

THE GANGES MANUFACTURING COMPANY LIMITED

DIRECTORS

RAVINDRA KUMAR PODDAR
Chairman

SANJAY KUMAR OSATWAL
Managing Director

DILIP DATTA

PRANAB KALYAN BANERJEE

PRADEEP KUMAR TRIPATHI

COMPANY SECRETARY

RAM KARAN GUPTA

**REGISTERED
OFFICE**

CHATTERJEE INTERNATIONAL CENTRE
33A, JAWAHAR LAL NEHRU ROAD
6TH FLOOR, FLAT NO. A-1
KOLKATA 700 071
Phone : 2226 - 6283, 2226 - 0883, 4012 - 3123
Fax No. : 2288-7591

MILLS

P.O.BANSBERIA (Dist. Hooghly), W.B.

AUDITORS

S.S.KOTHARI & CO.
Chartered Accountants

BANKERS

INDUSIND BANK

**REGISTRAR & TRANSFER
AGENT**

NICHE TECHNOLOGIES (P) LIMITED
D-511 BAGREE MARKET,
71 B.R.B. BASU ROAD
KOLKATA - 700 001
Phone : 2234-3576

THE GANGES MANUFACTURING COMPANY LIMITED

Notice of Annual General Meeting

Notice is hereby given that the Ninety Seventh Annual General Meeting of The Ganges Manufacturing Company Limited will be held at 'Sitaram Sekseria Auditorium, Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata 700 017 on Monday, the 23rd day of September 2013 at 10.00 A.M. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2013 along with the Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Sri Pranab Kalyan Banerjee who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the Auditors and to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification the following Resolution :

4. As Ordinary Resolution

"Resolved that Sri Pradeep Kumar Tripathi who was appointed an Additional Director of the Company with effect from 19th February 2013 under Article 111 of the Articles of Association of the Company and who holds office until this Annual General Meeting, be and is hereby appointed a Director of the Company whose term of office shall be liable to retirement by rotation."

NOTES :

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and, on poll, to vote in his stead. A proxy need not be a member of the Company. In order to be effective the proxy form must be delivered at the Registered Office of the Company at least 48 hours before the commencement of the meeting.
2. Members holding shares in physical form are requested to notify change in their registered address mentioning full address in block letters with Pin Code of the Post Office and bank particulars to the Company's Registrar and Share Transfer Agent and in case their shares are held in electronic form, this information should be given to their Depository Participants immediately.
3. The Register of Members and Share Transfer Register of the Company will remain closed from 19th September 2013 to 23rd September 2013 (both days inclusive).
4. Members are requested to bring their copy of the Annual Report to the Annual General Meeting. A member desirous of getting any information on the accounts of the company is requested to send the queries to the Company at least 10 days prior to the meeting, so that proper information can be made available at the meeting.
5. Members who hold shares in dematerialised form are requested to bring their Client ID and DP numbers for quick identification while recording attendance at the meeting.
6. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit details in the prescribed Form 2B for this purpose.

THE GANGES MANUFACTURING COMPANY LIMITED

7. Note on Director seeking re-appointment at the ensuing Annual General Meeting:

Name	Sri Pranab Kalyan Banerjee
Date of Birth	21-09-1933
Date of Appointment	01-12-2000
Directorships in other Companies	Kankinarras Company Limited
Chairmanship/Member of committees of the Board of other Companies of which he is a Director	Nil
Shareholding in the Company	Nil

8. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out the material facts in respect of the business under item no. 4 is as under :

Item No. 4

Sri Pradeep Kumar Tripathi was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 in terms of Article 111 of the Articles of Association of the Company with effect from 19th February 2013. He holds office upto the date of forthcoming Annual General Meeting. Notice as required by section 257 of the Companies Act, 1956 has been received from a member proposing the appointment of Sri Pradeep Kumar Tripathi as a Director of the Company.

Sri Pradeep Kumar Tripathi holds Masters degree in Physics and Post Graduate Diploma in Human Resource Management and has very good experience in Jute Industry. Considering the experience of Sri Pradeep Kumar Tripathi, your Directors are of the opinion that his continued association on the Board of Directors shall be of benefit and value to the company. Sri Pradeep Kumar Tripathi is not holding directorship of any other Company. The Directors recommend the resolution for approval.

Except Sri Pradeep Kumar Tripathi no other director of the Company is concerned or interested in the resolution.

Dated: 8th August, 2013.
Registered Office:
Chatterjee International Centre,
33A, Jawaharlal Nehru Road
Flat No. A-1, 6th Floor,
Kolkata -700 071

By Order of the Board
for The Ganges Manufacturing Company Limited

RAM KARAN GUPTA
Secretary

THE GANGES MANUFACTURING COMPANY LIMITED

Directors' Report

TO THE SHAREHOLDERS

The Directors present herewith the Ninety Seventh Annual Report together with audited Statements of Accounts of the Company for the year ended 31st March 2013.

OPERATIONS :

During the year, the Company's total turnover was Rs. 34,316.48 lacs (previous year Rs. 28,673.46 lacs). The Company has earned cash profit of Rs. 663.22 lacs before interest and taxation as against cash profit of Rs. 350.90 lacs in the previous year. The production during the year under review was 68,012 tonnes as compared to 52,879 tonnes in the previous year. The local market was well supported by government orders for both Rabi and Kharif crops. Government orders contribute to approximately 70% of jute products sold in the local market. Strong order book and indirect exports has also contributed significantly to the increase in profits of the Company during the year.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirements under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- 1) That in the preparation of the accounts for the financial year ended 31st March 2013, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 2) That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were 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 financial year and of the profits or loss of the Company for the year under review;
- 3) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) That the Directors had prepared the accounts for the financial year ended 31st March 2013 on a 'going concern' basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) Industry Structure and Developments

The Jute Packaging Materials (Compulsory use for Packing Commodities) Act 1987 (JPMA) makes it compulsory for 90% packaging of Food Grains and 40% of Sugar production in Jute material and has been extended till June, 2013 with the following exemptions :

The following will be out of the purview of the above reservation :

- Sugar fortified with vitamins.
- Packaging for export of commodities.
- Small consumer packs of 25 kgs and below.
- Bulk packaging of more than 100 kgs.

Jute Mills in Bangladesh enjoy relatively lower wages, lower power cost and substantial Government assistance. It is essential that the same treatment be accorded to the Indian Jute Industry as well by providing suitable Export Market Allowance applicable to all composite Jute Mills against export of Jute Yarn to enable them to compete in the International Market.

THE GANGES MANUFACTURING COMPANY LIMITED

b) Opportunities and Threats/ Risks and Concerns

Opportunities

Jute, being a natural and biodegradable product and in the light of environmental concerns, is most suitable to replace other packaging materials which pose ecological problems. Jute Industry has an opportunity to research the market and manufacture goods which may replace synthetic both in India and abroad.

Apart from packaging materials, several other diversified fields where the usage of Jute can be introduced, need to be explored. Jute has versatile application prospects ranging from low value geotextiles to high value carpets, apparel, composites, decorative, upholstery furnishings, fancy non-woven for new products, and decorative colour boards. Jute with its unique versatility rightfully deserves to be branded as the “fibre of the future”. With changing demand in favour of green products, jute is expected to feature high in terms of consumers preference.

Threats/Risks

Following are the major areas of risks and concerns for the Jute Industry:

- i) Unprecedented absenteeism of workmen in jute mills resulting not only in idle capacity but also resulting in substantially lower productivity in the absence of skilled workers. Willful absenteeism without prior notice is a cause of serious concern.
- ii) Multiple trade unions are one of the major problems faced by the jute industry. Resolution of issues related to workmen is both time consuming and difficult.
- iii) Continuous increase in Dearness Allowance of workers, without any corresponding increase in productivity, which is already substantially higher than competitors at Bangladesh.
- iv) The industry is facing challenges of high production cost and poor supply-chain management. Lack of technological advancement in the Indian industry for manufacturing jute products and high costs of inputs keeps export prices high and erodes competitiveness.
- v) Competition from Bangladesh, which enjoys substantial benefits of lower wages and power cost, apart from getting sizeable Government assistance for exports.
- vi) Unabated imports of jute goods from Bangladesh to India have a dampening effect on prices of Indian Jute goods and consequently effect margins.
- vii) Inadequate Research & Development (R&D) efforts and the dearth of new innovation is a cause for concern.
- viii) As an agriculture product, availability of raw jute depends on the vagaries of nature. Adverse weather conditions may adversely affect raw jute pricing and availability.
- ix) Volatility in exchange rates poses problems for management and risks mitigation.
- x) Growing competition with cheaper synthetics.

c) Segment-wise or Product-wise Performance

As the Company's business activities remain within a single primary business segment of Jute goods, the disclosure requirement of Accounting Standard AS-17 issued by the Institute of Chartered Accountants of India is not applicable.

d) Outlook

During the current year, Raw Jute crop is expected to be lower than last year. The export market, however, particularly Jute Yarn, is likely remain depressed. The local demand will be commensurate to growth in foodgrains output. Absenteeism and consequent loss in productivity and production, as

THE GANGES MANUFACTURING COMPANY LIMITED

already mentioned earlier, is a cause of serious concern notwithstanding higher wages cost, as a result of inflation, continuing to remain at inordinately high levels. Continuous modernization/expansion should help your Company towards reduction in cost.

e) Internal Control System and their adequacy

The Company has an adequate system of internal controls, which not only ensure proper and timely recording and reporting of transaction but also provide avenue for exercising effective safe guards over Company's Assets.

f) Cautionary Statement

Statements made above in this section of the report with regard to future outlook and performance are based on the prevailing industry scenario and market conditions as envisaged. However, this may undergo changes in future in view of the volatility involved based on weather condition, Government Policy relating to Jute Industry, global situation and market trends.

