

24th
Annual Report
2012- 2013

Gangotri Textiles Limited

REGISTERED OFFICE :

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

BOARD OF DIRECTORS

Sri. MANOJ KUMAR TIBREWAL
Managing Director

Sri. MOHANLAL TIBREWAL
Executive Director

Sri.ULLAS R SANGHVI
Director

Sri. R.P.JOSHUA
Nominee Director of State Bank of India

Sri. J.B. SIVAKUMAR
Nominee Director of IDBI Bank Ltd
(upto 29.05.2012)

Sri. G.V. CHANDRA BHASKAR
Nominee Director of IDBI Bank Ltd
(w.e.f 29-5-2012)

Sri.A.VENKATASUBRAMANIAN
Nominee Director of Canara Bank
(Upto 29.05.2012)

Sri. P. VENUGOPAL
Nominee Director of Canara Bank
(w.e.f 29.05.2012)

COMPANY SECRETARY

Sri. MAXIM JOSEPH

AUDITORS**M/S THAKKER & SANGHANI**

Chartered Accountants
No.47, West Periyasamy 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
IDBI BANK LTD
CORPORATION BANK

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 Forth Annual General Meeting of the company will be held on **Friday, the 26th day of July, 2013 at 3.30 p.m** at the A.R. Patel Hall , Coimbatore Sree. Gujarat Samaj, 662, Mettupalayam Road, R.S Puram, Coimbatore - 641 002 to transact the following business :

A G E N D A

ORDINARY BUSINESS :

- 1) To receive, consider and adopt the Directors' Report, Profit & Loss Account for the year ended 31st March, 2013 and the Balance Sheet as at that date and the Auditors' 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 including any statutory modification or re-enactment thereof for the time being in force and subject to such consents, approvals and permission that may be necessary from time to time, consent of the company be and is hereby accorded to the payment of remuneration to Sri. Mohanlal Tibrewal, Executive Director of the company for the period from 1-4-2014 to 31-3-2016 as recommended by the Remuneration Committee of the company 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.

Minimum Remuneration

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of Sri. Mohanlal Tibrewal, Executive Director, the Company has no profit or the profits of the company are inadequate, the company will pay remuneration to Sri. Mohanlal Tibrewal, Executive Director 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 the tenure of his office as 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 based on the Audited Balance Sheet of the company for the financial year ended on 31st, March 2013 the Board of Directors form an opinion that the Accumulated losses of the company as at 31.03.2013 amounting to Rs 23506.54 Lakhs exceed the entire net worth of the company as on the same date, which amounts to Rs 15501.99 Lakhs and in view of the same the Company has become a

sick industrial company as defined under Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and a reference be made to the Hon'ble Board for Industrial and Financial Reconstruction to seek determination of measures which would be adopted as required under Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985."

"RESOLVED FURTHER that Manoj Kumar Tibrewal, Managing Director is hereby authorised to file the reference with Hon'ble BIFR and to submit any other information in any form and manner as may be required by the said Board and to appoint representatives / counsel or authorize any of the employees of the company to the said Board or any other authority in this regard."

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

RESOLVED that pursuant to the provisions of Section 391 and all other applicable provisions of the Companies Act, 1956 and other applicable Laws, Regulations, Listing Agreements and Guidelines issued by any Regulatory Authorities, if any and subject to the approval of Hon'ble High Court of Judicature at Chennai or any other appropriate Authorities, the Scheme of Arrangement with Secured Creditors (Banks) with respect to the outstanding loan amount borrowed from them be and is hereby approved.

RESOLVED FURTHER that Sri. Manoj Kumar Tibrewal, Managing Director and Sri. Mohanlal Tibrewal, Executive Director be and are hereby authorised severally to make such alterations, modifications or amendments therein as may be expedient and necessary for complying with the requirements or conditions imposed by the Hon'ble High Court of Judicature at Chennai or any other appropriate Authorities.

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

Subject No 4 of the Agenda

Sri. Mohanlal Tibrewal was appointed as an Executive Director of the company for a period of five years commencing from 1-4-2011 to 31-3-2016 in the 22nd Annual General Meeting held on 23-9-2011 and the remuneration payable to him was initially fixed by the Remuneration Committee for a period of three years commencing from 1-4-2011 to 31-3-2014.

The Board of Directors in their meeting held on 23-5-2013 have considered and decided to refer to the Remuneration Committee the remuneration payable to Sri. Mohanlal Tibrewal, Executive Director for the remaining period of two years commencing from 1-4-2014 to 31-3-2016 . 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 payment of remuneration to the Executive Director Sri. Mohanlal Tibrewal for the period from 1-4-2014 to 31-3-2016 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 paragraph 1 (A) of Section II in Part II of Schedule XIII of the Companies Act, 1956.

Memorandum of Interest under section 302 of the Companies Act 1956, Sri. Mohanlal Tibrewal may be deemed to be interested or concern in the subject matter of the resolution to the extent of the 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 subject matter of the resolution. None of the other Directors are interested or concerned in the subject matter of the resolution.

Subject No 5 of the Agenda

Section 15 (1) of the Sick Industrial Companies (Special Provisions) Act, 1985 provides that where an Industrial Company has become a Sick Industrial Company, the Board of Directors of the Company, shall, within 60 days from the date of finalisation of the duly audited accounts of the Company for the financial year as at the end of which the company has become Sick Industrial Company, make a reference to the Board for Industrial and Financial Reconstruction (BIFR) for determination of measures which shall be adopted with respect to the Company.

The loss of the company for the financial year ended 31st March, 2013 have resulted in erosion of entire Net Worth of company and the company is to make a reference to Board for Industrial and Financial Reconstruction (BIFR).

The main reasons for the loss are as under.

1. More than 60 % Power Cut in the state of Tamil Nadu.
2. Poor capacity utilisation.
3. Insufficient Working Capital to run the entire industry.
4. High cost borrowings & Tight liquidity condition.
5. Imbalanced Capex in respect of the project undertaken.
6. Unremunerative price in open end divisions.

In view of the accumulated loss having eroded the Net Worth, the Company is a Sick Company within the meaning of Section 3(1) (o) Sick Industrial Company (Special Provisions) Act, 1985.

Members are requested to authorize the Board of Directors or its Committee for making reference to Board for Industrial and Financial Reconstruction and further taking all necessary, desirable, proper and expedient steps or actions and to execute such deeds, documents, agreements etc as may be required in this regard.

None of the Directors is interested in subject matter of the resolution.

Subject No 6 of the Agenda

M/s State Bank of India, Stressed Assets Management Branch, Chennai has issued Notice under Section 13 (2) of the SARFAESI Act, 2002 on 4-12-2012 demanding the outstanding loan amount of Rs 360,24,15,321 in aggregate due and owing to consortium banks excluding the dues of IDBI Bank Ltd as on 15-11-2012. The company has offered One Time Settlement by disposing of Weaving & Processing Unit (Unit- 8) at Perundurai and Spinning Unit (Unit-4 and Unit- 9) at Udamalpet and it was not accepted by State Bank of India. Now, keeping in mind the interest of the families of more than 1000 Employees and to repay the loan amount, the Company has proposed to seek all possible Legal Remedy. Accordingly, a Scheme of Arrangement under Section 391 of the Companies Act, 1956 will be filed before the Hon'ble High Court of Judicature at Chennai. When the subject was brought before the Board Meeting held on 23.05.2013, the Nominee Directors wanted to study the proposal in detail and deferred the subject. However, as an enabling resolution this is being brought for your approval.

None of the Directors is interested in subject matter of the resolution.

NOTE :

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

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

3. The Register of Members and Share Transfer Books of the company will remain closed from Friday the 19th day of July 2013 to Friday, the 26th day of July, 2013 (both the days inclusive) for the purpose of Annual General Meeting.

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

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

6. During the financial year 2012-13, unclaimed dividend of Rs 1,08,813 / declared for the financial year 2004-05 has been transferred to the Investors' Education & Protection Fund on 19-2-2013. Shareholders who have not en-cashed the dividend warrants for the years, 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. 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	He is a Director in Churchgate Investments & Trading Pvt. Ltd.,
Chairman / Member of Committees of other companies in which he is a Director.	NIL

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

Coimbatore
23-5-2013

MANOJ KUMAR TIBREWAL
MANAGING DIRECTOR

DIRECTORS' REPORT TO SHAREHOLDERS

Ladies and Gentlemen,
Your Directors present the 24th Annual Report of the Company along with the audited statement of accounts for the year ended 31st March 2013.

FINANCIAL RESULTS

(in Rs)

PARTICULARS	31.03.2013	31.03.2012
Sales Turnover	86,62,61,319	1,61,73,01,006
Profit/Loss before interest, depreciation and tax	(2,38,34,410)	5,30,07,417
Less: Interest	31,35,08,967	26,78,25,730
Depreciation	18,03,39,897	18,61,96,709
Extraordinary Items	56,67,64,212	3,80,76,132
Net Profit / loss for the year before Tax	(108,44,47,486)	(43,90,91,154)

PERFORMANCE

There has been no improvement in the adverse power scenario prevailing in the State of Tamil Nadu. The power position in the State remains of shortage and effective power availability is only 33 % and that too an un-scheduled one. Moreover, the un-scheduled tripping without any prior notice by TNEB is causing heavy damage to the quality of yarn and machines. Hence, the performance of the Company was badly affected due to severe power cut, low Plant utilization, meagre Working Capital availability and low finished goods margin in open end division. The performance during the year under review, the conditions in the industry as a whole, various favourable and unfavourable factors are being discussed in detail in the Management Discussion and Analysis.

REFERENCE TO BIFR :

Section 15 (1) of the Sick Industrial Companies (Special Provisions) Act, 1985 provides that where an Industrial Company has become a Sick Industrial Company, the Board of Directors of the Company, shall, within 60 days from the date of finalisation of the duly audited accounts of the Company for the financial year as at the end of which the company has become Sick Industrial Company, make a reference to the Board for Industrial and Financial Reconstruction (BIFR) for determination of measures which shall be adopted with respect to the Company. It is observed that as per the audited accounts of the company as on 31-3-2013, the accumulated loss have

exceeded the entire Net Worth of the company and it has become necessary for the company to make reference such erosion to Board for Industrial and Financial Reconstruction (BIFR). Necessary resolution authorizing the Board of Directors to refer to BIFR is included in the Notice convening the 24th Annual General Meeting of the company.

