

Independent Auditor's Report on Quarterly Financial Results and Year to Date Results of The Ganges Manufacturing Company Limited Pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of The Ganges Manufacturing Company Limited

Report on the audit of the Annual Financial Results

Opinion

We have audited the accompanying Financial Results ('the Statements') of **The Ganges Manufacturing Company Limited** for the quarter and year ended 31st March, 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, these Financial Results:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit/loss and other comprehensive income and other financial information for the quarter ended 31st March, 2020 and for the year ended 31st March, 2020.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the **Auditor's Responsibilities for the Audit of the Financial Statements** section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the financial Statements.



Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including total comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Other Matters

The Annual Financial Results include the results for the Quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For Khandelwal Ray & Co.
Chartered Accountants
Firm's Regn No.302035E



Place : Kolkata
Date: 30.07.2020

A handwritten signature in black ink, appearing to read "Pinaki Sarkar".

PINAKI SARKAR
Partner
Membership no. 051449

UDIN NO = 20051449AAAAA12779

THE GANGES MANUFACTURING COMPANY LIMITED
(CIN:L51909WB1916PLC002713)
33-A, JAWAHAR LAL NEHRU ROAD, KOLKATA - 700 071
Audited Financial Results for the Quarter and Year Ended 31st March,2020

Rs. In lakhs

Particulars	Quarter Ended			Year Ended	
	March 31, 2020	Dec 31, 2019	March, 2019	31/03/2020	31/03/2019
	(Audited)	Unaudited	(Audited)	(Audited)	(Audited)
1. Income					
(a) Revenue from operations	6,623.83	9,443.84	6,606.87	34,741.90	33,472.22
(b) Other Income	216.54	212.74	229.28	678.28	704.86
Total Revenue	6,840.37	9,656.58	6,836.15	35,420.18	34,177.08
2. Expenses					
(a) Cost of Materials Consumed	5,161.43	6,100.71	5,964.82	22,538.78	21,762.25
(b) Purchase of Traded Goods	0.00	0.00	0.00	0.00	11.84
(c) Change in Inventories of Finished Goods, Work-In-Progress and Stock-in-Trade	-1,156.57	335.31	-2,228.85	481.25	-281.77
(d) Employee Benefits Expenses	1,692.07	1,774.89	1,397.63	7,089.37	6,966.88
(e) Finance Costs	67.57	13.82	266.43	118.27	323.92
(f) Depreciation and Amortisation Expense	119.25	117.93	114.51	465.78	378.98
(g) Other Expenses	690.25	928.86	790.58	3,231.56	3,580.51
Total Expenses	6,574.00	9,271.52	6,305.12	33,925.01	32,742.61
3. Profit/(Loss) before Exceptional Items and tax (1-2)	266.37	385.06	531.03	1,495.17	1,434.47
4. Exceptional Items	0.00	0.00	0.00	0.00	0.00
5. Profit/(Loss) before Tax (3-4)	266.37	385.06	531.03	1,495.17	1,434.47
6. Tax Expenses					
(a) Current Tax	9.63	130.51	170.91	449.97	438.21
(b) Deferred Tax Expense/(Credit)	-48.76	4.22	41.71	-59.53	73.15
(c) Income Tax for earlier year	0.00	0.00	0.41	4.95	0.41
Total tax expenses	-39.13	134.73	213.03	395.39	511.77
7. Profit/(Loss) for the period (5-6)	305.50	250.33	318.00	1,099.78	922.70
8. Other comprehensive income (Net of tax)					
(a) Items that will not be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
(b) Items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
Total other comprehensive income (Net of tax)	0.00	0.00	0.00	0.00	0.00
9. Total comprehensive income for the period (7+8)	305.50	250.33	318.00	1,099.78	922.70
10. Paid up Equity Share Capital (Face value-Rs 10 each)	365.93	365.93	365.93	365.93	365.93
11. Earnings Per Share of Rs 10 each (EPS)					
(a) Basic	8.35	6.84	8.69	30.05	25.22
(b) Diluted	8.35	6.84	8.69	30.05	25.22



Notes:

1.As the Company's business activity falls within a single significant primary business segment i.e. Jute Goods, no separate segment information is disclosed.