ISO CERTIFICATION :

The Company has been recertified under ISO 9001:2008 for Quality Management System for all its products which is valid till 25th July, 2014.

The Company has been recertified under ISO 14001:2004 for its Environmental Management Systems and this certificate is valid till 25th July, 2014.

The Company has been recertified under OHSAS 18001:2007 for its Occupational Health & Safety Management Systems and this certificate is valid till 25th July, 2014.

ENVIRONMENT AND SAFETY :

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires the conduct of all operations in such manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

CORPORATE GOVERNANCE :

A report on the matters specified in the code of Corporate Governance as provided in the clause 49 of the listing agreement of the Calcutta Stock Exchange along with a certificate from the Company's Auditors confirming compliance, is annexed and forms part of this Report.

MANAGEMENT/DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and Article 121 of the Articles of Association of the Company, Sri P. K. Banerjee retires by rotation from office of directorship at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Sri Pradeep Kumar Tripathi was appointed Additional Director of the Company by the Board on 19-02-2013 in accordance with section 260 of the Companies Act, 1956. He holds office till the date of the ensuing Annual General Meeting and is eligible for election. Notice under section 257 of the Companies Act, 1956 has been received from a member proposing the name of Sri Pradeep Kumar Tripathi for appointment as Director of the Company at the next Annual General Meeting.

Company's working is being closely monitored by the Management Committee which meets from time to time to review the working of the Company.

THE GANGES MANUFACTURING COMPANY LIMITED

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

As required under Section 217(1)(e) of the Companies Act, 1956 details relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexure attached hereto and form a part of this Report.

PARTICULARS OF EMPLOYEES :

The Company has no employee in the category as specified in the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 (as amended).

AUDITORS' REPORT :

Observations of the Auditors have been suitably explained in the notes to financial statements which are self-explanatory.

AUDITORS :

Messrs S. S. Kothari & Co., Chartered Accountants, the Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Audit Committee and the Board recommends the re-appointment of M/s. S. S. Kothari & Co., Chartered Accountants as Statutory Auditors of the Company.

COST AUDIT :

As per directives of the Central Government and in pursuance to the provisions of Section 233B of the Companies Act, 1956 read with rules framed there under, the Company is required to carry out an audit of cost accounts maintained by the Company in respect of each financial year. Accordingly, the Central Government has approved the appointment of M/s. D. Radhakrishnan & Co., Cost Accountants, to conduct the said cost audit for the financial year ended 31st March, 2013.

As per The Companies (Cost Audit Report) Rules, 2011, the due date for filling the cost audit report for the previous financial year ended 31st March, 2012 with the Central Government was extended till 28th February, 2013 and the said report was filed by the cost auditor on 17th January 2013.

ACKNOWLEDGMENT :

The Directors place on record their appreciation for the efficient and dedicated services rendered by the employees at all levels. The Directors also place on record their appreciation for the support and cooperation extended by the Shareholders of the Company and look forward to their continued support.

On behalf of the Board
R. K. PODDAR
Chairman

Kolkata, the 8th day August, 2013.

THE GANGES MANUFACTURING COMPANY LIMITED

Annexure to the Directors' Report

Statement containing particulars pursuant to Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 and forming part of Directors' Report.

1. CONSERVATION OF ENERGY:

(a) The Company during the year under review had continued its efforts in minimizing Energy Consumption by adding energy-efficient electrical gadgets and appliances. The following areas were identified to reach out to the goal of Energy Conservation for optimum operational efficiency and cost effectiveness:

- i) To achieve higher Power Factor, Maximum Demand kept within limit.
- ii) Introduced energy-efficient, innovative and improved Motors, Gadgets and Appliances.
- iii) Utilization of Machineries and Ancilliary Equipments to the optimum, ensuring downtime at barest minimum.
- iv) Maintenance of all machines to make them energy efficient and minimize losses.

(b) Required data with regard to Conservation of Energy are furnished below :

A. POWER AND FUEL CONSUMPTION

	Current Year	Previous Year
i) Electricity		
a) Purchase KWH (in '000)	16,116	15,668
Total amount (Rs. in lacs)	1203.64	907.86
Rate per KWH (in Rs.)	7.47	5.79
b) Own Generation		
Through Diesel Generators		
KWH (in '000)	19	76
KWH per Ltr. of Diesel Oil	2.83	2.75
Cost of KWH (in Rs.)	51.94	17.66
ii) Coal		
Quantity (MT)	789	14
Total Cost (Rs. in lacs)	55.00	0.56
Average Rate (Rs./MT)	6973.99	3904.51
Cost per M.T. of Production	80.87	1.06

B. Consumption per M.T. of Production

Electricity (in KWH)	337.24	397.74
Coal (in Kgs.)	11.60	0.27

2. TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT

Process improvement and product development is an on going process in the fully equipped Research & Development set up of the Company with a view to absorb the emerging technological innovations to catch up with shifting global market scenario by offering products to satisfy the preference of end-users in the domestic and overseas markets.

THE GANGES MANUFACTURING COMPANY LIMITED

The Company is a member of the Indian Jute Industries Research Association (IJIRA) and National Jute Board (NJB), the prime research body for the jute industry and are getting the benefits of Research and Development made by the Association. The Company contributes to the Indian Jute Research Association for research and development.

The Company is licenced to manufacture and market in overseas markets Hydro-Carbon-Free Jute Products (HCFJP) for Food Grade Jute Products (FGJP) under licence granted by IJIRA.

Technologists of the Company continued to interact with its customers and outside R&D Centers to have a track on the new products and technology for incorporating their valued suggestions in manufacturing process to establish consistency and reliability of the products quality to match with the requirement of the end-users.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

Continuous efforts are made not only for traditional exports but also for introduction of new products. Foreign Exchange earnings and outgo are as under:

	(Rs. in Lacs) Current Year	(Rs. in Lacs) Previous Year
i) Total Foreign Exchange Used	49.40	26.52
ii) Total Foreign Exchange Earned	94.84	105.65

On behalf of the Board
R. K. PODDAR
Chairman

Kolkata, the 8th day August, 2013.

THE GANGES MANUFACTURING COMPANY LIMITED

Annexure to the Directors' Report for the year ended 31st March 2013

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange)

1. Company's Philosophy on Corporate Governance

The Company's Philosophy on Corporate Governance is in the direction of improvement across various functional areas. The Company's essential character is shaped by the very values of transparency, professionalism and accountability. The Company continuously endeavours to improve on these aspects on an ongoing basis.

2. Board of Directors

The Board of Directors comprises of Five Directors of whom one is Chairman (Executive Director), one is Managing Director and three are Non-Executive Directors. Three Non-Executive directors are independent directors.

None of the Directors are member of more than 10 committees and chairman of more than 5 committees (as specified in clause 49), across all the companies in which they are a Director.

Five Board Meetings were held during the year ended 31st March, 2013 viz. on 7th June, 2012, 11th August, 2012, 15th November, 2012, 19th February, 2013 and 28th March, 2013. The last Annual General Meeting of the Company was held on 25th September 2012.

Attendance of each of the Directors at the Board meetings and the last Annual General Meeting (AGM) and also number of other directorships & membership of Board Committees are as follows:

Name of Directors	Nature of Directorship	No. of Board Meetings Attended	Whether attended last AGM?	No. of other Director-Ship	Committee	
					Member	Chairman
Sri R. K. Poddar	Executive Chairman	5	Yes	4	Nil	2
Sri S. K. Osatwal	Managing Director	5	Yes	3	3	Nil
Sri Dilip Datta	Non-Executive	5	Yes	2	1	1
Sri P. K. Banerjee	Non-Executive	5	Yes	1	2	1
Sri P. K. Tripathi	Non-Executive	2	NA	Nil	Nil	Nil

3. Audit Committee

a) Terms of reference

The terms of reference cover all areas provided in clause 49 of the listing agreement. The Audit Committee is to oversee the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of their remuneration, to review and discuss with the Auditors about internal control system, the scope of Audit including the observation of the Auditors.

THE GANGES MANUFACTURING COMPANY LIMITED

b) Composition

The Audit Committee of the Company consists of three Directors. The representative of Internal / Concurrent Auditor is a permanent invitee. The Company Secretary of the Company acts the Secretary of the Committee. The Committee met 5 times during the year to deliberate on various matters. The attendance of the members at the meetings is stated below :

Name of Directors	Category	No. of Meetings attended during the year 2012-13
Sri Dilip Datta, Chairman	Non-Executive and Independent	5
Sri P. K. Banerjee	Non-Executive and Independent	5
Sri S. K. Osatwal	Managing Director	5

4. Remuneration Committee

The Company has not constituted a permanent remuneration committee. The remuneration paid to executive Directors was recommended by the Board of Directors and approved by the shareholders in an earlier year. The non - executive Directors are paid sitting fee for every meeting of the Board / Committee attended by them.

The details of remuneration paid to the Executive and Non-Executive Directors during the year 2012-2013 are given below :

a) Executive Directors

Name	Salary Rupees	Commission Rupees	Perquisites Rupees	Retirement benefits Rupees
Sri. R. K. Poddar	8,57,976	Nil	39,600	72,000
Sri. S. K. Osatwal	8,57,976	Nil	42,000	72,000

b) Non- Executive Directors

Name	Sitting Fees Rupees	Commission Rupees
Sri Dilip Datta	28,000	Nil
Sri P. K. Banerjee	28,000	Nil
Sri P. K. Tripathi	Nil	Nil

5. Shareholders' Grievance Committee

a) Terms of Reference

To look into the investors' complaints, if any, and to redress the same expeditiously.

