

**THE GANGES MANUFACTURING COMPANY LIMITED**

**DIRECTORS**

RAVINDRA KUMAR PODDAR  
*Chairman*

SANJAY KUMAR OSATWAL  
*Managing Director /CFO*

DILIP DATTA

PRANAB KALYAN BANERJEE

PRADEEP KUMAR TRIPATHI

MADHU JAIN

**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  
email : info@gangesjute.co.in  
CIN : L51909WB1916PLC002713

**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 Ninth Annual General Meeting of The Ganges Manufacturing Company Limited will be held at Nehru Children's Museum, 94/1, Chowringhee Road, Kolkata 700 020 on Wednesday, the 30<sup>th</sup> day of September 2015 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, 2015 along with the Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Sri Sanjay Kumar Osatwal (DIN : 00248585) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the Auditors and to fix their remuneration.

### **SPECIAL BUSINESS**

4. To appoint Smt. Madhu Jain (DIN: 07129506) as a Director liable to retire by rotation and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION :

"RESOLVED that pursuant to the provisions of sections 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Ms Madhu Jain (DIN 07129506), whose term of office as an Additional Director of the Company expires at this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company who will be liable to retire by rotation."

5. To ratify the remuneration payable to Cost Auditors as approved by the Board of Directors and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED that pursuant to section 148 and all other applicable provisions of the Companies Act, 2013 ('Act') and Companies (Audit and Auditors Rules), 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) the remuneration of Rs.30,000 plus applicable taxes and re-imburement of out of pocket expenses payable to M/s D. Radhakrishnan & Co., Cost Accountants (Registration No. 000018), who has been appointed by the Board of Directors of the Company as Cost Auditor to conduct an audit of the cost accounting records maintained by the Company for the year ending 31st March, 2016 be and is hereby ratified."

### **NOTES :**

1. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote in his place. The proxy need not be a member of the Company. Proxies to be valid must be deposited at the Registered Office of the Company at least 48 hours earlier of the time fixed for Annual General Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. 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.

## **THE GANGES MANUFACTURING COMPANY LIMITED**

4. The Register of Members and Share Transfer Register of the Company will remain closed from 26<sup>th</sup> September 2015 to 30<sup>th</sup> September 2015 (both days inclusive).
5. 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.
6. 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.
7. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit details in the prescribed Form SH 13 for this purpose.

### **ANNEXURE TO NOTICE**

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto.

#### **Item no 4**

Smt. Madhu Jain was appointed as additional director of the Company by the Board of Directors in the meeting held on 21<sup>st</sup> March, 2015. Pursuant to section 161 of the Companies Act, 2013, Ms Madhu Jain will hold office upto the date of forthcoming Annual General Meeting. A notice has been received from a member proposing Ms Madhu Jain as a candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

Smt. Madhu Jain is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and has given her consent to act as Director of the Company.

Except Smt. Madhu Jain and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

#### **Item No 5**

The Board, has approved the appointment of M/s. D. Radhakrishnan & Co. the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016 at a remuneration of Rs. 30,000/- plus out-of-pocket expenses. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration of Rs. 30,000/- plus out-of-pocket expenses payable to M/s. D. Radhakrishnan & Co the Cost Auditor for the financial year ending March 31, 2016.

No Directors, Key Managerial Personnel of the Company, their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the shareholders.

Dated: 19th August, 2015.  
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

Your Directors have pleasure in presenting 99<sup>th</sup> Annual Report of the Company along with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2015.

### FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	2014 - 2015	2013 - 2014
Profit/(Loss) before Interest, Depreciation & Taxes	(37.33)	366.88
Less : Finance Costs	41.36	41.36
Less : Depreciation and Amortisation	143.88	169.50
Profit / (Loss) before Exceptional Items and Taxation	(222.57)	156.02
(Less) / Add : Exceptional Item	-	1249.51
Profit / (Loss) before Tax	(222.57)	1405.53
Less : Tax Expenses	7.81	498.32
Profit / (Loss) for the year	(230.38)	907.21
Add : Balances as per last financial statements	(1415.28)	(2322.49)
Closing Balance	(1645.66)	(1415.28)

### PERFORMANCE HIGHLIGHT :

During the year under review the Company's total turnover was Rs. 25,219.63 lacs (previous year Rs. 31,318.82 lacs). The Company has incurred operational loss of Rs. 222.57 lacs before exceptional items and taxation as against operational profit Rs. 156.02 lacs in the previous year. The production during the year under review was 40,875 tonnes as compared to 56,068 tonnes in the previous year.

### DIVIDEND :

In absence of operational profit, your Directors do not recommend any Dividend for the year ended 31<sup>st</sup> March, 2015.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### a) Industry Structure and Developments

The JPM (Jute Packaging Materials) Act, 1987 was finally renewed for 2014-2015 vide a notification issued in January 2015 after a long period of uncertainty. Use of Jute, extensively used for packaging and healthy preservation of food grains and sugar has been encouraged by the Government of India and the stipulation for packaging 90% of the food grains in Jute packaging was retained. Also, packaging of not more than 20% sugar in non-jute packaging was allowed with some exceptions allowed as desired by the sugar industry.

Export of jute yarn has declined due to competition from subsidized Bangladeshi exports. Significantly higher labour and power costs along with the extra export subsidy granted by Bangladesh Government to the local Jute Industry in Bangladesh, are making the Indian Jute Industry uncompetitive.

## THE GANGES MANUFACTURING COMPANY LIMITED

### b) Opportunities and threats/ Risks and Concerns Opportunities

Being a natural, renewable, biodegradable and eco- friendly product, Jute is suitable for minimizing the ecological problems that are increasingly visible due to non-biodegradable toxic waste generated out of synthetics like HDPE/PP etc. Creating awareness and enhancing the lifestyle appeal for Jute products could convert this packaging based industry into a product of mass public appeal. Jute is versatile and with right application development has prospects of usage as geo-textiles, carpet yarns, apparel, composites, decorative, upholstery furnishings and non woven for both technical and non technical purposes. With global shifts in favour of sustainability, jute can feature high in terms of consumer preference subject to creation of the required awareness level.

#### 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. Continuous increases in wage cost due to upward revision in base rate as well as dearness allowances is a major threat in view of the labour-intensive nature of the Jute industry.
- 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) The JPMA (Jute Packaging Material Act, 1987) is renewed for one year at a time whereby there is uncertainty in the industry all the time. This does not augur well for bigger long-term investments in Jute sacking.
- 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 cost of inputs keeps export prices high and erodes competitiveness.
- v) Central and State Government policies, especially with regard to export incentives and labour costs are required to be geared for providing a level playing field for the Jute industry to face competition from Bangladesh.
- 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.

### c) Segment-wise or Product-wise Performance

As the Company's business activities remain with 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

The Indian raw jute availability for the next year is expected to be restricted with only a marginal increase in the crop and significantly lower carry-over stocks. Bangladesh, reportedly has a bumper crop which should mitigate the supply constraints of the Indian Industry.

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On the domestic front, efforts have been made by the Jute Commissioner's Office for putting curbs on illegal imports from Bangladesh/Nepal by unscrupulous players. With the basis of Government orders getting linked to annual turnover and actual production, true players are likely to benefit in the long run.

### **e) 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 8th September, 2017.

The Company has been recertified under ISO 14001:2004 for its Environmental Management Systems and this certificate is valid till 8th September, 2017.

The Company has been recertified under OHSAS 18001:2007 for its Occupational Health & Safety Management Systems and this certificate is valid till 8th September, 2017.

### **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.

### **SHARES :**

#### **a. Buyback of Securities**

The Company has not bought back any of its securities during the year under review.

#### **b. Sweat Equity**

The Company has not issued any Sweat Equity Shares during the year under review.

#### **c. Bonus Shares**

No Bonus Shares were issued during the year under review.

#### **d. Employees Stock Option Plan**

The Company has not provided any Stock Option Scheme to the employees.

#### **e. Shares with Differential Rights**

No Equity Shares with differential rights were issued during the year under review.

### **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

During the year under review the Company was not required to transfer any amount to Investors Education and Protection fund under Section 125(2) of the Companies Act, 2013.

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### **CORPORATE GOVERNANCE :**

As the paid-up Equity Share Capital of the Company is less than Rs. 10 Crores and its Networth is less than Rs.25 crores, Clause 49A of Listing Agreement relating to Corporate Governance is not applicable to your Company. However, adequate steps have been taken for better Corporate Governance.

### **CORPORATE SOCIAL RESPONSIBILITY :**

The Board of Directors of the Company has devised a CSR Policy at its Board Meeting held on 25<sup>th</sup> July, 2014 which inter-alia states the constitution of the CSR Committee and CSR activities to be taken up by the Company.

The present constitution of the committee is as follows:

<b>Sl. No.</b>	<b>Name of the Director</b>	<b>Category</b>	<b>Designation in the Committee</b>
1.	<i>Mr Dilip Datta</i>	Non Executive Independent Director	<i>Chairman</i>
2.	<i>Mr R K Poddar</i>	Chairman	<i>Member</i>
3.	<i>Mr S K Osatwal</i>	Managing Director	<i>Member</i>

However, CSR in terms of Section 135 of the Companies Act, 2013 was not mandated by the Board in view of the current economic situation in the Jute industry.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :**

The Company has not entered into any contract or arrangement with related parties referred in the section (1) of section 188 of the companies Act 2013 during the year under review.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013 :**

During the year, the Company has granted loan to a company within the limit specified under Section 186 of the Companies Act, 2013. However, the company has realised the loan given during the year and has no outstanding of loan at the year end. The Company has not given any guarantees or provided any security during the year.