The main reasons for the loss are as under.

1. More than 60 % Power Cut in the state of Tamil Nadu.
2. Poor capacity utilisation.
3. Insufficient Working Capital to run the entire industry.
4. High cost borrowings & Tight liquidity condition.
5. Imbalanced Capex in respect of the project undertaken.
6. Unremunerative price in open end divisions.

In view of the accumulated loss having eroded the Net Worth, the Company is a Sick Company within the meaning of Section 3(1) (O) Sick Industrial Companies (Special Provisions) Act, 1985.

DIVIDEND

In view of the huge loss incurred by the company during the year, the Directors are not in a position to recommend any dividend for the financial year ended 31st March, 2013.

PROJECT

The project as it was envisaged has been partially completed. 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.

In fact, the projected turnover could not be achieved because of the imbalanced Capex. The land as detailed in the project have been acquired and the Building also as projected have been built –up. But the machineries as projected could not be procured and installed because of cost escalation during the initial stage of implementation of the project, non-adherence of delivery schedule by the supplier. Consequently, there was shortage of Working Capital and all the units were to be managed with the available Working Capital.

The difficult situation prevailing in the Textile Industry in the State of Tamil Nadu continued during the year under review owing to various factors such as huge shortage of power and skilled manpower. There was no improvement in the power position also as the average power shut down per day touched up to 12-14 hours. This has affected the production schedule very badly and in fact only 33 % production was achieved with the available power which has made the Industry difficult to run. In so far as the improvement in power position is concerned, the solution appears to far away as almost all the Power Generating Units in the State are under renovation and also due to failure of both the South – West and North-East monsoons. Operating with captive Diesel / Furnace Oil Generators are proving to be totally un-economical. Having Wind Mill is giving huge respite as far as some part of the year the company becomes entitled to run during peak hour.

The Labour scenario is also not encouraging At all levels and in all categories, locating and retaining capable hands has become a real issue.

FINANCE

During the year under review, the Company has been served with Notice u/s Section 13(2) of Securitisation and Reconstruction of Financial Assets and 'Enforcement of Security Interest Act, 2002 (SARFAESI ACT) on 4-12-2012 and subsequently an amended Notice dated 4-4-2013 calling upon the Company to repay the outstanding liabilities of Rs 360,24,15,321/- (Rupees

three hundred sixty crores twenty four lakhs fifteen thousand three hundred and twenty one only) excluding IDBI Bank as on 15-11-2012 with further interest and incidental expenses. The Company has sent its objection on 2-2-2013 to the above Notice through M/s Dhir & Dhir, a Legal Forum in New Delhi and a reply has been received from M/s State Bank of India ,Stressed Assets Management Branch, Chennai vide their letter dated 8-2-2013 rejecting the entire objection .

The Board of Directors in their meeting held on 14-2-2013 have reviewed the above said SARFAESI Notice and recorded the same. As already informed, the Company proposed to sell the Weaving & Processing Unit at Perundurai (Unit 8) and the Ring Spinning Unit at Pushpattur (Unit 4 and Unit 9) and settle the outstanding loan with the amount realized as One Time Settlement (OTS) .

The Company has offered an One Time Settlement proposal and the same was rejected by the Lenders and they have preferred to file a case in the Debt Recovery Tribunal . (DRT) The Company will file counter as and when summon is received from DRT.

DEPOSITS

There are no deposits outstanding as on 31st March 2013 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.

CORPORATE GOVERNANCE

A separate Report on the Corporate Governance is enclosed as part of this Annual Report. The Auditors of the Company have also given their certificate relating to compliance of Corporate Governance and this report is annexed to the report of Corporate Governance as is required by the Listing Agreement.

LISTINGS

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- 1) that in the preparation of Annual Accounts, the applicable Accounting Standards have been followed;
- 2) that the Directors have selected such accounting policies and applied them consistently and made judgements 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, 2013 and of the profit / loss of the Company for that year;
- 3) 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;
- 4) that the Directors have prepared the Annual Accounts on a going concern basis.

Reply to the Qualifications / Observations of the Statutory Auditors:

- a) Due action is being taken by the Management to recover the dues / confirmation.
- b) Relating to the transaction of Job Work at Unit- 3, Unit-4 and Unit- 9 efforts being initiated to obtain the concurrence of the Lenders as per the guidance given by the Board of Directors.
- c) In spite of the Company being out of CDR Package, the company is awaiting necessary confirmation / demand of the Interest from the Bank. As soon as the same is received, the higher provision of Interest will be made in the accounts.
- 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.

DIRECTORS

Mr.Ullas R Sanghvi, Director is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers 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 re-appointed.

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. 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

Coimbatore
23-5-2013

MOHANLAL TIBREWAL
EXECUTIVE DIRECTOR

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 2012 - 2013	PREVIOUS YEAR 2011 - 2012
A)	Power and Fuel Consumption		
1	Electricity		
a)	Purchased Unit (KWH)	1,57,92,039	2,81,92,292
	Total Amount (in Rs.)	11,88,79,186	14,88,70,401
	Rate/Unit (Rs.)	7.53	5.28
b)	Own Generation		
	Through Diesel Generator- Cotton Yarn		
	Unit(KWH)	18,70,902	12,36,570
	Units/Ltr of Diesel of Oil	3.51	3.76
	Cost/Unit	14.13	12.07
c)	Own Generation		
	Through Diesel Generator- Fabrics		
	Unit(KWH)	2,903	17,03,960
	Units/Ltr of Diesel of Oil	3.50	3.71
	Cost/Unit	13.74	9.08
d)	Own Generation		
	Through Diesel Generator- Garments		
	Units	48,472	44,583
	Units/Ltr of Diesel	3.29	3.23
	Cost/Unit	17.58	15.66
2 e)	Own Generation thro Windmill		
	Units	78,69,224	1,72,75,001
	Cost/Unit	4.82	3.36
	Fuel Consumption		
	Furnance Oil (Garments)		
	Quantity (Kilo Litre)	14	67
	Total Cost (in Rs.)	7,05,808	28,26,543
	Average Rate	51.39	42.14
B)	Consumption per unit of production standrads (if any)		
	Products- Cotton Yarn (Kgs) - Own production	65,91,784	80,11,443
	Products- Cotton Yarn (Kgs)- Job work production	15,83,956	-
	Consumption (units)	2.12	2.38
	Products- Garments (Kgs)	2,23,794	2,47,778
	Consumption (units)	1.10	1.00
	Products- Fabrics (Mtrs)	-	54,92,898
	Consumption (units)	-	2.16

FORM B
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO 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
 - (c) Effective realisation of indigenous technology
- 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.

(In Rs.)

Foreign Exchange Earnings and Outgo	Current Year 2012 - 2013	Previous Year 2011 - 2012
1 Foreign exchange earned through Direct Export	-	-
2 Expenditure in Foreign Currency		
a. On Business Travel	-	-
b. On Capital Goods	-	-
c. On Stores & Spares	42,65,831	67,85,730
d. On Raw materials	91,24,748	25,23,084

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

MANOJ KUMAR TIBREWAL
Managing Director

MOHANLAL TIBREWAL
Executive Director

Coimbatore
23-5-2013

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development :

The recession prevailing in the Textile Industry continued during the year under review owing to various factors such as non-availability of raw material, skilled labour, and poor market demand. There was no improvement in the power position also as the average power shut down per day touched up to 12-14 hours. This has affected the production schedule very badly and in fact only 30% production was achieved with the available power which has made the Industry difficult to meet out the overheads. Operating with captive Diesel / Furnace Oil Generators are proving to be totally un-economical. Though the Company has its own Wind Energy Generators, the power generated has to be fed into the central grid and can be availed only through the grid. Hence, continuous and stable supply of power is not assured.

The Labour scenario is also not encouraging. At all levels and in all categories, locating and retaining capable hands has become a real issue.

The company has effected sales turnover of Rs 63.19 crores as against Rs 77.31 crores last year in respect of yarn and Rs 17.99 crores as against Rs 15.44 crores last year in respect of Ready made Garments. In spite of an unfavourable condition prevailing in the Textile Industry, the company was able to perform to a satisfactory level during the year under review by efficient administration in respect of Ready Made Garments.

The workers of the Weaving & Processing Unit situated at Perundurai have gone for strike with effect from 24-1-2012 demanding the wage revision on the higher side and the unit is not working since then.

OPPORTUNITIES AND THREATS

The opportunity for Indian Yarn Industry seems to better in the coming years in view of China has turned to India for huge purchase of yarns to make Towel, T-Shirts, Jeans etc while production in Pakistan a key supplier for Beijing is down by 30% have taken a reverse turn. The financial year 2012-13 was not a good period for the Apparel Sector both in Domestic and Export Sales which has resulted

poor off-take in the yarn market. However, every effort has been made to meet the changing scenario of the consumers. The Government Policy with regard to Cotton Export has played a significant role for the recession of the Textile Industry. The Textile Ministry is unable to decide on banning Cotton Export and the Ministry is undecided on whether it should ban Exports or release part of the stock held by CCI. The fact of the Cotton prices going through roof has made the whole industry unviable.

Technology Upgradation Fund Scheme for the Textile Sector is one of the few Budget proposals that has been acted upon swiftly as part of Government effort to fast track Industrial recovery. The Government will soon finalise the Scheme which was announced in the Budget to boost modernization of the ailing labour-intensive Textile Sector.

The power has become a perennial problem and it has hit the Industry very badly during the last couple of years. In so far as the improvement in power position is concerned, the solution appears to far away as almost all the Power Generating Units in the State are under renovation and also due to failure of both the South – West and North-East monsoons. Power Ministry's plans to have a single transmission network in the Country by connecting the southern grid with the National grid is likely to be delayed. Unless things are set right in power producing units, power crisis will last for some more time.

Because of unscheduled load shedding it became difficult for the Industries to plan their production schedule thus leading to payment of idle wages to the labour force as they have no work to do in such condition. Thus the entire State has been experiencing frequent and intermittent power shut downs. This not only affects the production but also affect the quality of the product.