THE GANGES MANUFACTURING COMPANY LIMITED

b) Composition

The Board has formed a Shareholders' Grievance Committee under the Chairmanship of Sri P. K. Banerjee and Sri S.K. Osatwal being the member of the Committee. The Secretary of the Company acts as the Secretary of the Committee and is the Compliance Officer. There were no complaints received from the shareholders during the year ended 31st March 2013. The Committee had 4 meetings during the year, the attendance of the members at the meetings is stated below:

Name of Directors	Category	No. of Meetings Attended
Sri P K Banerjee, Chairman	Non-Executive	4
Sri S.K. Osatwal	Managing Director	4

There is no grievance pending as on date.

6. Share Transfer Committee

The Board has delegated the powers to approve the transfer of shares to Share Transfer Committee. Five meetings of the Committee were held for approving the Share Transfers during the year 2012-2013.

Name of Directors	No. of Meetings Held	No. of Meetings Attended
Sri R. K. Poddar, Chairman	5	5
Sri S. K. Osatwal, Managing Director	5	5

7. Code of Conduct

The Company has adopted code of conduct and ethics for Directors and senior management. The Code had been circulated to all the members of the Board and senior management. The Board members and senior management have affirmed their compliance with the code and a declaration signed by the CEO of the Company appointed in terms of the Companies Act, 1956 (i.e. the CEO within the meaning of clause 49-V of the listing agreement) is given below :

"It is hereby declared that the Company has obtained from all members of the Board and senior management affirmation that they have complied with the code of conduct for directors and senior management of the Company for the year 2012-2013".

Ravindra Kumar Poddar
CEO

8. CEO/CFO certification

A certificate from the Chief Executive Officer and the finance head on the financial statements of the Company was placed before the Board.

9. General Body Meetings

The Last three Annual General Meetings of the Company were held as under :

Financial Year	Date	Time	Location
2011-2012	25-09-12	10:00 A.M.	"Sitaram Sekseria Auditorium", Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700 017.
2010-2011	29-09-11	10:00 A.M.	"Sitaram Sekseria Auditorium", Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700 017.
2009-2010	25-09-10	10:00 A.M.	"Sitaram Sekseria Auditorium", Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700 017.

THE GANGES MANUFACTURING COMPANY LIMITED

No Special Resolution was required to be put through ballot at the last AGM.

No Special Resolutions on matters requiring postal ballot are placed for shareholders' approval at the ensuing AGM.

10. Disclosures

During the year, no transactions of a material nature were made by the Company with the promoters, the Directors or the management, or their subsidiaries or their relatives that may have potential conflict with the interests of the Company at large. Transactions with the related parties are disclosed in Note no.26 to the accounts for the year ended 31st March, 2013.

No strictures/penalties have been imposed on the Company by the Stock Exchange or The Securities and Exchange Board of India (SEBI) or any statutory authority on any matters related to capital markets during the last three years.

11. General Shareholders' Information

- | | |
|---|---|
| a. Annual General Meeting :
Date, Time and Venue | 23rd September, 2013 at 10.00A. M. at "Sitaram Sekseria Auditorium", Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700 017 |
| b. Date of Book Closure | 19th September 2013 to 23rd September 2013 (Both days inclusive) |
| c. Listing on Stock Exchange | The Calcutta Stock Exchange Association Ltd.
7, Lyons Range, Kolkata 700 001
The listing fee for the year 2013-14 has been paid in time. |
| d. Demat ISIN Number of CDSL | INE827E01010 |
| e. Market Price Data | No trading took place during the year 2012-2013. |
| f. Registrar and Transfer Agents | M/s. Niche Technologies Private Limited
D-511, Bagree Market, 71, B.R.B. Basu Road,
Kolkata - 700 001 |
| g. Share Transfer System | Information has been given at the end-clause 9(g). |
| h. Distribution of Shareholding as on 31st March 2013 | Information has been given at the end-clause 9(h). |
| i. Dematerialisation of Shares and liquidity | As on 31st March 2013, 38,983 Shares were dematerialised and balance shares were held in physical form. |
| j. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity | Not issued |
| k. Plant Location | The Jute mill of the Company is located at Bansberia, Dist. Hooghly, West Bengal |
| l. Address for Correspondence | The Company's Registered Office is situated at Kolkata. Shareholders correspondence may be directed to
Compliance Officer :
Mr. Ram Karan Gupta (Company Secretary)
The Ganges Manufacturing Co. Ltd.
Chatterjee International Centre,
6th Floor, Flat No A-1
33-A, Jawaharlal Nehru Road, Kolkata - 700 071 |

THE GANGES MANUFACTURING COMPANY LIMITED

Information pursuant to clause 9(g)

Share Transfer System

The Company has appointed Niche Technologies Private Limited as Registrar and Share Transfer Agents in order to have common agency for share registry and other allied work. Share transfers in physical form are being done by the said Registrar on regular basis effective from the date of appointment. The share transfers are approved in accordance with the powers delegated by the Board of Directors to the Share Transfer Committee and Secretary. After transfers are registered, the share certificates are despatched within stipulated period to the transferees. Practising Company Secretary checks the system and certificate to the effect is filed with the Stock Exchange.

Information pursuant to clause 9(h)

a) Distribution of Shareholding as on 31st March 2013

No. of Share	SHARE HOLDERS		SHARE HOLDING	
	Nos.	% to Total	Nos.	% to Total
Upto 500	1389	91.32	211913	5.79
501-1000	80	5.25	61789	1.69
1001-2000	22	1.45	34423	0.94
2001-3000	5	0.33	12650	0.35
3001-4000	3	0.20	10904	0.30
4001-5000	2	0.13	9100	0.25
5001-10000	1	0.07	9000	0.25
Above 10001	19	1.25	3309487	90.43
TOTAL	1521	100	3659266	100

b) Categories of Shareholders as on 31st March 2013

Category	SHARE HOLDING	
	No. of Shares	% of Paid up Capital
Financial Institutions	48590	1.33
Bodies Corporate	2833246	77.43
Directors & Relatives	471399	12.88
Others	306031	8.36
TOTAL	3659266	100

On behalf of the Board

R. K. PODDAR

Chairman

Kolkata, the 8th day of August, 2013.

THE GANGES MANUFACTURING COMPANY LIMITED

Auditors' Certificate on Compliance with The Conditions of Corporate Governance Under Clause 49 of the Listing Agreement

**To
The Members of The Ganges Manufacturing Company Limited**

We have examined the compliance of conditions of Corporate Governance by The Ganges Manufacturing Company Limited (the Company) for the year ended 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of the Company with the Calcutta Stock Exchange Limited.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements 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 the effectiveness with which the management has conducted the affairs of the Company.

We have been explained that no investor grievances are pending for a period exceeding 30 days against the Company as per the records maintained by 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 the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

"India Steamship House"
21, Old Court House Street
Kolkata - 700 001

For S.S. KOTHARI & CO.
Chartered Accountants
(Registration No. 302034E)

Kolkata, the 8th day of August 2013

R.K.ROYCHAUDHURY
Partner
Membership No. 8816

THE GANGES MANUFACTURING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT

To The Members of the The Ganges Manufacturing Company Limited

1. Report on the Financial Statements

We have audited the accompanying financial statements of The Ganges Manufacturing Company Limited ("the Company") which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. 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.

3. 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 financial statements.

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

4. Basis for Qualified Opinion

We report that :

- a) *No Provision has been made on account of :*
 - i) *Sundry Debtors considered doubtful amounting to Rs.81.30 lacs.*
 - ii) *Accrued Gratuity and Leave Encashment liabilities of Rs. 522.58 lacs for the year based on actuarial valuation and also unprovided liability upto 31st March 2012 for Rs. 2,097.95 lacs (Refer note no 38).*

THE GANGES MANUFACTURING COMPANY LIMITED

Effect of the forgoing to the extent determinable is that Sundry Debtors are overstated by Rs. 81.30 lacs and liabilities are understated by Rs. 2,620.53 lacs with corresponding effect of over statement of Profit by Rs. 603.88 lacs for the year and under statement of accumulated loss by Rs. 2701.83 lacs.

- b) *The Cash Seized by the Income Tax Department has been included in Cash on Hand as indicated in Note No. 36.*

5. Qualified Opinion

Subject to Para 4 (a) and (b) above, in our opinion and to the best of our information and according to the explanations given to us, 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 :

- (a) *in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;*
- (b) *in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and*
- (c) *in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.*

6. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the "Order") issued by the Central Government in terms of Section 227(4A) 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) *Subject to Para 4 (a) and (b) above, in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act to the extent applicable.*
 - e) On the basis of the written representations received from the directors as on March 31, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

"India Steamship House"
21, Old Court House Street
Kolkata - 700 001

For S.S. KOTHARI & CO.
Chartered Accountants
(Registration No. 302034E)

R.K.ROYCHAUDHURY
Partner
Membership No. 8816

The 8th day of August 2013

THE GANGES MANUFACTURING COMPANY LIMITED
ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 6 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of its fixed assets. However, valuation of certain assets acquired prior to 1st April 1957, has been made on estimated basis as per physical verification and information available from Books of Account.
- (b) The Fixed Assets have been physically verified by the management according to regular programme of periodical verification in phased manner which in our opinion is reasonable having regard to size of the Company and nature of its business. In our opinion and according to the information and explanations given to us, discrepancies noticed in respect of assets physically verified were not material and have been properly dealt with in the Books of Account.
- (c) During the year the Company has not disposed off any substantial part of its Fixed Assets.
- ii) (a) In our opinion and according to the information and explanations given to us the inventory of finished goods, process stock, raw material and stores & spares have been physically verified by the management during the year at reasonable intervals except for the quantities of goods in transit.
- (b) In our opinion and according to information and explanations given to us the procedures of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us the Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification between physical stock and book records.
- iii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us internal control procedures are generally adequate and commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- v) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that there is no contract or arrangement referred to in Section 301 of the Act which needs to be entered in the register required to be maintained under that Section.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder.