### **EXTRACT OF THE ANNUAL RETURN :**

The extract of the Annual Return in Form No. MGT – 9 is furnished in Annexure 'A' and is attached to this Report.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL :**

Smt. Madhu Jain (DIN 07129506) was appointed as Additional director on 21<sup>st</sup> March, 2015. Pursuant to section 160 of the Companies Act, 2013 she holds her office till the date of the forth coming Annual General Meeting. A notice has been received from a shareholder along with requisite deposit to propose her name for appointment as director.

Sri Sanjay Kumar Osatwal (DIN No-00248585) retires at the ensuing Annual General Meeting but eligible offers himself for re-appointment.

## **THE GANGES MANUFACTURING COMPANY LIMITED**

At the Board Meeting held on 21<sup>st</sup> March, 2015, Sri Sanjay Kumar Osatwal, the Managing Director of the Company was given additional responsibilities of Chief Financial Officer (CFO) and designated as Managing Director and CFO.

The Company has received requisite declaration from all the independent directors under section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as provided in sub-section (6).

### **BOARD EVALUATION :**

Pursuant to the provisions of Companies Act, 2013 and Listing Agreement, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee and Nomination and Remuneration Committee.

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its committees and individual directors. The exercise was carried out through a structured evaluation process covering various aspects of the board functioning such as composition of the board & committees, experience & competencies, performance of specific duties & obligations, attendance of the meetings, governance issues etc. Separate exercise was carried out to evaluate the performance of individual directors who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

### **NOMINATION AND REMUNERATION POLICY :**

The Board of Directors of the Company at their meeting held on 21<sup>st</sup> March, 2015 constituted a Nomination and Remuneration Committee of Directors mainly for the purposes of recommending the Company's policy on remuneration package for the Managing/Executive Directors, reviewing the structure, design and implementation of remuneration policy in respect of Key Management Personnel. One meeting of the Nomination and Remuneration Committee was held during the year for increase in remuneration of Chairman and Managing Director. The composition of the Nomination and Remuneration Committee is as follows:-

<b>Sl. No.</b>	<b>Name of the Committee Members</b>	<b>Nature of Directorship</b>	<b>Membership</b>
1.	<i>Mr P K Banerjee</i>	Non Executive Independent Director	<i>Chairman</i>
2.	<i>Mr Dilip Datta</i>	Non Executive Independent Director	<i>Member</i>
3.	<i>Mr P K Tripathi</i>	Non Executive Director	<i>Member</i>



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### **AUDIT COMMITTEE :**

The Audit Committee comprises of Mr. Dilip Datta (Non – Executive Independent Director), as Chairman and Mr. P.K Banerjee (Non – Executive Independent Director) and Mr. S.K. Osatwal (Managing Director) as members. All the meetings of the committee were duly held and attended by the members. The recommendations of the Audit Committee have been accepted by the Board.

### **BOARD MEETINGS :**

During the year under review, 7 (Seven) Board Meetings were held on 30<sup>th</sup> April, 2014, 25<sup>th</sup> July, 2014, 25<sup>th</sup> August, 2014, 3<sup>rd</sup> November, 2014, 1<sup>st</sup> January, 2015, 21<sup>st</sup> January, 2015 and 21<sup>st</sup> March, 2015. The attendance of each Director is as under:

<b>Sl. No.</b>	<b>Name of the Directors</b>	<b>No. of Meeting Attended</b>
1.	<i>Mr R K Poddar</i>	7
2.	<i>Mr S K Osatwal</i>	7
3.	<i>Mr D Datta</i>	6
4.	<i>Mr P K Banerjee</i>	6
5.	<i>Mr P K Tripathi</i>	6

### **DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 :**

The required details are provided in Annexure 'B' annexed to this Report.

### **DISCLOSURE UNDER RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 :**

There is no employee drawing remuneration in excess of the limits prescribed under Rule 5(2) of The Companies (Appointment) Rules, 2014.

### **DIRECTORS RESPONSIBILITY STATEMENT :**

In terms of section 134(5) of the Companies Act 2013, with respect to Directors Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

## **THE GANGES MANUFACTURING COMPANY LIMITED**

- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **CODE OF CONDUCT :**

The Company has a Code of Conduct which is applicable to directors and management personnel of the Company. The Company believes in conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations.

The Code lays down the standard procedure of business conduct which is expected to be followed by the directors and management personnel in their business dealings and in particular on matters relating integrity in the work place, in business practices and complying with applicable laws etc.

All the directors and management personnel have submitted declaration confirming compliance with the code.

### **RISK MANAGEMENT POLICY :**

Pursuant to section 134(3) (n) of the Companies Act, 2013, the Board of directors of the Company has adopted a Risk management Policy of the Company. The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

The Company has introduced several improvements to Integrated Enterprise Risk Management, Internal Controls Management and Assurance Frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities. This integration is enabled by all three being fully aligned across group wide Risk Management, Internal Control and Internal Audit methodologies and processes.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY :**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

### **PREVENTION OF INSIDER TRADING :**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

All the Board of Directors and designated employees have confirmed compliance with the Code.

## **THE GANGES MANUFACTURING COMPANY LIMITED**

### **INTERNAL FINANCIAL CONTROLS :**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

During the year the company appointed Mitra Kundu & Basu, Chartered Accountants, Kolkata as an Internal Auditor. The firm is authorized by the Audit Committee to access the adequacy and compliance of internal control process, statutory requirements etc. The Audit Committee met regularly to review reports submitted by the Internal Auditor. The Audit Committee upon discussion with Internal Auditor set up applicable control measures for the Company.

### **SIGNIFICANT AND MATERIAL ORDERS BY REGULATORS :**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### **MATERIAL CHANGES :**

There are no material changes and commitments affecting the financial position of the company have occurred between the date of financial year of the Company and date of the report. There is no change in the nature of business of the Company.

### **STATUTORY AUDITORS :**

M/S S.S. Kothari & Company, Chartered Accountants, (Firm Registration No. 302034E) Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

### **COST AUDIT :**

In terms of section 148 of the companies act,2013 read with rule 14 of the Companies (Audit and Auditors ) Rules ,2014 on the recommendation of Audit Committee, the Board of Directors had appointed M/s D.Radhakrishnan & Co., Cost Accountants (Registration No.000018) being eligible and having sought re-appointment , as cost auditor of the company , for a remuneration of Rs 30000/- plus applicable taxes and re-imbusement of out of pocket expenses incurred by them to conduct an audit of the cost accounting records maintained by the company for the current financial year beginning from 1st April,2015 and ending on 31st March 2016 as required in terms of directive issued by cost audit branch, ministry of corporate affairs , Government of India.

As required under section 148 of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to cost auditor is being placed at the ensuing annual general meeting for ratification by the members.

M/s D.Radhakrishnan & Co., cost accountants have furnished a declaration as required under section 141(3)(g) read with section 148(3) and 148(5) of the Companies Act, 2013.

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

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure 'C' and is attached to this report.

## **THE GANGES MANUFACTURING COMPANY LIMITED**

### **SECRETARIAL AUDIT :**

The Company has appointed Sri Babu Lal Patni (FCS 2304), a Practising Company Secretary to conduct secretarial audit pursuant to section 204 of the Companies Act, 2013. Their report in form MR-3 is attached to this report as annexure 'D'.

As regards his observation made in the secretarial Audit we are to state that the necessary steps are being taken to comply with the requirements.

### **SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANY :**

The Company has no Subsidiary, Associate or Joint Venture Company.

### **DEPOSITS :**

During the year under review, your Company did not accept any deposits within the meaning of section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

### **SOCIAL OBLIGATION :**

Your Company has taken up and is constantly in touch with the various socio-economic projects for uplifting standards of living of the people in and around its estate where it operates.

### **LISTING ARRANGEMENTS :**

The Equity Shares of the Company are continued to be listed on the Calcutta Stock Exchange. The Annual Listing Fees of CSE have been paid upto the date.

### **GENERAL :**

Your Director further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **ACKNOWLEDGEMENTS :**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

On behalf of the Board  
**R. K. PODDAR**  
Chairman

Kolkata, the 19th day of August, 2015.