Labour scenario also continues to be on the discomfort side. There are many units which are being run on partial capacity for want of adequate skilled labour. 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.

FINANCIAL PERFORMANCE AND ANALYSIS

(in Rs.)

PARTICULARS	2012 - 2013	2011 - 2012	Change Increase (+) Decrease(-)	%
Turnover	86,62,61,319	1,61,73,01,006	-75,10,39,687	-46.44
Other Income	21,18,914	4,07,17,400	-3,85,98,486	-94.80
Gross Revenue	86,83,80,233	1,65,80,18,406	-78,96,38,173	-47.63
PBIDT	(2,38,34,410)	5,30,07,417	-7,68,41,827	-144.96
Interest	31,35,08,967	26,78,25,730	4,56,83,237	17.06
PBDT	(33,73,43,376)	(21,48,18,313)	-12,25,25,063	57.04
Depreciation	18,03,39,897	18,61,96,709	-58,56,812	-3.15
Extraordinary Items	56,67,64,212	3,80,76,132	52,86,88,080	1388.50
Net Profit / Loss for the year Before Tax	(108,44,47,486)	(43,90,91,154)	-64,53,56,332	146.98

During the year under review, the Company has incurred huge loss amounting to Rs 108.45 crores. which has eroded 100 % Net Worth of company and hence reference is being made to Board for Industrial Financial Reconstruction (BIFR) in terms of the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985.

PERFORMANCE

The Company continues to deal with in Yarn and Garments. In so far as the yarn is concerned the position is fully explained. It is to be further added that during the year under review, due to erratic power situation and shortage of working capital the overall performance of the company is not satisfactory.

The company's Garments business has registered sales of Rs 17.99 crores as against Rs15.44 crores previous year. The company has performed slightly better than the last year inspite of stiff competition in the Garment market.

The Company has two Wind Energy Generators and the entire production of energy is being captively consumed.

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

In view of the heavy financial constraints, the Company could not repay the Term Loan and the Interest as well. The Company's Account has been classified as NPA (Non-performing Asset) and the Bankers have issued Notice under Section 13(2) of the SARFAESI Act on 4-12-2012 and an amended Notice on 4-4-2013. They have filed a case in the Debt Recovery Tribunal (DRT)

JOB WORK

In view of the insufficient Working Capital available with the Company and in order to run the industry for fetching a better price, the company has given the Ring Spinning Unit (Unit -4 and Unit- 9) at Udamalpet and Open End Spinning Unit (Unit- 3) at Kolhapur to Job Work during the year under review.

RISK AND CONCERNS

The risks that the Industry is facing and as a part of the Industry, the company is facing are identical. As has been stated they are a) non-availability of raw material at an affordable price b) non-availability of skilled labour c) high interest cost d) unremunerative prices of yarn resulting in distress sales by many mills e) accumulating stock of yarn across the Country and above all f) un-scheduled and frequent power tripping .

The concern is regarding in what manner and when the situation could be got over and in what form and when any support will be forthcoming from the Government . The sooner any one or more of these areas improve, that would be a big relief for the Industry.

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 last year or infusion of funds by strategic investors.

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.

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.

By Order of the Board
For GANGOTRI TEXTILES LIMITED

MANOJ KUMAR TIBREWAL
MANAGING DIRECTOR

MOHANLAL TIBREWAL
EXECUTIVE DIRECTOR

Coimbatore
23-5-2013

CORPORATE GOVERNANCE REPORT

Companies policies on the Corporate Governance under the due compliance report on specific areas, where applicable for the year 2012-2013 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 organisation.

2. Board of Directors :

The Board of Directors, on the date of this report is comprised of six members, out of which four 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.

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	1	NIL	NIL
Sri. R.P. Joshua	Nominee Director	1	NIL	NIL
Sri. G.V. Chandra Bhaskar	Nominee Director	NIL	NIL	NIL
Sri. A. Venkatasubramanian (Upto : 29.05.2012)	Nominee Director	NIL	NIL	NIL
Sri. P. Venugopal (Wef : 29.05.2012)	Nominee Director	NIL	NIL	NIL

b) Details of Sitting Fees, remuneration etc paid to Directors

Name of the Director	Remuneration paid During the year 2012 - 13 (Rs)	Sitting Fees for Attending meetings of the Board and / or Committee thereof (Rs)
Sri. Manoj Kumar Tibrewal	18,00,000	Nil
Sri. Mohanlal Tibrewal	18,00,000	Nil
Sri. Ullas R. Sanghvi	Nil	30,000
Sri. R.P. Joshua	Nil	40,000
Sri. G.V. Chandra Bhaskar*	Nil	30,000
Sri. P. Venugopal **	Nil	15,000
Sri. A. Venkatasubramanian **	Nil	5,000

* Paid to IDBI. ** Paid to Canara Bank

c) Number of Board Meetings held and attended by the Directors :

Meetings of the Board of Directors were held during the year ended 31-3-2013 on the following dates.

(1) 29th May, 2012 (2) 14th August, 2012 (3) 31st October, 2012 (4) 14th February, 2013

During the year under review, the company has convened a Board Meeting on 13-12-2012 at the request of a Nominee Director to review the working of the company with regard to repayment of Term Loan and subsequently cancelled due to unavoidable circumstances.

ii. Attendance recorded of each of the Directors at the Board Meeting during the year ended 31st March, 2013 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	3	Yes
Sri. R.P. Joshua	4	No
Sri. G.V. Chandra Bhaskar	3	No
Sri. A. Venkatasubramanian (Upto 29.05.2012)	1	No
Sri. P. Venugopal	2	No

3. Audit Committee

The Audit Committee of the Company consists of the following Members.

1. Sri. Ullas R Sanghvi - Chairman (Independent Director)
2. Sri. R.P. Joshua - Member (Nominee Director)
3. Sri. G.V. Chandra Bhaskar - Member (Nominee Director)

The Audit Committee meetings were held on the following dates:
 (1) 29th May, 2012 (2) 14th August, 2012
 (3) 31st October, 2012 (4) 14th February, 2013

ii. Attendance of the Audit Committee Meeting held during the financial year ended 31st March, 2013.

Name of the Member	No of Meetings Attended
Sri. Ullas R Sanghvi	3
Sri. R.P. Joshua	4
Sri. G.V. Chandra Bhaskar	3

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 :

The Remuneration Committee of the Company consists of the following Members.

1. Sri. Ullas R Sanghvi - Chairman (Independent Director)
2. Sri. R.P. Joshua - Member (Nominee Director)
3. Sri. G.V. Chandra Bhaskar - Member (Nominee Director)

The Remuneration Committee meeting was held on 23-5-2013 and approved the remuneration payable to Sri. Mohanlal Tibrewal, Executive Director for the period from 1-4-2014 to 31-3-2016.

5. Investors Grievance Committee :

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 23-5-2013 and reviewed the complaints received from the Investors during the financial year ended 31st March, 2013.

During the financial year ended 31st March, 2013, the company has received one complaint from the Investor's and as on 31st March, 2013 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 26.07.2013 are given hereunder.

Out of the composition of six Directors, Sri. Manoj Kumar Tibrewal, Managing Director, Sri. Mohanlal Tibrewal, Executive Director, Sri. G.V. Chandra Bhaskar, Nominnee Director of IDBI, Sri. R.P. Joshua, Nominee Director of State Bank of India and Sri. P. Venugopal, Nominnee Director of Canara Bank are not liable to retire by rotation. The Independent Director Sri. Ullas R. Sanghvi alone is due to retire by rotation at the ensuing 24th 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	He is a Director in Churchgate Investments & Trading Pvt. Ltd.,

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
21	Wednesday	08.09.2010	3.30 pm	Conference Hall, Sree.Coimbatore Gujarat Samaj 662, Mettupalayam Road, P.B. No. 1164, R.S.Puram, Coimbatore - 641 002
E.G.M	Wednesday	03.11.2010	3.30 pm	A.R. Patel Hall, Sree.Coimbatore Gujarat Samaj 662, Mettupalayam Road, P.B. No. 1164, R.S.Puram, Coimbatore - 641 002
22	Friday	23.09.2011	3.30 pm	A.R. Patel Hall, Sree.Coimbatore Gujarat Samaj 662, Mettupalayam Road, P.B. No. 1164, R.S.Puram, Coimbatore - 641 002
23	Wednesday	12.09.2012	3.30 pm	A.R. Patel Hall, Sree.Coimbatore Gujarat Samaj 662, Mettupalayam Road, P.B. No. 1164, R.S.Puram, Coimbatore - 641 002

b) In the 23rd Annual General Meeting held on 12-9-2012, no Special Resolutions was proposed to be passed .

9. Disclosures :

i) The transactions with related parties form part of the financial statements circulated to all the members in conformity with the necessary accounting standards to be followed by the Company

ii) No penalty or levy have been 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 will be published in anyone of these 1) Business Line 2) Business Standard 3) Financial Express 4) Trinity Mirror (English) and in 1) Dinamalar 2) Malai Malar 3) Makkal Kural (Tamil)

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

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

11. General Shareholder Information :**a) Annual General Meeting to be held on 26.07. 2013 (24th AGM)**

Day : Friday
Date : 26.07.2013
Time : 3.30 P.M
Venue : A.R. Patel Hall, Shree Coimbatore Gujarati Samaj, 662, Mettupalyam Road, Post Box No 1164, R.S.Puram, Coimbatore - 641 002

b) Financial Calendar Year 2013-2014 :

First quarterly Financial Results : On or before 15-08-2013
Second quarterly Financial Results : On or before 15-11-2013
Third quarterly Financial Results : On or before 15-02-2014
Audited Financial Results for the year ended 31-3-2014 : On or before 31-05-2014

c) Dates of Book Closure :

From: 19.07.2013 To: 26.07.2013 (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, 2013, the Board of Directors have not recommended any dividend for the financial year 31-3-2013.

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 2012-13 are as under.

