represented as follows

	Rs. In Lakhs		
	Opening as on 01.04.2010	During the year	Closing as on 31.03.2011
Depreciation	3,331	834	4,165
Others	-5,032	-537	-5,569
Total	-1,701	297	-1,404

11. Breakup of Audit Fees

	2010-11	2009-10
For Statutory Audit	1,65,450	60,665
For Certification	1,56,626	1,03,134
For Out of Pocket Expenses	2,575	10,390
For Tax Audit/ other Representations	55,150	66,180
For Cost Audit	44,120	44,120
	4,23,921	2,84,489

12. The Investment in 6% Redeemable Cumulative Preference Shares is redeemable as under

a. On 25.12.2012	Rs. 5,00,00,000/-
b. On 25.11.2013	Rs. 5,00,00,000/-
c. On 25.11.2014	Rs. 5,00,00,000/-

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

13. Managerial Remuneration

		2010-11		2009-10	
A)	Net Profit/Loss as per Profit and Loss Account		-178755671		-356906501
	Add:				
	Directors Remuneration	4200000*		4200000*	
	Directors Sitting Fees	145000		135000	
	Loss on Sale of Assets	139126		130221	
	Prior year Income	69875009			
	Depreciation as per P&L Account	183169238	257528373	180116930	184582151
			78772702		-172324350
	Less:				
	Depreciation allowed U/s 350	183169238	183169238	180116930	180116930
	Net Profit/Loss for the purpose of Managerial Purpose		-104396536		-352441280
	Amount available for payment of Managerial Remuneration @ 5% u/s 198		Nil		Nil
B)	Payment of remuneration to managerial personl u/s 309				
	Sri. Manoj Kumar Tibrewal Managing Director @ 5%		Nil		Nil
	Minimum remuneration paid		21,00,000		21,00,000
	Sri. Mohanlal Tibrewal Executive Director @ 5%		Nil		Nil
	Minimum remuneration paid		21,00,000		21,00,000
	Total		42,00,000		42,00,000
C)	Sitting fees paid to other directors		145000		135000

* Excludes provisions made for post Employment benefits (Defined Benefit and Defined contribution plan), which is based on actuarial valuation done in overall Company basis.

14. Statistical Information

		2010-2011		2009-2010	
(a)	Capacity				
	i) Licensed (Rotors/Spindles/Looms/ Processing Capacity)		Not Applicable		Not Applicable
	ii) Installed				
	- Rotors (Nos)		5904		5904
	- Spindles (Nos)		27648		17376
	- Looms (Nos)		128		128
	- Processing Capacity per day (Mtrs)		50000		50000
(b)	Turnover				
	i) Cotton yarn (Kgs)	10521582	1000232926	8383868	636775302
	ii) Waste (Kgs)	3921897	10476006	2615469	9577722
	iii) Garments (Nos)	259566	147001800	190138	110580337
	iv) Garment Waste/Panel (Kgs)	40350	429084	40835	653051
	v) Fabrics (Mtrs)	7895150	844728350	8722780	645099372
	vi) Scrap		1406359		1173738
	vii) Dyeing Charges		79570035		25543403
		22638545	2083844560	19953090	1429402925
(c)	Raw Materials Consumed				
	i) Cotton and Cotton Waste (Kgs)	15514883	575873901	13073102	374283477
	ii) Fabric for Garments (mtrs)	366358	59023042	331722	39075364
	iii) Cotton Yarn for Fabrics	1427593	408010288	1306740	236016106
	iv) Fabrics (mtrs)	63304	3282374	1460420	62846257
	v) Dyes & Chemicals		88473664		79887465
	vi) Accessories for Garments		16238638		14697021
(d)	Production				
	i) Cotton Yarn (kgs)	11227583		8994051	
	ii) Waste (kgs)	5072932		4637674	
	iii) Garments (Nos)	242942		206741	
	iv) Fabrics (mtrs)	8071443		8816100	
(e)	Stock				
	i) a. Raw Materials - Cotton and Cotton Waste (kgs)				
	Opening Stock	1092558	45773915	382140	12180432
	Closing Stock	1504842	77896944	1092558	45773915
	b. Raw Materials - Cotton Yarn for Fabrics				
	Opening Stock	107154	20184709	141296	15799175
	Closing Stock	114378	32262470	107154	20184709
	c. Raw Materials - Fabric for Garments				
	Opening Stock	77416	9898112	62325	7799686
	Closing Stock	71960	8422634	77416	9898112
	d. Accessories for Garments (Various)				
	Opening Stock		5182117		4184468
	Closing Stock		7828150		5182117
	e. Consumables for Fabric (Various)				
	Opening Stock		7487486		9741628