# THE GANGES MANUFACTURING COMPANY LIMITED

## ANNEXURE - "A" TO DIRECTORS' REPORT

FORM NO. MGT - 9

### EXTRACT OF ANNUAL RETURN

As on the Financial year ended on 31st March, 2015

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014 ]

#### 1. REGISTRATION AND OTHER DETAILS

1.	CIN	L51909WB1916PLC002713
2.	Registration Date	20th August 1916
3.	Name of the Company	The Ganges Manufacturing Company Limited
4.	Category / Sub Category of the Company	Company limited by shares/Indian Non-Government Company
5.	Address of the Registered Office and Contact details	33A, Jawaharlal Nehru Road, Kolkata - 700 071
6.	Whether Listed Company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Niche Technologies (P) Ltd D-511 Bagree Market, 71, BRB Basu Road, Kolkata-700001, Phone-2234-3576

#### 2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% of total turnover of the Company
1.	Jute Products	630510.04	100%

#### 3. PARTICULARS OF HOLDINGS, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
NONE					

## THE GANGES MANUFACTURING COMPANY LIMITED

### 4. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### (i) Category-Wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the Year
	Demat	Physical	Total	% of total Shares	Demat Shares	Physical	Total	% of total Shares year	
<b>A. PROMOTERS</b>									
<b>1. Indian</b>									
a) Individual/HUF	0	4,71,399	4,71,399	12.88%	0	4,71,399	4,71,399	12.88%	0.00%
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/Fl	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	0	4,71,399	4,71,399	12.88%	0	4,71,399	4,71,399	12.88%	0.00%
<b>2. Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/Fl	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	0	4,71,399	4,71,399	12.88%	0	4,71,399	4,71,399	12.88%	0.00%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/Fl	35,700	12,890	48,590	1.33%	35,700	12,890	48,590	1.33%	0.00%
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Co.	-	-	-	-	-	-	-	-	-
g) Flls	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1)</b>	35,700	12,890	48,590	1.33%	35,700	12,890	48,590	1.33%	0.00%

## THE GANGES MANUFACTURING COMPANY LIMITED

### 4. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### (i) Category-Wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the Year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares year	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	0	28,33,246	28,33,246	77.43%	0	28,33,246	28,33,246	77.43%	0.00%
ii) Overseas									
b) Individuals									
i) Individuals shareholders holding nominal share capital upto Rs.1 lakh	4,079	3,01,952	3,06,031	8.36%	5,025	3,01,006	3,06,031	8.36%	0.00%
ii) Individuals shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
c) Other (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (2)</b>	4,079	31,35,198	31,39,277	85.79%	5,025	31,34,252	31,39,277	85.79%	0.00%
<b>Total Public shareholding (B)=(B)(1)+(B)(2)</b>	39,779	31,48,088	31,87,867	87.12%	40,725	31,47,142	31,87,867	87.12%	0.00%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	39,779	36,19,487	36,59,266	100.00%	40,725	36,18,541	36,59,266	100.00%	0.00%

#### ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledge/encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total Shares	
1.	Anand Chand Osatwal	46,900	1.28%	0.00 %	46,900	1.28%	0.00%	0.00%
2.	Uma Shankar Poddar	106	0.00%	0.00 %	106	0.00%	0.00%	0.00%
3.	Sudha Poddar	100	0.00%	0.00 %	100	0.00%	0.00%	0.00%
4.	Shanti Devi Poddar	100	0.00%	0.00 %	100	0.00%	0.00%	0.00%
5.	Ravindra Kumar Poddar	1,79,054	4.89%	0.00 %	1,79,054	4.89%	0.00%	0.00%
6.	Manju Poddar	38,000	1.04%	0.00 %	38,000	1.04%	0.00 %	0.00 %

## THE GANGES MANUFACTURING COMPANY LIMITED

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of Shares of the Company	% of Shares Pledge/ encumbered to total Shares	No. of Shares	% of Shares of the Company	% of Shares Pledge/ encumbered to total Shares	
7.	Suraj Poddar	508	0.01%	0.00 %	508	0.01%	0.00 %	0.00 %
8.	Sanjay Kumar Osatwal	40,234	1.10%	0.00 %	40,234	1.10%	0.00 %	0.00 %
9.	Sunil Chand Osatwal	25,797	0.70%	0.00 %	25,797	0.70%	0.00 %	0.00 %
10.	Manju Osatwal	34,350	0.94%	0.00 %	34,350	0.94%	0.00 %	0.00 %
11.	Roy Chand Osatwal	52,100	1.42%	0.00 %	52,100	1.42%	0.00 %	0.00 %
12.	Snehlata Osatwal	42,600	1.16%	0.00 %	42,600	1.16%	0.00 %	0.00 %
13.	Anuja Osatwal	3,950	0.11%	0.00 %	3,950	0.11%	0.00 %	0.00 %
14.	Debjani Osatwal	1,500	0.04%	0.00 %	1,500	0.04%	0.00 %	0.00 %
15.	Rajesh Kumar Osatwal	4,600	0.13%	0.00 %	4,600	0.13%	0.00 %	0.00 %
16.	Bimla Kumari Osatwal	1,500	0.04%	0.00 %	1,500	0.04%	0.00 %	0.00 %
	Total	4,71,399	12.88%		4,71,399	12.88%	0.00 %	0.00 %

### (iii) Change in Promoter's Shareholding (Please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
	At the beginning of the year	There is no change in Promoter's shareholding			
	Date wise Increase/decrease in Promoters share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)				
	At the end of the year				

### (iv) Shareholding Pattern of top ten Shareholders (other than, Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
	For Each of the Top 10 Shareholders				
1.	Lyons Corporate Market Limited	6,50,000	17.76%	6,50,000	17.76%
2.	Millennium Holding (P) Limited	4,50,050	12.30%	4,50,050	12.30%
3.	Celestial Holdings (P) Limited	4,50,000	12.30%	4,50,000	12.30%
4.	Celestial Consultants (P) Limited	4,50,000	12.30%	4,50,000	12.30%
5.	Chariot Eximp Limited	2,77,756	7.59%	2,77,756	7.59%



## THE GANGES MANUFACTURING COMPANY LIMITED

### (iv) Shareholding Pattern of top ten Shareholders (other than, Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
6.	Rochak Distributors (P) Limited	2,20,000	6.01%	2,20,000	6.01%
7.	Osatwal Jute & Gunny Sales (P) Ltd.	2,20,000	6.01%	2,20,000	6.01%
8.	Primax Fiscal Services Limited	1,00,000	2.73%	1,00,000	2.73%
9.	Life Insurance Corporation of India	21,200	0.58%	21,200	0.58%
10.	Admin.of the specified Undertaking	14,500	0.40%	14,500	0.40%

### (v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	For Each of the Director and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
1.	Ravindra Kumar Poddar	1,79,054	4.89%	1,79,054	4.89%
2.	Sanjay Kumar Osatwal	40,234	1.10%	40,234	1.10%

### 5. INDEBTEDNESS :

#### Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4,72,68,980	0	0	4,72,68,980
ii) Interest due but not paid	7,91,74,837	0	0	7,91,74,837
iii) Interest accrued but not due	0	0	0	0
<b>Total(i+ii+iii)</b>	<b>12,64,43,817</b>	<b>0</b>	<b>0</b>	<b>12,64,43,817</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	41,36,036	0	0	41,36,036
*Reduction	0	0	0	0
Net Change	41,36,036	0	0	41,36,036
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4,72,68,980	0	0	4,72,68,980
ii) Interest due but not paid	8,33,10,873	0	0	8,33,10,873
iii) Interest accrued but not due	0	0	0	0
<b>Total(i+ii+iii)</b>	<b>13,05,79,853</b>	<b>0</b>	<b>0</b>	<b>13,05,79,853</b>

## THE GANGES MANUFACTURING COMPANY LIMITED

### 6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### (i) Remuneration to Managing Director, Whole Time Director and /or Manager :

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Shri R K Poddar Chairman	Sri S K Osatwal MD and CFO	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	24,59,976	28,19,976	52,79,952
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	4,23,313	1,56,005	5,79,318
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission			
	- as % of Profit	0	0	0
	- others, specify	0	0	0
5.	Others, Please specify	0	0	0
	Total (A)	28,83,289	29,75,981	58,59,270
	Ceiling as per the Act			

#### (ii) Remuneration to Other Directors :

Sl. No.	Particulars of Remuneration	Name of the Directors		Total Amount
1.	Independent Directors	Shri D Datta	Sri P K Banerjee	
	Fee for attending board committee meetings	28,000	28,000	56,000
	Commission	0	0	0
	Others, Please specify	0	0	0
	Total (1)	28,000	28,000	56,000
2.	Other Non Executive Director	Shri P K Tripathi		
	Fee for attending board committee meetings	12,000		12,000
	Commission	0		0
	Others, Please specify	0		0
	Total (2)	12,000		12,000
	Total (B) = (1+2)	40,000	28,000	68,000
	Total Managerial Remuneration			59,27,270
	Overall Ceiling as per the Act			

**THE GANGES MANUFACTURING COMPANY LIMITED**

**(iii) Remuneration to Key Managerial Personnel other than MD / Manager / WTD :**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary Ram Karan Gupta	CFO	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	0	2,40,000	0	2,40,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		0	0	0
2.	Stock Option		0	0	0
3.	Sweat Equity		0	0	0
4.	Commission				
	- as % of Profit		0	0	0
	- others, specify		0	0	0
5.	Others, Please specify		0	0	0
	Total	0	2,40,000	0	2,40,000

**7. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act	Brief Description	Details of Penalty Punishment Compounding Fees imposed	Authority (RD/NCLT/ Court)	Appeal Made if any (give details)
A. COMPANY Penalty Punishment Compounding			Nil		
B. DIRECTORS Penalty Punishment Compounding			Nil		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			Nil		

On behalf of the Board  
**R. K. PODDAR**  
Chairman

Kolkata, the 19th day of August, 2015.

## THE GANGES MANUFACTURING COMPANY LIMITED

### ANNEXURE - "B" TO DIRECTORS' REPORT

#### INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

#### (1) Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the financial year:

Median remuneration of all the employees of the Company  
For the financial year 2014-2015 Rs.1,04,532

The percentage increase in the median remuneration  
of employees in the financial year 8.13%

The Number of permanent employees on the rolls of Company  
as on 31st March 2015 5840

Name of Director	Ratio of remuneration to median remuneration of all employees	% Increase in remuneration in the financial year 2014-2015
<b>Non - Executive Director</b>		
Mr Pradeep Kumar Tripathi	0.11 : 1	100%
Smt Madhu Jain *	-	-
<b>Independent Directors</b>		
Mr Dilip Datta	0.27 : 1	7.69%
Mr Pranab Kalyan Banerjee	0.27 : 1	(6.67%)
<b>Executive Directors</b>		
Mr Ravindra Kumar Poddar	27.58 : 1	197.38%
Mr Sanjay Kumar Osatwal **	28.47 : 1	206.18%

\* Appointed as Director on 21-03-2015

\*\* Given additional responsibilities of Chief Financial Officer from 21-03-2015

#### Notes:

(1) The ratio of remuneration to median remuneration is based on remuneration paid during the period 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015.