MONTH		Highest Rate (Rs)	Lowest Rate (Rs)
APRIL	2012	3.79	3.00
MAY	2012	3.99	2.92
JUNE	2012	4.29	2.71
JULY	2012	3.40	2.86
AUGUST	2012	3.27	2.57
SEPTEMBER	2012	2.91	2.48
OCTOBER	2012	3.00	2.60
NOVEMBER	2012	2.97	2.27
DECEMBER	2012	3.05	2.50
JANUARY	2013	3.79	2.47
FEBRUARY	2013	2.85	2.14
MARCH	2013	2.49	1.77

13. Registrar and Share Transfer Agents :

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

M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391 / A-1, Sathy Road, Coimbatore – 641 006
Phone No : 0422 – 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. Distribution of Shareholding : (As on 31-3-2013)

No of Shares	No of Shareholders	No of Shares	Percentage
1 - 500	6,730	15,68,502	4.81
501 - 1000	1,452	12,47,690	3.83
1001 - 2000	737	11,47,604	3.52
2001 - 3000	245	6,22,518	1.91
3001 - 4000	125	4,61,194	1.41
4001 - 5000	107	5,02,259	1.54
5001 - 10000	159	11,76,810	3.61
10001 and above	138	2,58,88,057	79.37
Total		3,26,14,634	100.00

Category	No of Shares held	Percentage
Promoters	79,83,457	24.478
Mutual Funds and UTI	1,600	0.005
Financial Institutions / Banks	15,99,348	4.904
Bodies Corporate	31,86,118	9.769
NRI / OCB	1,84,439	0.566
Insurance Companies	12,02,000	3.685
General Public	1,84,57,672	56.593
TOTAL	3,26,14,634	100.000

17. Dematerialisation of Equity Shares :

As on 31-3-2013 shares representing 98.485 % percentage of the total paid up capital of the Company is held in dematerialized form with NSDL and CDSL.

18. 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 5 th Cross Road SIPCOT Industrial Complex Perundurai	UNIT – VII S.F No 262 / 2B, 262 /3, 262/4 Mopperipalayam Village Palladam Taluk Coimbatore District	UNIT – VIII (Not working since 24.1.2012) Plot No PP2,PP3,PP4 SIPCOT Industrial Complex Perundurai Erode District	UNIT IX S.F No 138,142,143,78 Pushpattur Village Palani Taluk Dindigul District	

19. Address for correspondence :

Registered Office : Old No 42, New No 35, Robertson Road, R.S.Puram, Coimbatore - 641 002
Telephone No : 0422 – 4332100 Fax No : 0422 – 2474499 Mail Id : tibre@gangotritextiles.com

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 2012-13.

Coimbatore
23-5-2013

MANOJ KUMAR TIBREWAL
MANAGING DIRECTOR

22. CEO / CFO CERTIFICATE

We certify that

- a) We have reviewed financial statements and cash flow statements for the year ended 31st March, 2013 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
23-5-2013

MANOJ KUMAR TIBREWAL
MANAGING DIRECTOR

The above Corporate Governance Report has been placed before the Board of Directors at their meeting held on 23-5-2013 and the same was approved thereat.

AUDITORS REPORT

To the Members of M/s Gangotri Textiles Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Gangotri Textiles Limited ('the Company') which comprise the balance sheet as at 31 March 2013, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

BASIS FOR QUALIFIED OPINION

- 1. The Debtors and Loans and advances are subject to confirmation and an advance of Rs.423 lakhs is doubtful of recovery which has not been provided for in the accounts of the company.**
- 2. The Management has not obtained concurrence of the lenders with regard to transactions related to job work at Unit,3,4 and 9 for the year ended 31.03.2013 which has resulted in a loss of Rs.133 lakhs. In the event of the denial of concurrence by the lenders, the loss would have been overstated to the above extent. Further, the management has not complied with the advice of the lenders to make good the above loss.**
- 3. The interest provisions for all terms loans have been worked based on the then prevailing CDR package rates, 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.5700 lakhs (from 1.7.2008 to 31.03.2013). Since the same has not been provided for the loss has been understated to the above extent.**
- 4. Notices to treat the Company as willful defaulter from certain lenders have been served on the Company and the management.**

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for qualified opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2013;
- (ii) in the case of the statement of profit and loss, of the loss for the year ended on that date; and
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

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. in 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and

e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Aswin.C
Partner
Membership No:22204

Coimbatore
23.05.2013

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of Gangotri Textiles Limited ('the Company') for the year ended 31 March 2013. We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) Fixed assets disposed off during the year were not substantial **but for some non-core assets (Sulaikal Land)**, and therefore, do not affect the going concern assumption. And, it is noted that according to the management, these assets will not be replaced in the foreseeable future
- (d) The Company has provided for impairment of all its assets during the year under review.
- (ii) (a) As explained to us, inventories of the company at all its location 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, 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.11.50 crores, and the transaction during the year is Nil and accordingly year end balance 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 interest of the Company.

- (iv) **In our opinion and according to the information and explanations given to us, the internal control system is not commensurate with the size of the Company and the nature of its business with regard to purchase and sale of goods and services.**
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (v)(a) above and exceeding the value of Rs 5 lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant 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 the size and the 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 cost records u/s 209 (1) (d), of the Act. We are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view of determining whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales - tax, Wealth tax, Service tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Customs duty and Excise duty.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Income - tax, Sales - tax, Wealth tax, Service tax and other material statutory dues were in arrears as at 31 March 2013 for a period of more than six months from the date they became payable.
- (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 Lakhs	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 31.03.2013. In our opinion the accumulated losses of the Company as on 31.03.2013 are more than 100% of its network and the company has become a sick company within the definition of Section 3(1) (o) of the SICA (Special Provisions) Act, 1985. The Company has incurred cash loss during the financial year covered by our audit but has not incurred cash loss in the immediately preceding financial year.**

xi) The Company has defaulted in repayment of dues, both principal and interest to lenders. The principal default of Rs. 256.64 crores is from April 2011 and interest default of Rs. 44.16 crores from October 2011, based on CDR Package.

- 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 explanations given to us.
- xiii) In our opinion, the provisions of special statue 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 explanations given to us, the company has not given any guarantee for loans taken by offers from banks or financial institutions.
- xvi) According to the information and explanations 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 long - term investments by the Company.
- xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies oared 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 explanations given to us, during the year the Company has not raised money by public issue.
- xxi) To the best of our knowledge the 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
23.05.2013

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

To
The members of Gangotri Textiles Limited

We have reviewed the implementation of Corporate Governance procedures by Gangotri Textiles Limited during the year ended 31st March, 2013, 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, 2013, 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
23.05.2013

BALANCE SHEET AS AT 31st MARCH, 2013

Particulars	Note No.	31.03.2013 (Rs.)	31.03.2012 (Rs.)
EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	1	1,06,72,73,170	1,06,72,73,170
(b) Reserves and Surplus	2	-1,84,22,76,722	-75,67,38,956
Sub total - Shareholders Funds		-77,50,03,552	31,05,34,214
Non-Current Liabilities			
(a) Long-term borrowings	3	13,03,29,542	27,55,07,006
(b) Other Long term liabilities	4	13,39,53,152	13,39,85,406
(c) Long term provisions	5	5,55,00,000	5,55,00,000
Sub total - Non Current Liabilities		31,97,82,694	46,49,92,412
Current Liabilities			
(a) Short-term borrowings	6	3,18,31,33,409	2,84,02,74,277
(b) Trade payables		21,27,49,735	4,28,29,311
(c) Other current liabilities	7	3,78,44,258	5,00,35,925
(d) Short-term provisions	8	50,000	75,000
Sub total - Current Liabilities		3,43,37,77,402	2,93,32,14,513
Total Equity and Liabilities		2,97,85,56,544	3,70,87,41,139
Assets			
Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	9	2,17,45,76,034	2,91,99,20,958
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	28,19,877
(iv) Intangible assets under development		-	-
(b) Non-current investments	10	15,00,65,500	15,00,65,500
(c) Deferred tax assets (net)		14,04,73,811	14,04,73,811
(d) Long term loans and advances	11	4,49,01,417	4,48,95,623
(e) Other non-current assets	12	4,94,05,926	5,07,48,181
Sub total - Non Current Assets		2,55,94,22,688	3,30,89,23,950
Current assets			
(a) Inventories	13	12,21,28,512	18,60,29,278
(b) Trade receivables	14	23,17,43,560	11,37,88,807
(c) Cash and cash equivalents	15	79,62,405	35,46,513
(d) Short-term loans and advances	16	6,03,010	5,09,055
(e) Other current assets	17	5,66,96,369	9,59,43,536
Sub total - Current Assets		41,91,33,856	39,98,17,189
Summary of significant accounting policies - Annexure I			
The notes referred to above form an integral part of the Balance Sheet	Total Assets	2,97,85,56,544	3,70,87,41,139

MAXIM JOSEPH
Company Secretary

Coimbatore
23.05.2013

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

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Note No.	31.03.2013 (Rs.)	31.03.2012 (Rs.)
Income			
I Revenue from operations	18	86,62,61,319	1,61,73,01,006
II Other Income	19	21,18,914	4,07,17,400
III Total Revenue (I +II)		86,83,80,233	1,65,80,18,406
IV Expenses:			
Cost of materials consumed	20	54,38,84,772	87,83,17,921
Changes in inventories of finished goods, Work in Progress and Stock-in-Trade	21	4,02,20,792	13,02,32,475
Employee benefit expense	22	7,19,23,737	10,35,81,497
Financial costs	23	31,35,08,967	26,78,25,730
Depreciation	24	18,03,39,897	18,61,96,709
Other expenses	25	25,95,62,949	52,01,09,201
Total Expenses		140,94,41,114	2,08,62,63,533
V Profit before exceptional and extraordinary items and tax		-54,10,60,881	-42,82,45,127
VI Exceptional Items	26	2,33,77,607	2,72,30,105
VII Profit before extraordinary items and tax (V - VI)		-51,76,83,274	-40,10,15,022
VIII Extraordinary Items	27	56,67,64,212	3,80,76,132
IX Profit before tax (VII - VIII)		-108,44,47,486	-43,90,91,154
X Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Tax relating to Earlier year		1,01,773	-
XI Profit(Loss) from the period from continuing operations		-33,87,40,162	-43,90,91,154
XII Profit/(Loss) from discontinuing operations		-74,58,09,097	-
XIII Tax expense of discounting operations		-	-
XIV Profit/(Loss) from Discontinuing operations (XII - XIII)		-74,58,09,097	-
XV Profit/(Loss) for the period (XI + XIV)		-1,08,45,49,259	-43,90,91,154
XVI Earning per equity share:			
(i) Basic		-17.98	-14.40
(ii) Diluted		-35.36	-15.56
Weighted Average number of shares outstanding		3,26,14,634	3,26,14,634
Summary of significant accounting policies - Annexure I			
The notes referred to above form an integral part of the Profit & Loss A/c			

