

**GANGOTRI TEXTILES LIMITED**

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

**PART I**

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDED 31.12.2013**

Rs. In Lakhs

S.No	PARTICULARS	Quarter ended			Nine Months ended		Audited year ended
		31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
		(Un Audited)	(Un Audited)	(Un Audited)	(Un Audited)	(Un Audited)	(Audited)
<b>1</b>	<b>Income from Operation</b>						
	a) Net Sales / Income from Operations	2152.87	2357.53	1646.28	6097.52	7304.25	8656.56
	b) Other Operating Income	0.47	0.60	0.66	1.55	5.21	6.06
	<b>Total Income from operations (net)</b>	<b>2153.34</b>	<b>2358.13</b>	<b>1646.94</b>	<b>6099.07</b>	<b>7309.46</b>	<b>8662.62</b>
<b>2</b>	<b>Expenses</b>						
	a. Cost of materials consumed	1082.16	1288.99	845.79	3220.66	4403.45	5438.85
	b. Changes in inventories of finished goods, work in progress & stock-in-trade	153.41	-25.13	448.34	165.80	485.26	402.21
	c. Employee benefits expense	178.48	166.26	181.64	505.70	546.01	719.24
	d. Depreciation	167.64	167.73	465.21	503.01	1437.81	1803.40
	e Other expenses	833.25	743.48	689.85	2010.80	2046.83	2595.63
	<b>Total Expenses</b>	<b>2414.94</b>	<b>2341.33</b>	<b>2630.83</b>	<b>6405.98</b>	<b>8919.36</b>	<b>10959.33</b>
<b>3</b>	<b>Profit before Interest, Depreciation, other Income, Exceptional Items and Tax(PBIDTA)</b>	<b>-93.96</b>	<b>184.54</b>	<b>-518.68</b>	<b>196.11</b>	<b>-172.09</b>	<b>-493.31</b>
<b>4</b>	<b>Profit/(Loss) from operations before other Income, Finance costs and Exceptional items (1 -2)</b>	<b>-261.60</b>	<b>16.80</b>	<b>-983.89</b>	<b>-306.91</b>	<b>-1609.90</b>	<b>-2296.71</b>
<b>5</b>	<b>Other Income</b>	<b>0.08</b>	<b>1.50</b>	<b>130.74</b>	<b>1.58</b>	<b>18.30</b>	<b>21.19</b>
<b>6</b>	<b>Profit/(Loss) from ordinary activities before other Income, Finance costs and Exceptional items (4+5)</b>	<b>-261.52</b>	<b>18.30</b>	<b>-853.15</b>	<b>-305.33</b>	<b>-1591.60</b>	<b>-2275.52</b>
<b>7</b>	<b>a. Finance Costs</b>	<b>665.38</b>	<b>686.68</b>	<b>767.30</b>	<b>2028.67</b>	<b>2388.89</b>	<b>3135.09</b>
<b>8</b>	<b>Profit after Interest but before, Depreciation Exceptional Items and Tax(PBIDTA)</b>	<b>-926.90</b>	<b>-668.37</b>	<b>-1620.45</b>	<b>-2333.99</b>	<b>-3980.49</b>	<b>-5410.61</b>
<b>9</b>	<b>Profit/(Loss) from ordinary activities after Finance costs and Exceptional items (6 +7)</b>	<b>-926.90</b>	<b>-668.37</b>	<b>-1620.45</b>	<b>-2333.99</b>	<b>-3980.49</b>	<b>-5410.61</b>
<b>10</b>	<b>a. Exceptional Items</b>	<b>-423.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-423.00</b>	<b>-28.20</b>	<b>233.78</b>
<b>11</b>	<b>Profit / Loss from Ordinary activities before tax (9+10)</b>	<b>-1349.90</b>	<b>-668.37</b>	<b>-1620.45</b>	<b>-2756.99</b>	<b>-4008.69</b>	<b>-5176.83</b>
<b>12</b>	<b>Tax expenses</b>						
	a) Tax Relating to Earlier years	0.00	0.00	0.00	0.00	0.00	1.02
<b>13</b>	<b>Profit / Loss from Ordinary activities after tax (11+12)</b>	<b>-1349.90</b>	<b>-668.37</b>	<b>-1620.45</b>	<b>-2756.99</b>	<b>-4008.69</b>	<b>-5177.85</b>
<b>14</b>	<b>Extraordinary items</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-32.00</b>	<b>-5667.64</b>
<b>15</b>	<b>Net Profit / Loss for the period (13+14)</b>	<b>-1349.90</b>	<b>-668.37</b>	<b>-1620.45</b>	<b>-2756.99</b>	<b>-4040.69</b>	<b>-10845.49</b>
<b>16</b>	<b>a. Paid-up Equity share capital (Face value of Rs.5/- per share)</b>	<b>1630.73</b>	<b>1630.73</b>	<b>1630.73</b>	<b>1630.73</b>	<b>1630.73</b>	<b>1630.73</b>
	<b>b. Paid-up Preference Share Capital (Face Value of Rs.100 each)</b>	<b>9042.00</b>	<b>9042.00</b>	<b>9042.00</b>	<b>9042.00</b>	<b>9042.00</b>	<b>9042.00</b>
<b>17</b>	<b>Reserves excluding Revaluation Reserves</b>						<b>-18248.26</b>
<b>18</b>	<b>Earnings Per Share (EPS) In rupees</b>						
	a) Basic and diluted EPS before extra ordinary items	-4.66	-2.58	-5.49	-10.03	-13.86	-17.98
	b) Basic and diluted EPS after the extra ordinary items	-4.66	-2.58	-5.49	-10.03	-13.96	-35.36