#### (2) Relationship between average increase in remuneration and Company performance :

The average increase in remuneration during the financial year 2014-2015 was 8.13% as compared with the previous financial year. Sales during the financial year was Rs 25,219.63 lacs compared to Rs 31,318.82 lacs in the previous financial year. The profit after tax for the financial year decreased by (125.39%) where as the increase in the median remuneration was 8.13%. The average increase in median remuneration was in line with the increase of salary in the industry.

## THE GANGES MANUFACTURING COMPANY LIMITED

### (3) Comparison of the remuneration of the KMP against the performance of the company :

Particulars	Rs in Lacs
Aggregate remuneration of KMP in financial year 2014 - 2015	60.99
Revenue	25,845.27
Remuneration of KMPs (as % revenue)	0.24%
Profit before Tax (PBT)	(222.57)
Remuneration of KMP (as % of PBT)	NA

(4) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

As the trading in shares of the Company is suspended, the required details are not available.

(5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile made in the salaries of employees other than the Key managerial personnel in the last financial year i.e 2014-2015 was 8.13 % where as the increase made in the Key managerial remuneration for the same financial year was 201.78%

(6) Comparison of the each remuneration of the KMP against the performance of the Company:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chairman	MD	Secretary
1.	Remuneration in FY 2014 - 2015 (Rs in Lacs)	28.83	29.76	2.40
2.	Sales(Rs in Lacs)	25,219.63	25,219.63	25,219.63
3.	Remuneration as % of revenue	0.1100%	0.1200%	0.0095%
4.	Profit before tax (PBT) (Rs.in lacs)	(222.57)	(222.57)	(222.57)
5.	Remuneration as % of PBT	NA	NA	NA

(7) **The Key parameters for any variable component of remuneration availed by the directors:**

There are no variable component of remuneration availed by the directors. Remuneration to non-executive directors involves sitting fees for attending meetings.

(8) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

Not applicable since no employee of the Company receives remuneration in excess of the highest paid director, i.e. MD.

(9) **Remuneration is as per the remuneration policy of the Company.**

On behalf of the Board  
**R. K. PODDAR**  
Chairman

Kolkata, the 19th day of August, 2015.

# THE GANGES MANUFACTURING COMPANY LIMITED

## ANNEXURE - "C" TO DIRECTORS' REPORT

INFORMATION UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES 2014 AND FORMING PART OF THE BOARD'S REPORT.

### 1. CONSERVATION OF ENERGY

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 Ancillary Equipments to the optimum, ensuring downtime at barest minimum.
- iv) Maintenance of all machines to make them energy efficient and minimize losses.

### 2. TECHNOLOGY, ABSORPTION, RESEARCH AND DEVELOPMENT

Process improvement and product development is an ongoing 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 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 licensed 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	14.00	26.87
ii) Total Foreign Exchange Earned	Nil	696.98

On behalf of the Board  
**R. K. PODDAR**  
Chairman

Kolkata, the 19th day of August, 2015.

**THE GANGES MANUFACTURING COMPANY LIMITED**

**ANNEXURE - "D" TO DIRECTORS' REPORT**

BABU LAL PATNI  
COMPANY SECRETARY

51, NALINI SETT ROAD  
5<sup>TH</sup> FLOOR, ROOM NO 19  
KOLKATA – 700 007  
TEL NO: 2259-7715/7716

**FORM No MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

To,  
The Members,  
The Ganges Manufacturing Co Ltd  
33A, Jawahar Lal Nehru Road  
Kolkata-700071

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Ganges Manufacturing Co Ltd (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of The Ganges Manufacturing Co Ltd's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by The Ganges Manufacturing Co Ltd ("the company") for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

## **THE GANGES MANUFACTURING COMPANY LIMITED**

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period).
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit Period).
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period).
- f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period).
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: (Not applicable to the Company during the Audit Period).
- vi) The other laws that are applicable and complied by the company are:
  - a. The Jute Packaging Materials Act, 1987
  - b. The Essential Commodities Act, 1955

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange. The Stock Exchange has suspended trading of shares of the Company

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- i) The Company has not complied with the provisions of the various Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 and the Listing Agreement entered into by the Company with Calcutta Stock Exchange.

### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



## **THE GANGES MANUFACTURING COMPANY LIMITED**

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and process in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the Audit period:

- i. The Company has accorded the consent of members to the Board of Directors u/s 180 (1) (c) of the Companies Act, 2013 for borrowing from time to time from such Banks and other Financial Institutions of such sum as they may deem requisite notwithstanding that money to be borrowed together with money already borrowed exceed the aggregate of the paid-up capital and its free reserves, provided that the aggregate of the monies that may be borrowed by the Board of Directors shall not exceed Rs One Hundred Crore outstanding at any point of time.
- ii. The Company has accorded the consent of members to the Board of Directors u/s 180 (1) (a) of the Companies Act, 2013 for mortgage and/or charge the whole or substantially the whole of one or more of the undertakings of the Company.
- iii. The Company has accorded the consent of members to the Board of Directors u/s 186 of the Companies Act, 2013 for giving any loan to any person or other body corporate, giving any guarantee or providing security in connection with a loan to any other body corporate or persons and/or acquiring whether by way of subscription, purchase or otherwise, the securities of any other body corporate upto an amount, the aggregate outstanding of which should not exceed, at any given time, Rs. 100 Crore.

**Place: Kolkata**

**Dated: 19<sup>th</sup> August, 2015**

**Name of the Company**

**Secretary in practice:**

**FCS No**

**:**

**C.P.No.**

**:**

**BABU LAL PATNI**

**2304**

**1321**

**Note:**

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**THE GANGES MANUFACTURING COMPANY LIMITED**

BABU LAL PATNI  
COMPANY SECRETARY

51, NALINI SETT ROAD  
5<sup>TH</sup> FLOOR, ROOM NO 19  
KOLKATA – 700 007  
TEL NO: 2259-7715/7716

**‘Annexure A’**

To,  
The Members,  
The Ganges Manufacturing Co Ltd  
33A, Jawahar Lal Nehru Road  
Kolkata-700071

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place: Kolkata**  
**Dated: 19<sup>th</sup> August, 2015**

<b>Name of the Company</b>	
<b>Secretary in practice:</b>	<b>BABU LAL PATNI</b>
<b>FCS No</b> :	<b>2304</b>
<b>C.P.No.</b> :	<b>1321</b>

## THE GANGES MANUFACTURING COMPANY LIMITED

### INDEPENDENT AUDITORS' REPORT

#### To The Members of 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, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

##### 2. Management's Responsibility 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 to give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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.

##### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An Audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation and presentation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## **THE GANGES MANUFACTURING COMPANY LIMITED**

### **8. Matter of Emphasis**

During the year the Company has suffered loss on account of accidental fire occurred in the Jute godown on 19<sup>th</sup> January, 2015 causing damage to stock of Raw Jute. The amount of loss as assessed by the company amounts to Rs 211.63 lacs which has been taken into account in Note 17. However, claim on insurance company has been lodged during 2015-16. Pending settlement of the Insurance claim, the amount of adjustment to be made is not ascertainable. This is not a Qualification.

### **9. Basis for Qualified Opinion**

*We report that No Provision has been made on account of :*

*Accrued Gratuity and Leave Encashment liabilities of Rs. 111.22 lacs for the year based on actuarial valuation and also unprovided liability upto 31st March 2014 for Rs. 2910.98 lacs (Refer note no 37) required as per AS 15.*

*Effect of the forgoing to the extent determinable is that liabilities are understated by Rs. 3,022.20 lacs with corresponding effect of under statement of Loss by Rs. 111.22 lacs for the year and Reserve & Surplus by Rs. 2,910.98 lacs.*

### **10. Qualified Opinion**

*In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements except stated on the basis of qualification give the information required by the Act in the matter so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its loss and its cash flows for the year ended on that date.*

### **11. Report on Other Legal and Regulatory Requirements**

As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

### **12. As required by Section 143(3) of the Act, we report that:**

- a) We have sought and 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) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except AS 15 as stated above.
- e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

## **THE GANGES MANUFACTURING COMPANY LIMITED**

- i) The Company has disclosed the impact of pending litigations as at March 31, 2015 in its financial statement. Refer Note No. 25
- ii) The Company has made neither long term contract nor any derivative contracts.
- iii) The Company has no amounts required to be transferred, to the Investor Education and Protection Fund during the year ended March 31, 2015.

“Centre Point”  
21, Old Court House Street  
Kolkata - 700 001

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

R.K.ROY CHAUDHURY  
*Partner*  
Membership No. 8816

The 19th day of August 2015

### **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph [11] of the Independent Auditors' Report of even date to the members of The Ganges Manufacturing Company Limited on the financial statements for the year ended March 31, 2015.)

- i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
(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, no discrepancies in respect of assets physically verified with those in the books records have been noticed.
- 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) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- 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. The Company has no service activities. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.

## THE GANGES MANUFACTURING COMPANY LIMITED

- v) The Company has not accepted any deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified. Therefore, Clause (V) of the Order is not applicable.
- vi) The Central Government has prescribed maintenance of cost records under Sub-Section (1) of Section 148 of the Companies Act, 2013 for the product of the Company. We have broadly reviewed the books of account maintained by the Company in respect of manufacture of Jute goods pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of the records with a view to determining whether they are accurate and complete.
- vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (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, 2015 on account of any dispute. However, following statutory dues on account of Value Added Tax, Sales Tax and Excise Duty were not deposited on account of dispute as on 31st March, 2015.

