

**GANGOTRI TEXTILES LIMITED**

Regd. Office :NO.35, ROBERTSON ROAD, R.S.PURAM, COIMBATORE - 641 002.

**PART I**

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR QUARTER & HALF YEAR ENDED SEP 30, 2013**

(Rs.In Lakhs)

S.No	PARTICULARS	Quarter Ended			Half- Year Ended		Year Ended
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
		(Un audited)	(Un audited)	(Un audited)	(Un audited)	(Un audited)	(Audited)
1	<b>Income from Operation</b>						
	a) Net Sales / Income from Operations	2357.53	1587.12	3009.02	3944.65	5528.41	8656.56
	b) Other Operating Income	0.60	0.48	2.53	1.08	4.55	6.06
	<b>Total Income from operations (net)</b>	<b>2358.13</b>	<b>1587.60</b>	<b>3011.55</b>	<b>3945.73</b>	<b>5532.96</b>	<b>8662.62</b>
2	<b>Expenses</b>						
	a. Cost of materials consumed	1288.99	849.52	1897.18	2138.51	3557.66	5438.85
	b. Changes in inventories of finished goods, work in progress & stock-in-trade	-25.13	37.52	83.53	12.39	36.92	402.21
	c. Employee benefits expense	166.26	160.96	195.51	327.22	364.37	719.24
	d. Depreciation	167.73	167.64	723.57	335.37	972.60	1803.40
	e Other expenses	743.48	434.07	703.01	1177.55	1356.98	2595.63
	<b>Total Expenses</b>	<b>2341.33</b>	<b>1649.71</b>	<b>3602.80</b>	<b>3991.04</b>	<b>6288.53</b>	<b>10959.33</b>
3	<b>Profit before Interest, Depreciation, other Income, Exceptional Items and Tax(PBIDTA)</b>	<b>184.54</b>	<b>105.53</b>	<b>132.32</b>	<b>290.06</b>	<b>217.03</b>	<b>-493.31</b>
4	<b>Profit/(Loss) from operations before other Income, Finance costs and Exceptional items (1 -2)</b>	<b>16.80</b>	<b>-62.11</b>	<b>-591.25</b>	<b>-45.31</b>	<b>-755.57</b>	<b>-2296.71</b>
5	Other Income	1.50	0.00	8.22	1.50	17.12	21.19
6	<b>Profit/(Loss) from ordinary activities before other Income, Finance costs and Exceptional items (4+5)</b>	<b>18.30</b>	<b>-62.11</b>	<b>-583.03</b>	<b>-43.81</b>	<b>-738.45</b>	<b>-2275.52</b>
7	a. Finance Costs	686.68	676.61	746.97	1363.29	1621.59	3135.09
8	<b>Profit after Interest but before, Depreciation Exceptional Items and Tax(PBIDTA)</b>	<b>-668.37</b>	<b>-738.72</b>	<b>-1330.00</b>	<b>-1407.10</b>	<b>-2360.04</b>	<b>-5410.61</b>
9	<b>Profit/(Loss) from ordinary activities after Finance costs and Exceptional items (6 +7)</b>	<b>-668.37</b>	<b>-738.72</b>	<b>-1330.00</b>	<b>-1407.10</b>	<b>-2360.04</b>	<b>-5410.61</b>
10	a. Exceptional Items	0.00	0.00	0.00	0.00	-28.20	233.78
11	<b>Profit / Loss from Ordinary activities before tax (9+10)</b>	<b>-668.37</b>	<b>-738.72</b>	<b>-1330.00</b>	<b>-1407.10</b>	<b>-2388.24</b>	<b>-5176.83</b>
12	Tax expenses						
	a) Tax Relating to Earlier years	0.00	0.00	0.00	0.00	0.00	1.02
13	<b>Profit / Loss from Ordinary activities after tax (11+12)</b>	<b>-668.37</b>	<b>-738.72</b>	<b>-1330.00</b>	<b>-1407.10</b>	<b>-2388.24</b>	<b>-5177.85</b>
14	Extraordinary items	0.00	0.00	-32.00	0.00	-32.00	-5667.64
15	<b>Net Profit / Loss for the period (13+14)</b>	<b>-668.37</b>	<b>-738.72</b>	<b>-1362.00</b>	<b>-1407.10</b>	<b>-2420.24</b>	<b>-10845.49</b>
16	a. Paid-up Equity share capital (Face value of Rs.5/- per share)	1630.73	1630.73	1630.73	1630.73	1630.73	1630.73
	b. Paid-up Preference Share Capital ( Face Value of Rs.100 each)	9042.00	9042.00	9042.00	9042.00	9042.00	9042.00
17	Reserves excluding Revaluation Reserves						-18248.26
18	Earnings Per Share (EPS) In rupees						
	a) Basic and diluted EPS before extra ordinary items	-2.58	-2.79	-4.60	-5.37	-8.37	-17.98
	b) Basic and diluted EPS after the extra ordinary items	-2.58	-2.79	-4.70	-5.37	-8.47	-35.36