2.The above audited financial results after review of the Audit Committee were approved by the Board of Directors at their meeting held on 30th July, 2020.

3.Figures for the three months ended 31st March, 2020 and 31st, March, 2019 are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the respective financial years.

4. On 11 March 2020, the World Health Organisation characterised the outbreak of a strain of the new coronavirus ("COVID - 19") as a global pandemic. Due to the nationwide lockdown announced by the Government of India and state wise lockdown announced by the Government of West Bengal in view of COVID-19, factory of the Company at Bansberia and head office at Kolkata, were totally shut down from 23rd March 2020 onwards. The operations of the company were gradually restarted in May, 2020 at very low capacity with the necessary permission from the concerned authorities after the Government of India announced certain relaxations in the lockdown. Production loss due to shutting down of the production, has not been ascertained. However, loss due to shutting down of production from 23rd March 2020 to 31st March 2020 has an impact on the result for the quarter and year ended 31st March 2020 although quantum of such loss couldn't be ascertained.

In determining the impact of Covid-19 pandemic on various elements of its financial statements, the management has used the principles of prudence in applying judgements, estimates and assumptions and based on the Current estimates, the management expects to fully recover the carrying amount of inventories, trade receivables, investments and other assets. As regards the Company's liquidity position, there is no material uncertainty in meeting it's liabilities in the foreseeable future. However, the eventual outcome of the impact of the Covid-19 pandemic may be different from those estimated as on the date of approval of these financial statements.

5.The previous period figures have been regrouped/re-classified to make them comparable to the current period presentation.

Place: Kolkata

Date : 30/07/2020



RA

R. K. Poddar
Chairman
(DIN: 00240643)

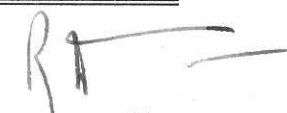
THE GANGES MANUFACTURING COMPANY LIMITED
AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2020

Rupees in Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
ASSETS		
Non-Current Assets		
a) Property , Plant & Equipment	2,388.76	2,526.16
b) Capital Work-in-Progress	41.24	103.85
c) Financial Assets		
i) Investments	0.06	0.06
ii) Other Financial Assets	355.00	591.73
d) Non- Current Tax Assets (Net)	87.24	87.24
e) Other Non- Current Assets	70.20	69.80
Total Non- Current Assets	2,942.50	3,378.84
Current Assets		
a) Inventories	5,220.82	4,770.15
b) Financial Assets		
i) Trade Receivables	2,063.37	1,677.98
ii) Cash and Cash Equivalents	92.43	83.04
iii) Other Bank Balances Other than note 13	331.29	51.22
iv) Other Financial Assets	8,470.92	13.48
c) Current Tax Assets (Net)	6.00	0.89
d) Other Current Assets	409.83	296.22
Total Current Assets	16,594.66	6,892.98
Total Assets	19,537.16	10,271.82
EQUITY AND LIABILITIES		
Equity		
a) Equity Share Capital	365.93	365.93
b) Other Equity	1,634.47	534.69
Total Equity	2,000.40	900.62
LIABILITIES		
Non-Current Liabilities		
a) Financial Liabilities		
i) Borrowings	0.00	57.19
ii) Other Financial Liabilities	107.64	112.64
b) Provisions	2,220.69	2,220.69
c) Deferred Tax Liabilities (Net)	211.03	270.56
d) Other Non - Current Liabilities	53.92	19.35
Total Non-Current Liabilities	2,593.28	2,680.43
Current Liabilities		
a) Financial Liabilities		
i) Borrowings	1,304.01	989.11
ii) Trade Payables	7,838.84	2,427.13
iii) Other Financial Liabilities	2,821.98	3,085.91
b) Other Current Liabilities	2,978.65	188.62
Total Current Liabilities	14,943.48	6,690.77
Total Liabilities	17,536.76	9,371.20
Total Equity and Liabilities	19,537.16	10,271.82