Sl. No.	Name of the Statute	Nature of Dues	Amount	Period to which the amount relates	Forum where dispute is pending
1.	<b>EXCISE DUTY</b> Central Excise Act, 1944	EXCISE DUTY	37,74,160	28-09-1996 to 28-02-1997	Customs, Excise & Service Tax Appellate Tribunal
2.	<b>VALUE ADDED TAX</b> West Bengal VAT Act, 2003	VAT & INTEREST	8,655 31,73,607 29,46,720	31-03-2009 31-03-2011 31-03-2012	Sales Tax Revision Board Sales Tax Revision Board Sales Tax Appellate Authority
3.	<b>CENTRAL SALES TAX</b> Central Sales Tax Act, 1956	SALES TAX & INTEREST	4,66,995 8,35,810 24,16,108 6,36,919 10,95,769 65,11,946	31-03-2005 31-03-2008 31-03-2009 31-03-2010 31-03-2011 31-03-2012	Sales Tax Revision Board Sales Tax Revision Board Sales Tax Revision Board Sales Tax Revision Board Sales Tax Revision Board Sales Tax Appellate Authority

**THE GANGES MANUFACTURING COMPANY LIMITED**

- (c) The company has no outstanding dues payable to account of Investor Education & Protection Fund.
- viii) 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 incurred cash loss during the financial year but not immediately preceding previous financial year.
- ix) 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.
- x) The Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore clause (x) of the order is not applicable.
- xi) The Company has not taken any term loan during the year. Therefore clause (xi) of the order is not applicable.
- xii) 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.

“Centre Point”  
21, Old Court House Street  
Kolkata - 700 001

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

The 19th day of August 2015

R.K.ROY CHAUDHURY  
*Partner*  
Membership No. 8816

**THE GANGES MANUFACTURING COMPANY LIMITED**

Balance Sheet As At 31st March, 2015

Amount in Rupees

	Note	As at 31-03-2015	As at 31-03-2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share Capital	1	3,65,92,660	3,65,92,660
Reserves & Surplus	2	(15,00,90,645)	(12,70,53,022)
		<u>(11,34,97,985)</u>	<u>(9,04,60,362)</u>
<b>Deferred Government Grants</b>	3	1,40,50,300	1,27,01,220
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities	4	2,98,72,641	2,91,91,225
Long Term Provisions	5	22,20,69,066	22,20,69,066
		<u>25,19,41,707</u>	<u>25,12,60,291</u>
<b>Current Liabilities</b>			
Trade Payables	6	39,24,23,001	57,53,70,359
Other Current Liabilities	7	22,91,63,535	24,31,16,913
		<u>62,15,86,536</u>	<u>81,84,87,272</u>
<b>TOTAL</b>		<u><b>77,40,80,558</b></u>	<u><b>99,19,88,421</b></u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
a) Tangible Assets	8	16,22,42,512	15,42,63,369
b) Capital Work in Progress	8	61,81,359	64,51,645
		<u>16,84,23,871</u>	<u>16,07,15,014</u>
Non Current Investments	9	6,000	6,000
Long Term Loans and Advances	10	53,76,403	1,01,94,906
		<u>17,38,06,274</u>	<u>17,09,15,920</u>
<b>Current Assets</b>			
Inventories	11	39,61,02,390	41,10,94,487
Trade Receivables	12	14,21,26,942	37,55,70,904
Cash & Cash Equivalents	13	57,65,375	1,57,42,737
Short Term Loans and Advances	14	3,51,16,799	1,60,00,037
Other Current Assets	15	2,11,62,778	26,64,336
		<u>60,02,74,284</u>	<u>82,10,72,501</u>
<b>TOTAL</b>		<u><b>77,40,80,558</b></u>	<u><b>99,19,88,421</b></u>

Notes forming part of the Financial Statements **1 to 44**

In terms of our Report of even date

For S.S.KOTHARI &amp; CO

Chartered Accountants

Registration No. 302034E

R.K.Roy Chaudhury

Partner

Membership No. 8816

Kolkata, the 19th day of August, 2015.

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, 2015

Amount in Rupees

	Note	2015	2014
<b>INCOME</b>			
Revenue from Operations	16	2,52,19,62,552	3,13,18,81,582
Other Income	17	6,25,64,360	4,23,23,681
<b>Total Revenue</b>		<b><u>2,58,45,26,912</u></b>	<b><u>3,17,42,05,263</u></b>
<b>EXPENSES</b>			
Cost of Materials Consumed	18.1	1,63,01,79,740	2,00,14,56,297
Purchase of Traded Goods	18.2	62,01,324	8,08,73,756
Changes in Inventories	19	2,16,48,169	(3,46,31,400)
Employee Benefits Expense	20	63,88,24,569	74,25,95,968
Finance Costs	21	41,36,170	41,36,106
Depreciation	8	1,43,88,242	1,69,49,891
Other Expenses	22	29,14,05,713	34,72,23,127
<b>Total Expenses</b>		<b><u>2,60,67,83,927</u></b>	<b><u>3,15,86,03,745</u></b>
<b>Profit/(Loss) Before Exceptional Items</b>		(2,22,57,015)	1,56,01,518
<b>Exceptional Items</b>			
Liabilities Written Back		0	12,49,51,213
<b>Profit/(Loss) Before Tax</b>		(2,22,57,015)	14,05,52,731
Current Tax Expense		0	4,41,74,261
Deferred Tax Expense / (Credit)		6,81,416	51,91,529
Income Tax for earlier Year		99,192	4,65,629
<b>Profit/(Loss) for the year</b>		<b>(2,30,37,623)</b>	<b>9,07,21,312</b>
Earnings Per Share of Rs. 10/- each - Basic and Diluted	23	(6.30)	24.79

Notes forming part of the Financial Statements

1 to 44

In terms of our Report of even date  
For S.S.KOTHARI & CO  
Chartered Accountants  
Registration No. 302034E  
R.K.Roy Chaudhury  
Partner  
Membership No. 8816  
Kolkata, the 19th day of August, 2015.

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, 2015

Amount in Rupees

	2015	2015	2014	2014
<b>A. Cash Flow from Operating Activities</b>				
Net Profit / Loss Before Tax		(2,22,57,015)		14,05,52,731
Adjustment for				
- Depreciation	1,43,88,242		1,69,49,891	
- Interest Charged	41,36,170		41,36,106	
- Interest Received	(2,15,05,921)		(2,30,06,376)	
- Deferred Government Grant Allocation	(30,87,520)		(26,11,600)	
- (Profit)/Loss on Sale of Fixed Assets	(46,85,812)	(1,07,54,841)	(75,44,376)	(1,20,76,355)
Operating profit before working capital changes		(3,30,11,856)		12,84,76,376
Adjustment for				
- Trade Receivable	23,34,43,962		(5,45,86,638)	
- Inventories	1,49,92,097		(10,16,58,967)	
- Loan & Advances (Long Term & Short Term)	(1,42,98,259)		2,21,89,129	
- Other Current Assets	(1,84,98,442)		(20,66,455)	
- Trade Payables	(18,29,47,358)		19,76,54,490	
- Other Current Liabilities	(1,39,53,378)	1,87,38,622	(14,42,06,977)	(8,26,75,418)
Cash generated from operations		(1,42,73,234)		4,58,00,958
Direct Taxes Paid		(99,192)		(4,46,39,890)
Cash flow before Extraordinary items		(1,43,72,426)		11,61,068
Extraordinary Items		0		0
Net Cash from Operating Activities		(1,43,72,426)		11,61,068
<b>B. Cash Flow From Investing Activities</b>				
Purchase of fixed assets		(2,23,19,457)		(3,05,10,438)
Sale of fixed assets		49,08,170		85,72,238
Deferred Government Grant		44,36,600		41,14,000
Interest Received		2,15,05,921		2,30,06,376
Net cash used in investing activities		85,31,234		51,82,176
<b>C. Cash Flow from financing activities</b>				
Interest Paid (Net)		(41,36,170)		(41,36,106)
Net Cash used from financing activities		(41,36,170)		(41,36,106)
Net increase in cash and cash equivalents (A+B+C)		(99,77,362)		22,07,138
Cash and cash equivalents - Opening Balance		1,57,42,737		1,35,35,599
Cash and cash equivalents - Closing Balance		57,65,375		1,57,42,737
<b>Notes :</b>				
<b>Cash and Cash equivalents include:</b>				
Cash Balances		27,75,514		41,09,648
Bank Balances		29,89,861		1,16,33,089
		57,65,375		1,57,42,737

In terms of our Report of even date

For S.S.KOTHARI & CO

Chartered Accountants

Registration No. 302034E

R.K.Roy Chaudhury

Partner

Membership No. 8816

Kolkata, the 19th day of August, 2015.