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
23.05.2013

Aswin.C
Partner
Membership No:22204

MOHANLAL TIBREWAL
Executive Director

NOTES TO THE FINANCIAL STATEMENTS

Note : 1 - Share Capital		31.03.2013 (Rs.)	31.03.2012 (Rs.)
Authorised			
6,00,00,000 Equity Shares of Rs.5/- each	30,00,00,000		
92,00,00,000 Preference Shares of Rs.100/- each	92,00,00,000	1,22,00,00,000	1,22,00,00,000
Issued			
Equity Share Capital			
3,26,14,634 Equity Shares of Rs.5 each (Of the above 96,00,000 shares of Rs.5/- each fully capitalisation of reserves)	16,30,73,170		
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)	90,42,00,000	1,06,72,73,170	1,06,72,73,170
Subscribed & Paid up			
3,26,14,634 Equity Shares of Rs.5 each fully paid	16,30,73,170		
90,42,000 Cumulative Redeemable Preference Shares of Rs.100/- each fully paid	90,42,00,000	1,06,72,73,170	1,06,72,73,170
Total		1,06,72,73,170	1,06,72,73,170

Reconciliation of the number of shares outstanding and the amount of Share Capital at 31st March 2013 and 31st March 2012 is as under

Description	As at 31st March 2013		As at 31st March 2012	
	No. of Shares	Value in Rs.	No. of Shares	Value in Rs.
a. Equity Share Capital				
Outstanding at the beginning of the Year	3,26,14,634	16,30,73,170	3,26,14,634	16,30,73,170
Outstanding at the end of the Year	3,26,14,634	16,30,73,170	3,26,14,634	16,30,73,170
b. Preference Share Capital				
Outstanding at the beginning of the Year	90,42,000	90,42,00,000	90,42,000	90,42,00,000
Outstanding at the end of the Year	90,42,000	90,42,00,000	90,42,000	90,42,00,000

a Terms / Rights attached to Equity Shares

The company has both Equity and Preference shares

(i) The Equity share have a par value of Rs.5/- per share. Each holder of Equity Shares is entitled is one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend Proposed by the Board of Directors is subject to approval of shareholders in Annual General Meeting.

For the year ended 31st March'2013, the amount of per share dividend recognized as distribution to Equity Shareholder is Nil (Previous year Nil)

In the event of liquidation of the company the holders of Equity Share will be entitled to receive remaining assets of the Company in proportion to the amount paid up as credited in such Equity shares respectively, after distribution of all preferential amounts.

b Rights of Preference Share

(ii) The Company's Preference Share have a par value of Rs.100/- per share. The preference shareholders have right over the equity shareholders in respect of declare of dividend and in the distribution of the assets in the event of liquidation of the company.

c Details of shares held by shareholders holding more than 5% of the aggregative shares in the Company

S.No	Name of the Shareholder	As at 31st March 2013	As at 31st March 2012
		No. of Shares	No. of Shares
01.	Anita Tibrewal	52,33,661	52,33,661
02.	Martin .S	33,48,066	33,48,066
03.	Manoj Kumar Tibrewal	21,92,596	21,92,596
04.	Usha Tibrewal	17,68,531	17,68,531

Particulars	31.03.2013 (Rs.)	31.03.2012 (Rs.)
Note : 2 - Reserves and Surplus		
a. Capital Reserves		
Opening Balance	1,84,39,637	3,80,57,783
Less: Transfer to P&L	9,88,506	1,96,18,146
Closing Balance	1,74,51,131	1,84,39,637
b. General Reserve		
Opening Balance	-126,61,05,424	-82,70,14,270
Profit/(Loss) for the year	-108,45,49,259	-43,90,91,154
Closing Balance	-235,06,54,683	-1,26,61,05,424
c. Share Warrant Forfeited	80,00,000	80,00,000
Balance as per last account	80,00,000	80,00,000
d. Share Premium		
Balance as per last account	48,29,26,830	48,29,26,830
	48,29,26,830	48,29,26,830
Total (a+b+c+d)	-184,22,76,722	-75,67,38,956
Note : 3 - Long Term Borrowings		
Secured		
Term Loans		
From Banks	13,03,29,542	27,55,07,006
Total	13,03,29,542	27,55,07,006

Nature of Security

TERM LOANS

- a Term Loan of Rs.245 million and Funded Interest Term loan of Rs.4.94 million 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.
- b Term Loan of Rs.76.10 million and Funded Interest Term Loan of Rs.2.36 million sanctioned by Corporation Bank is Secured by way of exclusive charge over the assets created out of the said loan
- c Term Loan of Rs.15 million and Funded Interest Term Loan of Rs.20.79 million sanctioned by State Bank of Indis 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.
- d Term Loan of Rs.100 million and Funded Interest Term Loan of Rs.23.10 million 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.
- e Term Loan of Rs.150 million and Funded interest Term loan of Rs.9.59 million sanctioned by State Bank of Indore is secured by second charge on all present fixed assets of the Company.
- f Term Loan for New Project from Sanctioned amount.

Rs. In million

Bank Name	Sanctioned Amt	FITL 1&2 *
State Bank of India	410	50.85
State Bank of Hyderabad	250	29.80
State Bank of Mysore	300	31.83
State Bank of Travancore	200	22.86
Syndicate Bank	270	27.37
United Bank of India	400	44.07
Canara Bank	500	79.65
Corporation Bank	400	43.87

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 share on pari passu basis with banks in the consortium for New Project of Rs.351 crores.

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

SECURED TERM LOANS OUTSTANDING AS ON 31.03.2013

(In Rs.)

BANKERS	TERM LOAN Rate of Interest @ 10% p.a.	FITL I&II Rate of Interest FITL I @ 5% p.a. FITL II @ 15% p.a.	TOTAL
STATE BANK OF INDIA	36,34,32,994	---	36,34,32,994
STATE BANK OF HYDERABAD	16,29,15,922	2,27,21,699	18,56,37,621
STATE BANK OF MYSORE	16,14,67,013	2,72,73,574	18,87,40,587
STATE BANK OF TRAVANCORE	11,29,11,008	1,48,36,880	12,77,47,888
SYNDICATE BANK	16,25,24,466	11,43,945	16,36,68,411
UNITED BANK OF INDIA	22,01,24,653	2,79,36,081	24,80,60,734
CANARA BANK	30,02,08,950	6,47,46,389	36,49,55,339
IDBI BANK	9,09,30,442	1,93,16,783	11,02,47,225
CORPORATION BANK*	27,62,13,252	3,48,17,565	31,10,30,817
TOTAL	1,85,07,28,700	21,27,92,917	2,06,35,21,616

* Corporation Bank vide their letter dt. 08.04.2013 have informed the company that they have assigned the entire liability payable to them to M/s. JM Financial Asset Reconstruction Company Private Ltd, which has also been confirmed by JMFARC vide their letter dt. 02.05.2013. Gangotri Textiles Limited is awaiting the Assignment - Deed to incorporate the transactions in the Books of Accounts.

WORKING CAPITAL LOANS

- a The working capital loan of Rs.200.30 million 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 The working capital loan of Rs.28.30 million 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 The working capital loan of Rs.18.70 million 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.

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 <i>pari passu</i> basis with other Consortium TL Bankers	

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

SECURED WORKING CAPITAL LOANS OUTSTANDING AS ON 31.03.2013

(In Rs.)

Bankers	CASH CREDIT Rate of Interest @ 10% p.a.	WCTL Rate of Interest @ 10% p.a.	FITL Rate of Interest @ 5% p.a.	TOTAL
State Bank of India	12,92,71,374	39,97,55,579	8,67,57,974	61,57,84,927
State Bank of Hyderabad	2,78,18,708	8,85,99,943	---	11,64,18,651
Corporation Bank	1,74,30,252	3,33,46,818	1,55,01,302	6,62,78,372
TOTAL	17,45,20,334*	52,17,02,340	10,22,59,276	79,84,81,950

* Rs. 1,97,52,245/- towards interest accrued in cash credit amount is not included in Rs. 17,54,20,334/-

THE COMPANY HAS DEFAULTED THE FOLLOWING PAYMENTS DUE AS ON 31.03.13

(In Rs.)