PART II							
SELELCT INFORMATION FOR QUARTER & HALF YEAR ENDED SEP 30, 2013							
S.No.	Particulars	Quarter Ended			Half- Year Ended		Year Ended
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
		(Un audited)	(Un audited)	(Un audited)	(Un audited)	(Un audited)	(Audited)
A.	Particulars of Shareholding						
1	Public Shareholding	2,46,31,177	2,46,31,177	2,46,31,177	2,46,31,177	2,46,31,177	2,46,31,177
	No of Shares	75.52	75.52	75.52	75.52	75.52	75.52
	Percentage of Shareholding						
2	Promoters and Promoter group Shareholding						
	a. Pledged / Encumbered						
	- No of shares	59,87,593	59,87,593	59,87,593	59,87,593	59,87,593	59,87,593
	- Percentage of Shares (as a % of the total shareholding of Promoter and Promoter group)	75.00	75.00	75.00	75.00	75.00	75.00
	- Percentage of Shares (as a % of the total share Capital of the Company)	18.36	18.36	18.36	18.36	18.36	18.36
	b. Non Encumbered						
	- No of shares	19,95,864	19,95,864	19,95,864	19,95,864	19,95,864	19,95,864
	- Percentage of Shares (as a % of the total shareholding of Promoter and Promoter group)	25.00	25.00	25.00	25.00	25.00	25.00
	- Percentage of Shares (as a % of the total share Capital of the Company)	6.12	6.12	6.12	6.12	6.12	6.12

Particulars		3 Months ended 30.09.2013
B.	Investor Complaints	
	i) Pending at the beginning of quarter	Nil
	ii) Received during the quarter	Nil
	iii) Disposed off during the quarter	Nil
	iv) Remaining unresolved at the end of the quarter	Nil

STATEMENT OF ASSETS & LIABILITIES AS ON 30.09.2013

Particulars	30.09.2013 (Rs)	30.09.2012 (Rs)
<b>Equity and Liabilities</b>		
<b>Shareholder's Funds</b>		
(a) Share Capital	1067273170	1067273170
(b) Reserves and Surplus	-1982986255	-998762657
<b>Sub total - Shareholders Funds</b>	<b>-915713085</b>	<b>68510513</b>
<b>Non-Current Liabilities</b>		
(a) Long-term borrowings	96353756	225353922
(b) Deferred tax liabilities (Net)	0	0
(b) Other Long term liabilities	126814035	126819285
(c) Long term provisions	55500000	55500000
<b>Sub total - Non Current Liabilities</b>	<b>278667791</b>	<b>407673207</b>
<b>Current Liabilities</b>		
(a) Short-term borrowings	3339969393	2982129229
(b) Trade payables	427709215	117266548
(c) Other current liabilities	39953613	59497267
(d) Short-term provisions	50000	0
<b>Sub total - Current Liabilities</b>	<b>3807682221</b>	<b>3158893044</b>
<b>Total Equity and Liabilities</b>	<b>3170636927</b>	<b>3635076764</b>
<b>Assets</b>		
<b>Non-current assets</b>		
(a) <i>Fixed assets</i>		
(i) Tangible assets	2141637149	2820414390
(b) Non-current investments	150065500	150065500
(c) Deferred tax assets (net)	140473811	140473811
(d) Long term loans and advances	43250000	43300000
(e) Other non-current assets	50258744	49591667
<b>Sub total - Non Current Assets</b>	<b>2525685204</b>	<b>3203845368</b>
<b>Current assets</b>		
(a) Inventories	128055750	156505980
(b) Trade receivables	434566560	171072728
(c) Cash and cash equivalents	11136725	28647198
(d) Short-term loans and advances	986246	942257
(e) Other current assets	70206442	74063233
<b>Sub total - Current Asscts</b>	<b>644951723</b>	<b>431231396</b>
<b>Total Assets</b>	<b>3170636927</b>	<b>3635076764</b>