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 31-03-2015	As at 31-03-2014
<b>NOTE 1 : SHARE CAPITAL</b>		
<b>i) Authorised</b>		
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
<b>Total</b>	4,00,00,000	4,00,00,000

**ii) Issued, Subscribed & Paid up (fully paid up)**

36,59,266 (P.Y. 36,59,266) Equity Shares of Rs.10/- each	3,65,92,660	3,65,92,660
<b>Total</b>	3,65,92,660	3,65,92,660

Notes :

**i) Reconciliation of Number of Shares**

	As at 31-03-2015		As at 31-03-2014	
	Nos.	Amount (Rs.)	Nos.	Amount (Rs.)
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**

**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. 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 :**

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

	As at 31-03-2015	As at 31-03-2014
<b>Equity Shares of Rs.10/- each</b>	No.of Shares	No.of Shares
Lyons Corporate Market Ltd.	6,50,000	6,50,000
Millennium Holding 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**                      **As at**  
**31-03-2015**              **31-03-2014**

### 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	<u>0</u>	<u>0</u>
Closing Balance	<u>1,44,75,000</u>	<u>1,44,75,000</u>

#### ii) Surplus / (Deficit) in Statement of Profit & Loss

Opening Balance	(14,15,28,022)	(23,22,49,334)
Add : Net Profit / (Loss) for the year	<u>(2,30,37,623)</u>	<u>9,07,21,312</u>
Closing Balance	<u>(16,45,65,645)</u>	<u>(14,15,28,022)</u>

#### Total

**(15,00,90,645)**      **(12,70,53,022)**

### NOTE 3 : DEFERRED GOVERNMENT GRANTS

Opening Balance	1,27,01,220	1,11,98,820
Add : During the year	44,36,600	41,14,000
Less : Transferred to Deferred Government Grant Allocation Account	<u>30,87,520</u>	<u>26,11,600</u>
Closing Balance	<u>1,40,50,300</u>	<u>1,27,01,220</u>

*(Please Refer Note No. 39)*

### 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	2,91,91,225	2,39,99,696
Changes for the year	<u>6,81,416</u>	<u>51,91,529</u>
Closing Balance	<u>2,98,72,641</u>	<u>2,91,91,225</u>

### NOTE 5 : LONG TERM PROVISIONS

#### i) Provisions for Employee Benefits

Provision for Gratuity (on Actuarial Valuation)	<u>22,20,69,066</u>	<u>22,20,69,066</u>
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#### Total

22,20,69,066      22,20,69,066

*(Please Refer Note No.37)*

## THE GANGES MANUFACTURING COMPANY LIMITED

### Notes Forming Part of the Financial Statements

Amount in Rupees

	As at 31-03-2015	As at 31-03-2014
<b>NOTE 6 : TRADE PAYABLES</b>		
<b>Trade Payables</b>		
i) Due to Micro, Small and Medium Enterprises	0	0
ii) Due to Others	39,24,23,001	57,53,70,359
<b>Total</b>	39,24,23,001	57,53,70,359

(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	8,33,10,873	7,91,74,837
iii) Advances from Customers	2,60,383	68,64,311
iv) Payable to Employees	5,56,87,860	6,30,07,123
v) Statutory Liabilities	1,51,36,490	1,17,71,905
vi) Deposits	1,46,320	1,36,320
vii) Other Liabilities	2,73,52,629	3,48,93,437
<b>Total</b>	22,91,63,535	24,31,16,913

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 and 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

8,33,10,873      7,91,74,837

## Notes Forming Part of the Financial Statements

Amount in Rupees

## NOTE 8 : FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2014	Additions	Disposals / Adjustments	As at 31.03.2015	As at 01.04.2014	For the year	Disposals/ Adjustments	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
<b>Tangible Assets</b>										
Freehold Land	7,17,988	0	0	7,17,988	0	0	0	0	7,17,988	7,17,988
Buildings	1,86,96,561	40,31,982	0	2,27,28,543	76,64,873	1,89,488	0	78,54,361	1,48,74,182	1,10,31,688
Plant & Machinery	30,63,90,253	1,55,57,047	11,73,835	32,07,73,465	18,97,84,122	57,34,735	11,15,143	19,44,03,714	12,63,69,751	11,66,06,131
Works Auxiliaries	2,78,29,649	23,52,212	0	3,01,81,861	1,04,14,196	46,44,093	0	1,50,58,289	1,51,23,572	1,74,15,453
Furniture/Fixtures & Office Equipments	2,16,89,057	6,48,502	0	2,23,37,559	1,45,12,974	36,85,682	0	1,81,98,656	41,38,903	71,76,083
Motor Vehicles and Material Handling Equipments	45,39,272	0	5,28,155	40,11,117	32,23,246	1,34,244	3,64,489	29,93,001	10,18,116	13,16,026
<b>TOTAL</b>	<b>37,98,62,780</b>	<b>2,25,89,743</b>	<b>17,01,990</b>	<b>40,07,50,533</b>	<b>22,55,99,411</b>	<b>1,43,88,242</b>	<b>14,79,632</b>	<b>23,85,08,021</b>	<b>16,22,42,512</b>	<b>15,42,63,369</b>
Capital Work in Progress	64,51,645	16,83,824	19,54,110	61,81,359	0	0	0	0	61,81,359	64,51,645
<b>GRAND TOTAL</b>	<b>38,63,14,425</b>	<b>2,42,73,567</b>	<b>36,56,100</b>	<b>40,69,31,892</b>	<b>22,55,99,411</b>	<b>1,43,88,242</b>	<b>14,79,632</b>	<b>23,85,08,021</b>	<b>16,84,23,871</b>	<b>16,07,15,014</b>
Previous Year	36,08,17,353	3,27,29,122	72,32,050	38,63,14,425	21,26,35,024	1,69,49,891	39,85,504	22,55,99,411	16,07,15,014	14,81,82,329

Note : Please refer Note No.42

## THE GANGES MANUFACTURING COMPANY LIMITED

### Notes Forming Part of the Financial Statements

Amount in Rupees

	As at 31-03-2015	As at 31-03-2014
<b>NOTE 9 : NON CURRENT INVESTMENTS</b>		
<b>Long Term (at Cost)</b>		
<b>Non-Trade, Unquoted</b>		
1170 Equity Shares of Rs.10/- each of Woodlands	6,000	6,000
Multispeciality Hospitals Ltd - Fully Paid up (Previous Year - 1170 Equity Shares of Rs.10/- each of Woodlands Multispeciality Hospitals Limited - Fully paid up)		
<b>Total</b>	6,000	6,000
Note :		
i) Aggregate amount of unquoted Investments	6,000	6,000
<b>NOTE 10 : LONG TERM LOANS AND ADVANCES</b>		
<i>(Unsecured, Considered Good)</i>		
i) Advances	7,72,662	30,29,668
ii) Capital Advances	0	17,35,500
iii) Advances to Suppliers	9,96,668	26,58,342
iv) Income Tax Refundable	21,72,610	13,36,933
v) Advance Vat Paid - Refundable	12,31,372	12,31,372
vi) Deposits	2,03,091	2,03,091
<b>Total</b>	53,76,403	1,01,94,906
<b>NOTE 11 : INVENTORIES</b>		
<i>(At lower of cost or net realisable value)</i>		
i) Raw Material	15,71,35,707	14,91,25,547
ii) Process Stock	3,83,44,168	2,70,45,108
iii) Finished Goods	18,72,84,899	22,02,32,128
iv) Stores, Accessories and Spares Parts	1,33,37,616	1,46,91,704
<b>Total</b>	39,61,02,390	41,10,94,487
Note : Finished Goods include Stock in Transit	2,93,49,891	1,55,49,614
<b>NOTE 12 : TRADE RECEIVABLES</b>		
<i>(Unsecured)</i>		
Trade Receivables		
i) Outstanding for more than Six months		
a) Considered Good	2,74,92,014	3,09,59,183
b) Considered Doubtful	0	81,30,363
	2,74,92,014	3,90,89,546
ii) Others	11,46,34,928	33,64,81,358
<b>Total</b>	14,21,26,942	37,55,70,904

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

Amount in Rupees

	As at 31-03-2015	As at 31-03-2014
<b>NOTE 13 : CASH AND CASH EQUIVALENTS</b>		
i) Cash on Hand	27,75,514	41,09,648
ii) Cheques, Drafts on Hand	13,33,429	1,95,437
iii) Balances with Banks		
a) In Current Accounts	16,56,432	26,86,807
b) In Fixed Deposits (Including accrued Interest)	0	87,50,845
- with more than 12 months Original Maturity		
<b>Total</b>	<u>57,65,375</u>	<u>1,57,42,737</u>

**NOTE 14 : SHORT TERM LOANS AND ADVANCES***(Unsecured , Considered Good)*

i) Advances	2,33,68,159	67,59,796
ii) Advances to Suppliers	50,21,423	57,13,053
iii) Balances with Government Authorities	1,55,036	4,55,935
iv) Advance Income Tax (net of provision)	46,50,593	12,24,812
v) Deposits with ESIC (under dispute)	19,21,588	18,46,441
<b>Total</b>	<u>3,51,16,799</u>	<u>1,60,00,037</u>

**Note :**

i) Balances with Government Authorities include Vat Input credit available	0	2,26,538
ii) Advance Income Tax comprises of : Advance Income Tax/Tax deducted at source	46,50,593	4,53,99,073
Less : Provision for Income Tax	0	4,41,74,261
	<u>46,50,593</u>	<u>12,24,812</u>

**NOTE 15 : OTHER CURRENT ASSETS***(Unsecured , Considered Good)*

i) Insurance Claim Receivable	2,11,62,778	0
ii) Export Incentives Receivable	0	26,64,336
<b>Total</b>	<u>2,11,62,778</u>	<u>26,64,336</u>

**NOTE 16 : REVENUE FROM OPERATIONS**

	2015	2014
i) Sale of Products (Jute Goods)	2,49,44,42,791	3,15,83,25,618
Less : Cess Duty	<u>(2,48,88,592)</u>	<u>(3,07,06,003)</u>
	2,46,95,54,199	3,12,76,19,615
ii) Other Operating Revenues Incentives on Indirect Export	5,24,08,353	42,61,967
<b>Total</b>	<u>2,52,19,62,552</u>	<u>3,13,18,81,582</u>