Bankers	Type of Loan	PRINCIPAL	INTEREST	TOTAL
State Bank of India	TUF LOAN	33,26,08,231	5,43,17,714	38,69,25,945
	NON-TUF LOAN	2,30,23,201	55,88,557	2,86,11,758
	WCTL-I	27,25,83,000	4,49,28,256	31,75,11,256
	WCTL-II	9,91,79,576	1,63,87,089	11,55,66,665
	FITL-I	7,64,93,124	94,94,699	8,59,87,823
	FITL-II	-	99,308	99,308
	TOTAL	80,38,87,132	13,08,15,623	93,47,02,755
State Bank of Hyderabad	TUF LOAN	13,06,15,934	1,72,51,536	14,78,67,470
	NON-TUF LOAN	2,81,00,988	41,87,507	3,22,88,495
	WCTL-I	6,03,56,999	81,09,981	6,84,66,980
	WCTL-II	2,20,40,948	35,10,225	2,55,51,173
	FITL-I	1,88,74,242	25,96,227	2,14,70,469
	FITL-II	-	9,482	9,482
	TOTAL	25,99,89,112	3,56,64,958	29,56,54,069
State Bank of Mysore	TUF LOAN	15,71,53,136	2,56,57,078	18,28,10,214
	NON-TUF LOAN	36,15,379	7,53,233	43,68,612
	FITL-I	1,73,51,758	14,70,452	1,88,22,210
	FITL-II	76,34,810	16,58,884	92,93,694
		TOTAL	18,57,55,083	2,95,39,647
State Bank of Travancore	TUF LOAN	9,00,07,722	1,49,11,682	10,49,19,404
	NON-TUF LOAN	1,96,51,827	40,03,429	2,36,55,256
	FITL-I	1,31,84,740	12,30,414	1,44,15,154
	FITL-II	-	1,02,920	1,02,920
		TOTAL	12,28,44,290	2,02,48,445
Corporation Bank	OLD TUF LOAN	1,04,19,816	15,66,381	1,19,86,197
	TUF & NON - TUF LOAN	26,05,27,136	4,05,23,298	30,10,50,434
	WCTL	2,93,35,818	64,69,682	3,58,05,500
	FITL-I	4,48,50,992	34,54,949	4,83,05,941
	FITL-II	-	-	-
		TOTAL	34,51,33,762	5,20,14,310
Canara Bank	TUF LOAN	24,32,24,154	4,61,15,480	28,93,39,634
	NON-TUF LOAN	4,89,69,050	1,12,14,349	6,01,83,399
	FITL-I	5,97,78,449	1,02,17,160	6,99,95,609
	FITL-II	-	3,75,087	3,75,087
		TOTAL	35,19,71,654	6,79,22,076
United Bank of India	TUF LOAN	17,39,56,025	2,95,62,995	20,35,19,020
	NON-TUF LOAN	3,96,17,006	92,22,088	4,88,39,094
	FITL-I	2,40,27,844	21,14,271	2,61,42,115
		TOTAL	23,76,00,875	4,08,99,354
Syndicate Bank	TUF LOAN	13,12,24,466	1,38,73,243	14,50,97,709
	NON-TUF LOAN	2,72,31,000	30,73,544	3,03,04,544
	FITL-I	11,43,945	1,28,60,322	1,40,04,267
		TOTAL	15,95,99,411	2,98,07,109
IDBI Bank	TUF LOAN	2,83,40,000	-	2,83,40,000
	NON-TUF LOAN	5,40,49,442	1,32,50,633	6,73,00,075
	FITL-I	1,59,02,649	-	1,59,02,649
	FITL-II	14,17,000	16,99,249	30,16,249
		TOTAL	9,97,09,091	1,49,49,882
	GRAND TOTAL	2,56,64,90,409	42,18,61,404	2,98,83,51,812

1. The sale proceeds of non core assets of 2011-12 has been appropriated towards principal and interest by lenders.

2. The sale proceeds of non core assets of 2012-13 has been appropriated towards principal.

LONG TERM BORROWINGS AS ON 31.03.2013

(In Rs.)

Bankers	Type of Loan	PRINCIPAL
State Bank of India	TUF LOAN	----
	NON-TUF LOAN	78,01,562
	WCTL-I	2,05,17,000
	WCTL-II	74,76,003
	FITL-I	1,02,64,850
	FITL-II	----
	TOTAL	4,60,59,415
State Bank of Hyderabad	TUF LOAN	----
	NON-TUF LOAN	41,99,000
	WCTL-I	45,43,000
	WCTL-II	16,58,996
	FITL-I	38,47,457
	FITL-II	----
	TOTAL	1,42,48,453
State Bank of Mysore	TUF LOAN	----
	NON-TUF LOAN	6,98,498
	FITL-I	22,87,006
	FITL-II	----
	TOTAL	29,85,504
State Bank of Travancore	TUF LOAN	----
	NON-TUF LOAN	32,51,458
	FITL-I	16,52,140
	FITL-II	----
	TOTAL	49,03,598
Corporation Bank	OLD TUF LOAN	----
	TUF & NON - TUF LOAN	52,66,300
	WCTL	40,11,000
	FITL-I	54,67,875
	FITL-II	----
	TOTAL	1,47,45,175
Canara Bank	TUF LOAN	----
	NON-TUF LOAN	80,15,745
	FITL-I	49,67,940
	FITL-II	----
	TOTAL	1,29,83,685
United Bank of India	TUF LOAN	----
	NON-TUF LOAN	65,51,622
	FITL-I	39,08,237
	FITL-II	----
	TOTAL	1,04,59,859
Syndicate Bank	TUF LOAN	----
	NON-TUF LOAN	40,69,000
	FITL-I	----
	TOTAL	40,69,000
IDBI Bank	TUF LOAN	----
	NON-TUF LOAN	85,41,000
	FITL-I	19,97,134
	FITL-II	----
	TOTAL	1,05,38,134
	GRAND TOTAL	12,09,92,823

Particulars	31.03.2013 (Rs)	31.03.2012 (Rs)
Note :4 Other Long Term Liabilities		
Other Payable	13,39,53,152	13,39,85,406
Total	13,39,53,152	13,39,85,406
Note : 5 Long Term Provisions		
Provisions	5,55,00,000	5,55,00,000
Total	5,55,00,000	5,55,00,000
Note :6 - Short Term Borrowings		
Secured		
(a) Working Capital Loans from Banks	17,47,21,945	17,68,02,365
(b) Hire Purchase Loan	3,07,408	1,44,614
(c) Funded Interest Term Loan & Interest Accured	72,22,73,204	43,74,36,309
(d) Current maturities of long-term debt	2,28,58,30,852	2,22,58,90,989
Total	3,18,31,33,409	2,84,02,74,277
Note : 7 - Other Current Liabilities		
(a) Unclaimed dividends	3,28,417	4,37,233
(b) Statutory Dues	3,66,543	1,47,06,325
(c) Advance against Sales	1,09,22,544	61,08,559
(d) Other payables	2,62,26,754	2,87,83,808
Total	3,78,44,258	5,00,35,925
Note 8 - Short Term Provisions		
Wealth Tax provision	50,000	75,000
Total	50,000	75,000
Note: 9 Fixed Assets		
(i) Tangible Assets	2,17,45,76,034	2,91,99,20,958
(ii) Capital work-in-progress	-	28,19,877
Total	2,17,45,76,034	2,92,27,40,835

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2013

Note - 9 - FIXED ASSETS - (i) TANGIBLE ASSETS

(In Rs.)

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK			
	UP TO 31.03.2012	ADDITIONS	SALE / DELETION	TOTAL 31.03.2013	UP TO 31.03.2012	FOR THE YEAR ADDITION	WITHDRAWN DURING THE YEAR	IMPAIRMENT	TOTAL 31.03.2013	W.D.V AS 31.03.2013	W.D.V AS 31.03.2012
LAND	9,28,25,620	-	11,62,695	9,16,62,925	-	-	-	-	-	9,16,62,925	9,28,25,620
BUILDINGS	1,18,04,18,297	28,19,877	-	1,16,32,38,174	20,50,21,109	3,82,35,299	-	8,43,40,780	32,75,97,188	85,56,40,986	97,53,97,188
PLANT & MACHINERY	3,06,34,83,617	8,97,105	32,00,000	3,06,11,80,722	1,24,57,33,320	13,76,59,897	8,35,792	48,00,59,224	1,86,26,16,649	1,19,85,64,073	1,81,77,50,297
OFFICE EQUIPMENT	4,14,63,211	1,13,110	-	4,15,76,321	2,92,77,458	23,33,347	-	-	3,16,10,805	99,65,516	1,21,85,753
FURNITURE	1,79,60,236	-	-	1,79,60,236	82,30,299	10,56,347	-	-	92,86,646	86,73,590	97,29,937
VEHICLES	3,04,71,986	8,29,375	41,52,992	2,71,48,369	2,01,51,367	19,20,514	34,03,911	-	1,86,67,970	84,80,399	1,03,20,619
CANTEEN ASSETS	25,91,302	-	-	25,91,302	9,42,659	1,22,999	-	-	10,65,658	15,25,644	16,48,643
LIVE STOCK	62,900	-	-	62,900	-	-	-	-	-	62,900	62,900
Total	4,42,92,77,170	46,59,467	85,15,687	4,42,54,20,949	1,50,93,56,212	18,13,28,403	42,39,703	56,44,00,004	2,25,08,44,916	2,17,45,76,034	2,91,99,20,958
Previous Year	4,42,30,29,785	36,27,61,462	35,65,14,078	4,42,92,77,170	1,42,41,33,464	18,71,87,386	10,19,64,638	-	1,50,93,56,212	2,91,99,20,958	2,99,88,96,321

(ii) CAPITAL WORK IN PROGRESS AS ON 31.3.2013

(In Rs.)

PARTICULARS	AS on 31.03.2012	Added During the Year	Total	BROUGHT INTO USE	AS ON 31.03.2013
LAND	-	-	-	-	-
BUILDING	28,19,877	-	28,19,877	28,19,877	-
PLANT AND MACHINERY	-	-	-	-	-
TOTAL	28,19,877	-	28,19,877	28,19,877	-

Note: Depreciation includes depreciation on revaluation assets of Rs. 88,506/- (Previous year Rs. 9,90,677/-)

Particulars	31.03.2013 (Rs.)	31.03.2012 (Rs.)
Note : 10 Non Current Investments		
a) Trade Investments		
Government Securities - NSC	13,500	13,500
Total (a)	13,500	13,500
b) Other Investments		
QUOTATED		
Equity Shares - 640 IDBI Shares of Rs. 10/- each at premium of Rs.120/- each,(Market Value of Rs. 51360/-)	52,000	52,000
UN QUOTATED		
Preference Shares (1,50,00,000 6% Redeemable cumulative preference shares of Rs. 10/- each at par of M/s. Jagannath Textile Co.Ltd.,)	15,00,00,000	15,00,00,000
Total (b)	15,00,52,000	15,00,52,000
Total (a+b)	15,00,65,500	15,00,65,500
Note :11 Long Term Loans and Advances		
a. Capital Advances		
Unsecured, considered good	16,01,417	15,95,623
b. Other loans and advances		
Others	4,33,00,000	4,33,00,000
Total	4,49,01,417	4,48,95,623
Note:12 Other Non Current Assets		
a. Long term trade receivables (including trade receivables on deferred credit terms)		
a. MAT Credit receivables	90,23,991	90,23,991
b. Others	4,03,81,935	4,17,24,190
Total	4,94,05,926	5,07,48,181
Note : 13 Inventories		
a. Raw Materials	2,58,08,362	4,40,70,031
b. Work-in-Progress	1,09,80,142	2,54,11,811
c. Finished Goods	7,17,06,738	9,49,51,010
d. Salable waste	6,31,811	31,76,662
e. Accessories	44,85,950	67,98,797
f. Stores and Spares	85,15,509	1,16,20,967
Total	12,21,28,512	18,60,29,278