## PART II

## SELECT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED 31.12.2013

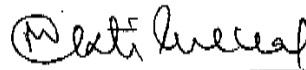
S.No.	Particulars	Quarter ended			Nine Months ended		Audited year ended
		31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
		(Un Audited)	(Un Audited)	(Un Audited)	(Un Audited)	(Un Audited)	(Audited)
A.	<b>Particulars of Shareholding</b>						
1	<b>Public Shareholding</b>						
	No of Shares	2,46,31,177	2,46,31,177	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	75.52	75.52
2	<b>Promoters and Promoter group Shareholding</b>						
	<b>a. Pledged / Encumbered</b>						
	- 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>b. Non Encumbered</b>						
	- 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

3 Month ended 31.12.2013

Particulars		3 Month ended 31.12.2013	
B.	<b>Investor Complaints</b>		Nil
	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:

For GANGOTRI TEXTILES LIMITED



MANOJ KUMAR TIBREWAL  
MANAGING DIRECTOR

COIMBATORE  
12.02.2014

**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 12.02.2014.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 cease to be under CDR mechanism with effect from 25.09.12 vide CDR letter dt. 22.10.12 due to non compliance of certain terms & condition of CDR package.

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.

6A.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.

6B. The exceptional item of Rs.423 lakhs for quarter ended 31.12.2013 represents the doubtful Loans & Advance for which provision has been made during the current quarter.

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 on 11.07.13 for unit 3 and 11.06.13 for all other units

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 at the hearing held on 28.01.14 the MA has been

heard and has been reposted for filing reply statements. The next date of hearing is yet to be advised.

9. State Bank of India, in their capacity as the lead bank have released an E-Auction notice under SARFAESI Act on 22.12.2013 for sale of Units 4,8,9 & TWO Wind Mills. The company has approached Madras High Court for obtaining a stay on sale of Wind Mills. The matter is *sub judice*.

10. 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.

11. 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.

12. There was no complaint received from investors' during the quarter ended 31.12.13. 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 are subject to confirmation. An advance of Rs.423 lakhs continues to be doubtful of recovery. Hence the same has been provided for in the accounts of the company during quarter ended 31.12.2013.**

**14b. 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.**

**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 non compliance with CDR package and reverting back to the original sanction, the differentials interest that ought to have been provided for in the accounts is estimated at Rs 80 Crores (from 01.07.2008 to 31.12.2013) cumulatively for the above periods. The loss due to the above for the quarter ended 31<sup>st</sup> Dec 2013 is understated to the extent of Rs. 7 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.**

**14e. 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 proposed winding up provision in the legal notice.**

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14f. The Management had unilaterally rescheduled the redemption of CRPS and subsequently the reschedulement was withdrawn as per advice of the Board. The two installments amounting to Rs.10 Crores having fallen due has not yet been received by the company.

14g. The lenders have filed a petition before DRT, Coimbatore on 09/03/13.

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 compliancc 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.

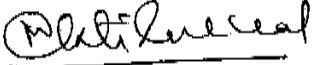
Reply to 14 (e) The Company has engaged an Advocate to represent the case and the same is under process.

Reply to 14 (f) The management is in the process of taking necessary action this regard.

Reply to 14 (g) The Company has filed an appeal before DRT Council, Coimbatore and further proceedings are awaited.

COIMBATORE  
DT.12.02.2014

For GANGOTRI TEXTILES LIMITED

  
MANOJ KUMAR TIBREWAL  
(MANAGING DIRECTOR)