

GANGOTRI TEXTILES LIMITED

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

PART I

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR QUARTER ENDED JUNE 30, 2013

(Rs.In Lakhs)

S.No	PARTICULARS	Quarter Ended			Year Ended
		30.06.2013	31.03.2013	30.06.2012	31.03.2013
		(Un audited)	(Audited)	(Un audited)	(Audited)
1	Income from Operation				
	a) Net Sales / Income from Operations	1587.12	1481.87	2519.39	8656.56
	b) Other Operating Income	0.48	0.85	2.02	6.06
	Total Income from operations (net)	1587.60	1482.72	2521.41	8662.62
2	Expenses				
	a. Cost of materials consumed	849.52	1035.40	1660.48	5438.85
	b. Changes in inventories of finished goods, work in progress & stock-in-trade	37.52	-83.05	-46.61	402.21
	c. Employee benefits expense	160.96	173.23	168.86	719.24
	d. Depreciation	167.64	365.59	249.03	1803.40
	e. Other expenses	434.07	548.80	653.97	2595.63
	Total Expenses	1649.71	2039.97	2685.73	10959.33
3	Profit before Interest, Depreciation, other Income, Exceptional Items and Tax(PBIDTA)	105.53	-191.66	84.71	-493.31
4	Profit/(Loss) from operations before other Income, Finance costs and Exceptional items (1 -2)	-62.11	-557.25	-164.32	-2296.71
5	Other Income	0.00	-126.67	8.90	21.19
6	Profit/(Loss) from ordinary activities before other Income, Finance costs and Exceptional items (4+5)	-62.11	-683.92	-155.42	-2275.52
7	a. Finance Costs	676.61	746.20	874.62	3135.09
8	Profit after Interest but before, Depreciation Exceptional Items and Tax(PBIDTA)	-738.72	-1430.12	-1030.04	-5410.61
9	Profit/(Loss) from ordinary activities after Finance costs and Exceptional items (6 +7)	-738.72	-1430.12	-1030.04	-5410.61
10	a. Exceptional Items	0.00	261.98	-28.20	233.78
11	Profit / Loss from Ordinary activities before tax (9+10)	-738.72	-1168.14	-1058.24	-5176.83
12	Tax expenses				
	a) Tax Relating to Earlier years	0.00	1.02	0.00	1.02
13	Profit / Loss from Ordinary activities after tax (11+12)	-738.72	-1169.16	-1058.24	-5177.85
14	Extraordinary items	0.00	-5635.64		-5667.64
15	Net Profit / Loss for the period (13+14)	-738.72	-6804.80	-1058.24	-10845.49
16	a. Paid-up Equity share capital (Face value of Rs.5/- per share)	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
17	Reserves excluding Revaluation Reserves				
18	Earnings Per Share (EPS) In rupees				-18248.26
	a) Basic and diluted EPS before extra ordinary items	-2.79	-4.12	-3.77	-17.98
	b) Basic and diluted EPS after the extra ordinary items	-2.79	-21.40	-3.77	-35.36

PART II

SELELCT INFORMATION FOR THE QUARTER ENDED JUNE 30, 2013

S.No.	Particulars	Quarter Ended			Year Ended
		30.06.2013	31.03.2013	30.06.2012	31.03.2013
		(Un audited)	(Audited)	(Un audited)	(Audited)
A.	Particulars of Shareholding				
1	Public Shareholding				
	No of Shares	2,46,31,177	2,46,31,177	2,46,31,177	2,46,31,177
	Percentage of Shareholding	75.52	75.52	75.52	75.52
2	Promoters and Promoter group Shareholding				
	a. Pledged / Encumbered				
	- No of shares	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
	- Percentage of Shares (as a % of the total share Capital of the Company)	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
	- Percentage of Shares (as a % of the total shareholding of Promoter and Promoter group)	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

S.No.	Particulars	3 Months ended 30.06.2013	
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

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 06.08.2013. The Statutory Auditors have carried out the Limited Review, as required by the Listing Agreement.
2. The figures for the quarter ended 31.3.2013, were the balancing figures of audited figures in respect of the full financial year 2012-13 and the published year to date figures up to the third quarter of the financial year 2012-13.
3. The Company operates in a single segment only viz. Textiles. The power generated through Wind Energy is captively consumed.
4. 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
5. The Company is out of CDR package with effect from 22.10.2012 as per CDR cell.
6. 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.
7. The extraordinary item of Rs. 5667.64 lakhs for the year ended 31st 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.
8. 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.
9. 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 and same is under examination.
10. The Company has filed an application u/s 15(1) on 13 June 2013, to the Board for Financial and Industrial Reconstruction (BIFR), as the Company had become a Sick Company within the meaning of Section 3(1) (o) of the Sick Industries Special Provisions Act, 1985. The BIFR vide its letter dated the 19.07.2013 has acknowledged the receipt and has sought for basic information from the Company.
11. 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 have been served on the company. The Company had represented vide letters dt.12.01.13 & 18.01.13 respectively.
12. There was no complaint received from investors' during the quarter ended 30.06.13. No complaint was pending at both at the beginning and at the end of the quarter.

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

14. The qualifications of the Statutory Auditors

14a. The Debtors and Loans & Advances paid are subject to confirmation. An advance of Rs.423 lakhs continue to be doubtful of recovery, However, the same has not been provided for in the accounts of the company.

14b. Transactions related to Job work at units III, IV & IX have been accounted for the year ended 31.03.2013 and the loss sustained by the Company amounted to Rs.133 lakhs (Up to 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.

14c. 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.65 Crores (from 01.07.2008 to 30.6.2013) cumulatively for the above periods. The loss due to the above for the quarter ended 30 June 2013 is understated to the extent of Rs. 8 Crores.

14d. 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.

15. Management Reply to the observations of the Auditors.

Reply to 14 (a) The due action is being taken by the management to recover the dues/confirmation.

Reply to 14 (b) Efforts are being made by the company to ensure compliance with the advise of the lenders.

Reply to 14 (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 14 (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.

COIMBATORE
DT.06.08.2013

For GANGOTRI TEXTILES LIMITED



MANOJ KUMAR TIBREWAL
(MANAGING DIRECTOR)



LIMITED REVIEW REPORT

We have reviewed the accompanying statement of un-audited financial results of **M/s. Gangotri Textiles Limited** for the period ended 30th June, 2013, except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group" which have been traced from disclosures made by the Management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagement to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primary to inquires of Company Personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement on un-audited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

Coimbatore
06.08.2013

For **THAKKER & SANGHANI**
CHARTERED ACCOUNTANTS

ASWIN.C
PARTNER
Membership No. 022204