THE GANGES MANUFACTURING COMPANY LIMITED

- vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- viii) To the best of our knowledge and according to the information given to us the Central Government has prescribed maintenance of cost records under Section 209(I)(d) of the Companies Act, 1956 for the products of the Company.

We have broadly reviewed the accounts and records maintained by the Company in respect of manufacture of Jute goods pursuant to the Rules made by the Central Government for maintenance of cost records under Section 209(I)(d) of the Companies Act, 1956, and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not made a detailed examination of the records with a view to determine whether they are accurate and complete.

- ix) (a) According to the information and explanations given to us, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Excise Duty, Custom Duty, Cess and other material statutory dues as applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty and Cess were in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable. However, outstanding Sales Tax deferred under West Bengal Incentive Scheme, 1993 have not been paid (Refer Note No.41).

- (b) According to the information and explanations given to us there are no dues of Custom Duty, Income Tax, Wealth Tax and Service Tax, which have not been deposited as on 31st March, 2013 on account of any dispute. However, following statutory dues on account of Sales Tax and Excise Duty were not deposited on account of dispute as on 31st March, 2013.

Sl. No.	Name of the Statute	Nature of Dues	Amount	Period to which the amount relates	Forum where dispute is pending
1.	EXCISE DUTY Central Excise Act, 1944	EXCISE DUTY	37,74,160	28-02-1996 to 28-02-1997	Customs, Excise & Service Tax Appellate Tribunal
2.	WEST BENGAL SALES TAX West Bengal Sales Tax Act, 1994	SALES TAX & INTEREST	12,57,364 57,31,929	Year Ending 31-03-2001 31-03-2005	Sales Tax Appellate Authority Sales Tax Revision Board

THE GANGES MANUFACTURING COMPANY LIMITED

Sl. No.	Name of the Statute	Nature of Dues	Amount	Period to which the amount relates	Forum where dispute is pending
3.	VALUE ADDED TAX West Bengal VAT Act, 2003	VAT & INTEREST	45,90,005	Year Ending 31-03-2007	Sales Tax Appellate Authority
			69,693	31-03-2009	Sales Tax Revision Board
			6,086	31-03-2010	Sales Tax Appellate Authority
4.	CENTRAL SALES TAX Central Sales Tax Act, 1956	SALES TAX & INTEREST	43,48,453	Year Ending 31-03-2001	Sales Tax Appellate Authority
			8,05,573	31-03-2004	High Court Kolkata
			4,77,26,585	31-03-2005	Sales Tax Revision Board
			8,34,038	31-03-2006	Sales Tax Assessing Authority
			99,77,596	31-03-2007	Sales Tax Appellate Authority
			8,35,810	31-03-2008	Sales Tax Revision Board
			24,37,712	31-03-2009	Sales Tax Revision Board
			17,85,951	31-03-2010	Sales Tax Appellate Authority

- x) The accumulated losses of the Company at the end of the financial year are more than fifty percent of its net worth. The Company has not incurred cash loss during the financial year and in the immediately preceding financial year (Subject to Para 4(a) and 4(b) above).
- xi) In our opinion and according to the information and explanations given to us, the Company has not taken any loan from bank or financial institutions and the company has also not issued any debentures.
- xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society.
- xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments.
- xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.

THE GANGES MANUFACTURING COMPANY LIMITED

- xvi) The Company has not taken any term loan during the year.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the Company has not raised funds on short term basis. However, the fund generated by decrease in net current assets has been used for long term application of funds.
- xviii) The Company has not made any allotment of shares during the year.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by public issue during the year.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

“India Steamship House”
21, Old Court House Street
Kolkata - 700 001

For S.S. KOTHARI & CO.
Chartered Accountants
(Registration No. 302034E)

R.K.ROYCHAUDHURY
Partner
Membership No. 8816

The 8th day of August 2013

THE GANGES MANUFACTURING COMPANY LIMITED

Balance Sheet As At 31st March, 2013

Amount in Rupees

	Note	As at 31-03-2013	As at 31-03-2012
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	1	3,65,92,660	3,65,92,660
Reserves & Surplus	2	(21,77,74,334)	(25,08,74,473)
		<u>(18,11,81,674)</u>	<u>(21,42,81,813)</u>
Deferred Government Grants	3	1,11,98,820	92,59,460
Non-Current Liabilities			
Deferred Tax Liabilities	4	2,39,99,696	2,14,66,182
Long Term Provisions	5	22,20,69,066	22,20,69,066
		<u>24,60,68,762</u>	<u>24,35,35,248</u>
Current Liabilities			
Trade Payables	6	37,77,15,869	29,68,67,106
Other Current Liabilities	7	38,73,23,890	39,47,39,726
		<u>76,50,39,759</u>	<u>69,16,06,832</u>
TOTAL		<u>84,11,25,667</u>	<u>73,01,19,727</u>
ASSETS			
Non Current Assets			
Fixed Assets			
a) Tangible Assets	8	14,31,36,836	12,27,59,439
b) Capital Work in Progress	8	50,45,493	42,99,328
		<u>14,81,82,329</u>	<u>12,70,58,767</u>
Non Current Investments	9	6,000	6,000
Long Term Loans and Advances	10	89,29,956	93,42,625
		<u>15,71,18,285</u>	<u>13,64,07,392</u>
Current Assets			
Inventories	11	30,94,35,520	31,06,82,829
Trade Receivables	12	32,09,84,266	23,65,67,307
Cash & Bank Balances	13	1,35,35,599	2,13,50,657
Short Term Loans and Advances	14	3,94,54,116	2,48,61,180
Other Current Assets	15	5,97,881	2,50,362
		<u>68,40,07,382</u>	<u>59,37,12,335</u>
TOTAL		<u>84,11,25,667</u>	<u>73,01,19,727</u>

Notes forming part of the Financial Statements 1 to 45

In terms of our Report of even date

For S.S.KOTHARI & CO

Chartered Accountants

R.K.Roychaudhury

Partner

Kolkata, the 8th day of August, 2013.

RAM KARAN GUPTA

Secretary

R. K. PODDAR - Chairman

S. K. OSATWAL - Managing Director

P. K. BANERJEE - Director

DILIP DATTA - Director

THE GANGES MANUFACTURING COMPANY LIMITED

Statement of Profit & Loss For The Year Ended 31st March, 2013

Amount in Rupees

	Note	2013	2012
INCOME			
Revenue from Operations	16	3,43,16,48,023	2,86,73,46,372
Other Income	17	3,54,88,498	2,62,60,884
Total Revenue		<u>3,46,71,36,521</u>	<u>2,89,36,07,256</u>
EXPENSES			
Cost of Materials Consumed	18	2,54,54,06,222	1,77,03,19,057
Change in Inventories	19	(12,98,22,035)	19,79,13,804
Employee Benefits Expense	20	69,20,09,415	65,53,21,490
Finance Costs	21	41,39,976	41,36,766
Depreciation	8	1,53,12,843	1,36,36,888
Other Expenses	22	29,32,21,087	23,49,63,185
Total Expenses		<u>3,42,02,67,508</u>	<u>2,87,62,91,190</u>
Profit/(Loss) Before Tax		4,68,69,013	1,73,16,066
Current Tax Expenses		1,12,35,360	0
Deferred Tax Expense / (Credit)		25,33,514	2,71,334
Profit/(Loss) for the year		3,31,00,139	1,70,44,732
Earnings Per Share of Rs.10/- each - Basic and Diluted	23	9.05	4.66
Notes forming part of the Financial Statements	1 to 45		

In terms of our Report of even date
For S.S.KOTHARI & CO
Chartered Accountants
R.K.Roychaudhury
Partner
Kolkata, the 8th day of August,2013.