**Note:**

1. The above results duly approved by the Audit Committee has been taken on record by the Board of Directors in their meeting held on 12.11.2013. The Statutory Auditors have carried out the Limited Review, as required by the Listing Agreement.
2. The Company operates in a single segment only viz. Textiles. The power generated through Wind Energy is captively consumed.
3. The exceptional item includes Rs.233.78 lakhs which represents profit on sale of Non-core Assets of the company for the year ending 31.03.2013
4. The Company is out of CDR package with effect from 25.09.12 vide CDR letter dt. 22.10.12.
5. The Company although has provided for the interest payment on Bank loans, no payment has been made from October ' 2011, as a result of which Banks have declared the account as NPA. In view of non payment of interest, the TUF subsidy receivable has not been recognized from October 2011.
6. The extraordinary item of Rs. 5667.64 lakhs for the year ended 31<sup>st</sup> Mar 13 represents,
  - a) The impairment of Building and Plant & Machinery of Unit VIII , Washing unit , Captive Power Plant (only Building ) and Unit IX amounting to Rs. 5644.00 lakhs (Historical cost Rs.28770.36 lakhs ,WDV Rs. 22700.53 lakhs and Net Realizable value Rs 17056.53 lakhs). The timing difference arising out of impairment being Deferred tax asset is not recognized since there is no virtual certainty in realizing the same.
  - b) Theft at unit VIII amounting to Rs. 23.64 lakhs.
7. The Company has been served with Notice under section 13 (2) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) dt. 04.12.12 recalling outstanding dues of Rs. 360.24 Crores. (excluding dues to IDBI) and the company has contested vide letter dt. 02.02.13 through its legal representative. In response to the above SBI (SAMB) has replied vide letter dt. 08.02.13 and subsequently the company has been served an amended notice under section 13 (2) of SARFAESI dt. 04.04.2013.  
Subsequently the Company has been served with Possession Notice under section 13 (4) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) dt. 11.06.13 recalling outstanding dues of Rs. 360.24 Crores. (excluding dues to IDBI) and Possession has been taken following the due procedures on 11.07.13
8. In view of the company becoming Sick within the meaning of Section 3(1) (o) of the Sick Industries Special Provisions Act, 1985 during financial year 31.03.2013, necessary reference was made to BIFR in terms of provision of the Companies Act 1956. Regarding the abatement reference made to BIFR the next hearing has been fixed for 21.11.13. (Since postponed as per BIFR website)

9. Notices to treat the company as **Willful Defaulter** from State Bank of India & State Bank of Travancore vide its letters dt.24.12.12 and 18.01.13 respectively has been served on the company. The Company had represented vide letters dt.12.01.13 & 18.01.13 respectively.

10. The deferred tax asset/deferred tax liability will be recognized/provided for at the year end as the same is determinable at the year end.

11. There was no complaint received from investors' during the quarter ended 30.09.13. No complaint was pending at both at the beginning and at the end of the quarter.

12. Previous period figures have been regrouped and reclassified, wherever necessary.

### **13. The qualifications of the Statutory Auditors**

**13a. The Debtors and Loans & Advances are subject to confirmation. An advance of Rs.423 lakhs continues to be doubtful of recovery, However, the same has not been provided for in the accounts of the company.**

**13b. Transactions related to Job work at units III, IV & IX had been accounted for the year ended 31.03.2013 and the loss sustained by the Company was Rs.133 lakhs (Upto Jan 2013). The Company was advised by the lenders to make good the loss. However, the same has not been complied with by the Company.**

**13c. The interest provisions for all loans from Banks have been worked based on the then prevailing CDR Package and not on the original sanction/revised floating rates. Consequent to the company being out of CDR package and reverting back to the original sanction, the differential interest that ought to have been provided for in the accounts is estimated at Rs.73 Crores (from 01.07.2008 to 30.9.2013) cumulatively for the above periods. The loss due to the above for the quarter ended 30 Sep 2013 is understated to the extent of Rs. 8 Crores.**

**13d. On examination of the books of accounts and the information and explanations given to us, the internal control system is not commensurate with the nature of its business in respect of inventory and sale of goods and services.**

**13e. The Company has received legal notice from two of the claimants and the matter is sub judice. However, no provision has been made for in the accounts. Further one of the claimants have also included winding up provision in the legal notice.**

**13f. The Management has unilaterally rescheduled the redemption of CRPS.**

**13g. The lenders have filed a Recovery application before DRT, Coimbatore on 09/03/13.**

14. Management Reply to the observations of the Auditors.

Reply to 13 (a) The due action is being taken by the management to recover the dues/confirmation.

Reply to 13 (b) Efforts are being made by the company to ensure compliance with the advise of the lenders.

Reply to 13 (c) On receipt of a demand from the lenders regarding the higher interest on account of company being out of CDR package, the due provision for the interest differentials will be made in the accounts.

Reply to 13 (d) Due to financial and other resource constraints, the management had a temporary set back and every earnest effort is being made to set right the internal control.

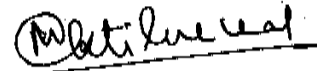
Reply to 13 (e) The Company has engaged an Advocate to represent the case and the same is under process.

Reply to 13 (f) The extension given for Redemption of CRPS has been withdrawn by the management vide it's letter dt.30.07.2013.

Reply to 13 (g) The Company is contesting before DRT, Coimbatore and further proceedings are awaited.

COIMBATORE  
DT.12.11.2013

For GANGOTRI TEXTILES LIMITED



MANOJ KUMAR TIBREWAL  
(MANAGING DIRECTOR)