Place : Kolkata
Date: 30.07.2020




R K Poddar
Chairman
(DIN: 00240643)

THE GANGES MANUFACTURING COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Rupees in Lakhs

For the year ended
31st March 2020

For the year ended
31st March 2019

A. CASH FLOW FROM OPERATING ACTIVITIES

Net Profit/Loss Before Tax	1,495.17	1,434.47
<u>Adjustment for</u>		
- Depreciation and amortisation expenses	465.78	378.98
- Unrealised foreign exchange (gain)/loss	0.00	0.00
- Income from Deferred Government Grant	(27.07)	(22.84)
- (Profit)/Loss on Sale of property, plant and equipment (net)	(30.15)	(8.56)
- Interest Income	(587.14)	(390.30)
- Finance Cost	63.38	74.60
	(115.20)	31.88
Operating profit before working capital changes	1,379.97	1,466.35
<u>Adjustment for</u>		
- (Increase)/decrease in inventories	(450.67)	273.42
- (Increase)/decrease in trade receivables	(385.40)	1,636.20
- (Increase)/decrease in other financial assets	(8,500.78)	(369.94)
- (Increase)/decrease in Other assets	(119.12)	(39.39)
- Increase/(decrease) in trade payables	5,411.72	(2,416.95)
- Increase/(decrease) in other financial liabilities	(268.93)	(171.40)
- Increase/(decrease) in provisions	0.00	0.00
- Increase/(decrease) in other liabilities	2,784.81	(109.74)
	(1,528.37)	(1,197.80)
Cash generated from operations	(148.40)	268.55
Direct Taxes Paid	(454.92)	(438.62)
Net Cash from Operating Activities	(603.32)	(170.07)

B. CASH FLOW FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment (including changes in capital work-in-progress, capital advances/creditors)	(283.21)	(1,155.47)
Deferred Government Grant received	66.88	0.00
Sale of property, plant and equipment	47.57	13.26
Interest Received	587.14	390.30
	418.38	(751.91)

C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from non-current borrowings (net)	(57.19)	(7.99)
(Repayment of)/proceeds from current borrowings (net)	314.90	989.11
Interest and other finance charges paid	(63.38)	(74.60)
	194.33	906.52
Net increase/(decrease) in cash and cash equivalents (A+B+C)	9.39	(15.46)
Cash and cash equivalents (opening balance)	83.04	98.50
Cash and cash equivalents (closing balance) (Refer Note - 13)	92.43	83.04

Notes:

1. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts :

Balances with banks		
- in current accounts	20.65	19.72
Cheques, Drafts on Hand	14.78	12.46
Cash on hand	57.00	50.86
Cash and cash equivalents (closing balance)	92.43	83.04

2. The above cash flow statement has been prepared under 'Indirect Method' as set out in Ind AS - 7, "Statement of Cash Flows".

Place : Kolkata
Date: 30.07.2020



RA

R K Poddar
Chairman
(DIN: 00240643)

Dated: 30th July, 2020

To,

The Secretary

The Calcutta Stock Exchange Limited

7, Lyons Range,

Kolkata – 700 001

Dear Sir/ Madam,

Sub: Declaration with respect to Audit Report with unmodified opinion to the audited financial results for the quarter and year ended 31st March, 2020

Pursuant to Regulation 33(3)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, it is hereby declared that the Statutory Auditors of the Company have issued an Audit Report with unmodified opinion on Audited Financial Results of the Company for the quarter and year ended 31st March, 2020.

Thanking You,

Yours faithfully,

For **THE GANGES MANUFACTURING COMPANY LIMITED**



CHAIRMAN

(DIN: 00240643)