RAM KARAN GUPTA
Secretary

R. K. PODDAR - Chairman
S. K. OSATWAL - Managing Director
P. K. BANERJEE - Director
DILIP DATTA - Director

THE GANGES MANUFACTURING COMPANY LIMITED

Cash Flow Statement For The Year Ended 31st March, 2013

Amount in Rupees

	2013	2013	2012	2012
A. Cash Flow from Operating Activities				
Net Profit / Loss Before Tax		4,68,69,013		1,73,16,066
Adjustment for				
- Depreciation	1,53,12,843		1,36,36,888	
- Interest Charged	41,39,976		41,36,766	
- Interest Received	(1,99,09,312)		(89,55,088)	
- Deferred Government Grant Allocation	(27,20,840)		(13,22,780)	
- (Profit)/Loss on Sale of Fixed Assets	(33,37,245)		(65,44,508)	
- Provisions for Employee Benefit	0	(65,14,578)	0	9,51,278
Operating profit before working capital changes		4,03,54,435		1,82,67,344
Adjustment for				
- Trade Receivable	(8,44,16,959)		12,54,90,453	
- Inventories	12,47,309		8,89,77,580	
- Loan & Advances (Long Term & Short Term)	(1,41,80,267)		(64,71,241)	
- Other Current Assets	(3,47,519)		(2,50,362)	
- Trade Payables	8,08,48,763		(19,04,50,310)	
- Other Current Liabilities	(74,15,836)	(2,42,64,509)	(1,73,14,499)	(18,379)
Cash generated from operations		1,60,89,926		1,82,48,965
Direct Taxes Paid		(1,12,35,360)		0
Cash flow before Extraordinary items		48,54,566		1,82,48,965
Extraordinary Items		0		0
Net Cash from Operating Activities		48,54,566		1,82,48,965
B. Cash Flow From Investing Activities				
Purchase of fixed assets		(3,70,95,729)		(2,31,06,984)
Sale of fixed assets/Subsidy received		39,96,569		1,02,01,869
Purchase of investments		0		0
Deferred Government Grant		46,60,200		0
Interest Received		1,99,09,312		89,55,088
Income from Investments		0		0
Net cash used in investing activities		(85,29,648)		(39,50,027)
C. Cash Flow from financing activities				
- Proceeds from issue of share capital		0		0
- Proceeds from borrowings				
Long term		0		0
Short term		0		(1,32,888)
Interest Paid (Net)		(41,39,976)		(41,36,766)
Dividend Paid		0		0
Net Cash used from financing activities		(41,39,976)		(42,69,654)
Net increase in cash and cash equivalents (A+B+C)		(78,15,058)		1,00,29,284
Cash and cash equivalents - Opening Balance		2,13,50,657		1,13,21,373
Cash and cash equivalents - Closing Balance		1,35,35,599		2,13,50,657
Notes :				
Cash and Cash equivalents include:				
Cash Balances		30,17,772		38,26,154
Bank Balances		1,05,17,827		1,75,24,503
Unrealised Foreign Currency Profit		0		0
		1,35,35,599		2,13,50,657

In terms of our Report of even date

For S.S.KOTHARI & CO

Chartered Accountants

R.K.Roychaudhury

Partner

Kolkata, the 8th day of August, 2013.

RAM KARAN GUPTA

Secretary

R. K. PODDAR - Chairman

S. K. OSATWAL - Managing Director

P. K. BANERJEE - Director

DILIP DATTA - Director

THE GANGES MANUFACTURING COMPANY LIMITED

Notes Forming Part of the Financial Statements

Amount in Rupees

	As at 31-03-2013	As at 31-03-2012
NOTE - 1 SHARE CAPITAL		
i) Authorised		
a) 36,90,000 (P.Y. 36,90,000) Equity Shares of Rs.10/- each	3,69,00,000	3,69,00,000
b) 3,10,000 (P.Y. 3,10,000) 10.4% Cumulative Redeemable Preference Shares of Rs.10/- each	31,00,000	31,00,000
Total	4,00,00,000	4,00,00,000
ii) Issued, Subscribed & Paid up (fully paid up)		
a) 36,59,266 (P.Y. 36,59,266) Equity Shares of Rs.10/- each	3,65,92,660	3,65,92,660
Total	3,65,92,660	3,65,92,660

Notes :

i) Reconciliation of Number of Shares

	As at 31-03-2013		As at 31-03-2012	
	Nos.	Amount (Rs.)	Nos.	Amount (Rs.)
a) Equity Shares of Rs.10/- each				
Opening Balance	36,59,266	3,65,92,660	36,59,266	3,65,92,660
Changes during the year	0	0	0	0
Closing Balance	36,59,266	3,65,92,660	36,59,266	3,65,92,660

ii) Rights, Preferences and Restriction attached to Shares

a) Equity Shares

The Company has only one class of Equity Shares of face value of Rs.10/- each. Holders of equity shares are entitled to one vote per share and equal right to dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

iii) No Shares have been allotted for consideration other than cash during the period of preceding 5 years.

iv) Issued, Subscribed and Paid-up Share Capital includes :

a) Equity Shares held by Shareholders holding more than 5% of the aggregate shares.

	As at 31-03-2013	As at 31-03-2012
Equity Shares of Rs.10/- each	No.of Shares	No.of Shares
Lyons Corporate Market Ltd.	6,50,000	6,50,000
Millennium Holdings Pvt. Ltd.	4,50,050	4,50,050
Celestial Holdings Pvt. Ltd.	4,50,000	4,50,000
Celestial Consultants Pvt. Ltd.	4,50,000	4,50,000
Chariot Eximp Ltd.	2,77,756	2,77,756
Osatwal Jute & Gunny Sales Pvt. Ltd.	2,20,000	2,20,000
Rochak Distributors Pvt. Ltd.	2,20,000	2,20,000

THE GANGES MANUFACTURING COMPANY LIMITED**Notes Forming Part of the Financial Statements**

Amount in Rupees

	As at 31-03-2013	As at 31-03-2012
NOTE 2 : RESERVES AND SURPLUS		
i) Capital Reserve		
As per last Balance Sheet	1,44,75,000	1,44,75,000
Changes during the year	0	0
Closing Balance	<u>1,44,75,000</u>	<u>1,44,75,000</u>
ii) Surplus / (Deficit) in Statement of Profit & Loss		
Opening Balance	(26,53,49,473)	(28,23,94,205)
Add : Net Profit / (Loss) for the year	3,31,00,139	1,70,44,732
Closing Balance	<u>(23,22,49,334)</u>	<u>(26,53,49,473)</u>
Total	(21,77,74,334)	(25,08,74,473)
NOTE 3 : DEFERRED GOVERNMENT GRANTS		
Opening Balance	92,59,460	1,05,82,240
Add : During the year	46,60,200	0
Less : Transferred to Deferred Government Grant Allocation Account	27,20,840	13,22,780
Closing Balance	<u>1,11,98,820</u>	<u>92,59,460</u>
<i>(Please Refer Note No. 42)</i>		
NOTE 4 : DEFERRED TAX LIABILITIES		
Tax Impact of difference between net book value of depreciable capital assets as per books vis-à-vis written down value as per tax law		
Opening Balance	2,14,66,182	2,11,94,848
Changes for the year	25,33,514	2,71,334
Closing Balance	<u>2,39,99,696</u>	<u>2,14,66,182</u>
NOTE 5 : LONG TERM PROVISIONS		
i) Provisions for Employee Benefits		
Provision for Gratuity (on Actuarial Valuation)	22,20,69,066	22,20,69,066
Total	<u>22,20,69,066</u>	<u>22,20,69,066</u>
<i>(Please Refer Note No.38)</i>		

THE GANGES MANUFACTURING COMPANY LIMITED

Notes Forming Part of the Financial Statements

Amount in Rupees

	As at 31-03-2013	As at 31-03-2012
NOTE 6 : TRADE PAYABLES		
Trade Payables		
i) Due to Micro, Small and Medium Enterprises	0	0
ii) Due to Others	37,77,15,869	29,68,67,106
Total	37,77,15,869	29,68,67,106

(Please Refer Note No.28)

NOTE 7 : OTHER CURRENT LIABILITIES

i) Current Maturities of Long Term Borrowings	4,72,68,980	4,72,68,980
ii) Interest Accrued and due on borrowings	7,50,38,801	7,09,02,765
iii) Advances from Customers	1,22,643	1,61,893
iv) Payable to Employees	9,07,83,076	11,20,47,278
v) Statutory Liabilities	13,51,14,392	13,56,39,249
vi) Deposits	1,21,320	2,83,820
vii) Other Liabilities	3,88,74,678	2,84,35,741
Total	38,73,23,890	39,47,39,726

Notes :

i) Current Maturities of Long Term Borrowings

Secured

Government of West Bengal

4,72,68,980 4,72,68,980

- a) Loan from Government of West Bengal received under Rehabilitation Scheme for payment of Arrear Sales Tax and Raw Jute Tax dues, secured by residual charge on the fixed Assets of the Company, present or future.
- b) Loan of Rs. 3,84,07,000 was repayable in 32 quarterly installments. The last installment was due on 30-09-2005. The Company has defaulted in repayment and the entire outstanding amount has become payable as on Balance Sheet date.
- c) Loan of Rs. 88,61,980 was repayable in 32 quarterly installments. The last installment was due on 01-10-2009. The Company has defaulted in repayment and the entire outstanding amount has become payable as on Balance Sheet date.

ii) Interest Accrued and due on borrowings

Due on loans from Government of West Bengal

7,50,38,801 7,09,02,765

Notes Forming Part of the Financial Statements

Amount in Rupees

NOTE 8 : FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Additions	Disposals / Adjustments	As at 31.03.2013	As at 01.04.2012	For the year	Disposals/ Adjustments	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible Assets										
Freehold Land	7,17,988	0	0	7,17,988	0	0	0	0	7,17,988	7,17,988
Buildings	1,44,05,169	32,27,093	0	1,76,32,262	67,86,387	3,82,204	0	71,68,591	1,04,63,671	76,18,782
Plant & Machinery	26,21,11,642	2,72,66,683	36,14,969	28,57,63,356	16,86,59,263	1,28,66,839	34,34,219	17,80,91,883	10,76,71,473	9,34,52,379
Works Auxiliaries	2,12,11,722	33,28,409	0	2,45,40,131	84,65,468	8,91,953	0	93,57,421	1,51,82,710	1,27,46,254
Furniture/Fixtures & Office Equipments	1,94,23,221	13,84,681	0	2,08,07,902	1,32,80,081	6,15,299	0	1,38,95,380	69,12,522	61,43,140
Motor Vehicles and Material Handling Equipments	74,29,814	11,42,698	22,62,291	63,10,221	53,48,918	5,56,548	17,83,717	41,21,749	21,88,472	20,80,896
TOTAL	32,52,99,556	3,63,49,564	58,77,260	35,57,71,860	20,25,40,117	1,53,12,843	52,17,936	21,26,35,024	14,31,36,836	12,27,59,439
Capital Work in Progress	42,99,328	22,01,415	14,55,250	50,45,493	0	0	0	0	50,45,493	42,99,328
GRAND TOTAL	32,95,98,884	3,85,50,979	73,32,510	36,08,17,353	20,25,40,117	1,53,12,843	52,17,936	21,26,35,024	14,81,82,329	12,70,58,767
Previous Year	31,21,08,360	2,35,05,391	60,14,867	32,95,98,884	19,08,62,328	1,36,36,888	19,59,099	20,25,40,117	12,70,58,767	12,12,46,032