## THE GANGES MANUFACTURING COMPANY LIMITED

### Notes Forming Part of the Financial Statements

Amount in Rupees

	2015	2014
<b>NOTE 17 : OTHER INCOME</b>		
i) Rent Received	49,42,272	50,34,711
ii) Interest Income	2,15,05,921	2,30,06,376
iii) Interest on Income Tax	0	61,573
iv) Gains on Foreign Currency Translations (net)	7,994	10,63,843
v) Insurance Claim (pending settlement)	2,11,62,778	0
vi) Liabilities Written Back	32,13,600	0
vii) Sale of Scrap	38,54,668	28,56,890
viii) Profit on Sale of Fixed Assets	46,85,812	75,44,376
ix) Deferred Government Grants Allocation A/c	30,87,520	26,11,600
x) Other Non Operating Income	1,03,795	1,44,312
<b>Total</b>	6,25,64,360	4,23,23,681
<b>NOTE 18.1 : COST OF MATERIALS CONSUMED</b>		
<b>Opening Stock</b>		
Raw Jute	12,49,61,630	7,99,32,638
Yarn Stock	2,24,19,866	0
Raw Material - Others	17,44,051	27,09,115
	14,91,25,547	8,26,41,753
<b>Add : Purchases</b>		
Jute Purchased including expenses	1,47,96,22,334	1,61,75,60,465
Yarn/Cloth Purchased including expenses	33,34,26,436	41,69,73,782
Raw Material - Others	4,18,12,355	4,31,81,501
Fire damaged goods salvaging expenses	16,23,065	0
	1,85,64,84,190	2,07,77,15,748
Less : Sale of Jute	18,73,78,947	0
Less : Sale of Jute Waste	89,75,009	87,95,882
Less : Loss on Fire Damage	2,11,62,778	0
Less : Sale of Raw Material - Others	7,77,556	9,79,775
	21,82,94,290	97,75,657
<b>Less : Closing Stock</b>		
Raw Jute	12,62,56,230	12,49,61,630
Yarn Stock	3,01,02,500	2,24,19,866
Raw Material - Others	7,76,977	17,44,051
	15,71,35,707	14,91,25,547
<b>Total</b>	<b>1,63,01,79,740</b>	<b>2,00,14,56,297</b>
<b>NOTE 18.2 : PURCHASE OF TRADED GOODS</b>		
Yarn/Twine/Cloth Purchased	62,01,324	8,08,73,756
<b>Total</b>	62,01,324	8,08,73,756
<b>NOTE 19 : CHANGES IN INVENTORIES</b>		
<b>Opening Stock</b>		
Finished Goods	22,02,32,128	18,62,64,603
Process Stock	2,70,45,108	2,63,81,233
	24,72,77,236	21,26,45,836
<b>Closing Stock</b>		
Finished Goods	18,72,84,899	22,02,32,128
Process Stock	3,83,44,168	2,70,45,108
	22,56,29,067	24,72,77,236
Net (Increase) / decrease in stock	<b>2,16,48,169</b>	<b>(3,46,31,400)</b>

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

Amount in Rupees

	<b>2015</b>	<b>2014</b>
<b>NOTE 20 : EMPLOYEE BENEFITS EXPENSE</b>		
i) Salaries, Wages, Bonus and Gratuity	56,46,13,654	67,09,63,482
ii) Contribution to Provident and Other Funds	6,61,66,398	6,43,73,411
iii) Welfare Expenses	80,44,517	72,59,075
<b>Total</b>	<u>63,88,24,569</u>	<u>74,25,95,968</u>

**NOTE 21 : FINANCE COSTS**

Interest Expense		
Interest on Borrowings	41,36,170	41,36,106
<b>Total</b>	<u>41,36,170</u>	<u>41,36,106</u>

**NOTE 22 : OTHER EXPENSES**

i) Consumption of Stores	6,09,64,556	6,56,53,848
ii) Power & Fuel	14,38,42,042	15,49,92,234
iii) Brokerage & Consignment Sales Expenses	8,45,491	10,20,751
iv) Repairs to Roads and Buildings	44,16,948	62,36,374
v) Repairs to Plant & Machinery	1,56,89,648	1,76,59,193
vi) Export Freight, Shipping & Other Charges	0	27,76,249
vii) Other Manufacturing & Selling Expenses	1,73,92,141	6,71,48,724
viii) Loss on Raw Material damaged in Fire (Please refer Note No.41)	2,11,62,778	0
ix) Cess Duty Paid (Net)	2,40,025	5,73,115
x) Rates & Taxes	23,43,831	27,06,209
xi) Insurance	9,45,155	5,34,768
xii) Subscription	9,42,537	8,93,975
xiii) Other Administrative Expenses	2,07,05,882	2,67,44,345
xiv) Director's Fee	68,000	56,000
xv) Rent Paid	16,20,000	0
xvi) Auditor's Remuneration		
For Audit Fees	1,50,000	1,50,000
For Tax Audit	50,000	50,000
For Other Services	18,719	19,663
For Reimbursement of Expenses	7,960	7,680
<b>Total</b>	<u>29,14,05,713</u>	<u>34,72,23,127</u>

**NOTE 23 : EARNING PER SHARE (EPS)**

The Computation of EPS is set out below :

**Earnings**

Net Profit / (Loss) for the Period	(2,30,37,623)	9,07,21,312
------------------------------------	---------------	-------------

**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)	(6.30)	24.79

## THE GANGES MANUFACTURING COMPANY LIMITED

### Notes Forming Part of the Financial Statements

#### NOTE 24 : SIGNIFICANT ACCOUNTING POLICIES

##### 24.1 Basis of Preparation of Financial Statements

The Company follows the mercantile system of accounting and recognizes income and expenses on accrual basis. The accounts are prepared on historical cost basis as a going concern. Accounting policies not referred to otherwise are consistent with generally accepted accounting principles and the provisions of the Companies Act, 2013.

##### 24.2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principle requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized.

##### 24.3 Revenue Recognition

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

##### 24.4 Tangible Fixed Assets

Tangible fixed assets are stated at cost of acquisition and subsequent improvements thereto; net of Value added tax, rebates, reimbursement, less accumulated depreciation and impairment loss, if any.

##### 24.5 Intangible Fixed Assets

Intangible assets are recognized only when future economic benefit attributable to the assets will flow to the enterprise and cost can be measured reliably. Intangible assets are stated at cost. Cost includes any directly attributable expenditure on making the asset ready for its intended use.

##### 24.6 Depreciation and Amortisation

- i. Depreciation on Tangible Fixed Assets has been provided on straight-line method at the rates determined based on the useful lives of respective assets as prescribed in Schedule II to The Companies Act, 2013.
- ii. Intangible assets are amortised over their estimated useful life.

##### 24.7 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.

##### 24.8 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.

##### 24.9 Foreign Currency Translation

Transaction in foreign currencies are normally recorded at exchange rate prevailing at the time of transactions. Gain 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 gain or loss on account of exchange differences on such translations is recognized in the Profit & Loss Statement.

##### 24.10 Investments

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

##### 24.11 Export Market Benefits

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

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

**24.12 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.

**24.13 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.

**24.14 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.

**24.15 Contingent Liabilities**

Contingent Liabilities, if any, are not provided for and are separately disclosed by way of "Notes".

	<b>2015</b>	<b>2014</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>25. Contingent Liabilities not provided for in respect of :</b>		
i) Claims against the Company not acknowledged as debts :		
Demands under dispute pending in appeals		
(a) Commercial Taxes	1,80,92,529	8,53,17,443
(b) Excise Duty	37,74,160	37,74,160
(Net of deposit of Rs.13,75,534 paid and debited to Profit & Loss statement 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	50,13,985	38,43,303
(Net of Rs.19,21,588 deposited against disputed demand and Rs. 2,27,320 paid and debited to Profit & Loss Statement in earlier years, Previous Year Rs.18,46,441)		
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	Nil	2,60,671
iii) Against Securities provided by third parties :		
Guarantees given by banks	13,11,47,540	10,27,45,517
iv) Estimated Amount of Contracts remaining to be executed on Capital Account (net of Advances) and not provided for		
	Nil	4,87,36,906

## 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
iii)	Mr Ram Karan Gupta	Secretary

b) Transactions with Related Parties :

Type of Related Parties	Description of the nature of the transactions	Volume of transactions during 2014-15 (Rs.)	Volume of transactions during 2013-14 (Rs.)
Key Management Personnel	Remuneration	58,59,271	19,41,552
Secretary	Remuneration	2,40,000	1,09,200

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.