Particulars	31.03.2013 (Rs.)	31.03.2012 (Rs.)
Note: 14 Trade Receivables		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment Secured, Unsecured, considered good	1,72,93,849	2,07,43,499
Less: Provisions for doubtful debts	-1,33,96,260	-1,76,23,062
	38,97,589	31,20,437
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	22,78,45,971	11,06,68,370
Less: Provision for doubtful debts	-	-
	22,78,45,971	11,06,68,370
Total	23,17,43,560	11,37,88,807
Note : 15 Cash and Bank Balance		
Cash and Cash Equivalents		
a. Balances with Banks	50,04,208	4,33,315
b. Cash on hand	9,17,517	9,63,702
	59,21,725	13,97,017
Other Bank Balance		
a. Unclaimed Dividend	3,28,417	4,37,233
b. Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments	17,12,263	17,12,263
	20,40,680	21,49,496
Total	79,62,405	35,46,513
Note : 16 Short term Loans and advances		
Advance to Staff, Labour and others	6,03,010	5,09,055
Total	6,03,010	5,09,055
Note : 17 Other Current Assets		
Advance to Suppliers	1,29,86,569	1,59,17,071
Tax deducted at source	19,26,124	50,87,486
Advances recoverable in cash or in kind or for value to be received	3,80,87,701	7,04,50,116
others	36,95,975	44,88,863
Total	5,66,96,369	9,59,43,536

The notes referred to above form an integral part of the Profit and Loss account

Particulars		31.03.2013 (Rs.)	31.03.2012 (Rs.)
18. REVENUE FROM OPERATIONS			
SALE PRODUCT			
Yarn Sales -Domestic		62,84,79,142	76,42,42,184
Yarn Sales -Export		34,04,119	88,40,473
Fabric Sales -Domestic (Garment Division)		57,71,208	60,82,61,780
Fabric Sales - Export		-	13,37,541
Garment Sales		17,59,47,321	15,00,51,270
Cotton Waste & Garment - Trading Sales		39,67,835	43,79,906
Waste Sales		1,27,95,864	1,22,65,228
Dyeing Charges Receipts		2,49,349	6,65,12,355
Conversion Receipt		3,37,72,949	-
TFO Charges - Receipt		12,67,778	-
	A	86,56,55,565	1,61,58,90,737
OTHER OPERATING REVENUES			
Sale of manufacturing scrap		6,05,754	14,10,269
	B	6,05,754	14,10,269
TOTAL (A+B)		86,62,61,319	1,61,73,01,006
19. OTHER INCOME			
Dividend Income on Long Term investments		-	1,80,03,520
Capital subsidy		-	1,86,27,490
Other non-operating income		21,18,914	40,86,390
TOTAL		21,18,914	4,07,17,400
20. COST OF RAW MATERIALS CONSUMED			
Inventory at the beginning of the year		5,08,68,828	12,64,10,198
Add: Purchases during the year		52,33,10,257	80,27,76,551
Less: Inventory at the end of the year		3,02,94,313	5,08,68,828
Cost of raw material consumed	TOTAL	54,38,84,772	87,83,17,921
21. CHANGES IN INVENTORIES			
Inventories at the beginning of the year			
Finished goods		9,81,27,672	14,27,42,617
Work in Process		2,54,11,811	11,10,29,341
Inventories at the end of the year			
Finished goods		7,23,38,549	9,81,27,672
Work in Process		1,09,80,142	2,54,11,811
Change in inventories of finished goods	TOTAL	4,02,20,792	13,02,32,475
22. EMPLOYEES BENEFITS EXPENSE			
Salaries, Wages and Bonus		5,35,51,164	7,33,37,942
Contribution to Provident Fund		51,74,167	68,99,240
Staff Welfare Expenses		94,18,406	1,89,64,315
Managing/Whole Time Director's Remuneration		36,00,000	42,00,000
Salary to Management Trainee		1,80,000	1,80,000
TOTAL		7,19,23,737	10,35,81,497

The notes referred to above form an integral part of the Profit and Loss account

Particulars	31.03.2013 (Rs.)	31.03.2012 (Rs.)
23. FINANCE COST		
Interest Expenses	31,35,08,967	26,78,25,730
TOTAL	31,35,08,967	26,78,25,730
24. DEPRECIATION		
Depreciation of tangible assets	18,03,39,897	18,61,96,709
TOTAL	18,03,39,897	18,61,96,709
25. OTHER EXPENSES		
Carriage Inwards	86,26,672	1,63,92,653
Power and Fuel	10,70,58,586	16,07,00,059
Repairs to Building	10,88,150	17,21,901
Repairs to Machinery	1,18,04,769	2,51,09,540
Repairs Others	3,46,006	6,01,480
Factory and Office Maintenance	30,37,241	62,19,687
Stores and Spares	1,07,45,554	2,89,58,522
Insurance	31,12,046	36,50,729
Processing charges	3,83,58,280	7,82,29,031
Testing Charges	66,357	6,09,028
Sitting Fee to Directors	1,31,742	1,35,000
Travelling & Vehicle Expenses	96,49,856	1,27,82,081
Postage, Courier and Telephone	10,05,443	20,21,301
Rent	5,52,000	6,08,016
Audit fees	7,15,418	6,08,635
Legal and Professional charges	41,10,313	37,77,100
Rates and Taxes Licence Fees	1,44,82,862	1,72,93,229
Printing and Stationery	5,96,613	9,43,009
General Expenses	24,88,413	89,59,924
Carriage Outwards	38,09,438	72,32,984
Advertisement Expenses	2,79,795	1,79,251
Bank Charges	12,00,700	62,10,126
Selling Expenses	2,81,71,683	4,25,40,455
Other Expenses	81,25,012	9,46,25,461
TOTAL	25,95,62,949	52,01,09,201
26. EXCEPTIONAL ITEM REPRESENTS		
Profit on sale of Non Core Assets	2,33,77,607	2,72,30,105
TOTAL	2,33,77,607	2,72,30,105
27. EXTRA ORDINARY ITEMS		
Loss due to theft	23,64,208	-
Impairment of Assets (Impairment for Weaving & Processing (Unit 8) Spg Unit (Unit 9) & PGP	56,44,00,004	3,80,76,132
TOTAL	56,67,64,212	3,80,76,132

28. Contingent Liabilities not provided for in the accounts.

- 1) Estimated amount of contract remaining to be executed on capital accounts – Rs. Nil (Previous year Rs.Nil)
- 2) The Company has export 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 on 31.03.2013. Balance obligations required to be fulfilled as per various schedules, culminating on 20.07.2015 is Rs.18479.47 lakhs.
- 3) The Sales Tax Department has preferred an appeal before STAT Coimbatore for the year 2002-03 for issues representing sales tax demand of Rs.1.82 lakhs which is pending before STAT, Coimbatore
- 4) The Sales Tax Department has preferred an appeal before STAT Coimbatore for the year 2003-04 for issues representing sales tax demand of Rs.13.54 lakhs which is pending before STAT, Coimbatore.
- 5) The Income Tax Department has preferred an appeal with a tax effect of Rs.5.85 lakhs before ITAT, Chennai against the Order of CIT (appeal) in favour of the Company regarding interest claim U/S 234B/234C for the Assessment Year 2004-05.
- 6) The Income Tax Department's appeal for assessment year 1998-99 before The Honourable High Court, Chennai against the company's stand regarding Sec 80 IA has been decided in favour of the department and there by the likely demand on the company is estimated at Rs.1.25 lakhs.
- 7) The Company is out of CDR package with effect from 22.10.2012. However, the interest in various loans availed by the company has been continued to be charged based on the CDR rates. The differential interest that ought to have been provided for in the accounts is estimated at Rs.5700 Lakhs.
- 8) The Company has received a notice of petition from M/S. Think Capital Private Limited, demanding Rs.93.86 Lakhs (Rs.77.55 Lakhs principal sum and Rs.16.31 Lakhs interest). Since the matter is sub judice, no provision has been made for the same in the accounts.

29. A provision is recognised when there is present obligation as a result of a past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the amount of obligation . Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation at the year end. These are reviewed at each year end and adjusted to refelect best current estimate.

30. The investment in 6% Redeemable Cumulative Preference Shares is redeemable as under

- a. On 25.11.2012 - Rs. 5,00,00,000/- (Extended by Management Upto 25.11.2019)
- b. On 25.11.2013 - Rs. 5,00,00,000/- (Extended by Management Upto 25.11.2019)
- c. On 25.11.2014 - Rs. 5,00,00,000/- (Extended by Management Upto 25.11.2019)

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

31. TRANSACTION OF RELATED PARTIES (AS 18)

(In Rs.)

Particulars	Associates	Key Management Personnal	Relatives of Key Management Personnal	Total
	31.03.2013	31.03.2013	31.03.2013	31.03.2013
Finance	-	-	-	-
a) Salary	-	-	1,80,000	1,80,000
Managerial Remuneration	-	36,00,000	-	36,00,000
Outstanding Balance	-	-	-	-
Credit	-	-	8,70,00,000	8,70,00,000
Closing Balance	-	-	8,70,00,000	8,70,00,000

Names of related parties and description of relationship upto 31.03.2013

Key management Personal Sri.Manoj Kumar Tibrewal, Managing Director
 Sri.Mohanlal Tibrewal, Executive Director

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

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

32. Earning per share (EPS)	2012-13	2011-12
Profit / Loss After Tax (Rs in lakhs)	-10845	-4,391
Profit / Loss available to Equity Shareholders (after deducting the probable Dividend on Preference Shares and Dividend Distribution Tax) (Rs in lakhs)	-11533	-5,076
Average number of equity shares (Face value of Rs 5 /-each)	3,26,14,634	3,26,14,634
Basic and diluted before extraordinary items EPS (in Rupees)	-17.98	-14.40
Basic and diluted after extraordinary items EPS (in Rupees)	-35.36	-15.56

33. 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 in Rs.Nil (Previous year Nil)

34. In compliances with AS 22 relating to "Taxes on Income" the company has not recognized Deferred Tax Liability / assets for current year on account of absence of virtual certainty.