	Closing Stock		10340307		7487486
ii) a.	Finished Goods - Cotton Yarn (kgs)				
	Opening Stock	529729	42008616	538840	41911444
	Closing Stock	807312	74536554	529729	42008616
b.	Finished Goods - Garments (Nos)				
	Opening Stock	103026	27610865	83151	23971890
	Closing Stock	92935	20801989	103026	27610865
c.	Finished Goods - Fabrics (mtrs)				
	Opening Stock	505642	34313692	712813	32729076
	Closing Stock	685912	42934899	505642	34313692
iii)	Waste (kgs)				
	Opening Stock	644877	2761537	116020	1269182
	Closing Stock	509543	4469175	644877	2761537
iv) a.	Semi-finished Goods Yarn (Kgs)				
	Opening Stock	268275	20646412	143224	7214469
	Closing Stock	305475	33761180	268275	20646412
b.	Semi-finished Goods Garments (mtrs)				
	Opening Stock	69532	12623713	63987	10402925
	Closing Stock	56060	14231232	69532	12623713
c.	Semi-finished Goods Fabric Division				
i)	Fabric (mtrs)				
	Opening Stock	597986	40576492	989073	47636650
	Closing Stock	241653	18991806	597986	40576492
ii)	Yarn (kgs)				
	Opening Stock	135117	30285427	40088	6254589
	Closing Stock	148522	44045123	135117	30285427
(f)	Value and percentage of imported and indigenous raw materials and stores consumed				
	i) Raw Materials				
	- Indigenous	100%	1241154592	100%	806805690
	- Imported	-	-	-	-
	ii) Stores and Spares				
	- Indigenous	75%	28333670	55%	20691513
	- Imported	25%	9377889	45%	16627105
(g)	CIF value of Imports				
	i) Capital Goods		0		2561623
	ii) On Stores Spares		9377889		16627105
(h)	Expenditure in Foreign currency				
(i)	On Business Travel		Nil		Nil
(j)	Earning in Foreign Exchange				
	i) FOB Value of Exports		10900232		11743346

15. EMPLOYEES BENEFITS

		31.03.2011	31.03.2010
1	Company's Contribution to Provident Fund	5328626	4796896
2	Defined Benefit Plans	Gratuity	Gratuity
a	Liability recognized in the balance sheet		
	Present value of obligations As at 01.04.2010	4484906	3951339
	Interest Cost	358792	1101579
	Current Service Cost	1064401	1101579
	Benefits Paid	-393275	-971640
	Actuarial (gain)/ loss on obligations	127079	87521
	Present value of obligations As at 31.03.2011	5641903	4484906
b	Fair value of Plan Assets As on 01.04.10	5226851	8294697
	Expected return on plan assets	797381	706836
	Contributions	1639658	1216958
	Benefits Paid	-393275	-971640
	Actuarial (gain) / loss on plan assets	0	0
	Fair value of plan assets	11290615	9246851
	Funded Status	5648712	4761945
	Net Asset / (Liability) recognized in the balance sheet	-5648712	-4761945
c	Actuarial (gain) /loss recognized 31.03.2011		
	Actuarial (gain) /loss - obligation	-127019	-87521
	Actuarial (gain) / loss - plan assets	-	-
	Total (gain) / loss for the year	127079	87521
	Actuarial (gain) / loss recognized	127079	87521
d	Expenses during the year		
	Current service cost	1064401	1101579
	Interest Cost	358792	316107
	Expected return on plan assets	-797381	-706836
	Net actuarial (gain) / loss	127079	87521
	Total	752891	798371
e	Principal actuarial assumptions		
	Discounting rate	8.00%	8.00%
	Salary escalation	6.50%	6.50%

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

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

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

Rs. In Lakhs

		31.03.2011	31.03.2010
A	CASH FLOW FROM OPERATING ACTIVITY		
	Net Loss before tax and extraordinary items	-1787.56	-3569.07
	Adjustment for		
	Depreciation	1831.69	1801.17
	Profit/Loss on sale of assets	1.39	1.30
	Dividend Receipt	-180.02	
	Interest Receipt	-7.69	
	Interest on Term Loan	2191.72	2760.19
	Operating profit before working capital changes	2049.53	993.59
	Adjustment for:		
	Trade & other receipts	-863.09	961.09
	Inventories	-944.88	-799.93
	Trade payable	988.08	266.26
	Cash generated from operation	1229.64	1421.01
	Direct taxes paid	-0.60	0.83
	Interest	0.00	2760.18
	Cash flow before extraordinary items	1230.23	-1340.01
	Extraordinary items	698.75	0.00
	Net cash from operation Total (A)	1928.98	-1340.01
B	CASH FLOW FROM INVESTMENT ACTIVITIES		
	Purchase of fixed assets(less revaluation amount)	222.34	241.33
	Sale of fixed assets	-0.25	-6.25
	Capital subsidy	186.27	53.22
	Miscellaneous Expenses written off	-194.74	-56.54
	Dividend Receipt	180.02	
	Dividend Paid	0.00	0.00
	Total (B)	33.60	231.76
C	CASH FLOW FROM FINANCIAL ACTIVITIES		
	Proceeds/Repayment of borrowings	-62.43	-7137.43
	Increase/Decrease in Equity- Share Capital/Premium	0.00	9042.00
	Interest Receipt	7.69	
	Interest on Term Loan	-2191.72	
D	NET CASH FROM FINANCIAL ACTIVITIES	-2246.46	1904.57
E	NET INCREASE IN CASH AND CASH EQUIVALENTS(A+C-B)	-351.07	332.80
F	CASH AND CASH EQUIVALENTS OPENING BALANCE		
	Cash and bank balances	469.36	136.56
G	CASH AND CASH EQUIVALENTS CLOSING BALANCE		
	Cash and bank balances	122.55	469.36
		346.81	-332.80

Maxim Joseph
Company Secretary

Coimbatore
30.05.2011

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

Aswin C
Partner
Membership No. 22204

MANOJ KUMAR TIBREWAL
Managing Director

MOHANLAL TIBREWAL
Executive Director

PART VI – SCHEDULE VI OF COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

A) REGISTRATION DETAILS

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

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

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

C) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS 31-3-2011

(Rs. in thousands)

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

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

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

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

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

Maxim Joseph Company Secretary	Vide our Report of Even Date For THAKKER & SANGHANI Firm Registration No. 004351S Chartered Accountants	MANOJ KUMAR TIBREWAL Managing Director
Coimbatore 30.05.2011	Aswin C Partner Membership No. 22204	MOHANLAL TIBREWAL Executive Director