Note : Please refer Note No.43

THE GANGES MANUFACTURING COMPANY LIMITED

Notes Forming Part of the Financial Statements

Amount in Rupees

	As at 31-03-2013	As at 31-03-2012
NOTE 9 : NON CURRENT INVESTMENTS		
Long Term (at Cost)		
Non-Trade, Unquoted		
600 Equity Shares of Rs.10/- each of Woodlands	6,000	6,000
Multispeciality Hospitals Ltd - Fully Paid up (Previous Year - 60 Debentures in Woodlands Medical Centre Limited - Converted to Shares)		
Total	6,000	6,000
Note :		
i) Aggregate amount of unquoted Investments	6,000	6,000
NOTE 10 : LONG TERM LOANS AND ADVANCES		
<i>(Unsecured, Considered Good)</i>		
i) Advances	33,37,199	18,13,234
ii) Capital Advances	5,66,623	34,92,674
iii) Advances to Suppliers	16,30,000	16,30,000
iv) Income Tax Refundable	17,27,284	7,80,007
v) Advance Vat Paid	15,00,000	15,00,000
vi) Deposits	1,68,850	1,26,710
Total	89,29,956	93,42,625
NOTE 11 : INVENTORIES		
<i>(At lower of cost or net realisable value)</i>		
i) Raw Material	8,26,41,753	21,57,26,649
ii) Process Stock	2,63,81,233	1,82,39,212
iii) Finished Goods	18,62,64,603	6,45,84,589
iv) Stores, Accessories and Spares Parts	1,41,47,931	1,21,32,379
Total	30,94,35,520	31,06,82,829
Note : Finished Goods include Stock in Transit	1,67,79,269	3,60,32,807
NOTE 12 : TRADE RECEIVABLES		
<i>(Unsecured)</i>		
Trade Receivables		
i) Outstanding for more than Six months		
a) Considered Good	4,69,00,965	3,35,82,108
b) Considered Doubtful	81,30,363	81,30,363
	5,50,31,328	4,17,12,471
ii) Others	26,59,52,938	19,48,54,836
Total	32,09,84,266	23,65,67,307

THE GANGES MANUFACTURING COMPANY LIMITED

Notes Forming Part of the Financial Statements

Amount in Rupees

	As at 31-03-2013	As at 31-03-2012
NOTE 13 : CASH AND CASH BALANCES		
i) Cash on Hand	30,17,772	38,26,154
ii) Cheques, Drafts on Hand	90,056	19,39,082
iii) Balances with Banks		
a) In Current Accounts	23,40,326	79,91,545
b) In Fixed Deposits (Including accrued Interest)	80,87,445	75,93,876
- with more than 12 months Original Maturity		
Total	<u>1,35,35,599</u>	<u>2,13,50,657</u>

Note :

Fixed deposits of Rs. 80,87,445/- with Punjab National Bank have been pledged with the bank as margin money for issuing Bank Guarantees and/or Letter of Credit for the company.

NOTE 14 : SHORT TERM LOANS AND ADVANCES

(Unsecured , Considered Good)

i) Advances	1,67,84,197	62,47,000
ii) Advances to Suppliers	54,65,804	59,41,304
iii) Balances with Government Authorities	1,49,97,034	1,05,91,114
iv) Advance Income Tax (net of provision)	7,55,572	9,47,277
v) Deposits with ESIC (under dispute)	14,51,509	11,34,485
Total	<u>3,94,54,116</u>	<u>2,48,61,180</u>

Note :

i) Balances with Government Authorities include Vat Input credit available	1,47,91,484	1,05,20,520
ii) Advance Income Tax comprises of : Provision for Income Tax	1,12,35,360	0
Less : Advance Income Tax/Tax deducted at source	1,19,90,932	9,47,277
	<u>(7,55,572)</u>	<u>(9,47,277)</u>

NOTE 15 : OTHER CURRENT ASSETS

(Unsecured , Considered Good)

Export Incentives Receivable

Duty Draw Back Receivable

	5,97,881	2,50,362
Total	<u>5,97,881</u>	<u>2,50,362</u>

NOTE 16 : REVENUE FROM OPERATIONS

	2013	2012
i) Sale of Products (Jute Goods)	3,46,63,62,137	2,89,62,99,466
Less : Cess Duty	(3,53,11,995)	(2,96,03,442)
	<u>3,43,10,50,142</u>	<u>2,86,66,96,024</u>
ii) Other Operating Revenues		
Export Incentives	5,97,881	6,50,348
Total	<u>3,43,16,48,023</u>	<u>2,86,73,46,372</u>

THE GANGES MANUFACTURING COMPANY LIMITED

Notes Forming Part of the Financial Statements

Amount in Rupees

	2013	2012
NOTE 17 : OTHER INCOME		
i) Rent Received	47,57,465	45,32,677
ii) Interest Income	1,99,09,312	89,55,088
iii) Interest on Income Tax	0	1,45,677
iv) Gains on Foreign Currency Transactions (net)	(39,072)	2,86,968
v) Liabilities Written Back	27,299	53,186
vi) Sale of Scrap	47,70,631	44,09,839
vii) Profit on Sale of Fixed Assets	33,37,245	65,44,508
viii) Deferred Government Grants Allocation A/c	27,20,840	13,22,780
ix) Other Non Operating Income	4,778	10,161
Total	<u>3,54,88,498</u>	<u>2,62,60,884</u>

NOTE 18 : COST OF MATERIALS CONSUMED

Opening Stock

Raw Jute	21,37,04,191	10,58,65,551
Raw Material - Others	20,22,458	19,98,960
	<u>21,57,26,649</u>	<u>10,78,64,511</u>

Add : Purchases

Jute Purchased including expenses	1,43,57,05,982	1,23,77,04,209
Yarn/Cloth Purchased including expenses	1,01,86,84,436	59,56,86,892
Raw Material - Others	5,09,05,076	4,63,24,572
	<u>2,50,52,95,494</u>	<u>1,87,97,15,673</u>

Less : Sale of Jute	8,51,40,800	0
Less : Sale of Jute Waste	77,10,123	14,01,246
Less : Sale of Other Raw Material	1,23,245	1,33,232
	<u>9,29,74,168</u>	<u>15,34,478</u>

Less : Closing Stock

Raw Jute	7,99,32,638	21,37,04,191
Raw Material - Others	27,09,115	20,22,458
	<u>8,26,41,753</u>	<u>21,57,26,649</u>

Total	<u>2,54,54,06,222</u>	<u>1,77,03,19,057</u>
--------------	-----------------------	-----------------------

NOTE 19 : CHANGES IN INVENTORIES

Opening Stock

Finished Goods	6,45,84,589	23,71,33,135
Process Stock	1,82,39,212	4,36,04,470
	<u>8,28,23,801</u>	<u>28,07,37,605</u>

Closing Stock

Finished Goods	18,62,64,603	6,45,84,589
Process Stock	2,63,81,233	1,82,39,212
	<u>21,26,45,836</u>	<u>8,28,23,801</u>

Net (Increase) / decrease in stock	<u>(12,98,22,035)</u>	<u>19,79,13,804</u>
------------------------------------	-----------------------	---------------------

THE GANGES MANUFACTURING COMPANY LIMITED
Notes Forming Part of the Financial Statements

Amount in Rupees

	2013	2012
NOTE 20 : EMPLOYEE BENEFITS EXPENSE		
i) Salaries, Wages, Bonus and Gratuity	62,24,29,806	58,77,57,703
ii) Contribution to Provident and Other Funds	6,15,30,003	5,98,77,285
iii) Welfare Expenses	80,49,606	76,86,502
Total	<u>69,20,09,415</u>	<u>65,53,21,490</u>

NOTE 21 : FINANCE COST

Interest Expense		
Interest on Borrowings	41,39,976	41,36,766
Total	<u>41,39,976</u>	<u>41,36,766</u>

NOTE 22 : OTHER EXPENSES

i) Consumption of Stores	6,59,86,707	5,46,94,130
ii) Power & Fuel	12,68,30,569	9,21,86,085
iii) Brokerage & Consignment Sales Expenses	13,00,778	23,07,890
iv) Repairs to Roads and Buildings	42,51,250	41,32,037
v) Repairs to Plant & Machinery	1,74,86,603	1,88,65,028
vi) Export Freight, Shipping & Other Charges	4,98,757	9,92,011
vii) Other Manufacturing & Selling Expenses	4,78,69,783	3,61,51,717
viii) Excise Duty Paid (against disputed demand)	4,00,000	0
ix) Cess Duty Paid (Net)	(5,617)	(4,63,327)
x) Rent	0	1,32,390
xi) Rates & Taxes	59,12,864	15,11,551
xii) Insurance	5,07,267	3,11,532
xiii) Subscription	7,00,577	4,88,053
xiv) Other Administrative Expenses	2,13,05,549	2,12,64,022
xv) Director's Fee	56,000	46,000
xvi) Advances Written Off	0	22,13,036
xvii) Auditor's Remuneration		
For Audit Fees	1,00,000	1,00,000
For Tax Audit	20,000	20,000
For Other Services	0	11,030
Total	<u>29,32,21,087</u>	<u>23,49,63,185</u>