		2015	2014
29.	Expenditure in Foreign Currency :		
	Travelling Expenses	13,34,906	26,11,960
30.	Earnings in Foreign Exchange :		
	F.O.B. Value of Exports	Nil	6,84,61,964
31.	Consumption of Raw Material :		
	Raw Jute, Yarn, Twine, Cloth etc	1,58,81,77,867	1,95,82,89,507
	Raw Materials - Others	4,20,01,873	4,31,66,790
		<u>1,63,01,79,740</u>	<u>2,00,14,56,297</u>
32.	Consumption of Raw Material :		
	Indigenous	1,63,01,79,740 (100.00%)	2,00,14,56,297 (100.00%)
	Imported	0 (0.00%)	0 (0.00%)
		<u>1,63,01,79,740</u>	<u>2,00,14,56,297</u>
33.	Consumption of Stores and Spares :		
	Indigenous	8,45,63,400 (100.00%)	9,18,91,156 (98.64%)
	Imported	0 (0.00%)	12,62,559 (1.36%)
		<u>8,45,63,400</u>	<u>9,31,53,715</u>

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

Repairs to Buildings	Rupees	44,16,948	60,26,374
Repairs to Machinery	Rupees	1,55,60,458	1,75,13,610
Power & Fuel	Rupees	1,62,388	1,31,631

# THE GANGES MANUFACTURING COMPANY LIMITED

## Notes Forming Part of the Financial Statements

		2015	2014
Motor Vehicle Expenses	Rupees	25,124	Nil
Welfare Expenses	Rupees	2,68,961	3,66,995
Material Handling Equipments Expenses	Rupees	31,64,965	34,61,257
<b>34. C.I.F. Value of Imports :</b>			
Raw Materials	Rupees	Nil	Nil
Capital Goods	Rupees	Nil	Nil
<b>35.</b>	The Cess payable amounting to Rs.15,79,350 (Previous year Rs. 21,08,230 ) on closing stock of finished goods has not been provided in the accounts. However, this will not have any impact on Loss for the year.		
<b>36.</b>	Other Liabilities - under Note 7 include cheques overissued amounting to Rs.Nil (P.Y. Rs. 13,92,949)		
<b>37. Defined Benefit Plans :</b>			
As per Actuarial valuation as on 31st March, 2015 and recognised in the financial statements in respect of Defined Employee Benefit Schemes			
<b>37.1 Gratuity</b>			
	Description	Gratuity (Unfunded) 2015 Rs.	Gratuity (Unfunded) 2014 Rs.
<b>a) Reconciliation of Opening Balances of the Present Value of the Defined Benefit Obligation</b>			
	Present Value of Obligation at the beginning of the year	44,15,12,562	41,44,02,218
	Current Service Cost	2,27,08,523	2,07,31,258
	Interest Cost	4,02,44,674	3,85,16,165
	Amortization of Past Service Cost	0	0
	Actuarial (Gains) / Losses	(4,12,90,807)	26,87,854
	Benefit Paid	(1,03,61,420)	(3,48,24,933)
	<b>Present Value of Obligation at the end of the year</b>	<b>45,28,13,532</b>	<b>44,15,12,562</b>
<b>b) Reconciliation of the Opening Balance of Plan Assets</b>			
	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	1,03,61,420	3,48,24,933
	Benefit Paid	(1,03,61,420)	(3,48,24,933)
	<b>Fair Value of Plan Assets at the end of the year</b>	<b>0</b>	<b>0</b>
<b>c) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets</b>			
	Present Value of obligations at the end of the year	45,28,13,532	44,15,12,562
	Fair Value of Plan Assets at the end of the year	0	0
	Assets/(Liabilities) to be recognized in the Balance Sheet	(45,28,13,532)	(44,15,12,562)
	Assets/(Liabilities) recognized in the Balance Sheet	(22,20,69,066)	(22,20,69,066)
	Assets/(Liabilities) unprovided in the Balance Sheet	(23,07,44,466)	(21,94,43,496)

## THE GANGES MANUFACTURING COMPANY LIMITED

### Notes Forming Part of the Financial Statements

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

Current Service Cost	2,27,08,523	2,07,31,258
Interest Cost	4,02,44,674	3,85,16,165
Actual Return on Plan Assets	0	0
Amortization of Past Service Cost	0	0
Actuarial (Gains) / Losses	(4,12,90,807)	26,87,854
Total Expenses to be recognized	2,16,62,390	6,19,35,277
Expenses recognized	1,03,61,420	3,48,24,933
Expenses unprovided for the year	1,13,00,970	2,71,10,344

e) **Actuarial Assumptions**

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

Mortality Rate In accordance with standard table  
IALM (2006-08) ultimate

### 37.2 Leave Encashment

Description	Leave encashment (Unfunded) 2015 Rs.	Leave encashment (Unfunded) 2014 Rs.
<b>a) Reconciliation of Opening Balances of the Present Value of the Defined Benefit Obligation</b>		
Present Value of Obligation at the beginning of the year	7,16,54,597	6,97,20,554
Current Service Cost	60,22,153	49,53,566
Interest Cost	64,40,876	63,61,882
Amortization of Past Service Cost	0	0
Actuarial (Gains) / Losses	59,34,875	1,03,61,624
Benefit Paid	(1,85,76,522)	(1,97,43,029)
<b>Present Value of Obligation at the end of the year</b>	<b>7,14,75,979</b>	<b>7,16,54,597</b>
<b>b) Reconciliation of the Opening Balance of Plan Assets</b>		
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	1,85,76,522	1,97,43,029
Benefit Paid	(1,85,76,522)	(1,97,43,029)
<b>Fair Value of Plan Assets at the end of the year</b>	<b>0</b>	<b>0</b>
<b>c) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets</b>		
Present Value of obligations at the end of the year	7,14,75,979	7,16,54,597
Fair Value of Plan Assets at the end of the year	0	0
Assets/(Liabilities) to be recognized in the Balance Sheet	(7,14,75,979)	(7,16,54,597)
Assets/(Liabilities) recognized in the Balance Sheet	0	0
Assets/(Liabilities) unprovided in the Balance Sheet	(7,14,75,979)	(7,16,54,597)

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

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

Current Service Cost	60,22,153	49,53,566
Interest Cost	64,40,876	63,61,882
Actual Return on Plan Assets	0	0
Amortization of Past Service Cost	0	0
Actuarial (Gains) / Losses	59,34,875	1,03,61,624
Total Expenses to be recognized	1,83,97,904	2,16,77,072
Expenses recognized	1,85,76,522	1,97,43,029
Expenses unprovided for the year	(1,78,618)	19,34,043

e) **Actuarial Assumptions**

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

Mortality Rate In accordance with standard table IALM (2006-08) 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.1,85,76,522 (Previous Year Rs.1,97,43,029) and gratuity paid/provided on actual liability basis amounting to Rs.1,03,61,420 (Previous Year Rs.3,48,24,933) during the year.
- c) The total accrued unprovided liability of existing employees as on 31<sup>st</sup> March 2015 for future payments determined as per actuarial valuation for Gratuity amounts to Rs 23,07,44,466 (Previous Year Rs. 21,94,43,496) and for leave encashment amounts to Rs. 7,14,75,979 (Previous Year Rs. 7,16,54,597). 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.
38. 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.
39. 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.
40. Reimbursement of expenses amounting to Rs. 16,26,185 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’.



## THE GANGES MANUFACTURING COMPANY LIMITED

### Notes Forming Part of the Financial Statements

41. During the year the Company has suffered loss on account of accidental fire occurred in the Jute godown on 19<sup>th</sup> January, 2015 causing damage to stock of Raw Jute. The amount of loss as assessed by the company amounts to Rs 211.63 lacs which has been taken into account in Note 22. However, claim on insurance company has been lodged during 2015-16. Adjustment, if any, in respect of the amount claimed and amount settled will be made in the year of settlement.
42. Depreciation on Fixed Assets has been provided in Note 8 based on revised useful life of each of such assets, as provided in Schedule II to the Companies Act, 2013 made effective from 1st April, 2014. Consequently, depreciation charge for the year ended 31st March, 2015 is higher by Rs. 16.20 lacs and loss is higher to that extent with corresponding impact on the carrying amounts of Fixed Assets and Reserves.
43. 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.
44. Figures for previous year have been re-cast/rearranged where necessary.

Notes forming part of the Financial Statements      **1 to 44**

In terms of our Report of even date  
For S.S.KOTHARI & CO  
Chartered Accountants  
Registration No. 302034E  
R.K.Roy Chaudhury  
Partner  
Membership No. 8816  
Kolkata, the 19th day of August, 2015.

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

CIN : L51909WB1916PLC002713

**Regd. Office :**

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

## PROXY FORM

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): .....

Registered Address : .....

E-mail ID .....

Folio No./ Client ID: ..... DP ID: .....

I/We being the Member(s) of \_\_\_\_\_ equity shares of Rs. 10 each of The Ganges Manufacturing Company Limited, hereby appoint:

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

2. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

3. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 99th Annual General Meeting of the Company, to be held on Wednesday, September, 30, 2015 at 10.00 a.m. at Nehru Children's Museum, 94/1, Chowringhee Road, Kolkata 700 020 and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

Resolution No.	Description
1.	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March 2015.
2.	Re-appointment of Sri Sanjay Kumar Osatwal as a Director, who retire by rotation
3.	Appointment of Auditor and to fix their remuneration.
4.	Appointment of Smt Madhu Jain (DIN 07129506) as Director
5.	Ratification of Remuneration of Cost Auditor

Signed: this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Signature of Member(s): \_\_\_\_\_

Signature of the Proxy holder(s): \_\_\_\_\_

Affix  
Revenue  
Stamp

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before**



**THE GANGES MANUFACTURING COMPANY LIMITED**

CIN : L51909WB1916PLC002713

**ATTENDANCE SLIP**

**99th Annual General Meeting - Wednesday, 30th September, 2015,10:00 A.M.**

Regd. Folio No.....

DP ID No. ....

Client ID No.....

I hereby record my presence at the 99th Annual General Meeting of the Company at Nehru Children's Museum, 94/1, Chowringhee Road, Kolkata 700 020 at 10.00 A.M. on Wednesday, the 30th day of September, 2015.

\_\_\_\_\_  
Member's /Proxy Name (in Block Letters)

\_\_\_\_\_  
Signature of the Members / Proxy  
(To be signed at the time of handing over the slip)

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