The Net Deferred Tax Asset and Liability are represented as follows : (Rs. in Lakhs)

Particulars	Opening as on 1.04.2012	During the Year	Closing as on 31.03.2013
Depreciation	4,165	--	4,165
Others	-5,569	--	-5,569
Total	-1,404	--	-1,404

(in Rs)

35. Breakup of Audit Fees		2011-12
For Statutory Audit		2,24,720
For Certification	2,00,000	96,517
For Out of Pocket Expenses	-	-
For Tax Audit/ other Representations	1,37,360	1,09,270
For Cost Audit & Out of Pocket Expenses	89,888	1,78,128
Total	7,15,418	6,08,635

(in Rs)

36. Expenditure in Foreign Currency on account of	2012-13	2011-12
a. Stores & Spares	42,65,831	67,85,730
b. Raw materials	91,24,748	25,23,084

(in Rs)

37. Earning in Foreign Currency on account of	2012-13	2011-12
a. Export of Goods	---	---

38. EMPLOYEE BENEFITS

		31.03.2013 (Rs.)	31.03.2012 (Rs.)
	Company's Contribution to Provident Fund	51,74,167	68,99,240
	Defined Benefit Plans	Gratuity	Gratuity
a	Liability recognised in the balance sheet		
	Present value of obligations as at 01.04.2012	55,55,951	56,41,903
	Interest Cost	4,44,476	4,51,352
	Current Service Cost	11,09,717	12,46,616
	Benefits Paid	-9,65,452	-10,01,646
	Actuarial (gain)/ loss on obligations	14,08,531	-7,82,274
	Present value of obligations as at 31.03.2013	75,53,223	55,55,951
b	Fair value of Plan Assets as on 01.04.2012	1,13,85,241	1,12,90,615
	Expected return on plan assets	10,14,810	10,02,444
	Contributions	1,11,962	93,828
	Benefits Paid	-9,65,452	-10,01,646
	Actuarial (gain) / loss on plan assets	-	-
	Fair value of plan assets	1,15,46,561	1,13,85,241
	Funded Status	39,93,338	58,29,290
	Net Asset / (Liability) recognised in the balance sheet	39,93,338	-58,29,290
c	Actuarial (gain) /loss recognised 31.03.2013		
	Actuarial (gain) /loss - obligation	-14,08,531	9,07,758
	Actuarial (gain) / loss - plan assets	-	-
	Total (gain) / loss for the year	14,08,531	-7,82,274
	Actuarial (gain) / loss recognised	14,08,531	-7,82,274
d	Expenses during the year		
	Current service cost	11,09,717	12,46,616
	Interest Cost	4,44,476	4,51,352
	Expected return on plan assets	-10,14,810	-10,02,444
	Net actuarial (gain) / loss	14,08,531	-7,82,274
	Total	19,47,914	-86,750
e	Principal actuarial assumptions		
	Discounting rate	8.00%	8.00%
	Salary escalation	6.50%	6.50%

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

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

MAXIM JOSEPH
Company Secretary

Coimbatore
23.05.2013

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

SIGNIFICANT ACCOUNTING POLICIES - Annexure I

1. BASIS OF ACCOUNTING

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.

Income and expenditure are recognized 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. CHANGES IN ACCOUNTING POLICY

During the year ended 31st March 2013, the Revised Schedule VI notified under the Company's Act 1956, has become applicable to the Company for preparation and presentation of financial statements. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statement. However, it has significant impact on the presentation and disclosure of financial statements. The company has also reclassified the previous year figurers.

3. 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/materialized.

4. INVENTORIES

Inventories are valued as under (As Furnished, valued and certified by the Management)

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

5. 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 that production of new units are capitalised as Fixed Assets wherever applicable.

6. 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.

7. 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.

8. 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.

9. 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 and Loss A/c is recognized at the present value of the amount payable determined using actuarial valuation techniques.

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

10. 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 forwarded covers have been obtained. All exchange differences arising from conversion specific borrowings and other liabilities attributable to the fixed assets, which are capitalized.

11. INTEREST ON BORROWINGS

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

12. INTEREST UNDER TUF SCHEME

Certain term loans of the company have been sanctioned under the TUF scheme of the Govt., of 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.

13. 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 deferred tax liability is adjusted by applying applicable tax rates under relevant tax laws.

b. Minimum alternative Tax (MAT) credit is recognized as on 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 balances 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.

14. CONTINGENT LIABILITIES

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013
(in. Rs)

Particulars		31.03.2013		31.03.2012	
A	CASH FLOW FROM OPERATING ACTIVITY				
	Net Loss before tax and extraordinary items		-51,76,83,274		-40,10,15,022
	Adjustment for				
	Depreciation	18,03,39,897		18,61,96,709	
	Profit/Loss on sale of assets	-2,33,77,607		-2,72,30,105	
	Dividend Receipt	-		-1,80,03,520	
	Interest Receipt	-18,87,349		-34,73,505	
	Interest on Term Loan	29,91,18,100	45,41,93,041	23,40,53,762	37,15,43,341
	Operating profit before working capital changes		-6,34,90,233		-2,94,71,681
	Adjustment for:				
	Trade & other receipts	-7,88,01,540		12,24,46,091	
	Inventories	6,39,00,766		21,34,95,297	
	Trade payable	50,05,08,502	48,56,07,728	-18,75,88,729	14,83,52,660
	Cash generated from operation		42,21,17,495		11,88,80,978
	Direct taxes paid	54,387		-77,656	
		-	54,387	-	-77,656
	Cash flow before extraordinary items		42,20,63,108		11,89,58,634
	Extraordinary items		-		-
	Net cash from operation Total (A)		42,20,63,108		11,89,58,634
B	CASH FLOW FROM INVESTMENT ACTIVITIES				
	Purchase of fixed assets(less revaluation amount)		18,39,589		80,26,395
	Sale of fixed assets		-2,52,96,375		-24,36,69,935
	Capital subsidy		-		1,86,27,490
	Miscellaneous Expenses written off		-		-1,93,43,932
	Dividend Receipt		-		-1,80,03,520
	Longterm Loans and advances / Non current assests		-13,36,461		-
	Dividend Paid		-		-
	Total (B)		-2,47,93,247		-25,43,63,502
C	CASH FLOW FROM FINANCIAL ACTIVITIES				
	Proceeds/Repayment of borrowings		-14,52,09,714		-15,14,50,700
	Increase / Decrease in Equity - Share Capital / Premium		-		-
	Interest Receipt		18,87,350		34,73,505
	Interest on Term Loan		-29,91,18,100		-23,40,53,762
D	NET CASH FROM FINANCIAL ACTIVITIES		-44,24,40,464		-38,20,30,957
E	NET INCREASE IN CASH AND CASH EQUIVALENTS(A+C-B)		44,15,891		-87,08,821
F	CASH AND CASH EQUIVALENTS OPENING BALANCE				
	Cash and bank balances		35,46,514		1,22,55,335
G	CASH AND CASH EQUIVALENTS CLOSING BALANCE				
	Cash and bank balances		79,62,405		35,46,514
			-44,15,891		87,08,821

MAXIM JOSEPH
Company Secretary

Coimbatore
23.05.2013

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

40 Membership No:22204

MANOJ KUMAR TIBREWAL
MANAGING DIRECTOR

MOHANLAL TIBREWAL
Executive Director

GANGOTRI TEXTILES LIMITED

Regd. Office : 35, Robertson Road, R.S. Puram, Coimbatore-641 002

ADMISSION SLIP

Name of the Sole / First Shareholder :

DATE & TIME
Friday, 26.7.2013 3.30 pm
VENUE :
A.R. Patel Hall, Sree Coimbatore Gujarat Samaj 662, Mettupalayam Road, P.B. No.1164 R.S.Puram, Coimbatore -641 002

I hereby record my presence at the **24th ANNUAL GENERAL MEETING** of the Company

NAME & SIGNATURE OF THE ATTENDING MEMBER

NAME & SIGNATURE OF THE PROXY

- NOTE : (1) Members are requested to tender the attendance slip, duly signed in accordance with their specimen signatures registered with the Company, for admission to the meeting hall,
(2) Members are requested to bring their copy of Annual Report.

GANGOTRI TEXTILES LIMITED

Regd. Office : 35, Robertson Road, R.S. Puram, Coimbatore-641 002

PROXY FORM

REG : FOLIO / CLIENT ID :

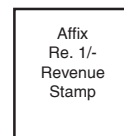
I / WEofbeing

Member / Members of GANGOTRI TEXTILES LIMITED, hereby appoint

oforfailing him

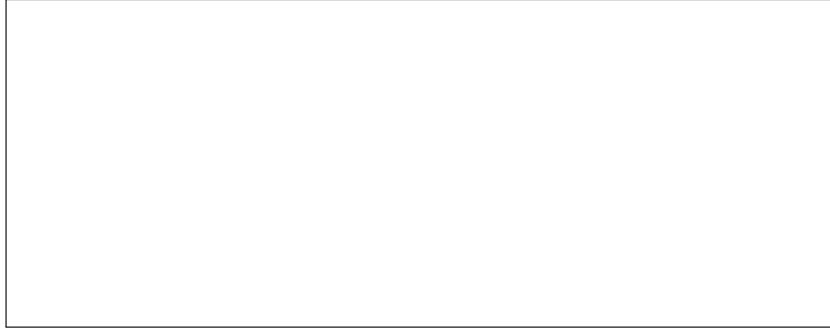
ofas my / our Proxy to attend and vote for me / on our behalf at the
24th ANNUAL GENERAL MEETING of the Company to be held **Friday 26.07.2013 at 3.30 p.m.** or at any adjournment thereof.

Signed thisdays of2013



NOTE : The Proxy to be effective, should be deposited at the Registered Office of the Company, 35, Robertson Road, R.S. Puram, Coimbatore-641 002 **before 4.00 pm on 24.07.2013.** A Proxy need not be a member of the Company.

Book Post



If undelivered, please return to :

M/S. S.K.D.C Consultants Ltd

Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road,
Ganapathy, Coimbatore – 641 006