NOTE 23 : EARNING PER SHARES (EPS)

The Computation of EPS is set out below :

Earnings

Net Profit / (Loss) for the Period	3,31,00,139	1,70,44,732
------------------------------------	-------------	-------------

Shares

Number of Shares at the beginning of the period	36,59,266	36,59,266
Add : Shares issued during the period	0	0
Total No. of Equity Shares outstanding at the end of the period	36,59,266	36,59,266
Weighted average number of equity shares outstanding	36,59,266	36,59,266
Earnings per share of par value Rs.10/- Basic & Diluted (Rs)	9.05	4.66

THE GANGES MANUFACTURING COMPANY LIMITED

Notes Forming Part of the Financial Statements

NOTE 24 : SIGNIFICANT ACCOUNTING POLICIES

24.1 Revenue Recognition

Accounts are being maintained under historical cost convention as going concern on accrual basis. Accounting policies not referred to otherwise are consistent with generally accepted accounting principles. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the relevant provisions of the Companies Act, 1956.

All the assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of the products and the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Revenue is recognised on completion of contract /delivery of goods.

24.2 Fixed Assets

Fixed Assets are capitalised at the cost of acquisition together with related expenditure for erection, if any. Depreciation on original value of the assets are provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956 as amended.

24.3 Inventories:

Method of Valuation :-

Stock of finished goods - At lower of average cost or net realisable value

Stock of raw materials - At lower of average cost or market value

Process Stock - At estimated cost

Stock of stores and spare parts - At average cost

Stock of Caddies, thread waste etc - At estimated realisable value

24.4 Retirement Benefit

- i. Liability on account of Gratuity for employees already retired are accounted for on accrual basis.
- ii. Gratuity in respect of existing employees are provided on the basis of actuarial valuation at the year end.
- iii. Leave Encashment Benefits - Accumulated leave are not generally allowed to be encashed as a matter of policy of the Company. However, in exceptional cases and at the discretion of the Management leave encashment is granted and the same is accounted for on cash basis.

24.5 Foreign Currency Translation

Transaction in foreign currencies are normally recorded at exchange rate prevailing at the time of transactions. Income or loss arising out of fluctuations in the exchange rates are recognized in the Profit and Loss Statement in the period in which they arise.

Monetary items in foreign currencies at the year end are translated at year end rates. Any income or loss on account of exchange differences on such translations is recognized in the Profit & Loss Statement.

24.6 Investments

Investments are treated as Long Term Investment and are carried at cost.

24.7 Claims

Insurance claims are accounted for on settlement thereof.

24.8 Export Market Benefits

Export Market Benefits are recognised on certainty of realisable value thereof.

24.9 Taxes on Income

Provision for current tax is made on the basis of estimated taxable Income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax liability for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantively enacted as at the balance sheet date. Deferred tax assets arising from timing differences are recognised only to the extent there is reasonable certainty of its realisation in future. Deferred tax assets are not recognised unless there is 'virtual certainty' that sufficient future taxable income will be available against which such deferred tax assets will be realised.

THE GANGES MANUFACTURING COMPANY LIMITED
Notes Forming Part of the Financial Statements

24.10 Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its estimated/ assessed recoverable value. An impairment loss is charged to the Profit and Loss statement in the year in which the asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimated recoverable amount.

24.11 Government Grants

Capital Incentives received are accounted for under Income Approach method following the Accounting Standard 12 on "Accounting for Government Grants" issued by The Institute of Chartered Accountants of India. Accordingly the incentives are credited under the head "Deferred Government Grant". The Deferred Government Grant is allocated to income over the useful life of the asset in proportion to the depreciation on related assets is charged and is recognised in the Profit & Loss statement under the head "Deferred Government Grant Allocation Account".

Reimbursement of expenses for any capital expenditure under any employee welfare scheme is reduced from the cost incurred on the same.

24.12 Contingent Liabilities

Contingent Liabilities, if any, are not provided for and are separately disclosed in the "Notes on Account".

	2013	2012
	Rupees	Rupees
25. Contingent Liabilities not provided for in respect of :		
i) Claims against the Company not acknowledged as debts :		
Demands under dispute pending in appeals		
(a) Commercial Taxes	8,04,06,795	8,63,79,503
(b) Excise Duty	37,74,160	41,74,160
(Net of deposit of Rs.13,75,534 paid and debited to Profit & Loss statement (Rs.4,00,000 during the year and Rs.9,75,534 in earlier years)		
(c) Land Revenue	7,24,507	7,24,507
(Net of advances of Rs.1,00,000 paid and debited to Profit and Loss statement in earlier year)		
(d) Employees State Insurance	44,88,871	46,72,289
(Rs.14,51,509 deposited against disputed demand; Previous Year Rs.11,34,485)		
The Management feels that the claims are not likely to succeed and hence not provided in the accounts. However, the consequential effect of the claims is dependent on disposal of appeals.		
ii) Secured against Fixed Deposits of the Company :		
Letter of Credit Outstanding	15,82,780	21,50,247
iii) Against Securities provided by third parties :		
Guarantees given by banks	12,12,20,125	8,89,59,195
Letter of Credit Outstanding	1,17,19,000	1,17,19,000
iv) Estimated Amount of Contracts remaining to be executed on Capital Account (net of Advances) and not provided for	4,27,80,647	3,56,64,077

THE GANGES MANUFACTURING COMPANY LIMITED

Notes Forming Part of the Financial Statements

26. Related Party Disclosures as required under AS 18 issued by the Institute of Chartered Accountants of India.

a) List of Related Parties :

Key Management Personnel

i)	Mr. Ravindra Kumar Poddar	Chairman
ii)	Mr. Sanjay Kumar Osatwal	Managing Director

b) Transactions with Related Parties :

Type of Related Parties	Description of the nature of the transactions	Volume of transactions during 2012-13 (Rs.)	Volume of transactions during 2011-12 (Rs.)
Key Management Personnel	Remuneration	19,41,552	19,41,576

27. As the business activity falls within one reportable segment namely "Jute Goods" there is no segment wise information to report as per the Accounting Standard 17 "Segment Reporting", issued by the Institute of Chartered Accountants of India.

28. The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006, and hence disclosure relating to amounts unpaid at the year end, interest paid / payable under this Act have not been given.

		2013	2012
29.	Expenditure in Foreign Currency :		
	Travelling Expenses	Rupees 29,45,242	21,31,460
	Human Resource Development	Rupees 19,88,814	25,74,129
30.	Earnings in Foreign Exchange :		
	F.O.B. Value of Exports	Rupees 93,47,827	99,92,309
31.	Consumption of Raw Material :		
	Raw Jute, Yarn, Twine, Cloth etc	Rupees 2,49,53,11,048	1,72,41,51,215
	Raw Materials - Others	Rupees 5,00,95,174	4,61,67,842
		<u>2,54,54,06,222</u>	<u>1,77,03,19,057</u>
32.	Consumption of Raw Material :		
	Indigenous	Rupees 2,34,87,32,224 (92.27%)	1,72,14,55,829 (97.24%)
	Imported	Rupees 19,66,73,998 (07.73%)	4,88,63,228 (02.76%)
		<u>2,54,54,06,222</u>	<u>1,77,03,19,057</u>
33.	Consumption of Stores and Spares :		
	Indigenous	Rupees 9,01,89,270 (100.00%)	7,93,07,723 (100.00%)
		<u>9,01,89,270</u>	<u>7,93,07,723</u>

Out of the above consumption, following amounts have been debited to respective heads of account :

Repairs to Buildings	Rupees 42,51,250	39,99,869
Repairs to Machinery	Rupees 1,73,37,168	1,86,03,300
Power & Fuel	Rupees 6,78,171	1,85,169
Motor Vehicle Expenses	Rupees 5,713	18,590
Welfare Expenses	Rupees 2,79,256	3,35,115
Material Handling Equipments Expenses	Rupees 16,51,005	14,71,550

THE GANGES MANUFACTURING COMPANY LIMITED

Notes Forming Part of the Financial Statements

		2013	2012
34. C.I.F. Value of Imports :			
Raw Materials	Rupees	19,66,73,998	4,88,63,228
Capital Goods	Rupees	Nil	Nil
35. The Cess payable amounting to Rs.17,45,698 (Previous year Rs. 2,94,083) on closing stock of finished goods has not been provided in the accounts. However, this will not have any impact on Profit for the year.			
36. During the year 2003-2004 a Search and Seizure operation was conducted by the Income Tax Department at the registered office and factory of the Company and at the residences of some of the directors. During the course of search and seizure operation, cash belonging to the Company amounting to Rs. 3,66,983/- was seized from the office and / or residence of the directors of the Company. Cash on Hand under Note 13 include the said amount of cash seized by the Department.			
37. Other Liabilities - under Note 7 include cheques overissued amounting to Rs.9,26,880 (P.Y. Rs. Nil)			

38. Defined Benefit Plans :

As per Actuarial valuation as on 31st March, 2013 and recognised in the financial statements in respect of Defined Employee Benefit Schemes

38.1 Gratuity

Description	Gratuity (Unfunded) 2013 Rs.	Gratuity (Unfunded) 2012 Rs.
a) Reconciliation of Opening Balances of the Present Value of the Defined Benefit Obligation		
Present Value of Obligation at the beginning of the year	37,46,11,554	35,05,39,726
Current Service Cost	1,83,35,085	1,69,54,877
Interest Cost	3,55,05,620	2,90,06,051
Amortization of Past Service Cost	0	0
Actuarial (Gains) / Losses	1,32,16,350	74,192
Benefit Paid	(2,72,66,391)	(2,19,63,292)
Present Value of Obligation at the end of the year	41,44,02,218	37,46,11,554
b) Reconciliation of the Opening Balance of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	0	0
Actual Return of Plan Assets	0	0
Actuarial (Gains) / Losses	0	0
Contributions	2,72,66,391	2,19,63,292
Benefit Paid	(2,72,66,391)	(2,19,63,292)
Fair Value of Plan Assets at the end of the year	0	0
c) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets		
Present Value of obligations at the end of the year	41,44,02,218	37,46,11,554
Fair Value of Plan Assets at the end of the year	0	0
Assets/(Liabilities) to be recognized in the Balance Sheet	(41,44,02,218)	(37,46,11,554)
Assets/(Liabilities) recognized in the Balance Sheet	(22,20,69,066)	(22,20,69,066)
Assets/(Liabilities) unprovided in the Balance Sheet	(19,23,33,152)	(15,25,42,488)

THE GANGES MANUFACTURING COMPANY LIMITED

Notes Forming Part of the Financial Statements

d) **Expenses recognised in the Profit and Loss Statement**

Current Service Cost	1,83,35,085	1,69,54,877
Interest Cost	3,55,05,620	2,90,06,051
Actual Return on Plan Assets	0	0
Amortization of Past Service Cost	0	0
Actuarial (Gains) / Losses	1,32,16,350	74,192
Total Expenses to be recognized	6,70,57,055	4,60,35,120
Expenses recognized	2,72,66,391	2,19,63,292
Expenses unprovided for the year	4,50,93,763	2,40,71,828

e) **Actuarial Assumptions**

Discount Rate (Per Annum)	8.25	8.00
Expected Rate of Return of Assets (Per annum)	NA	NA

Mortality Rate In accordance with standard table
LIC (1994-96) ultimate

38.2 Leave Encashment

Description	Leave encashment (Unfunded) 2013 Rs.	Leave encashment (Unfunded) 2012 Rs.
a) Reconciliation of Opening Balances of the Present Value of the Defined Benefit Obligation		
Present Value of Obligation at the beginning of the year	5,72,53,053	5,32,73,892
Current Service Cost	68,05,744	32,12,847
Interest Cost	50,78,944	44,21,078
Amortization of Past Service Cost	0	0
Actuarial (Gains) / Losses	1,70,88,127	1,05,85,850
Benefit Paid	(1,65,05,314)	(1,42,40,614)
Present Value of Obligation at the end of the year	6,97,20,554	5,72,53,053
b) Reconciliation of the Opening Balance of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	0	0
Actual Return of Plan Assets	0	0
Actuarial (Gains) / Losses	0	0
Contributions	1,65,05,314	1,42,40,614
Benefit Paid	(1,65,05,314)	(1,42,40,614)
Fair Value of Plan Assets at the end of the year	0	0
c) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets		
Present Value of obligations at the end of the year	6,97,20,554	5,72,53,053
Fair Value of Plan Assets at the end of the year	0	0
Assets/(Liabilities) to be recognized in the Balance Sheet	(6,97,20,554)	(5,72,53,053)
Assets/(Liabilities) recognized in the Balance Sheet	0	0
Assets/(Liabilities) unprovided in the Balance Sheet	(6,97,20,554)	(5,72,53,053)

THE GANGES MANUFACTURING COMPANY LIMITED
Notes Forming Part of the Financial Statements

d) **Expenses recognised in the Profit and Loss Statement**

Current Service Cost	68,05,744	32,12,847
Interest Cost	50,78,944	44,21,078
Actual Return on Plan Assets	0	0
Amortization of Past Service Cost	0	0
Actuarial (Gains) / Losses	1,70,88,127	1,05,85,850
Total Expenses to be recognized	2,89,72,815	1,82,19,775
Expenses recognized	1,65,05,314	1,42,40,614
Expenses unprovided for the year	1,24,67,501	39,79,161

e) **Actuarial Assumptions**

Discount Rate (Per Annum)	8.25	8.00
Expected Rate of Return of Assets (Per annum)	NA	NA

Mortality Rate In accordance with standard table
LIC (1994-96) Ultimate

Notes :

- a) The estimates of future salary increases, considered in actuarial valuations, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- b) Amount recognized as an expense :
Salaries, Wages, Bonus and Gratuity in Note 20 include actual payments of Leave Encashment amounting to Rs.1,65,05,314 (Previous Year Rs.1,42,40,614) and gratuity paid/provided on actual liability basis amounting to Rs.2,72,66,391 (Previous Year Rs.2,19,63,292) during the year.
- c) The total accrued unprovided liability of existing employees as on 31st March 2013 for future payments determined as per actuarial valuation for Gratuity amounts to Rs 19,23,33,152 (Previous Year Rs. 15,25,42,488) and for leave encashment amounts to Rs. 6,97,20,554 (Previous Year Rs. 5,72,53,053). The accrued liability of Rs. 22,20,69,066 for Provision for Gratuity (on Actuarial Basis) in Note 5 is provided only upto 31-03-2006.
39. In the opinion of the management, there is no Impairment Loss in Value of assets based on the assessment of their recoverable value carried out by the technical persons.
40. During an earlier year One Time Settlement (OTS) had been arrived at between the Company and Central Bank of India in full and final settlement of all the dues of the Bank up to the date of settlement and had been paid in full. A joint petition for withdrawal of recovery proceedings against the Company is pending before the Debt Recovery Tribunal, Kolkata.
41. The Company has been granted registration by the Government of West Bengal under West Bengal Incentive Scheme, 1993 according to which benefit of deferment/remission of sales tax were available to the Company. However, the period for which the benefits were available to the Company has expired. Accordingly, Sales Tax/ Raw Jute Tax amounting to Rs. 1249.51 lacs upto the period of benefit are included under Statutory Liabilities in "Note 7 : Other Current Liabilities" which is repayable as per the terms of the said scheme.

THE GANGES MANUFACTURING COMPANY LIMITED

Notes Forming Part of the Financial Statements

42. Capital Incentive from National Jute Board under Acquisition of Plant & Machinery (Capital Subsidy) Scheme – under Jute Technology Mission has been accounted for under Income Approach method following the Accounting Standard 12 on “Accounting for Government Grants” issued by The Institute of Chartered Accountants of India. Accordingly the incentive has been credited under the “Deferred Government Grant”. The Deferred Government Grant is allocated to income over the useful life of the asset in proportion in which depreciation on related assets is charged. Such proportionate allocation of deferred income for the year has been recognized in the profit & loss statement under the head “Deferred Government Grant Allocation Account” in note 17.
43. Reimbursement of expenses amounting to Rs. 15,89,804 for providing sanitation facilities to the mill workers under the Scheme for Workers’ Welfare received from National Jute Board has been reduced from the cost incurred on the same under the head ‘Buildings’.
44. The Company is a Sick Industrial Company within the meaning of Clause (o) of Sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provision) Act, 1985 and had made reference to the Board for Industrial and Financial Reconstruction under Section 15 of the Act. The Board has sanctioned Rehabilitation Scheme under its Order dated 30th March 1993.
45. Figures for previous year have been re-cast/rearranged where necessary .

Notes forming part of the Financial Statements **1 to 45**

In terms of our Report of even date
For S.S.KOTHARI & CO
Chartered Accountants
R.K.Roychaudhury
Partner
Kolkata, the 8th day of August,2013.

RAM KARAN GUPTA
Secretary

R. K. PODDAR - Chairman
S. K. OSATWAL - Managing Director
P. K. BANERJEE - Director
DILIP DATTA - Director

~~THE GANGES MANUFACTURING COMPANY LIMITED~~
THE GANGES MANUFACTURING COMPANY LIMITED

Regd. Office :

Chatterjee International Centre, 33A, Jawaharlal Nehru Road, 6th Floor, Kolkata - 700 071

PROXY FORM

Regd. Folio No.....

DP ID No.

Client ID No.....

I/We _____ of _____ in the district of _____ being a member/ members of the above named Company, hereby appoint _____ of _____ in the district of _____ or failing him/her _____ of _____ in the district of _____ as my /our proxy to attend and vote for me / us on my/our behalf at the 97th Annual General Meeting of the Company to be held on Monday, the 23rd day of September, 2013 at 10 A.M., at Sitaram Sekseria Auditorium, Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata 700 017 and at any adjournment thereof.

Signed this _____ day of _____ 2013

Affix Rs. 1/-
Revenue
Stamp

Notes : Signature.....

1. This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

THE GANGES MANUFACTURING COMPANY LIMITED

ATTENDANCE SLIP

97th Annual General Meeting - Monday, 23rd September, 2013,10:00 A.M.

Regd. Folio No.....

DP ID No.

Client ID No.....

I hereby record my presence at the 97th Annual General Meeting of the Company at Sitaram Sekseria Auditorium, Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata 700 017 at 10.00 A.M. on Monday, the 23rd day of September, 2013.

Member's /Proxy Name (in Block Letters)

Member's / Proxy Signature

Note : Please fill in this Attendance Slip and hand it over at the Entrance of the Hall